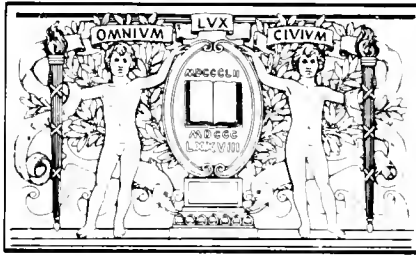


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THE DEPARTMENT OF STATE BULLETIN

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THE DEPARTMENT OF STATE **BULLETIN**

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The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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Rhodesia—Proposals for a Settlement

British Foreign Secretary David Owen and U.S. Ambassador to the United Nations Andrew Young visited Africa for consultations on the question of establishing majority rule in Zimbabwe (Southern Rhodesia). They met with leaders in Nigeria (August 26), Zambia (August 26–28), South Africa (August 28–30), Tanzania (August 30), Kenya (August 30–September 1), and Zimbabwe (September 1). They left for London on September 1 and Ambassador Young returned to the United States on September 2.

Following are a joint news conference by Foreign Secretary Owen and Ambassador Young in London on September 2 and the text of the proposals for establishing majority rule in Zimbabwe presented to the British Parliament on September 1 by Foreign Secretary Owen.

JOINT NEWS CONFERENCE

Q. Dr. Owen, what are your plans now, immediately to go to the [U.N.] Security Council at once or [inaudible]?

Foreign Secretary Owen: Well, the documentation is being sent to the Security Council—to the President of the Security Council. That was done on publication day and we'll now go to the Security Council; the exact timing and the exact—when we go I won't want to be committed but I'd be surprised if it's—well, we expect to do it this month.

Q. But what do you ask for when you go?

Foreign Secretary Owen: We'll be asking for the Security Council to agree for the Secretary General [Kurt Waldheim] to appoint a representative to enter into the negotiations and discussions about the security situation and law and order and above all the achievement of a negotiated cease-fire. It's for the

Secretary General in the United Nations to decide who it should be, but I think from my discussions with Dr. Waldheim that he was thinking in terms of appointing the person who might become the commander of the U.N. force. So that you would have the people who are actually going to deal with the security situation, the Resident Commissioner designate, and the special representative of the United Nations doing the negotiating in the full knowledge that any agreement that was reached was one that they would actually be implementing, and I think that tends to concentrate the mind of everyone.

Q. Does anyone you talk to seriously accept the need to get an early cease-fire?

Foreign Secretary Owen: I think almost everyone. My only doubts on that score still lie with a few people in Rhodesia who seem to believe that there is a successful military outcome in the present situation or possibly a successful outcome—military outcome—with an internal solution. I don't believe that there is any solution other than a negotiated cease-fire that would end the violence under 2 years—and that's taking a very optimistic view—and I must say I think it's much more likely to go on for years.

Q. What do you make of Mr. Smith's [Ian Smith, Prime Minister of the white regime in Rhodesia] seeking change of demeanor after the elections—he seemed very much of a tiger before, now he seems to have changed?

Foreign Secretary Owen: I am not going to be drawn really. I think the—I've asked him to look at these proposals extremely seriously. The future of his country is important to him, I'm sure, as it is to every citizen and I hope that he will weigh heavily the responsibilities. I don't think he is under any illusions himself, but the security situation has

seriously deteriorated, and I hope that—the election was a strange election. I don't know what it achieved, but one thing—I think if you ask most people—is that they wouldn't really know what they were voting on and people who were there during the election and others have said to me that they felt for the first time in Rhodesia that there was a real yearning for a settlement. Well, if that is true and the more the Rhodesians look at this, I have no doubt that the vast majority of the population—when you think of it is over 6 million—will have no doubt that they want to go down this far.

The problem is the white minority, the very small electorate which in fact voted in that election—how many of them will really want a settlement, how many people who are fighting either territorials or people in the active forces really are beginning to realize that a settlement is what is the only outcome. Now it is often the military that are the first to realize that some settlement has got to come. I just hope on all sides there is that willingness to get into what essentially now are cease-fire negotiations and the more they're seen in a military context—of course it's got political involvement—the better.

Q. Are you expecting restrictions when your proposals have to be accepted or rejected; do you plan to go on another visit to Africa or have talks with [inaudible]?

Foreign Secretary Owen: No, that's one thing certain, I don't have any plans but who knows what happens. I don't think there'll ever be a point of time that you actually know, until perhaps the order in council has gone through the Houses of Parliament setting up a transitional constitution. But I think though that at this moment in time we're beginning to get the feedback, and you've got to remember that some countries in private may feel more committed to the proposals than they can say—or individuals—and some who sound very loud against may in private be rather more realistic.

So you've got to balance the voices and remember that there is always a private and a lower voice and we, Ambassador Young and I, have been hearing both the public and the pri-

vate. One thing we can assure you is we've said the same thing everywhere we've been; no one is under any doubt about that. There has been no room for any misunderstandings; it's been laid straight out on the table, clearly.

Q. Mr. Young, there have been some doubts expressed at this end that the enthusiasm of the American Government to stay with the initiatives—it has been suggested that you're resolving it more as a British initiative than an American one. Can you say that that is not the case and can you say to what extent there will be an American involvement beyond the government [inaudible] prepared to send people with the British Resident Commissioner?

Ambassador Young: Let me say that we are very much in support of this initiative. It was worked out with your Prime Minister [James Callaghan] and my President and we've kept President Carter in touch with events all along the way and he's been very encouraging of the work that Dr. Owen has been doing in taking the lead on this. We were in the position of having been told by the Africans—the first group of Africans we met almost—that they did not want this initiative to in any way suggest some superpower rivalry in Africa and they wanted to see it as essentially a proposal of the United Kingdom and they welcome the U.S. support but they insisted that our role be a supportive role. I think that's been the position of the front-line Presidents [Agostinho Neto of Angola, Seretse M. Khama of Botswana, Samora Moisés Machel of Mozambique, Julius K. Nyerere of Tanzania, and Kenneth David Kaunda of Zambia] and the patriotic front and everybody else. That's a role that suits me just fine and it's been a very good trip. We have worked very closely together but it's been Dr. Owen who's had to put the hard questions and take the tough positions on all sides and my role has been essentially a supportive role.

Q. The second part, American involvement in the next stadium?

Ambassador Young: American involvement, I think, will be present throughout the process and we have begun talking about just

how that might be organized and expressed, but there's no question that we're committed to see this process through to the end. It seems to us to be the only way to avoid a kind of imminent chaos that not only affects Rhodesia, threatens Rhodesia, but threatens the whole of southern Africa. The continued struggle is putting tremendous strain on both front-line states surrounding it—I'm talking about an economic strain that makes it very difficult for them to take care of just the basic feeding and housing and clothing of their people.

I think the economic strain on South Africa and the overall potential of this situation to degenerate into something like the situation in the Horn of Africa, we think is serious enough for us to put a major commitment in place. I have to say though that that commitment for a number of reasons does not include a military presence, but the diplomatic, the economic influence of the United States is in full support of this initiative.

Q. Dr. Owen, do you have any assurances that there will be no future [inaudible]?

Foreign Secretary Owen: No, I don't think anyone can have assurances. My own feeling is that if these proposals carry the support of the OAU [Organization of African Unity], then they are very unlikely to encounter vetoes and I think that it's a very good chance that they will carry that support.

Q. Have you had any [inaudible] consultations [inaudible]?

Foreign Secretary Owen: Well that's what we've been doing all around Africa. We saw the OAU; we've been consulting really on this at a level of intensity which I think is almost unparalleled ever since it was really launched in April when I first went round South Africa, and I think there are very few individuals, organizations, or governments that have a voice to say in this whole issue who haven't been listened to and the Anglo-U.S. consultative group [on Rhodesia] went round, considerable meetings involving the President of the United States, the Prime Minister of this country, Secretary Vance, myself, Ambassador Young, and then the consultative group

with Ambassador Low and Mr. Johnny Graham.¹

There has been a really very considerable listening and sharing of views and trying to reach an overall proposal which we think is fair and just and will stand out. Now in that situation we can't now have vetoes from anyone, and everybody will have to stand up and their position will have to be known and they'll have to defend it and they'll have to be—no way of anybody avoiding the ultimate responsibility because we feel that if these proposals are to be vetoed and to be knocked down, then the outcome, as Andy is saying, is really very serious for southern Africa as a whole.

Q. What's your early reading of the response of the patriotic front which so far in public has been somewhat cool?

Foreign Secretary Owen: Well, it seems that both the forces that are doing the fighting are sharing, well, coolness. Let's keep that word at the moment. That may be necessary. Remember they've also got the morale of their forces to consider; they've got to consider their position. As I say, all I want to do is bring people to the negotiating table. They can come to the negotiating table with every bit of coolness they like but if they come to the negotiating table they must recognize they come within the overall shape of this package, that it must be judged as a whole. It is no good trying to unpick the package in major elements. Of course, there are some bits that are still clearly for negotiation and both—and they are delineated in the white paper and in other areas but the broad structure of the package has got to be judged as a whole, otherwise you get back into the whole situation that you never get progress on these issues because everybody wants to accept that part which they agree with and carve into that part which they disagree with.

Q. The areas open for negotiation, some of the contentions seem to be surrounding the re-

¹Stephen Low, Ambassador to Zambia, is the senior United States official working with John A. Graham, British Deputy Under Secretary at the Foreign and Commonwealth Office and head of the special consultative group on Rhodesia.

tion of military forces [inaudible]—how much of that is negotiable?

Foreign Secretary Owen: Well, I reckon the whole business of the cease-fire is negotiable. I mean that the framework under which those negotiations must take place we felt we should make very clear. The white paper was not deliberately phrased as clearly as that because it had to be written before we entered into the final round of consultations and discussions. We knew the structure before we went out to Africa. What we were doing was clarifying the issues and in the statement which I made in Salisbury yesterday afternoon clarifies how we would see the basis of the negotiations being conducted.

Q. Ambassador Young, Mr. Smith said today he felt that the Rhodesians might stand a better chance of reaching an agreement with the Americans than with the British and he also said that he felt the Americans had been given only one side of the story [inaudible].

Ambassador Young: I really think that it doesn't much need commenting. These are joint proposals. We've been involved with them from the very beginning of the Carter Administration and there is certainly nothing that we have not been aware of through the proposals, and I can only say that the only way that the United States could be involved in the situation is in support of the British Government.

Q. Mr. Foreign Secretary, you're putting considerable emphasis on getting the military on both sides involved in these negotiations very early. Is that because you see [inaudible]?

Foreign Secretary Owen: I think no one is going to make their final decision on the settlement and I think this is clear of all the parties and it certainly includes the British Government and I think it considers the United Nations too, which is the sort of final decision which commits a force and then mandates until they see the actual outcome of the negotiations. They've all got to be satisfied that you can have fair and free elections during the transitional period and that the new Zimbabwe will be a stable government and a stable country.

Now that is the objective so it's reasonable that everybody will want to be satisfied on that, but you have to approach that within a certain structure, and it's no good going into those negotiations in the usual way which everybody holds positions which are totally incompatible, and our task was to try to define that area of the basis of the negotiations, which is what I tried to do in the statement yesterday in Salisbury.

Q. [inaudible].

Foreign Secretary Owen: When will the negotiations start is the question. Well, the negotiations will start when people settle down into negotiating—and of course no one knows when that will be—and sometimes negotiations take place privately, people don't always know about, remember that.

Q. Dr. Owen [inaudible] will be a private agreement from the various parties that they will accept to talk to [inaudible] and the U.N. special representative?

Foreign Secretary Owen: I think there is a broad measure of acceptance of that, a broad measure of acceptance. I think you'll hear the voices of various people commenting on the proposals over the next few days and you'll be able to gather and make your judgments, as they say, about public and private voices but there are some encouraging public voices that look as if they're coming out in the next few hours and days.

Q. Can you tell us what framework you're going to have for the talks between the U.N. representative and [Resident Commissioner designate] Lord Carver and the various other parties. Is it going to be a reconvened [inaudible] conference?

Foreign Secretary Owen: No.

Q. Or is it going to be private talks—

Foreign Secretary Owen: I think the more these talks are conducted in a private atmosphere the better, and I don't think you're going to have that sort of formal conference at all. I think cease-fire negotiations, as history shows, are best conducted with a good deal of privacy. No one is going to reveal their positions totally. We'll see the format. These are

the decisions to be taken by the U.N. representative and Lord Carver to a great extent.

Q. [Inaudible] what did he reveal about his [Jan Smith's] internal solution [inaudible]?

Foreign Secretary Owen: He talked a bit about it and said he had his own plans and talked a little bit about a variety of different things and from a lot of his questioning of us on our proposals, one could see that he hadn't really made his mind up on some of the fundamental issues still. And we've heard roughly what was envisaged in his internal [solution]; we didn't enter into a very great detail on that, no.

Q. He said that he thought the British were seeking revenge for the UDI [Unilateral Declaration of Independence of November 11, 1965], but that the Americans were much less vindictive [inaudible] one of the number of speeches he made over a year or more. It would seem [inaudible]?

Foreign Secretary Owen: Well, certainly from that statement we got the impression. It didn't come out in the discussions at all. I don't know what's been said about Andy by Mr. Smith but I suspect that quite a lot has been said in the past. I don't know, but, I think, anyone who has followed around with us two last week and a bit knows perfectly well there is no wedge between us personally; anyone who knows the relationships between Cyrus Vance and I over the whole of this knows there is no wedge between us. Anybody who followed the talks I had with the President about this knows that there is no wedge between us and anyone who has seen the Prime Minister and the President together knows there is no wedge.

I doubt there has ever been a period where there has been closer, almost unique interchange of diplomatic and political activity over a problem like this. One has seen it with the five Western security powers [United States, United Kingdom, Canada, West Germany, France] in dealing with the problem of Namibia. This augurs very well for the whole era of multilateral, bilateral diplomacy that is the modern diplomacy and there is no one who is going to drive a wedge between us. Cer-

tainly of all the people, I cannot see Mr. Smith driving a wedge between Andy and I.

Q. [Inaudible].

Foreign Secretary Owen: It's a nice turn up for the books.

Ambassador Young: I think that was a necessity that the structure of things—and Dr. Owen really did have a tough job of taking the hard line everywhere, and he was determined that he was going to be consistent and so he talked with the front-line Presidents I thought sometimes as though he were talking to the South Africans and he talked with the South Africans as though he were talking to the front-line Presidents. But by doing it, made it certain that we were not getting into any ambiguous situation where everybody thought that something was being said that was not. He really took a hard line everywhere and it gave me the luxury of being able to be the good guy. [Laughter]

Q. The proposals have been described in Washington as something with a last chance ever. Would you agree with that? Could you sum up the significance of these proposals to the people of southern Africa as a whole, how serious—

Ambassador Young: I don't know why I always get into trouble in having to disagree with Washington [laughter], but I think that the—there can't be a last chance. I don't think that the people of the United States or Great Britain are going to just plain give up and turn their backs on a potentially dangerous situation. I think—I didn't hear "last chance" from President Carter. What I heard was the determination to solve this problem together with the British Government and that we were not going to give up and that nobody would have the right to veto it; so you don't know when we're through because I think there is a commitment to see it through to the finish. I think that gives the parties involved a new kind of security that this is not just a flash-in-the-pan initiative to clear our own consciences and wash our hands of the trouble. We are contemplating all of the difficulties that might occur over the next few years, and saying that we are going to be involved with the British Government in assisting the

parties in southern Africa in resolving these problems.

Q. And this can do it?

Ambassador Young: This process, this determination can do it.

Q. What pressure will you put on either side to withdraw from their positions they've so far occupied? Is it still more pressure you'll put on either Smith or—

Foreign Secretary Owen: Well, I think we oughtn't to talk too much about pressures but certainly one of the factors is that you can't just talk to the people directly involved—sometimes we've come under criticism from some people who are talking to the front-line states, others have criticized us for talking to South Africa. The facts are that those people who for a variety of reasons—which to them are good and understandable—are in close relationship with the parties who are actually doing the fighting. They are important in any overall settlement. You cannot ignore any of those factors and so that's why we did see so many different people; but above all—and I think rightly when we finally presented our proposals—we presented them in Rhodesia to all the people, either inside or those on the outside who for either reasons they've been declared illegal immigrants or because they are fighting for, as they see it, their freedom. Then those people should be the people to hear our proposals and those people should be the people to judge. You can't just talk about Rhodesian citizens and those who are going to live in an independent Zimbabwe; they're not just inside Rhodesia. It's because of the situation that has existed in Rhodesia since 1965 and even before that that many people are unable now to be within that country.

So anyone who is looking at this has got to go both inside and outside but always recognizing that it is finally the people who will live in Zimbabwe who must decide their future, and we say they must decide it in fair and free elections and they must have security for their future which could be a bright one. This is a country which could have a sound and stable economy; this is a country that if we can rescue it from division, bitterness, and violence could in fact bring stability to southern

Africa. It's interesting interlocking relationship with the economies, the countries around us, Andy Young has said, is crucial and that affects South Africa as well as all the states around it.

Q. I would like to ask a question about your statement yesterday when you said the new army would be based on the liberation forces but then a few sentences on said that this army has to be loyal to whoever is elected president. How can you be sure that an army based on the guerrillas—

Foreign Secretary Owen: One of the fundamental things is to try and achieve that—and no one denies that it will be difficult—but when you have an independent country it must have a single army. If it inherits a divided army or two armies that would be a very grave recipe for civil war and civil disturbance. This is a very important and very difficult issue. Everyone knows that, but it has to be grappled with and many people who are fighting for their freedom at this moment in the liberation armies see their allegiance to very different nationalist leaders. There's not—and that is an issue which will have to be resolved but above all I point out in that statement, for instance, the President-elect under the procedure, which is one that is present in the Botswana constitution and others, allows for the President to emerge at the time of the election; then there is a little time, 3 to 4 weeks—maybe less, maybe more, unlikely to be more—before independence day is actually declared and we say that the final compositional structure of the force would be decided by the President-elect. So this avoids the Resident Commissioner having to make those final decisions and that gives the President some assurance.

Q. [Inaudible].

Foreign Secretary Owen: It is well known and has been announced that the EEC [European Economic Community] is looking on a joint policy on this whole issue code of conduct for firms, national firms operating in South Africa, and this has been discussed and publicly known. I generally, as a politician, tend to take the view that I don't like

adopting too many positions unless I know what the local people think. And I went into that on the basis that this was a seminar, it wasn't private in the way of being secret in the sense, but it was because I really wanted to learn and there were collected together a broad range of people—trade unionists, black and white, industrialists—and we just talked through the problem. It's a very difficult problem, and I certainly at the end of it was a wiser man than when it started, which is no bad thing.

Q. [Inaudible].

Foreign Secretary Owen: I think the Europeans will develop their own policy on that and the United States may want to look at their policy; that's for them to decide. We haven't had much discussions about that, the main discussions—previously we have had them in Britain, of course, and now we're looking at it in a European context. This is reasonable and the German Deputy Foreign Minister, Klaus von Dohnanyi, said something about that only a couple of days ago.

Q. [Inaudible].

Foreign Secretary Owen: Well, nobody wants to be too rigid in anything but equally well you can't be too flexible with people who hold differing views. You have to strike a reasonable balance. When in April I went round southern Africa I said I thought that in the wake of the Geneva conference—where by its very structure vetoes were held by all the differing parties—that I was going to try a different approach. That I was going to look at the constitution, look at the ways in which we could implement, look at the security situation, do this with the United States and that we would come forward with proposals at the end of the day which we thought were fair and balanced. We would not pretend that they were proposals to which everybody had agreed but on listening and looking at the situation, forming our own judgment that they were the most viable. Now that's what we've done.

Q. Mr. Smith has had a press conference this morning. One of the things he said, he said the [inaudible].

Foreign Secretary Owen: Well, we've made it clear that we're going to the Security Council and we've made it clear the [inaudible] in which this, we can make progress and we will go on making progress if those consultations, clarifications with Mr. Smith go on during that period. I am not complaining about that.

You asked me how seriously do I take it. I take it very seriously. I don't see any jokes about the security situation. I can assure you that. It's deteriorated since I was there in April. The car from South Africa this time had to drive through in a convoy. There's a lot of change around in that country. What I worry about, I must say, is how isolated Rhodesia is from world opinion and from world events. There is a very strict control of Rhodesian television and Rhodesian radio. People often hear what people want them to hear rather than necessarily what are the facts of life. Now I think that when you have an opportunity of explaining to the people of Rhodesia, as I had in April when I explained to them how I approached the problem, they listen and they understand. I would have like to have done the same when I was in Rhodesia yesterday.

Q. In view of this deteriorating security situation, how long do you intend to provide, until you do get an answer—say you're now appointed the Resident Commissioner, Smith yesterday was saying he would require a couple of days [inaudible] or words to that effect. Now he's saying [inaudible] there's a scenario whereby you expect a positive or negative or fortified answer within a limited time from Mr. Smith and that then thereafter there will not be a conference but that although you [inaudible].

Foreign Secretary Owen: I'm not sure your question has not confused it more than it was [laughter]. Let me be clear. The first decision point is for the United Nations to decide whether to appoint a special representative to enter into discussions with the Resident Commissioner designate. Then it is for the various parties to the armed struggle to decide whether they're going to come to the negotiating table and how that

negotiation is conducted, how much is done publicly, how much is done privately, how much is done in face-to-face negotiations, how much is done in bilateral, trilateral discussions—that I leave for the negotiators. I don't think anybody wants to lay down fixed patterns and don't let's always take the public voices as necessarily representing the private ways. Everybody's got their audience, everybody's got their domestic audience, their home problem. So I think that—

Q. [Inaudible].

Foreign Secretary Owen: Well, how I view that statement is best analyzed if you read carefully what I said in a press statement yesterday in Salisbury when I did make it clear how we see the pattern on which the negotiations for a cease-fire could take place.

TEXT OF PROPOSALS

Foreword

The British Government, with the full agreement of the United States Government and after consulting all the parties concerned, have drawn up certain proposals for the restoration of legality in Rhodesia and the settlement of the Rhodesian problem. These proposals are based on the following elements:

1. The surrender of power by the illegal regime and a return to legality.
2. An orderly and peaceful transition to independence in the course of 1978.
3. Free and impartial elections on the basis of universal adult suffrage.
4. The establishment by the British Government of a transitional administration, with the task of conducting the elections for an independent government.
5. A United Nations presence, including a United Nations force, during the transition period.
6. An Independence Constitution providing for a democratically elected government, the abolition of discrimination, the protection of individual human rights and the independence of the judiciary.

7. A Development Fund to revive the economy of the country which the United Kingdom and the United States view as predicated upon the implementation of the settlement as a whole.

A full account of the proposals is attached. The first of the Annexes to the proposals outlines the principal points of the proposed Independence Constitution; the second Annex deals with the Constitutional arrangements during the transition period; and the third Annex relates to the Development Fund. The precise provisions of the Independence Constitution will have to be elaborated in further detailed discussions with the parties and in due course will be considered at a Constitutional Conference to be held during the transition period.

It is impossible at this stage to lay down an exact timetable: but it is the intention of the British Government that elections should be held, and that Rhodesia should become independent as Zimbabwe, not later than six months after the return to legality. To achieve this it will be necessary to proceed as quickly as possible after the return to legality to the registration of voters, the delimitation of constituencies, the detailed drafting of the Constitution and its enactment under the authority of the British Parliament.

Proposals for a Settlement in Rhodesia

1. On 10 March 1977 the British and United States Governments agreed to work together on a joint peace initiative to achieve a negotiated settlement in Rhodesia. The objective was an independent Zimbabwe with majority rule in 1978.

2. To succeed, any settlement must command the support of those people of goodwill of all races and creeds who intend to live together in peace as citizens of Zimbabwe. Amongst these people there are now many conflicting interests and views. There is an atmosphere of deep distrust. The armed struggle has led to the loss of many lives and to much human suffering. The economy has been gravely weakened. But there is surely one overriding common interest, that

peace should be restored and that government with the consent and in the interest of all the people should be established.

3. In April the British Foreign and Commonwealth Secretary, Dr. [David] Owen toured the area and met all the parties to the problem as well as the Presidents of the five Front-Line States, the Prime Minister [John Vorster] of South Africa and the Commissioner for External Affairs [Joseph Garba] of Nigeria. He set out the elements which, taken together, could in the view of the two Governments comprise a negotiated settlement, as follows:

(a) A Constitution for an independent Zimbabwe which would provide for—

(1) a democratically-elected government, with the widest possible franchise;

(2) a Bill of Rights to protect individual human rights on the basis of the Universal Declaration of Human Rights. The Bill would be "entrenched" so that amendment of it would be made subject to special legislative procedures and it would give the right to an individual who believed his rights were being infringed to seek redress through the courts;

(3) an independent judiciary.

(b) A transition period covering the surrender of power by the present regime, the installation of a neutral caretaker administration whose primary role, in addition to administering the country, would be the organisation and conduct of elections in conditions of peace and security and the preparation of the country for the transition to independence. This period, it was envisaged, would be as short as possible, and in any case not more than six months.

(c) The establishment of an internationally constituted and managed development fund (the Zimbabwe Development Fund).

4. Following that tour, Dr. Owen and the United States Secretary of State, Mr. Vance, met in London on 6 May and agreed to carry forward their consultations with the parties on the basis of these proposals. To this end they established a joint consultative group. The group met all the parties on a number of occasions in London and in Africa

and carried out detailed technical discussions with them. In parallel, the Governments of interested countries have been kept informed generally of the progress of the consultations.

5. On the basis of these consultations the British Government, in full agreement with the United States Government, have now decided to put firm proposals forward, covering the three aspects of the problem described in paragraph 3 above. In doing so they emphasise that the three aspects are intimately linked and must be judged as a whole. It is impossible for every single aspect of a settlement to be acceptable to everyone. The best, if not the only, hope for a settlement is a balanced and fair package in which, though no one may achieve all their aims, everyone can see hope for the future.

The Constitution

6. It is proposed that the Independence Constitution should provide that Zimbabwe would be a sovereign republic. Provision would be made for democratic elections on the basis of one man, one vote and one woman, one vote, for a single-chamber National Assembly. Elections would be on the basis of single-member constituencies. Detailed constitutional proposals are set out at Annex A. The proposals should not necessarily be taken as excluding alternative possibilities in certain areas which do not go to the heart of the Constitution: *e.g.* provision is made for an executive President with a Vice-President, but there might instead be a constitutional President and a Prime Minister, in which case many of the powers which it is proposed to vest in the President would be vested in the Prime Minister or would be exercised by the President on the advice of the Prime Minister.

7. Discrimination would be forbidden by a Bill of Rights protecting the rights of individuals. As described above (para. 3(a) (2)), this Bill of Rights would be entrenched in the Constitution and would be justiciable so that aggrieved individuals could enforce their rights through the courts. The Bill of Rights would permit the Government of

Zimbabwe to introduce measures of land reform while guaranteeing the right to private property. The Constitution would also establish an independent judiciary and an independent Public Service Commission to ensure an efficient and nonpolitical civil service.

8. The Government of Zimbabwe would inherit the assets and debts of the Government of Southern Rhodesia and would take over past and present pensions obligations in the public sector, the rights of the pensioners being guaranteed by the Constitution. The Constitution would contain the basic provisions regulating Zimbabwe citizenship and these would be entrenched. The question whether there should be any restrictions on the possession of dual citizenship and, if so, whether there should be an extended period during which the choice would have to be made would be a matter for further discussion with the parties.²

9. The Commonwealth Governments in London expressed the unanimous hope that Zimbabwe would soon become a member of the Commonwealth. The British Government will do everything to facilitate this.

The Transition

10. It is a basic premise of the British and United States Governments that the present illegal regime will surrender power so that the transitional administration may be installed peacefully. The two Governments will take such steps as seem to them appropriate to secure the transfer of power by Mr. [Ian] Smith (or his successor) on a day to be agreed.

11. The British Government will place before the Security Council their proposal for the Independence Constitution (Annex A) [see p. 427] and also their proposal for the administration of the territory of Rhodesia during the transition period leading up to independence. The latter will comprise the following elements:

(a) The appointment by the British Gov-

² Any citizen of the United Kingdom and Colonies who surrenders his citizenship in order to retain or acquire the citizenship of another member of the Commonwealth is entitled to regain United Kingdom citizenship subsequently under the British Nationality Act 1964 [footnote in original].

ernment, either under existing statutory powers or under new powers enacted for the purpose, of a Resident Commissioner and a Deputy. The role of the Resident Commissioner will be to administer the country, to organize and conduct the general election which, within a period not exceeding six months, will lead to independence for Zimbabwe, and to take command, as Commander-in-Chief, of all armed forces in Rhodesia, apart from the United Nations Zimbabwe Force (see below).

(b) The appointment by the Secretary-General of the United Nations, on the authority of the Security Council, of a Special Representative whose role will be to work with the Resident Commissioner and to observe that the administration of the country and the organisation and conduct of the elections are fair and impartial.

(c) The establishment by resolution of the Security Council of a United Nations Zimbabwe Force whose role may include:

- (1) the supervision of the cease-fire (see below);
- (2) support for the civil power;
- (3) liaison with the existing Rhodesian armed forces and with the forces of the Liberation Armies.

The Secretary-General will be invited to appoint a representative to enter into discussions, before the transition period, with the British Resident Commissioner designate and with all the parties with a view to establishing in detail the respective roles of all the forces in Rhodesia.

(d) The primary responsibility for the maintenance of law and order during the transition period will lie with the police forces. They will be under the command of a Commissioner of Police who will be appointed by and responsible to the Resident Commissioner. The Special Representative of the Secretary-General of the United Nations may appoint liaison officers to the police forces.

(e) The formation, as soon as possible after the establishment of the transitional administration, of a new Zimbabwe National Army which will in due course replace all existing armed forces in Rhodesia and will

be the army of the future independent State of Zimbabwe.

(f) The establishment by the Resident Commissioner of an electoral and boundary commission, with the role of carrying out the registration of voters, the delimitation of constituencies and the holding of a general election for the purposes of the Independence Constitution.

On the agreed day on which power is transferred to the transitional administration (para. 10 above), a cease-fire will come into effect within Rhodesia and measures will be taken to lift sanctions.

12. An outline of the Transitional Constitution is at Annex B [see p. 433].

The Zimbabwe Development Fund

13. The Zimbabwe Development Fund, jointly sponsored by the British and United States Governments, will have as a target a minimum approaching US\$1,000 million and a maximum rather less than US\$1,500 million to which Governments in many parts of the world will be asked to contribute. Its purpose will be to provide funds for the economic stability and development of an independent Zimbabwe through assistance to various sectors and programmes such as rural development, education, health, social and economic infrastructure, and resettlement and training schemes for Africans, including those affected by the present conflict. The operations of the Fund would help to ensure that the obligations of the Zimbabwe Government under the settlement will not inhibit economic development in Zimbabwe for lack of foreign exchange and would thereby also help to reassure those who might fear that the new Government might be unable to carry out these obligations. The establishment and continued operation of the Fund are predicated upon the acceptance and implementation of the terms of the settlement as a whole. A more detailed account of the proposed Fund is at Annex C [see p. 437].

Conclusion

14. The British and United States Governments believe that the above proposals

provide for all the citizens of the independent Zimbabwe security, but not privilege, under the rule of law, equal political rights without discrimination, and the right to be governed by a government of their own choice. They also believe that the proposed arrangements for the transfer of power are calculated to ensure a quick, orderly and peaceful transition to independence. They have agreed to use their joint influence to the full to put the proposals into effect. But a lasting settlement cannot be imposed from outside: it is the people of Zimbabwe who must achieve their own independence. These proposals offer them a way. The two Governments urge them to seize the opportunity.

ANNEX A

Independence Constitution

Status of Zimbabwe

1. On independence Southern Rhodesia will become legally known as Zimbabwe. The Constitution will provide that Zimbabwe will be a sovereign Republic with the Constitution as its supreme law.

The Head of State

2. (a) There will be a President of the Republic. Candidates for President will have to be citizens of Zimbabwe and will be subject to the same qualifications and disqualifications as candidates for election to the National Assembly.

(b) Elections to the office of President will take place at the same time as general elections to the National Assembly and the Constitution will provide that the successful presidential candidate will be the one who has been endorsed by at least half of the successful candidates for election as Elected Members of the National Assembly.

(c) A President will usually hold office until a new President is elected (or he himself is re-elected) at the next general election to the National Assembly. However, there will be provision for his removal from office for physical or mental incapacity or because of his violation of the Constitution

or other gross misconduct. Such removal will take place if (but only if) a recommendation to that effect is made by a judicial tribunal appointed on the initiative of the National Assembly; the Constitution will prescribe the procedure to be followed.

(d) When the President's office has become vacant in the above way or because of death or resignation, the Vice-President (see paragraph 3(b) below) will succeed to the office. The Vice-President will also discharge the functions of the office of President during the latter's absence from the country or during any temporary incapacity.

(e) The President's emoluments, which will be determined by Parliament, will be charged on the Consolidated Fund and may not be reduced during his tenure of office. The Constitution will also provide for the President's personal staff.

(f) The President will be immune from suit or legal process during his tenure of office.

The Executive

3. (a) The executive powers of the Republic will be vested in the President who will discharge them, subject to the Constitution, either directly or through officers subordinate to him.

(b) The President will appoint a Cabinet, consisting of a Vice-President and a limited number of other Ministers, from among the Members of the National Assembly. The President will himself preside over the Cabinet. The Vice-President and other Ministers will hold their offices at the President's pleasure.

(c) Each department of government will be in the charge of a Minister (though the President may himself take charge of one or more departments) and the Cabinet will be collectively responsible to the National Assembly for the government of the Republic.

(d) The Vice-President will be the Government leader in the National Assembly but the President himself will have the right to participate in its proceedings though not to vote.

(e) The President may also appoint a limited number of junior Ministers from among the Members of the National Assembly.

(f) The Constitution will establish the offices of the Secretary to the Cabinet and Permanent Secretaries of departments. All these will be civil service officers but there will be special provisions (see paragraph 7 (e) (v) below) regulating the appointment and tenure of the holders.

(g) The office of Attorney-General, who will be the principal legal adviser of the Government of the Republic, will be held by a Minister.

(h) There will be a separate office of Director of Public Prosecutions which will be an office in the civil service. The Director of Public Prosecutions will have final control over the initiation, conduct and discontinuance of prosecutions and, in the exercise of that power, will not be subject to direction or control by any other person or authority. However, the Attorney-General will be entitled to bring to his attention any considerations of public interest which may be relevant to any particular case. The appointment, tenure and terms of office of the Director of Public Prosecutions will be specially provided for (see paragraph 7 (e) (vi) below).

(i) The Prerogative of Mercy will be vested in the President. There will be an Advisory Committee on Prerogative of Mercy which the President will be obliged to consult in all capital cases and which he will be able to consult in any other case. But he will not be bound to act in accordance with its advice.

(j) The President will be the Supreme Commander of the armed forces of Zimbabwe.

Parliament

4. (a) The Parliament of Zimbabwe will consist of the President and a single-Chamber National Assembly.

(b) The National Assembly will consist of [100]³ Elected Members (but see subparagraph (f) below).

(c) The Elected Members will be returned, in elections conducted on the "simple major-

³ The precise number of seats remains to be decided in negotiation with the parties [footnote in original].

ity" principle, by single-Member constituencies containing as nearly as possible equal numbers of registered voters.

(d) The delimitation of constituencies will be carried out at prescribed intervals by an independent Electoral Commission which will also supervise the registration of voters and the conduct of elections.

(e) The franchise for the election of the Elected Members will be based on universal adult suffrage, *i.e.* all Zimbabwe citizens of the age of 21 and upwards who have been registered as voters and who are not specifically disqualified (*e.g.* on grounds of insanity, criminal conviction, etc).

(f) The Constitution will also provide for [20]⁴ Specially Elected Members who will be elected by the Elected Members of the Assembly after each general election. The purpose of providing for the Specially Elected Members will be to give adequate representation to minority communities. The exact way in which the Constitution should achieve this will be a matter for further discussion. After an initial period (the life of two Parliaments or eight years, whichever is the longer) Parliament may abolish the seats of the Specially Elected Members or alter the arrangements which are designed to secure minority representation. Such a provision may be made by a simple Act of Parliament requiring no special majority and no special procedure and it will take effect at the next succeeding dissolution of Parliament. But no such change may be made during the initial period and the relevant provisions of the Constitution will, during that period, be unamendable.

(g) All Members of the National Assembly must be citizens of Zimbabwe who are themselves qualified as voters and are not subject to one of the specified disqualifications (*e.g.* insanity, criminal conviction, holding public office, etc.).

(h) Subject always to the provisions of the Constitution, Parliament will have full power to make laws for Zimbabwe.

⁴ The precise number of Specially Elected Members will be one-fifth of the number of ordinary Elected Members (see footnote 3) paragraph 4 (b) above) [footnote in original].

(i) Parliament's power to make laws will be exercised by bills passed by the National Assembly and assented to by the President.

(j) When a bill is presented to the President for his assent, he will be free, acting in his discretion, to give or withhold his assent. But if he withholds his assent, the bill will be returned to the National Assembly which may, within six months, present it once more for the President's assent. If a bill is so re-presented, the President must then either give his assent or dissolve Parliament.

(k) The President may summon, prorogue or dissolve Parliament at any time but there must be a session of Parliament at least once in every year and not more than six months may elapse between sessions. There must be a general election within two months of any dissolution. If Parliament has not been earlier dissolved by the President, it will stand dissolved automatically at the end of five years after a general election.

(l) If the National Assembly at any time passes a vote of no confidence in the Government, the President must either dissolve Parliament or resign his own office.

Fundamental rights

5. (a) The Constitution will contain provisions ("the Bill of Rights"), on the lines of those in the Constitutions of other recently independent Commonwealth countries, protecting fundamental human rights and freedoms. These will guarantee:

- (i) the right to life;
- (ii) the right to liberty of the person;
- (iii) protection from slavery and forced labour;
- (iv) protection from inhuman treatment;
- (v) protection from deprivation of property: this will confer protection from expropriation of property except on specified grounds of public interest and even then only on condition that there is prompt payment of adequate compensation (the amount of which, if not agreed, can be determined by an independent tribunal) and that the compensation may be remitted abroad within a reasonable period. It will be expressly

provided that, where undeveloped agricultural land is compulsorily acquired for the purpose of encouraging its development, the compensation payable to the former owner may disregard any value which might attach to the land by reason of its potential development and should take into account only the original purchase price and any other actual expenditure on it, *e.g.* the cost of physical improvements;

(vi) the right to privacy of home and other property;

(vii) the right to a fair trial in civil and criminal proceedings;

(viii) freedom of conscience;

(ix) freedom of expression;

(x) the right of individuals, groups or communities to establish and maintain schools at their own expense, provided that such schools are not operated on a discriminatory basis;

(xi) freedom of association (especially to form and operate trade unions);

(xii) freedom of movement (including the freedom to leave Zimbabwe and the immunity of Zimbabwe citizens from expulsion from Zimbabwe);

(xiii) freedom from discrimination.

(b) These fundamental rights will be justiciable, *i.e.* any person who asserts that they have been, are being or are likely to be infringed in his case will be able to apply to the High Court for that question to be determined and, when appropriate, for redress.

(c) It follows from the fact that the Constitution is to be the supreme law of Zimbabwe (see paragraph 1 above) that any law which conflicts with the Bill of Rights will, to the extent of that conflict, be void and that any executive action that so conflicts will, to the same extent, be unlawful. This applies in particular to laws or practices that are discriminatory. Most of the discriminatory laws and practices now in operation will in fact have been terminated by the transitional administration before independence (see paragraph 9 (a) of Annex B) but there may be a few which are still in existence when the independent Government of Zimbabwe takes over. It will presumably be the

intention of that Government to terminate them as soon as possible thereafter but in some cases it may still not be possible to do so at once since the first Government of Zimbabwe may need a little further time in which to work out the new laws or new arrangements to take their place. To this limited extent, therefore, the Constitution will permit the Government of Zimbabwe to continue these existing laws and practices, notwithstanding the Bill of Rights, for such time as it takes to replace them but in any case for no longer than two years from the date of independence. No new discrimination will, of course, be lawful and the Constitution will expressly provide that, if any existing law or practice is amended or replaced during that period, no greater degree of discrimination may be introduced than was lawful before that amendment or replacement.

(d) The Constitution will permit certain of the provisions of the Bill of Rights to be derogated from during periods of public emergency. For this purpose, a public emergency will be deemed to exist when it has been proclaimed by the President but any such proclamation must either have received prior approval by a resolution supported by two-thirds of all the Members of the National Assembly or must be ratified by such a resolution within a week after it was made. The proclamation will lapse within a further three months unless the National Assembly's approval has in the meantime been renewed by a similar majority.

The Judicature

6. (a) The Constitution will establish a High Court, which will be divided into an Appellate Division and a General Division, and there will also be such subordinate courts as Parliament may from time to time provide for.

(b) The judges of the High Court will be a Chief Justice and such other judges (either Justices of Appeal or Puisne Judges) as Parliament may prescribe.

(c) The Chief Justice will be appointed by the President, acting in his discretion.

(d) The other judges of the High Court will be appointed by the President in ac-

accordance with the advice of the Judicial Service Commission (see sub-paragraph (h) below).

(e) The Chief Justice and other judges of the High Court will not be removable from office (until retiring age) except on grounds of physical or mental incapacity or misconduct, as determined by a judicial tribunal in accordance with a procedure which the Constitution will prescribe.

(f) The terms of service of the judges of the High Court (including their emoluments, which will be charged on the Consolidated Fund) may not be altered to their disadvantage during their tenure of office.

(g) The power to appoint, exercise disciplinary control over, and remove from office the judges of the subordinate courts and certain other officers connected with the High Court (*e.g.* Registrar) will vest in the Judicial Service Commission.

(h) The Constitution will establish an independent Judicial Service Commission, consisting of the Chief Justice, another judge of the High Court designated by the Chief Justice, and a member of the Public Service Commission (see paragraph 7 below) designated by the Chairman of that Commission.

The Public Service

7. (a) The Constitution will establish an independent Public Service Commission consisting of a Chairman and four other members.

(b) The members of the Public Service Commission, who must not be (or have recently been) public officers or Members of the National Assembly or otherwise actively engaged in politics, will be appointed by the President for a fixed term and will not be removable during that term except for physical or mental incapacity or misconduct, as determined by a judicial tribunal in accordance with a procedure to be prescribed by the Constitution.

(c) The terms of service of the members of the Commission (including their emoluments, which will be charged on Consolidated Fund) may not be altered to their disadvantage during their tenure of office.

(d) Subject to certain specified exceptions,

the power to appoint persons to hold or act in public offices, to exercise disciplinary control over persons so appointed and to remove them from office will vest in the Public Service Commission. (The term "public offices" includes all civil service offices and offices in the police force but not offices in the armed forces.)

(e) The specified exceptions are as follows:

(i) offices on the President's personal staff: these will be within the President's personal control, though he may arrange with the Public Service Commission for regular public officers to be seconded to his staff;

(ii) offices of the judges of the High Court and other offices within the jurisdiction of the Judicial Service Commission;

(iii) officers on the staff of the National Assembly: before exercising the relevant powers in the case of these officers, the Public Service Commission will need to obtain the concurrence of the Speaker of the Assembly;

(iv) offices in the police force: the relevant powers in the case of the Commissioner of Police himself will be vested in the President, acting after consultation with the Public Service Commission; in the case of other members of the police force they will be vested in the Commissioner of Police or in such officers subordinate to him as may be provided for by any law in that behalf or, subject to any such law, as he may delegate them to;

(v) the offices of Secretary to the Cabinet, Permanent Secretaries and Zimbabwe Ambassadors abroad: the relevant powers will be vested in the President, acting after consultation with the Public Service Commission;

(vi) the office of Director of Public Prosecutions: the power to appoint a person to this office will be vested in the President, acting after consultation with the Public Service Commission and the Judicial Service Commission; but a Director of Public Prosecutions will not be removable from office (until retiring age) except for physical or mental incapacity or misconduct, as determined by a judicial tribunal in accordance

with a procedure to be prescribed by the Constitution; and his terms of service (including his emoluments, which will be charged on the Consolidated Fund) may not be altered to his disadvantage during his tenure of office;

(vii) The office of Auditor-General: the power to appoint a person to this office will be vested in the President, acting after consultation with the Public Service Commission: once appointed, the Auditor-General will be protected in the same way as the Director of Public Prosecutions.

(f) The Constitution will protect the pensions of all public officers (including past officers) by:

(i) charging them on the Consolidated Fund;

(ii) a provision which will ensure that the pensions of officers who are compulsorily retired to facilitate the reconstruction of the public service can be freely remitted abroad; and

(iii) preventing the law regulating the payment of a public officer's pension from being altered to his disadvantage after the commencement of his service.

Finance

8. (a) The Constitution will establish a Consolidated Fund into which all public revenues (not otherwise payable by law into some other public fund) will be paid.

(b) The Constitution will require annual estimates of expenditure to be laid by the Government before the National Assembly for its approval and will provide for the passage by Parliament of Appropriation Acts to authorise such expenditure. No monies will be allowed to be withdrawn from the Consolidated Fund or any other public fund except under the authority of such an appropriation or when they are charged by the Constitution or some other law on that fund.

(c) The Constitution will provide for a Contingencies Fund and for other procedures for authorising unforeseen expenditure.

(d) The Constitution will establish the office of Auditor-General whose duty it will be to monitor the above requirements, to audit

the accounts of Government and other public authorities and to report on these matters direct to the National Assembly.

Citizenship

9. (a) The Constitution will establish Zimbabwe citizenship and will contain the basic provisions relating to it. Parliament will be authorised to make supplementary legislation regulating the acquisition and loss of Zimbabwe citizenship within the limits permitted by the Constitution.

(b) All persons who are citizens of Southern Rhodesia (whether by birth, descent, adoption, naturalisation or registration) immediately before independence will become Zimbabwe citizens automatically on independence.

(c) All persons who have the right, immediately before independence, to apply to become citizens of Southern Rhodesia will have a similar right, within a specified period after independence, to apply to become Zimbabwe citizens.

(d) All persons born in Zimbabwe after independence will be Zimbabwe citizens by birth.

(e) Any person born outside Zimbabwe after independence whose father is a citizen of Zimbabwe by virtue of his birth in Zimbabwe (or in Southern Rhodesia) will be a Zimbabwe citizen by descent.

(f) A woman who is married to a citizen of Zimbabwe after independence will have the right to become a citizen of Zimbabwe herself.

(g) Whether the Constitution should permit dual citizenship (with or without restrictions) is a matter for further discussion. If it is not permitted, a citizen of Zimbabwe who acquires the citizenship of another country by voluntary act (other than marriage) will automatically lose his Zimbabwe citizenship, while a citizen of Zimbabwe who involuntarily acquires the citizenship of another country (*e.g.* by birth) must either renounce that other citizenship (or, if that is not possible, make a prescribed declaration) within, say, five years of the relevant event (or of attaining the age of 21 years) or lose his citizenship of Zimbabwe. Similarly, a person who,

at independence, automatically becomes a citizen of Zimbabwe and is also a citizen of another country will have to renounce his other citizenship (or make the prescribed declaration) within five years of independence, failing which he will lose his Zimbabwe citizenship, and a person applying for Zimbabwe citizenship will have to renounce his existing citizenship (or make the prescribed declaration).

(h) Parliament will be empowered to provide for additional grounds upon which persons may acquire Zimbabwe citizenship or lose that citizenship (but may not take away the citizenship of persons who have it by birth or descent or who have automatically acquired it at independence).

Amendment of Constitution

10. (a) All provisions of the Constitution will be amendable by Act of the Zimbabwe Parliament. But the Constitution will prescribe the procedure to be followed for effecting such an amendment. These will vary according to the extent to which the provisions to be amended go to the basic structure of the Constitution or are especially sensitive.

(b) Some provisions, *e.g.* those prescribing the maximum number of Ministers, will be amendable by simple Act of Parliament: no special majority and no special procedure will be required.

(c) Most provisions will be amendable by an Act of Parliament which has been passed at its final reading in the National Assembly by a majority of two-thirds of all the Members of the Assembly. But a Bill for an Act to amend such a provision must also have been published in the Official Gazette at least thirty days before first reading and a period of at least three months must elapse between first reading and final reading.

(d) A limited number of provisions (*e.g.* those dealing with citizenship, with fundamental rights and with the judicature and, of course, those prescribing the procedure for constitutional amendment) will be amendable only by a bill which has satisfied the requirements in (c) above in two successive sessions, in between which Parliament

has been dissolved and a general election has taken place.

(e) In addition, there will be a very few provisions which will not be amendable at all for a specified limited period after independence. These will be the provisions dealing with fundamental rights, the provisions relating to the Specially Elected Members in the National Assembly and the provisions prescribing the procedure under (d) above. A bill to amend any of these provisions will not be capable of being introduced in the National Assembly until after the end of the specified period. In the case of the provisions dealing with fundamental rights this period will be the life of the first Parliament or four years from independence, whichever is the longer: in the case of the other provisions the specified period will be the life of the first two Parliaments or eight years from independence, whichever is the longer.

ANNEX B

Transitional Constitution and Related Legal Provisions

1. The Transitional Constitution will be contained in an Order in Council made under an Act of the United Kingdom Parliament. It will come into operation on a day to be appointed by the British Foreign and Commonwealth Secretary, and on that day Southern Rhodesia will return to legality.

The Resident Commissioner

2. The Transitional Constitution will establish the office of Resident Commissioner. The Resident Commissioner will be the representative of the Crown in Southern Rhodesia and in him will be vested responsibility for all executive and legislative functions of the Government of Southern Rhodesia. In exercising his functions, the Resident Commissioner will at all times be subject to any instructions that he may be given by the United Kingdom Government except so far as the Constitution otherwise expressly provides. The holder of the office of Resident Commissioner will be appointed and removable by the British Government.

The Constitution will also establish the office of Deputy Resident Commissioner, the holder of which will similarly be appointed and removable by the British Government. The Deputy Resident Commissioner will generally assist the Resident Commissioner in his duties and will ordinarily act as Resident Commissioner if the latter has to be absent from Southern Rhodesia or is temporarily incapacitated. The Constitution will also provide for the emoluments of the Resident Commissioner and the Deputy Resident Commissioner and for the Resident Commissioner's staff.

Legislative powers

3. There will be no separate Legislative Assembly or other similar body during the transition period and, in its place, the Resident Commissioner will himself be the legislature. He will have full power to make laws for the peace, order and good government of Southern Rhodesia. This power will be exercisable by Ordinance signed by the Resident Commissioner and published in the Official Gazette. All Ordinances made by the Resident Commissioner (and all subordinate legislation made under them or under any existing law) will be subject to the provisions of any applicable Act of the British Parliament or any Order in Council or other instrument made under such an Act and, in particular, will be subject to the provisions of the Transitional Constitution Order itself, especially the provisions of the Bill of Rights which will form part of the Transitional Constitution (see paragraph 8 below).

Executive powers

4. The Transitional Constitution will provide that the executive authority of Southern Rhodesia will be exercisable by the Resident Commissioner, as the representative of the Crown, either directly or through officers or authorities subordinate to him. Since there will be no Ministers during the transition period, the Resident Commissioner will exercise all powers that are currently vested by any law in a Minister and he will, either directly or through officers

subordinate to him, exercise supervision and control over all Ministries and departments of government. The Constitution will specifically give him power to give binding directions to all public officers and authorities.

5. The Resident Commissioner will be the Commander-in-Chief of all armed forces which may be lawfully operating in Southern Rhodesia during the transition period and, through the Commissioner of Police, he will also have ultimate command of the police forces. (References in this paragraph to armed forces do not include the United Nations Zimbabwe Force.) All members of all armed and police forces will be required to comply with the orders or directions given by the Resident Commissioner directly or through their superior officers. The Resident Commissioner will be empowered to require any member of any such force to swear an oath of allegiance to the Crown and an oath to uphold the Constitution and obey the laws of Southern Rhodesia. All powers relating to appointments in, disciplinary control over, and removal from office in any of these forces will be vested in the Resident Commissioner. Subject to any provision that he may make, they will be exercisable by the like authorities and in the like manner, as nearly as may be, as they were immediately before the coming into operation of the Transitional Constitution but the exercise by those authorities of any such power will be subject to any general or special direction that the Resident Commissioner may give.

6. The Resident Commissioner will be able, if he considers it desirable, to set up one or more Advisory Councils or Committees to assist him in the performance of any specific function or of his functions generally. But he will be free to act without having consulted any such body or to act otherwise than in accordance with its advice if he does consult it.

Bill of Rights

7. The Transitional Constitution will contain a Bill of Rights (*i.e.* provisions guaranteeing fundamental human rights) on the lines of the one to be included in the Inde-

pendence Constitution but adapted to take account of the fact that, during the transition period, the Resident Commissioner will take the place both of an elected legislature and of a Ministerial government. For a more detailed description of the rights to be guaranteed, see paragraph 5 (a) of Annex A.

8. Every law (whether an existing law that is continued in force during the transition period or a law made by the Resident Commissioner) will have to be read subject to the Bill of Rights and, if there is any conflict, will be invalid to the extent of the conflict. The Bill of Rights will be justiciable, *i.e.* any person who asserts that his rights under it have been, are being or are likely to be infringed by any law or by any government action will be able to apply to the High Court for that question to be determined and, when appropriate, for redress.

9. However, as in the case of the Bill of Rights in the Independence Constitution, there are two necessary qualifications to the position as described above:

(a) Some existing laws or administrative practices will be contrary to the Bill of Rights because they are discriminatory. It will be the intention of the Transitional Administration to abolish all discrimination, whether by legislation or by administrative practice, at as early a date as possible. However, it may be that some existing discriminatory laws or administrative practices cannot simply be invalidated without providing a new system to take their place; and that such new system, or systems, will take some time to work out. Indeed, in some cases it may be thought right that the task of creating the new system should fall to the Government of Zimbabwe and not be undertaken by the Transitional Administration. In these limited cases, therefore, the Transitional Administration (and subsequently the Government of Zimbabwe: see paragraph 5 (c) of Annex A) will be permitted to continue these existing laws and practices, notwithstanding the Bill of Rights, for such time as it takes to replace them but in any case for no longer than two years from the date of independence.

(b) The Transitional Constitution (like the Independence Constitution) will permit certain of the provisions of the Bill of Rights to be derogated from during periods of public emergency. For this purpose, a public emergency will be recognised as in existence whenever it has been proclaimed by the Resident Commissioner and until such time as he withdraws the proclamation. As a precautionary measure, a number of the emergency powers now operating in Southern Rhodesia will need to be available to the Resident Commissioner immediately upon the commencement of the Transitional Constitution, which will therefore deem a proclamation of emergency to be in force as from that date and until the Resident Commissioner himself otherwise provides. But it is the intention of the British Government that this period of emergency should be brought to an end as soon as it is prudent to do so and that, in any event, the Resident Commissioner should take very early steps to release existing detainees and also to release those undergoing sentences of imprisonment for offences for which, if proceedings have not already taken place, criminal liability would be extinguished by the amnesty (see paragraph 18 (c) below).

Judicature

10. The Transitional Constitution will establish a High Court of Southern Rhodesia, staffed by a Chief Justice and other judges and organised into a General Division and an Appellate Division substantially as at present. It will also recognize such subordinate courts as are at present constituted under existing law.

11. The Transitional Constitution will provide that the judges of the High Court and the subordinate courts will be the persons who are serving in those respective capacities immediately before it comes into operation. (The office of Chief Justice, however, will be vacated by the present incumbent before the date of the return to legality and will not be filled until after that date.) Any new judge of the High Court will be appointed by the Resident Commissioner but a judge of the High Court, once appointed

(and this includes such a judge who has been continued in office at the commencement of the Transitional Constitution), may not be removed until he reaches retiring age except for proved misconduct or incapacity, established by a judicial tribunal appointed by the Resident Commissioner. Nor can his terms of service be altered to his disadvantage during his tenure of office.

12. All powers relating to the appointment, disciplinary control and removal from office of the subordinate judiciary and the more senior staff of the High Court other than the judges (*e.g.* the Registrar) will be vested in the Resident Commissioner. Their exercise, subject to the overall control of the Resident Commissioner, by other persons and authorities in accordance with existing law will be regulated in the same way as for other offices in the public service (see paragraph 14 below).

13. During the transition period, appeals will lie from the High Court to the Judicial Committee of the Privy Council but only by leave of the High Court or by special leave of the Judicial Committee.

The Public Service

14. All powers concerning appointments to offices in the public service, disciplinary control over persons holding or acting in such offices or their removal from office will be vested in the Resident Commissioner. Subject to any provision that he may make, they will be exercisable by the like authorities and in the like manner, as nearly as may be, as they were immediately before the coming into operation of the Transitional Constitution but the exercise by those authorities of any such power will be subject to any general or special directions which the Resident Commissioner may give. The foregoing is without prejudice to the special provisions relating to the judges of the High Court (see paragraph 11 above).

15. The Transitional Constitution will provide that all persons holding or acting in public offices immediately before the coming into operation of the Constitution will continue to hold or act in the like offices under the Transitional Constitution. (There will,

however, be a few offices, such as that of Secretary to the Cabinet, which will be vacated by the present incumbents before the date of the return to legality and will not be filled until after that date.) The Resident Commissioner will be empowered to require any person holding or acting in a public office to swear an oath of allegiance to the Crown and an oath to uphold the Constitution and observe the laws of Southern Rhodesia.

16. The pensions of all public officers (including past officers) will be guaranteed by the Transitional Constitution by:

(i) being charged on the Consolidated Fund;

(ii) a provision which will ensure that the pensions of officers who are compulsorily retired to facilitate the reconstruction of the public service can be freely remitted abroad; and

(iii) a provision which will prevent the law regulating a public officer's pension from being altered to his disadvantage after the commencement of his service.

Finance

17. The Transitional Constitution will contain provisions adapting the existing procedure for authorising the expenditure of public funds (*e.g.* annual Appropriation Acts).

Miscellaneous provisions

18. In addition to the above matters which directly relate to the constitutional structure of the government of Southern Rhodesia during the transition period, there will be a number of other matters, necessarily consequential upon or incidental to the restoration of legality, which will have to be regulated by the Transitional Constitution Order. The relevant provisions will include the following:

(a) *Validation of existing laws and previous transactions.* So that Southern Rhodesia may return to legality with a coherent and workable legal and administrative system, there will be a general validation of all laws which were purported to have been

made during the period since 11 November 1965. There will be an exception for specified laws which would not be compatible with the restoration of legality, e.g. those relating to membership of the "Parliament" that functioned during that period. Similarly, transactions which have taken place since 11 November 1965 and which might otherwise be regarded as invalid merely because they were carried out in reliance on any such law, or because (owing to the constitutional situation in Southern Rhodesia at the time) there was some defect in the authority by which they were performed or in the procedure employed or some other similar defect, will be deemed to have been validly performed.

(b) *Adaptation of existing laws.* A number of laws which will be in force on and after the day appointed for the coming into operation of the Transitional Constitution will be in terms which will not be literally applicable to the new constitutional arrangements. This will apply not only to laws made since 11 November 1965 which will have been validated as explained above but also to laws enacted by the competent legal authorities under the 1961 Constitution and, indeed, earlier. For example, references in laws to "the Minister" will no longer be appropriate. The reference will, during the transition period, have to be to "the Resident Commissioner". There will therefore be provision for the adaptation of existing laws to make them conform with the new constitutional structure.

(c) *Amnesty.* In order to bring to a close the unhappy chapter of the past 12 years and to open a new chapter which will be marked, it is hoped, by a spirit of reconciliation and the desire of all Rhodesians to work together for the construction of a peaceful and prosperous Zimbabwe, it will be necessary to "wipe the slate clean" when legality is restored and to prevent punitive or re-criminatory action being taken thereafter in respect of acts arising out of the political situation which obtained during that period. In practice it will be necessary to extinguish both civil and criminal liability for such acts. This applies to the acts of both sides, that is, both those committed in furtherance of

the rebellion and those committed in resistance to it. The Transitional Constitution Order will therefore contain a provision to this end which will prevent prosecutions being brought or civil actions being pursued in the courts of Southern Rhodesia in respect of such acts. In addition, it will be a priority task of the Resident Commissioner to review the cases of all persons undergoing imprisonment and to order the immediate release of those serving sentences for offences for which, if proceedings had not already taken place, criminal liability would be extinguished by this provision.

(d) *Rights and liabilities of the Government of Southern Rhodesia.* The Transitional Constitution Order will make it clear, for the avoidance of doubt, that the Government of Southern Rhodesia, as set up by that Order, is entitled to all the rights, and is subject to all the obligations, now appertaining to the Government of Southern Rhodesia as set up by the 1961 Constitution. Furthermore, as a corollary of the provision explained above for the validation of existing laws and of past transactions, it will also be expressly declared that the lawful Government of Southern Rhodesia, as established by the Transitional Constitution, will succeed at the same time to the rights and assets (and, correspondingly, to the obligations) in municipal law which would, immediately before the coming into operation of that Constitution, have been recognised by the courts then operating in Southern Rhodesia as belonging to "the Government of the Republic of Rhodesia".

ANNEX C

The Zimbabwe Development Fund

1. A political settlement in Rhodesia, involving first a transitional administration and later an independent Government of Zimbabwe, would remove a source of acute conflict and help establish a climate conducive to economic development in central and southern Africa. A political settlement, however, will set in motion an economic transition which will be most effective if accompanied by measures designed to realize

the growth potential of the economy and rapidly improve opportunities for all the population of Zimbabwe. The responsibility for the necessary economic measures after independence will rest primarily with the new Government, but it is already evident, in spite of the sparse detail at present available about the present state and future prospects of the economy, that substantial international economic assistance and external private investment will be needed.

2. When a political settlement is achieved, the lifting of sanctions, combined with aid, will provide both Zimbabwe and its neighbours with new development prospects. Different trade and transport patterns will be established. African Zimbabweans should have expanded access to better jobs in mining, industry, commerce and the public service. More balanced patterns of ownership for farms, houses and businesses will emerge. External assistance can help the people of Zimbabwe effect the social and economic changes required to take advantage of these new opportunities for a more prosperous and balanced economy.

3. The ability of an independent Government of Zimbabwe to raise the living standards of the poor majority depends not only on the development of the traditional sector but also on effective administration and a high level of output in the modern sector, which accounts for the greater part of Rhodesia's export earnings, internal revenues, domestic production of consumer goods, and wage employment of African Zimbabweans. It is, therefore, of the greatest importance to find ways to facilitate the economic transition while minimizing its disruptive effect on the potential for economic growth. It is crucial that skilled workers and managerial personnel are encouraged to continue to contribute to the welfare and prosperity of the economy.

4. The United Kingdom and the United States have, therefore, agreed to cooperate in helping to organize an international economic effort in support of a Rhodesian settlement. They propose the establishment of a Zimbabwe Development Fund. The purpose of this Fund would be to assist the new government to promote:

(i) balanced economic and social development in Zimbabwe;

(ii) rapid expansion of economic opportunities for and skills of the African majority;

(iii) basic economic security for all sections of the population so that they might continue to contribute their skills and enthusiasm to the development of the country.

5. The Fund would respond to requests from the Zimbabwe Government to support specific proposals for development projects and programmes, for example, in agricultural and land reform, education and training, and social and economic infrastructure. Its efforts should encourage commercial capital flows, especially in extractive, processing, and manufacturing industries, supported as appropriate by national export credit and investment insurance agencies. The Fund should be prepared to provide balance of payments support during the period of economic transition, especially to enable the gradual return to normal external relations after the lifting of sanctions. The Fund could also provide support for, and take into account the balance of payments implications of, programmes designed to encourage skilled labour and managerial personnel to contribute to Zimbabwe development and to effect a smooth transition to a more balanced pattern of access to ownership of farms, houses, and businesses.

6. The Fund should be established as soon as possible after the establishment of a transitional administration in Rhodesia. Even before it began to be funded to any considerable extent, the Fund could begin working with developmental institutions, either already existing or to be established by the Zimbabwe Government. The Fund could assist both the transitional administration and the independent Government of Zimbabwe to plan development projects and programmes consistent with the political changes which will have taken place without disruption of the economy. The Fund could, in the initial period, also co-ordinate bilateral development assistance, especially in the training of Africans in technical and administrative skills.

7. Since specific development projects and programmes for an independent Zimbabwe are not available, a precise quantification of the resources needed by the Fund is not possible. A preliminary assessment, however, suggests that the target for total contributions, on concessionary terms, from those Governments willing to participate in the Fund should be at a minimum approaching US\$1,000 million and at a maximum rather less than US\$1,500 million. The Fund's objectives, and the fact that experience shows that economic development projects take a long time to mature, will make it necessary to envisage a fairly long period of disbursement of the Fund's resources. It is suggested, however, in order that the management of the Fund can plan its operations in the knowledge of the total amount of its resources and so that it can meet extraordinary balance of payments demands on its resources during an economic transition, that contributions by participating Governments should be made over a five-year period with the likelihood of a longer period of actual disbursement in mind.

8. Flows of bilateral concessional aid could, it is suggested, be counted as part of their contribution to the Fund, but the greater part of each country's contribution, at least during the first five years of its operation, should be direct to the Fund. On this basis, initial finance envisaged for the Fund might be, say, two-thirds over a five-year period in cash or in promissory notes, and, say, one-third on call if the management of the Fund should require it for the fulfilment of its longer-term objectives. The method by which the contributions were made can be discussed between Governments and need not necessarily be uniform: For example, some Governments might prefer to contribute cash at regular intervals in equal instalments. Others might prefer to make available promissory notes for encashment as disbursements by the Fund require, a method permitted in replenishment of the resources of the International Development Association. The questions of the currencies in which contributions should be made, the degree and structure of any arrangement for tying of procurement in the

participating countries and provision for the local costs of development projects can be the subject of intergovernmental consultation. The nature of the economic assistance extended by the Fund should be such that the contributions of participating Governments would be expected to qualify as official development assistance in accordance with the criteria of the Development Assistance Committee.

9. On this basis, the Government of the United Kingdom would be prepared, subject to Parliamentary approval, to contribute 15 per cent of the resources provided directly to the Fund, up to a maximum of £75 million, and in addition to provide £41 million of bilateral aid over a five-year period; and the Government of the United States would, subject to the authorization and appropriation of funds by Congress, be prepared to contribute 40 per cent to the total resources of the Fund, up to a maximum of \$520 million, the major part a direct contribution to the Fund and the rest in the form of bilateral assistance. The British and United States contributions would be conditional on each other and on contributions being forthcoming from other countries on an equitable basis.

10. The Fund will also facilitate action by agencies of donor countries to make appropriate non-concessional loans and guarantees to encourage commercial trade and private investment flows to Zimbabwe. These would be additional to the concessionary contributions discussed above. The Fund could also provide support for regional development projects and take part in any consortium or consultative group established to co-ordinate development assistance to Zimbabwe and relate it to development aid to the southern Africa region as a whole.

11. It is envisaged that the World Bank [International Bank for Reconstruction and Development (IBRD)] would manage the Fund's resources as an agent of the Fund. Matters of policy would be discussed and decided by a governing body, which might be composed of the IBRD Executive Directors representing the Governments contributing to the Fund, together with representation from the Zimbabwe Government.

Latin American Development in an Interdependent World

*Address by Terence A. Todman
Assistant Secretary for Inter-American Affairs¹*

The world we see before us—the world on which your generation will leave its indelible mark—is one of profound, even dizzying, change. It is a very different world from the one your parents faced, or my own classmates faced, only a generation ago. It is a world of exploding population, growing membership in the nuclear club, and the emergence of new nations out of old colonial empires.

It is a world where the cold war has given way to an uneasy cooperation while new forces of economic tension and rivalry pose a new challenge—potentially, perhaps, a more difficult one—to world order and cooperation. It is a world where scarcity of food and natural resources, and global economic forces affecting us all, have made all nations increasingly interdependent, regardless of their differing ideological systems or levels of development.

Many of the most dramatic developments of our time are taking place right here in the Western Hemisphere. The great worldwide surge for development—a drive of unprecedented magnitude and intensity, that perhaps more than anything else defines the times in which we live—finds Latin America in the vanguard of the struggle.

Only a decade ago, many thoughtful people regarded the goals of two-thirds of the world's peoples—to raise themselves out

of poverty and create lives of dignity, opportunity, and material well-being for their children—more as hopeful dreams than as realistic possibilities.

In the last decade, Latin America has proved them wrong. In Latin America we see a diverse range of economies at many stages of development. Most of them are no longer among the truly poor of the world. They have been industrializing rapidly. The production of manufactured goods has grown steadily. They look to the industrialized world less for direct aid than for new markets for their increasing exports.

You who will go forth from here to advance the great work of development—whether in Puerto Rico, in the larger Caribbean, or in the rest of Latin America—have an opportunity to be part of one of the central economic miracles of our time.

So, too, will those of you who have come here to study from the U.S. mainland or who plan to work there as graduates of this institution.

For just as Latin America's rapid development took much of the industrialized world by surprise, so too has much of the world been taken by surprise by the new realities of global economics and the changed relationships they have created among the developed and the developing nations.

In that new world, the industrialized nations no longer have the luxury of choosing to stand aside from the development drama. Their supportive role that was once based on admiration or compassion is now dictated by

¹ Made at the commencement exercises of the Inter-American University at San German, Puerto Rico, on May 29, 1977 (introductory paragraphs omitted).

economic necessity. We all were caught off-guard by the energy crisis. And we must solve it together or none of us will be able to pass on an industrialized economy to our children. We all have seen our societies racked by persistent rounds of inflation and unemployment exacerbated by rising prices and changing market conditions in far-off places beyond our control.

We have grown increasingly dependent on one another—and on the health of each other's economies—not only for the goods we need but for export markets for the goods we produce. Last year, for instance, trade between the United States and the nations of Latin America alone amounted to more than \$32 billion, divided roughly evenly between exports and imports.

Even in matters that might once have been considered purely domestic, we are finding it increasingly impossible to solve our problems in isolation. Recession problems in New York become a tourism problem in the Caribbean. Employment problems in Mexico become immigration problems in Arizona. A drug problem in Los Angeles becomes a crime problem in the Andes. And environmental carelessness in any of our industries can become fishing problems, recreation problems, or even public health problems for the rest of us.

Economic Interdependence

In such an interdependent world—in such a complex, precarious world—our only security lies in working together in a spirit of equality and mutual respect, knowing that a nation like the United States is as dependent on the success of our efforts and on the respect and good will of our sovereign neighbors as they are on the cooperation of the United States.

Fortunately for all of us, efforts to cooperate in solving these problems that beset us all are underway on many fronts. The Conference on International Economic Cooperation—in which nations of this hemisphere are playing a leading role—has been providing not only a forum where the ongoing North-South issues can be aired in a

spirit of mutual understanding but has also provided practical guidance in many of the specific issue areas such as resource transfer, investment conduct, and commodity price stabilization.

In the commodity area itself, negotiations are in progress for international agreements on sugar and grains. Agreements providing for ample supplies, at prices fair to both producers and consumers, are in the interest of all of us who either import or export these commodities. Part of the remedy we are considering would involve the establishment of a common funding arrangement for financing buffer stocks.

In the wider area of trade and tariffs, negotiations are also in progress under the General Agreement on Tariffs and Trade. A responsible attitude on the part of all participants can result in greater efforts to keep all restrictions on international trade to a minimum and to provide for special policies to open up the markets of the industrialized countries to the products of developing economies like those of Latin America and the Caribbean.

The prospect for cooperation and mutual progress in tackling all these problems is helped immensely by the growing recognition on the part of the industrial states that global policies resulting in the systematic long-term transfer of resources and technology to the developing world is in the interest not only of the developing nations themselves but of the whole international economic community. The Administration of President Carter certainly subscribes to that philosophy and intends to respond not only in its trade policies but in substantially increased contributions to bilateral and multilateral assistance programs.

Just as the world's present economic problems transcend national boundaries, so will the benefits of a mutually designed, equitably based, and carefully thought out new international economic order.

Diverse Political Relationships

As we turn from the economic to the political sphere, we find that as economic

realities have forcibly produced a new relationship of interdependence and mutual respect between the nations of the Northern and Southern Hemispheres, this new attitude has carried over into the way we regard each other as nations.

Within the community of the Americas, the nations making up the inter-American system have enjoyed an unusually close, and for the most part mutually enriching, historical relationship. But throughout our history that relationship has suffered from the manifest disparity of bargaining chips in the hands of the United States and its Latin American allies—creating an aura of colonialism to which U.S. conduct in the past too often lent credibility.

However genuine our intentions may have been, it is nevertheless difficult to build a relationship of mutual respect when the needs, options, and resources of the participants are mutually perceived as so one-sided. Now, as we have seen, economics has helped to change that.

And so, prodded in part by forced changes, we are beginning at last to develop the type of mature, multifaceted political relationships that ought of right to characterize a society of independent states.

One sign of that maturing relationship is the new ties the nations of Latin America have begun to build in recent years with other nations outside the hemisphere. They have found in Western Europe and Japan new trading and investment partners. They have found in the developing nations of Asia and Africa natural allies in defining the international agenda of highest priority to both. They have begun to open up diplomatic and commercial ties with nations of Eastern Europe.

There was a time when all this would have been regarded by the United States with great apprehension, as an undesirable weakening of our own influence and importance within the Americas. Fortunately, that time is past. We see the growing international involvement of our Latin American neighbors as a development not only to be accepted but to be welcomed and applauded.

Diverse multidirectional trade patterns and friendly communication between all governments are in the general interest of the entire world community.

And we find particularly welcome the prospect that, through their increased leadership in global affairs, the nations of this hemisphere will contribute to the developing world their own wealth of development experience and insight and will contribute to the entire world their record of intraregional arms control, dispute settlement, and many years of peace.

Within our own hemisphere efforts are now underway, in the new atmosphere of respect and cooperation, to resolve two of the major areas of continuing tension that have made life difficult for all of us during the last decade and a half. I am referring to Panama and Cuba—issues that have received a great deal of thought and attention by the President under this new Administration.

As students here in the Caribbean—and many of you, as Caribbeans yourselves—you are probably more conscious than many of us in North or South America of the awkwardness of looking at the Caribbean region as if the largest island in the group were not there. We have felt this anomaly and struggled with its contradictions even when concern for hemispheric security left us little choice in our outlook.

That, too, has been modified as times have changed. This Administration holds to the general policy that it serves our interest to have normal relations with all of the world's governments. In the case of Cuba, realizing that goal in the face of such longstanding problems will take both time and sincere indications of reciprocal interest. On the basis of our success in negotiating a limited agreement on maritime boundaries and fishery rights, I am confident that mutual efforts and good faith will enable our two governments to confront the more difficult problems with equal success. An end to this abnormal situation will benefit the Caribbean region and the entire community of the Americas.

Perhaps of even greater benefit to the harmony of the hemispheric community will be the conclusion, at long last, of a new Panama Canal treaty. While conduct of these negotiations is a bilateral responsibility of the United States and Panama, the United States is keenly aware of the symbolic importance the issue holds, not only for Panama but for all Latin America. We know our actions are being closely watched as a test of our sincerity in approaching our southern neighbors not as a colonial protector but as one nation in a community of sovereign equals.

At the same time, the stake of the entire hemispheric and world shipping community in the nature of the new treaty is very real. The shipping economies of the Caribbean—including Puerto Rico, the nations along South America's west coast, and all that depend on the canal as an artery of commerce—have a stake in making sure that in years to come the canal will be open, operating efficiently, secure from attack, and available to the world's shippers on an equitable and nondiscriminatory basis.

Careful study has revealed that the interests of the United States and the other nations of the hemisphere in this regard are identical. For that reason, I have every hope that a treaty enjoying the respect of both parties, and the support of all our neighbors, will be forthcoming in the very near future.

Role of Future Generations

I would like now to take a few minutes to address a few remarks, on a very personal basis, to the members of this graduating class.

The issues I have been talking about—Cuba, Panama, international economic agreements—are matters that must be settled between governments. They are being negotiated by diplomats behind closed doors in faraway cities. Some of you perhaps, as I did, will pursue a diplomatic or governmental career, and be part of negotiations such as these in the future. The need is particularly urgent, and the timing particularly op-

portune, as President Carter draws in an unprecedented way on communities which traditionally have not had an opportunity to participate in this important area.

But in a very real sense, the most important elements of our future will not be settled at distant government conferences. They will be determined by the individual actions of ordinary citizens in each of our societies. Those of you here today, who have had the opportunity for an education many of your fellow countrymen dare not even dream of, will have a particularly key role.

When you leave here today, the attitudes you bring to your professions, the standards you set for yourselves, the ethical principles you honor, and the creative effort you bring to your tasks—multiplied many times over by the contributions of your fellow graduates just now embarking on their careers throughout the Americas—will determine, more than anything else, the directions our societies choose to take and the achievements they are able to attain.

You are called not just to be the technicians of your generation, but to be its conscience. It is not enough to be part of changing times, of turbulent exciting times. Change must have a purpose. It must contribute to human well-being—to the opportunity of every person to be all that he or she can be. Change must enable each to contribute his or her unique talents to the good of others.

We in the Americas—coming, as our fathers did, from many different cultures to forge our destiny in a new world—have contributed something very unique to man's view of the world. We believe in change as the natural order of things. This has led us to see ancient values in a new light and to carry an added burden of responsibility.

Our civilizations, like many others, are founded on the moral heritage of Christianity and its Judaic roots. We are taught to treat human beings kindly and justly in a world where history and economics have treated many—perhaps most—cruelly and inequitably.

This dilemma, of course, does not confront us uniquely. But because we believe in the

possibility of change, everything is different for us:

- Human suffering is not inevitable;
- Cruel laws can be replaced by fair ones;
- Inequitable institutions can be replaced by just ones; and
- Good will translates into compassion.

We know that the qualities of human life that make it meaningful—the satisfaction of the basic needs of body and mind and spirit—once experienced by some people, must be regarded as the proper destiny and right of any human person.

In the light of that value—that radical, indeed revolutionary value—many of the disparate winds of change swirling around us begin to take on a unifying focus. With the insight of our education, and guided by our deepest moral values, we can step back from the glare of immediate interests and current controversies and try to weave our concerns into the type of unifying theme by which we would want future generations to remember our own.

Many ages in history have contributed some distinctive movement to the great symphony of human progress. For the Americas, for instance, the 16th century was an age of discovery and conquest. The 19th century saw the abolition of slavery.

For our own generation—knowing for the first time the full scope of human deprivation and, at the same time, armed for the first time with the tools to set it aright—for us has been reserved the opportunity and privilege of completing the liberating task our forefathers began.

Slavery has been consigned to the ash heap of history but human bondage is with us still—in poverty, in ignorance, in the form of discrimination or exploitation and, all too often, in the misconduct of public authorities. All these evils have one vice in common—they deny to human beings the life of dignity and opportunity that is their birthright.

Ending abuses by government officials won't solve the whole problem but it will eliminate an important element in it—an element more conducive to simple decision and direct action than many of the problems

that threaten human rights. Each of us can contribute significantly to the cause of human rights by determining not to tolerate departures from international standards of human decency in the governments which derive their authority from our consent and thus act in our own name.

By the same token, industrialization alone won't solve the whole problem—even the problem of human rights denied by economic privation. We need not look as far away as the world of Charles Dickens to remember that in the rush to industrialize, the workers in whose name the change is wrought are often its first victims. And yet we know that without economic progress on a revolutionary scale, the human rights we cherish will secure a life of scope and purpose only to a privileged few.

The path we seek—the building of a new society where economic gains, social justice, individual liberty, and the growth of free institutions all support each other—will not come about because we declare our dedication to it, or because we wish it so. It will not come about because we work for any one of these goals exclusively and hope the others will somehow follow. It will come about only by clearness of purpose and by the vision and effort you bring to the task. This generation in Latin America carries a unique and heavy burden but it is one which you can embrace with a sense of great pride and destiny. For it is to you that all the world now looks to see if the worldwide dream of development can be proved possible.

It is to you that all the world looks to see if the throes of economic development and the clumsy but unexcelled processes of democratic self-government can be proved compatible and mutually supportive.

It is to you that all the world looks for a reaffirmation of the respect for the human person that is the foundation of the Hispanic culture that has enriched the entire world community and that each of our constitutions enshrines.

To you—the young people of Puerto Rico whose fathers have set such a shining example for us all and to all of you who take your experience here to the four corners of the

Americas—I bring the most profound congratulations and best wishes of the people of the United States and my own prayer that the very highest standards, the noblest dreams, and the most humane principles that you hold out for yourselves as you leave here today will transform your generation and all the societies your lives enrich.

President Carter's Fourth Report on Cyprus Submitted to Congress

*Message to the Congress*¹

To the Congress of the United States:

As required by Public Law 94-104, this report describes our efforts over the past sixty days to bring about a negotiated settlement of the Cyprus problem.

My last report, submitted to the Congress on June 22, noted that talks between the two Cypriot communities during the preceding sixty days had accomplished little. Regrettably, there has been no substantial change in the general situation.

The efforts of U.N. Secretary General Kurt Waldheim's Special Representative to Cyprus, Ambassador Perez de Cuellar, to persuade the two communities to hold a new round of talks in Nicosia in July and early August have proven unsuccessful.

Despite the failure of these efforts, however, the Administration has persisted in its efforts to bring the parties together in an effort to promote a settlement. In meetings in Washington with Ambassador de Cuellar and with House of Representatives President Kyprianou (now Acting President of Cyprus), Administration officials continually reiterated our view that the intercommunal forum should serve as the basis for substantive talks, and that they should be resumed as quickly as circumstances warranted. Moreover, we took the position that no time should be lost in pursuing a settlement once a new Turkish Government was formally installed.

¹ Transmitted on Aug. 25, 1977 (text from Weekly Compilation of Presidential Documents dated Aug. 29; also printed as H. Doc. 95-207 dated Sept. 7).

The death of President Makarios on August 3 was an unfortunate development. The precise implications of his death for the future of the intercommunal negotiations are, as of this writing, difficult to assess.

Nonetheless, we see no reason to change course. As Clark Clifford stressed in his press conference in Nicosia on August 9, this Administration is as dedicated today to helping find a solution to the problems of Cyprus as it was last January, when he was appointed as my Special Representative. We are prepared at any time to offer guidance and counsel to assist in the negotiating process, should the parties to the dispute so desire. It is my strong hope that constructive talks will be resumed and that the two Cypriot communities will again focus, with renewed energy, on the goal of achieving a just and lasting settlement which will enable everyone on the island to live in peace, harmony, and freedom.

JIMMY CARTER.

THE WHITE HOUSE, August 25, 1977.

United States and Mexico Sign New Fisheries Agreement

Press release 409 dated August 29

On August 26, 1977, representatives of the United States of America and Mexico signed a new agreement relating to fishing activities of Mexico off the coasts of the United States.

The agreement sets out the arrangements between the countries which will govern fishing by Mexican vessels within the fishery conservation zone of the United States. The agreement will come into force after the completion of internal procedures by both governments.

The signing of this agreement took place in Washington. Julian Saenz Hinojosa, Chargé d'Affaires of the Mexican Embassy in Washington, signed for Mexico. Patsy T. Mink, Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, signed for the United States. Both representatives expressed their hope that the new accord will strengthen cooperation between Mexico and the United States.

Developments Concerning Apartheid

The United Nations sponsored the World Conference for Action Against Apartheid in Lagos, Nigeria, August 22-26, 1977, which was attended by representatives of 111 governments and numerous nongovernmental and intergovernmental organizations and observers. Following is a statement made at that conference by Andrew Young, U.S. Representative to the United Nations, on August 25, together with the text of the Declaration for Action Against Apartheid.

STATEMENT BY AMBASSADOR YOUNG

USUN press release 59 dated August 25

Mr. President [Nigerian Commissioner for External Affairs Joseph N. Garba], I must begin by taking a certain liberty with your request that we not waste conference time by congratulating you on your selection as President of this conference. I am not so much congratulating you for this, however, as I am congratulating you and the Government of Nigeria for your continued effort in support of liberation throughout the continent of Africa. I share the genuine and generous concern that the Government and people of Nigeria have had for oppressed peoples everywhere. I am grateful that in my conversations with your head of state he never ceases to ask how we are getting along in the United States. He understands that we, too, are engaged in a liberation struggle.

The Government of Nigeria, in its continued commitment to the struggle against apartheid, is as responsible as any other factor in today's world for the progress and movement that we are making on the African Continent.

Nigeria, in a unique way, is responsible for the new sensitivity of the West. And the fact

is, Nigeria's growth and development gives the continent of Africa a new voice, a new power to be reckoned with. The fact that Nigeria is exercising its power in a statesman-like, wise, and restrained fashion adds to its credibility and effect.

This conference, by virtue of its being held in Lagos, assumes enormous importance. What we do here will be valued not necessarily by the sound of our rhetoric but by the fact that 100 nations have gathered to dedicate and devote themselves to a continuing struggle against apartheid.

I have been interested and somewhat amused—as I have listened to the many speeches—to find that my government, along with many others, has been condemned, blamed, and blasted for its imperialism, neocolonialism, capitalism, or what have you. I must confess that I hope that much of that is in the past. But I must admit also that much of it is still present. However, realistically facing the path that is before us, I would call your attention to the fact that we are probably much more condemned by the Government of South Africa than we have been by this conference.

Recent rhetoric coming from Pretoria charges that the United States is trying to pull the rug out from under white South Africa, that U.S. policy in South Africa gives no chance for survival, and that the United States is trying to force South Africa to negotiate its own destruction. Prime Minister Vorster has characterized our policy as "strangulation by finesse."

Just as I cannot accept the condemnations of this conference, neither can I accept the condemnation nor the credit that agreement with Prime Minister Vorster and the South

African Government might engender. Our position is more in keeping with the approach recommended by the head of state of the Government of Nigeria, Gen. Obasanjo [Lt. Gen. Olusegun Obasanjo]. It is his view that we should rationally analyze the situation in South Africa, discuss the alternatives, and attempt to find realistic solutions. This is the kind of approach that the United States, as a nation made up democratically of more than 200 million people, can support. It would not make much sense for us to make agreements here that would be refuted by our Congress or repudiated by our people.

Our challenge is to harness a trillion dollar economy—a massive system which can work in the service of a moral and responsible policy toward the continent of Africa as a whole. We are not without experience in the struggle against apartheid, although some in Africa say that our experience is irrelevant. They say that the situation we have known in the United States is completely different from the situation which exists now in Africa. I don't care to argue that point. But for a hundred years we struggled against our own version of discrimination and institutionalized racism, following upon 200 years of slavery, and we still have not overcome all of the burden imposed upon our society by that experience.

The majority of my life was lived under a very rigid and violent system of apartheid. When I speak of apartheid, I think I speak with the same passion, the same conviction, and much of the same emotion that we saw in President Kaunda [of Zambia] at the opening of this conference. We have, however, made tremendous progress in the past few decades. And that progress should accelerate under the present Administration both at home and abroad.

As a result of that continuing struggle, we do know something about the sickness of racism and apartheid. We know that this is a sickness which, like cancer, eats away at the inner structures of society. It can very well be a terminal illness, both physically and spiritually. But we also know that it is a disease that can be cured and that it is not necessary to kill the patient in order to cure the disease. If one is to approach the problem of apartheid rationally and not just with rhetori-

cal condemnation and slogans, it is important that we clearly define our objectives. No one at this conference or in any other meeting of the Organization of African Unity has ever called for the destruction of four million white citizens in South Africa.

Foreign Minister Chissano of Mozambique, South Africa's next door neighbor, issued a very eloquent invitation to all South Africans to join in the building of a nonracist society. I think this is an objective that we can all share. In May of this year our Vice President, Walter Mondale, met with Prime Minister Vorster to convey a message from President Carter and the entire U.S. Cabinet. He said that our policy toward South Africa is rooted in a firm commitment to the progressive transformation of South African society toward majority rule and an end to apartheid. Only as we work toward that end, in as rapid and aggressive a manner as possible, can we hope to save South Africa from the violent and cataclysmic effects of continued apartheid.

Many of us share these objectives, but it is inevitable that we will differ on tactics and methods of achieving them. Our unity must depend on our mutual respect for the diversity of our approaches. We may argue and disagree on resolutions. Our governments will decide on different approaches, but our goals must remain the same.

I don't believe in violence. I fought violence in my own country. I am determined that the United Nations continue as one institution that is devoted to peaceful change. And yet, I have never condemned another man's right to take up arms in pursuit of his freedom.

Too often, however, the armed struggle is advocated most vigorously by those who are thousands of miles away and whose only contribution to the struggle is the rhetoric of bitterness and frustration. At the Maputo conference [International Conference in support of the Peoples of Zimbabwe and Namibia, Maputo, Mozambique, May 16-21, 1977] I had a conversation with a young FRELIMO [Mozambique Liberation Front] freedom fighter who spoke profoundly of his own experience in dealing with violence. He said to me: "I started killing when I was 14 years old, and when you watch your comrades suffer and die, you develop a deep respect for human

life." And he described an attack on a Portuguese base in which many were killed on both sides. But after winning the battle, they placed all of the wounded side by side, FRELIMO and Portuguese, and those who were unharmed gave their blood to friend and foe alike. On this kind of humanism you can build a peaceful world.

The struggle continues but the power which comes from the best that is within us will prevail. I am confident that even in South Africa there is a nation waiting to be born out of just such idealism. Why should I be so confident? I know very well how quickly the tides of history can shift. Ten years ago I would not have believed that a person such as Jimmy Carter could even exist in rural Georgia, much less become President of the United States. Nor would I have believed that Portugal and Spain or even Greece would so soon become progressive democracies. Totalitarian states and oppressive regimes fall suddenly and without much warning. It is not naive to believe in the future when one is also committed to work for the fulfillment of one's dreams.

There is an emerging consensus about Africa's future, first in Maputo and now in Lagos. There is a building of a majority of world opinion for action against apartheid. From children in Soweto merely asking for a relevant education, there awakened a new sensitivity which spread throughout the governments of Africa and the world. From the private actions of college students to Wall Street banks, there is a new sensitivity to which the Government of Nigeria and the U.N. conference on apartheid have added a new chapter. But the success of this conference will not be determined by what we agree to on paper but by the actions we take in the weeks and months to come. The struggle must continue.

TEXT OF DECLARATION ¹

1. The Conference heard keynote speeches from the Head of State of Nigeria, the President of Zambia and the Prime Minister

¹Adopted by consensus on Aug. 26, 1977, but with reservations by the United States; unofficial text printed here.

of Norway, as well as other prominent personalities.

2. After a full discussion of the items on its agenda, the Conference adopted the following Declaration.

3. The Conference reiterates the universal abhorrence of apartheid and racism in all its forms and manifestations and the determination of the international community to secure its speedy elimination.

4. The Conference reaffirms support and solidarity for the oppressed peoples of southern Africa and their national liberation movements, and the commitment of Governments and peoples of the world to take actions to contribute towards the eradication of apartheid.

5. Apartheid, the policy of institutionalized racist domination and exploitation, imposed by a minority regime in South Africa, is a flagrant violation of the Charter of the United Nations and the Universal Declaration of Human Rights. It rests on the dispossession, plunder, exploitation and social deprivation of the African people since 1652 by colonial settlers and their descendents. It is a crime against the conscience and dignity of mankind. It has resulted in immense suffering and involved the forcible moving of millions of Africans under special laws restricting their freedom of movement; and the denial of elementary human rights to the great majority of the population, as well as the violation of the inalienable right to self-determination of all of the people of South Africa. This inhuman policy has been enforced by ruthless measures of repression and has led to escalating tension and conflict.

6. The apartheid regime in South Africa is the bastion of racism and colonialism in southern Africa and is one of the main opponents of the efforts of the United Nations and the international community to promote self-determination and independence in the area.

7. It has continued illegally to occupy the Territory of Namibia, for which the United Nations has a special responsibility and extended apartheid to that international Territory.

8. It has sustained and supported the illegal racist minority regime in Southern Rhodesia, and has constantly resorted to

threats against neighbouring independent African States and violations of their sovereignty. Since the end of colonial rule in Angola and Mozambique it has engaged in a series of acts of aggression against neighbouring States and has connived at acts of aggression by the illegal regime in Southern Rhodesia. Its massive invasion of Angola and constant violations of the territorial integrity of Zambia have been condemned by the United Nations Security Council. It continues to violate the territorial integrity of neighbouring independent African States.

9. The policies and actions of the South African regime have already created an explosive situation in the whole of southern Africa and events have moved into a phase of an acute crisis. The apartheid regime has intensified its military activities along the borders of independent African States and is constructing and expanding new military bases. It is reinforcing its enormous military arsenal and the production of nuclear weapons is within its reach. The possession of this arsenal and the acquisition of nuclear weapons by this racist and aggressive regime constitutes a menace to all independent African States and the whole world.

10. The World Conference recalls with admiration the valiant efforts of the South African people for many decades for an end to racial discrimination and for the establishment of a non-racial society. By their courageous struggle at heavy sacrifice, the South African people, under the leadership of their national liberation movement, have made a significant contribution to the purposes of the United Nations.

11. The United Nations has solemnly recognized the legitimacy of the struggle of the South African people for freedom and human equality, and for enabling all the people of the country irrespective of race, colour or creed, to participate as equals in the determination of the destiny of the nation. It has proclaimed that the United Nations and the international community have a special responsibility towards the oppressed people of South Africa and their national liberation movement, and towards those imprisoned, restricted or exiled for their struggle against apartheid.

12. The World Conference pledges its full support to the legitimate aspirations of the South African people and urges Governments, organizations and individuals to provide all appropriate assistance to the oppressed people of South Africa and their national liberation movement in their just struggle for freedom and human equality.

13. The Conference rejects all aspects of the apartheid system, including the imposition of "bantustans" which divide the population, deprive the African people of their citizenship and inalienable right to self-determination and deny them a just share of the wealth of the country. There can be no international co-operation with bantustans and other entities based on racism.

14. The Conference condemns all manoeuvres by the South African regime aimed at preserving racist domination and the system of exploitation and oppression in South Africa, and in southern Africa as a whole.

15. It calls upon all Governments to enact legislation declaring the recruitment, assembly, financing and training of mercenaries in their territories to be punishable as a criminal act and to do their utmost to discourage and prohibit their nationals from serving as mercenaries.

16. It declares that South Africa belongs to all its people irrespective of race, colour or creed and that all have the right to live and work there in conditions of full equality. The system of racist domination must be replaced by majority rule and the participation of all the people on the basis of equality in all phases of national life, in freely determining the political, economic and social character of their society and in freely disposing their natural resources.

17. The Conference calls upon Governments, intergovernmental and non-governmental organizations to intensify the campaign for the further isolation of the apartheid regime with a view to complementing the efforts of the South African people and their national liberation movement and to ensure:

(a) the immediate and total elimination of the policy and practice of apartheid and granting equal rights to all its inhabitants, including equal political rights;

(b) the termination of all measures, under whatever name, which forcibly separate elements of the population on the basis of race;

(c) the dismantling of the system of apartheid and the policy of bantustanization, and abrogation of all racially discriminatory laws and measures;

(d) the ending of repression against the opponents of apartheid, and the immediate and unconditional release of all persons, imprisoned, detained, restricted or exiled for their opposition to apartheid;

(e) the exercise, freely and on the basis of equality, of the inalienable right to self-determination of the people of South Africa as a whole;

(f) the removal of the illegal South African forces of occupation in Namibia and compliance by the apartheid regime with the relevant Security Council resolutions, particularly resolution 385 (1976);

(g) compliance by the South African regime with Security Council resolutions on the question of Southern Rhodesia, and full implementation of sanctions against the illegal racist minority regime including the oil embargo;

(h) the immediate cessation by the apartheid regime of all aggressive acts and threats against the independence, sovereignty and territorial integrity of African States; and

(i) the immediate cessation by the apartheid regime of its military and nuclear build-up which constitutes a serious danger to international peace and security.

18. The World Conference recognizes that the continuation of the prevailing situation in South Africa, and in southern Africa as a whole, will inevitably lead to greater conflict in Africa with enormous repercussions to international peace and security.

19. The World Conference condemns the South African regime for its ruthless repressive measures which are designed to perpetuate white racist domination. It recognizes and respects the inalienable right of the oppressed South African people and their national liberation movement to resort to all available and appropriate means of their choice to secure their freedom, and the need to assist them to achieve freedom. It declares that the international community has an ines-

capable duty to take all necessary measures to ensure the triumph of freedom and human equality in South Africa.

20. It further calls upon the international community to assist States which have been subjected to pressure, threats and acts of aggression by the South African regime because of their opposition to apartheid and implementations of United Nations resolutions for action against apartheid.

21. Governments and organizations participating in the World Conference pledge to use their separate and collective efforts forthwith, and on a continuing basis, to bring about the elimination of apartheid, to provide assistance to the victims of oppression, and to lend appropriate support to their national liberation movement, in consultation with the United Nations and the OAU, in their legitimate struggle to eliminate apartheid, and to attain the inalienable right to self-determination of the South African people as a whole.

22. The Conference commends those States and organizations which have provided assistance to the oppressed people and their national liberation movement, and appeals to all States and organizations to increase such assistance.

23. It draws attention to the International Convention on the Suppression and Punishment of the Crime of Apartheid.

24. The Conference calls upon all States for cessation of any assistance or co-operation enabling South Africa to obtain nuclear capability. It further calls upon all States to prevent companies or institutions within their jurisdiction, from any nuclear co-operation with South Africa.

25. The Conference solemnly calls upon all States to cease forthwith all sales and supplies of arms and military equipment, spare parts and components thereof: to withdraw all licenses for the manufacture of arms and military equipment in South Africa and to refrain from any assistance to the South African regime in its military build-up or any military co-operation with that regime. It further recommends the setting up of a watch-dog committee to follow up the observance of the arms embargo.

26. It calls on the United Nations Security Council to take all necessary measures, under Chapter VII of the Charter, to ensure the full implementation of the arms embargo against South Africa.

27. The Conference recognizes the urgent need for economic and other measures, universally applied, to secure the elimination of apartheid. It commends all Governments which have taken such measures in accordance with United Nations resolutions. It calls upon the United Nations and all Governments, as well as economic interests, including transnational corporations, urgently to consider such measures, including the cessation of loans to, and investments in, South Africa. It requests the Special Committee against Apartheid, in co-operation with the OAU and all other appropriate organizations, to promote the implementation of the above recommendations.

28. The Conference urges States, and international and national sporting bodies to take all appropriate steps within their jurisdiction to bring about the termination of sporting contacts with South Africa.

29. It commends all public organizations which have taken actions in accordance with United Nations resolutions and in support of the legitimate struggle of the oppressed people of South Africa.

30. The World Conference calls on all the Governments and peoples of the world to lend their full support to international efforts, under the auspices of the United Nations and in cooperation with the Organization of African Unity and the liberation movements recognized by it, to eliminate apartheid and enable the South African people as a whole to attain their inalienable right to self-determination.

31. The Conference expresses its solidarity with the oppressed people of South Africa and with all political prisoners and detainees in South Africa, and pledges the total support of all participants to continue and intensify their campaign for the immediate and unconditional release of all political prisoners and detainees. It further pledges its unswerving support to all efforts to end arbitrary arrests, detentions and political trials in South Africa.

32. It endorses the proposal to proclaim

1978 as the International Anti-Apartheid Year and appeals to all Governments and organizations to observe it in the spirit of this Declaration.

33. The liberation of southern Africa as a whole from colonial and racist rule will be the final step in the emancipation of the continent of Africa from centuries of domination and humiliation. It will be a major contribution to the elimination of racism and racial discrimination in the world, and to the strengthening of international peace and security.

34. The World Conference calls on all Governments and peoples to make their fullest contribution in this historic and crucial effort for freedom, peace and international co-operation.

TREATY INFORMATION

Current Actions

MULTILATERAL

Conservation

Convention on international trade in endangered species of wild fauna and flora, with appendices. Done at Washington March 3, 1973. Entered into force July 1, 1975. TIAS 8249.

Ratification deposited: Denmark, July 26, 1977.¹

Accession deposited: Nicaragua, August 6, 1977; Senegal, August 5, 1977.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976.²

Signature: Syrian Arab Republic, September 8, 1977.

Ratifications deposited: Ethiopia, September 7, 1977; Somalia, September 8, 1977; Uganda, August 31, 1977; United Kingdom, September 9, 1977.

Maritime Matters

Amendments to the convention of March 6, 1948, as amended, on the Intergovernmental Maritime Consultative Organization (TIAS 4044, 6285, 6490).

¹ Extended to Greenland and the Faroe Islands. However, application as regards the Faroe Islands will only be accomplished at the time the authorities of the Faroe Islands will have enacted the appropriate legislation.

² Not in force.

Adopted at London October 17, 1974. Enters into force April 1, 1978. TIAS 8606.

Acceptance deposited: Ethiopia, August 2, 1977.

Convention on facilitation of international maritime traffic, with annex. Done at London April 9, 1965. Entered into force March 5, 1967; for the United States May 16, 1967. TIAS 6251.

Acceptance deposited: Brazil, August 22, 1977.

Tin

Fifth international tin agreement, with annexes. Done at Geneva June 21, 1975. Entered into force June 14, 1977. TIAS 8607.

Ratifications deposited: Austria, August 29, 1977; Ireland, September 12, 1977.

BILATERAL

Bangladesh

International postal money order agreement, with schedules. Signed at Washington August 11, 1977. Entered into force September 1, 1977.

Hague Conference on Private International Law

Agreement relating to a procedure for United States income tax reimbursements. Effected by exchange of letters at The Hague August 11 and 24, 1977. Entered into force August 24, 1977; effective January 1, 1977.

Japan

Joint determination for reprocessing of special nuclear materials of United States origin, with joint communiqué. Signed at Washington September 12, 1977. Entered into force September 12, 1977.

Liberia

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Effected by exchange of notes at Monrovia March 20, 1974 and July 22, 1977. Entered into force July 22, 1977.

Mexico

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operation and traffic. Effected by exchange of letters at Mexico September 6, 1977. Entered into force September 6, 1977.

Portugal

Agreement amending the agreement for sales of agricultural commodities of October 22, 1976 (TIAS 8535). Effected by exchange of notes at Lisbon August 17 and 18, 1977. Entered into force August 18, 1977.

Saudi Arabia

Project agreement for technical cooperation in highway transportation. Signed at Riyadh and Washington August 16 and 26, 1977. Enters into force after signature and deposit by Saudi Arabia of sums described in the agreement.

1950 "Foreign Relations" Volume: "Western Europe"

Press release 413 dated September 7 (for release September 12)

The Department of State on September 12 released "Foreign Relations of the United States," 1950, volume III, "Western Europe." The "Foreign Relations" series has been published continuously since 1861 as the official record of U.S. foreign policy. The volume released September 12 is the fifth of seven volumes covering the year 1950.

This volume of 1,799 pages presents high-level, recently declassified documentation on the major policies and problems in the relations of the United States with the nations of Western Europe during 1950. Great attention is focused upon the role of the United States in the newly formed North Atlantic Treaty Organization and the encouragement of West German participation in an integrated European defense force. The extensive meetings of the American, British, and French Foreign Ministers in May and September 1950 and their consideration of a wide range of global matters are given considerable attention in the volume. The support by the United States for various measures for European political and economic integration is also examined as is the special network of relationships between the United States and the United Kingdom.

"Foreign Relations," 1950, volume III was prepared in the Office of the Historian, Bureau of Public Affairs, Department of State. Listed as Department of State publication 8888, this volume may be obtained for \$20.00. Checks or money orders should be made out to the Superintendent of Documents and should be sent to the U.S. Government Book Store, Department of State, Washington, D.C. 20520.

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* Not printed.
† Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXXVII, No. 1998

October 10, 1977

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

Publications of the Department of State, United Nations documents, and legislative material in the field of international relations are also listed.

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U.N. Conference on Desertification

The United Nations convened an international Conference on Desertification at Nairobi, Kenya, August 29–September 9, 1977, which was attended by delegates from 95 countries and numerous intergovernmental and nongovernmental organizations and observers. Following is a statement made at that conference by James A. Joseph, Under Secretary of the Interior and chief of the U.S. delegation, together with an article describing the background on the global desertification problem.

STATEMENT BY UNDER SECRETARY JOSEPH

Mr. President [Julius Gikonyo Kiano, Minister for Water Development of Kenya], on behalf of the U.S. delegation, I would like to extend to you, and to the elected Vice Chairpersons, our sincere congratulations. To His Excellency, President Mzee Jomo Kenyatta, and the Government and people of Kenya, I wish to express our warm and heartfelt appreciation for your hospitality. I want also to record the U.S. appreciation to Dr. Tolba [Mostafa Tolba of Egypt, Executive Director of the U.N. Environment Program] for the outstanding service he has performed as Secretary General for this conference, and also to the conference secretariat.

I am also pleased to have brought to this conference the greeting of President Jimmy Carter and the American people. The President's message, which was read at the opening of the conference, highlights the importance my country attaches to this conference.

The U.S. delegation has come to this conference as representatives of a nation fully aware of the relationships between social de-

velopment and land management. Our experiences—and our aspirations, both for our own people and those of other nations—so clearly intermingle with the purpose and objectives of this gathering that we have a direct and immediate stake in its success. As Under Secretary of the department of my country's government charged with the responsibility for managing the nation's natural resources, I am pleased that we have not only been able to bring to this conference policymakers but some of our best experts in land management and reclamation. I want, therefore, to say a word about why we are participating in this conference.

We are here because we share a common predicament. Desert encroachment and the deterioration of semiarid lands are not unique to any one country, region, or political system. The process called desertification is a threat to the social well-being of us all.

We are here because desertification is a human problem. My nation's concern for people and the development of their communities has been highlighted in many forums. We now wish it known that this concern enlarges the boundaries of the human community to include the land community with all its interdependent parts—soil, water, plants, and animals. Such a concern does not remove humankind from the center of the community; it simply implies respect for the other members. We have come to this conference convinced of the need for a new land ethic, a value system which not only fosters an appreciation for our ties to nature but which seeks to correct the abuses and eases the pain of many years of estrangement from it.

We are here to share our experiences. The lessons we have learned from past mismanagement of our arid and semiarid lands are all part of the national debate about effective land management and water resource development.

We are here to learn. Desertification is not a new phenomenon. Many nations were struggling with its threat long before the birth of my own nation. We want to learn from others both what has worked and what has failed.

Finally, we are here to help shape an international consensus. We hope to come out of this conference with a common commitment to a realistic, meaningful, and coordinated plan of action to attack this global problem.

U.S. Experience

I mentioned earlier that the United States does not come to this conference as a curious bystander. We have many areas which have already reached the ecological danger point.

While some may tend to dismiss the U.S. experience as not being typical, I rather believe it should be quite instructive and meaningful to other nations, for in our relatively brief 200-year history, the United States has passed through a broad spectrum of economic development levels—initially, poor, sparsely settled, and agrarian; later, expansive, pioneering, rangeland-oriented with rapid population increases; and today, developed, industrialized, urbanized, and possessing a relatively stable population.

In recognition of an array of problems and needs, a new Federal Land Policy and Management Act was passed into law in 1976, repealing dozens of obsolete statutes and setting forth a multiple-use management concept for administering the hundreds of millions of acres of U.S. public lands. This concept involves the management of all the resources of the public lands and in that combination which will best serve the present and future needs of the people, while maintaining a high rate of productivity of the land and preserving the quality of the environment.

In attempting to cope with desertification throughout the development of our country,

MESSAGE FROM PRESIDENT CARTER

One of the serious problems of our age is the accelerating spread of deserts and desert-like conditions, with the resulting malnutrition, famine, and human poverty.

Since desertification is a worldwide phenomenon—my own country is even now experiencing one of the worst droughts in its history—the United Nations has appropriately taken the lead in examining it. We are committed to help find a solution, not just at this conference but as part of our continuing desire to assist others in meeting basic human needs. The significant investment we are making to the Sahel development program—the international response to a tragedy which spawned this conference—testifies to our interest and commitment.

The United States will do its utmost to support a long-term effective world effort to protect the Earth's natural resources. We are prepared to cooperate with other countries in developing efficient land and resource management policies and programs, which are essential to any corrective measures. The ultimate solution depends on the will and determination of the countries most concerned to apply their human and material resources in a way that can turn back the desert.

I wish this important world conference, and all who participate in it, every success.

the following lessons are among the most important we have learned:

—First, deterioration of our land and water persisted and increased until they were brought under effective public regulation;

—Second, the necessary new laws, regulations, and programs must be developed with the direct participation of the affected local people;

—Third, a definite philosophy of resource management must be followed;

—Fourth, the management concept and implementing programs must be supported by strong institutions of planning, assessment, research, education, and training; and

—Last, combatting desertification requires continued vigilance and action by government, particularly to demonstrate why sound land management is in the best near- and long-term interests of the country and the individual citizens.

A Worldwide Problem

The problem is critical on a worldwide scale, and the long-term social, economic, and political consequences of failure to solve it are enormous.

The background analyses and numerous case studies before this conference reveal the same pattern identified in my review of the U.S. domestic experience being repeated throughout the world—the relentless pressures of too many people and too many animals on land that can support far fewer numbers; the introduction of inappropriate technologies that cause fertile soil to blow away or become saline; overuse and misuse of limited water resources causing them to become degraded or to dry up; and the destruction of the vegetative cover by mismanagement, lack of understanding, or social and economic necessity which, regardless of origin, quickly allows the deserts to intrude. Slowly but inexorably, over the decades, good land is lost to the desert. When drought appears, the degraded condition is accelerated—and dramatized.

Combatting desertification is not easy under the best of circumstances. Consequently, we recognize that desertification must be attacked as part of a much larger effort—one dedicated to uplifting the human spirit and man's economic condition through an intensified global development effort.

The United States is firmly committed to working with the other nations in the world to achieve a new economic system. We stand second to none in our concern that basic human needs are met everywhere and that people and the betterment of their conditions should be at the forefront of our endeavors at this conference and beyond.

I emphasize this because the subject of this conference—desertification—requires us to spend much of our time discussing land, water, and technologies and policies and laws and institutions. While doing this we are ever mindful, however, that concern for these inanimates derives directly from our belief that the world's marginal lands will be able to contribute their full potential to mankind's quest for a better life only if we can focus on the basic causes of the problem. It would, there-

fore, be a matter of disappointment to the United States if this conference diverts precious time to debating accepted developmental goals that cannot be achieved until the deserts have been rolled back. To ask more from these lands at the present is like expecting a sick person to do a well person's work. It is impossible. The first task is to get the sick person back on his feet and back to his potential.

Hope for the Future

Up to this point, I have spoken about concerns, about complex problems, and about difficult challenges. I really want to talk about hope. And there is hope when the nations of the world agree on the importance of a problem and make a special effort to come together to attempt to find ways to cope with it. The documentation before this conference is also a source of hope and inspiration.

There is hope also to be found in the opportunities which lie before us in the way of new methodologies and technologies which can be applied to the task. This conference can make a major contribution by raising public awareness of the status of these new tools and also of the steps which must be taken to insure the improvement, general availability, and appropriate application.

I have in mind, for example, the prospect of monitoring and assessing the desertification process via satellite and ground-based remote sensing and the application of new principles of multiple-use resource planning and management. The extensive research on arid lands problems which has been carried out by nations, individually and collectively, over the past several decades is beginning to bear fruit. Greater use of saline water for food production, the safe use of sewage for irrigation and soil amendment, desalination of brackish ground water, "no tillage" agriculture, drought-tolerant crop varieties, and economic utilization of heretofore neglected desert vegetation—these and many others offer potential new weapons in humanity's age-old fight to utilize the deserts and the desert margins in a manner which harmonizes social and economic imperatives with ecological constraints.

Hope also derives from the historic willingness of the international community to rally at

times of crisis. My country is pleased to be among those in the forefront of the many donor nations which are responding to the Sahelian drought.

The Sahel development program, which is now beginning to be implemented under African leadership, holds great promise for promoting ecologically sound and accelerated development of this severely impacted region over both the medium and long term. The relationship of the regional program to the global plan of action to be adopted by this conference is a matter we believe should receive considerable attention over the next 2 weeks.

In addition to participating in numerous "special" efforts, such as the Sahel program, over recent decades the United States has continually provided educational and training opportunities for scientists and students from abroad in our laboratories and universities. Working unilaterally, bilaterally, and through the multilateral organizations, we have attempted to help address problems of the developing world through cooperative research, demonstration, and capital and technical assistance. Many other countries have done likewise. However, as this conference demonstrates by its mere existence, "we" in the United States, "we," the world community of nations, have not dealt adequately with the problem.

The U.S. Commitment

Speaking for my government, the United States is prepared to do more. I know that other countries will join with us after this conference in an intensified, coordinated attack on one of the most crucial global problems which we, our children, and future generations must confront. Let me illustrate the intent and thrust of the U.S. commitment in this regard with several examples.

The U.S. Congress is just now putting final touches on a foreign assistance bill which will provide a new and specific mandate for the provision of technical advisory services, training, and research in the areas of natural resources management and environmental planning. This legislation calls for special efforts "to maintain and restore the land, vegetation, water, wildlife, and other resources upon

which depend economic growth and human well-being, especially that of the poor."

Under this same authorization, the United States will launch a new international program devoted to energy alternatives for arid areas. It will include demonstration of small-scale energy technologies for use in rural areas as substitutes for firewood; a training course for developing-country experts on energy analysis and management, with special emphasis on the rural sector; and research on fast-growing trees for use in reforestation leading to development of experimental plantations for such trees.

In addition, we will support development of an arid lands information system which will provide access to worldwide research on arid zone problems and multiple-use planning and management. My government plans to continue and strengthen its participation in the Sahel development program and will support the establishment of a Sahelian institute. The United States is also prepared to give serious consideration to assisting with the strengthening or establishment of other regional institutes or centers judged essential by this conference.

I mentioned earlier the rich potential afforded by remote sensing and wish to note that two transnational feasibility studies on new regional centers in Latin America and Asia will be presented to this forum. The United States plans to upgrade its meteorological satellite system and to continue its experimental LANDSAT [Earth resources technology satellite] program. Throughout these efforts we will support the expanded worldwide use of the data and provide increased opportunities for training in their interpretation and application. In addition, the U.S. National Aeronautics and Space Administration will give every consideration to requests for LANDSAT data outside the range of existing ground-receiving stations to support sound projects related to desertification.

As a final example—and our delegation is prepared to discuss these and other U.S. initiatives in more detail as our deliberations proceed—our Peace Corps is prepared to train and place, at local government request, up to 1,000 volunteers worldwide to assist in re-

forestation, natural resources management, and related antidesertification program efforts.

Let me conclude by saying that the United States is gratified that the current concept of U.N. conferences is not simply discussion groups but action conferences. It is, therefore, our hope that this conference will proceed in the same spirit of harmony and coop-

The Conference on Desertification was one of a series of U.N.-sponsored meetings of governments addressing critical resource-oriented problems. U.N. Conferences on the Environment (Stockholm, 1972), Food (Rome, 1974), Population (Bucharest, 1974), Human Settlements (Vancouver, 1976), and Water (Mar del Plata, 1977) have already been held. In the spring of 1979, a world meeting on Science and Technology for Development will be convened at a site yet to be selected.

eration which marked the recently completed U.N. Water Conference. The United States is now reviewing its water resources priorities and programs, both domestic and international, and we intend to make the necessary adjustments in light of the deliberations and conclusions of Mar del Plata. My government is prepared to consider the results of this conference with the same interest and seriousness of purpose.

THE GLOBAL DESERTIFICATION PROBLEM— A BACKGROUND ARTICLE ¹

From 1968 to 1973 a drought of mammoth proportions cut a swath of destruction through sub-Saharan Africa. Within a 2,600-mile-long band running through the six nations of the Sahel—Senegal, Mauritania, Upper Volta, Mali, Niger, and Chad—decaying carcasses and bleached animal bones littered parched and barren ground.

The drought was catastrophic. Lake Chad shrank to one-third its normal size. The Niger and Senegal Rivers were reduced to trickles, and the water table dropped leaving all but the deepest wells incapable of

meeting the needs of man and livestock. Nomads, whose herds depend upon natural forage, lost between 20 and 50 percent of their animals. Altogether, over 25 million people were exposed to starvation, malnutrition, and disease. Once again the Sahara was said to be "on the march."

Historically, desert margins have continually ebbed and flowed. Throughout the world, evidence abounds that desert conditions now exist where lush vegetation once flourished. But what is most alarming about the present situation is the accumulating evidence that as a result of population growth, intensive use of marginal lands, and climatic change, deserts everywhere are expanding at an accelerating rate.

Desert encroachment and the deterioration of semiarid lands are not unique to Africa. The process, called desertification, is almost universal. It affects one-ninth of the Earth's surface and the lives of 60 million people. During the past decade, desertification and/or drought have touched large areas of Brazil, Chile, Afghanistan, Pakistan, Bangladesh, Somalia, Egypt, Ethiopia, Europe, China, Korea, and the United States.

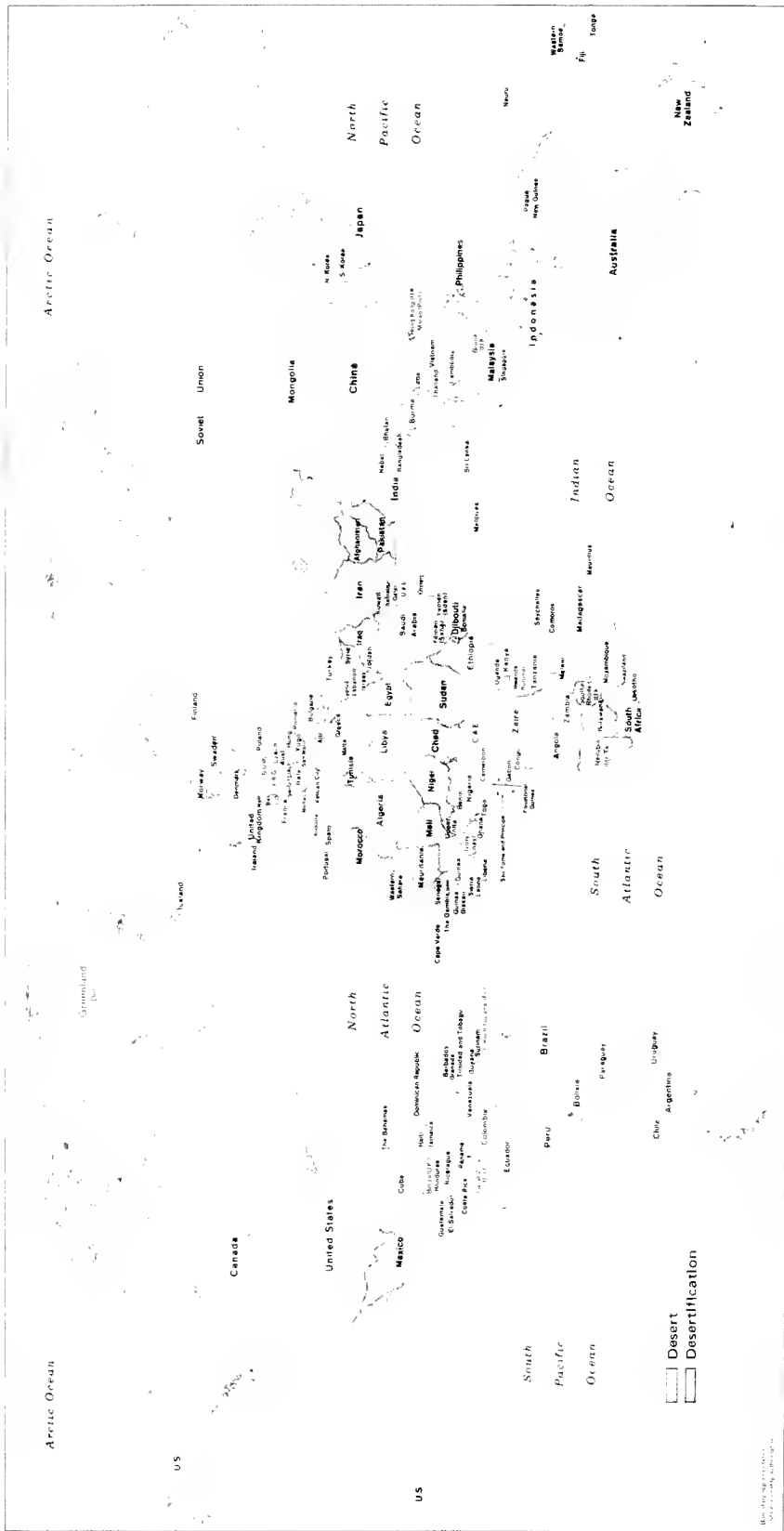
The cost to the international community of providing disaster assistance to drought-affected areas is staggering. For example, external assistance provided to the Sahel during the height of the drought reached almost a billion dollars.

Desertification also removes from production large crop and range areas at the very time a growing world population demands more food.

The problem is elusive and complex. Desertification occurs through a combination of natural and man-related events. The rotation of the Earth and its resultant wind patterns determine that many of the regions between 15 and 25 degrees north and south of the Equator will be dry. The rain-shadow effect on the leeward side of the mountains; distance from the ocean; shifts in ocean currents; sunspot activity; upper atmospheric dust from volcanic eruptions and the wind; and seasonal changes in temperature, humidity, and rainfall are other factors contributing to aridity.

¹ Taken from a Department of State pamphlet entitled "Desertification: A Global Challenge," released July 1977.

Deserts and Areas of Severe Desertification



U.S. Department of State
 Bureau of Land Management
 2798 3/77 STATE/BLM

Evidence indicates, however, that climatic causes are not the principal reason for the increasing loss of arable land. Man's exploitation and abuse of the environment are largely responsible for the present state of affairs. The recent rapid growth of population and technology have merely underlined man's role. Poor and outdated agricultural practices such as one-crop plantings that exhaust the soil, straight-row plowing that makes land vulnerable to wind and water runoff, and overgrazing of rangelands endanger fragile ecosystems along desert margins and elsewhere. Deforestation resulting from land-clearing, timbering, or firewood-gathering is another major threat. The consequences are the depletion of soil nutrients or the topsoil itself, leading to reduced crop productivity and the loss of grass, shrubs, and browse necessary to sustain livestock. Without trees and groundcover, there is nothing to halt the invasion of sand.

The United States clearly shares the problem. Over the past 2 years, many of our Western States have experienced a severe drought that has forced water-rationing in large urban areas. Industrial activity has been cut back as the hydropower potential of the Columbia and other major rivers continues to drop. In the U.S. "breadbasket"—our Great Plains—the threat of a second Dust Bowl looms.

In the semiarid regions of our Southwestern States, population growth, urban expansion, and agricultural and industrial development have caused drastic shortages of surface and underground water. Farms are being abandoned as the cost of pumping water from greater depths becomes too great and soil and water become too saline. Future economic development of these resource-deficient areas has now become a public policy issue.

Growing evidence also indicates that man directly affects weather patterns which contribute to the vicious cycle that enables desertification to spread. The absence of groundcover allows wind to carry dust to the upper atmosphere where the particles block sunlight, lower temperatures, and diminish natural convection of air currents. The warming or cooling of the Earth by merely a

few degrees could be responsible for crop failures, famine, and drought.

But dust is not the only possible cause of climatic change. The burning of fossil fuels and the resulting increases in carbon dioxide also may influence warming and cooling trends, and scientists now fear that man-made fluorocarbons and agricultural chemicals affect the ozone shield which protects us from the Sun's ultraviolet radiation.

Must man docilely accept the loss of the land's productive capacity, or can something be done to halt or reverse the desertification process that already has gone too far?

In our own country, lessons learned in the Dust Bowl era have led to new ways of managing the range and cultivating the soil. The government now controls grazing on public lands. Before overgrazing can occur ranchers manage herd sizes and move animals to other pastures, allowing the grasslands to regenerate. In addition, farmers terrace fields and plant trees to serve as wind breaks and help prevent erosion.

We are also developing or rediscovering better ways to conduct dryland farming. One method, based on a centuries' old custom, allows some fields to lie fallow and regain moisture under the protection of mulch or crop stubble. Farmers now cultivate specially bred crops requiring less water, and we are now placing new emphasis on the conservation and upgrading of water supplies.

In southern New Mexico, where grasslands long ago were grazed virtually into extinction, spraying eliminates scrub plants of mesquite, creosote, and tarbush to allow the grasses to come back.

Other nations suffering even more from the effects of desertification have also taken initiatives. In a long-range effort to halt the encroaching Sahara, Algeria has begun an ambitious tree-planting project in its northern desert. The Algerians hope the eventual planting of some 20 billion trees will deflect the winds and serve as barriers to the forward movement of sand dunes.

Mexico, Pakistan, and Sri Lanka are also conducting huge reforestation programs. India will plant date trees in a massive effort to contain the Rajasthan Desert.

Space-age technology has been enlisted in the war against desertification. Remote sensing satellites, such as those in the U.S. LANDSAT series, already scan 85 percent of the world's drylands. Computer-enhanced images provide scientists with data on vegetational changes, geologic formations, dune movement, surface wind patterns, and ground water and drainage systems. In a recent series of photographs taken on the Apollo-Soyuz flight, scientists could clearly see the encroachment of Egypt's western desert on the Nile Delta.

The advantage of this technology is obvious, but for the afflicted nations of the world to benefit it must be made available to all.

U. S., Japan Sign Determination for Nuclear Facility

Press release 420 dated September 12

The Japanese Minister of Science and Technology, Sosuke Uno, was in Washington September 12 and 13 for the signing of the Joint Determination for Reprocessing of Special Nuclear Material of United States Origin and the issuance of a joint communique. This agreement is a result of negotiations in Tokyo from August 29 to September 1 concerning the operation of the Japanese prototype reprocessing facility at Tokai Mura using U.S. origin fuel.

The text of the communique and the determination was released on September 12, 1977. Gerard Smith, the U.S. Special Representative for Nonproliferation Matters, and Robert Fri, Acting Administrator for the Energy Research and Development Administration, signed for the United States; Minister Uno and Ambassador to the United States Fumihiko Togo for the Government of Japan.

Minister Uno made calls on Secretary of Energy James Schlesinger and Mr. Fri on September 13 before traveling to Oak Ridge, Tenn. After a full day touring Oak Ridge, he

traveled to San Francisco before returning to Japan on September 16.

JOINT COMMUNIQUE

Negotiations between the Governments of Japan and the United States of America concerning the operation, in accordance with the Agreement for Cooperation between the Government of Japan and the Government of the United States of America Concerning Civil Uses of Atomic Energy of February 26, 1968, as amended (hereinafter referred to as "the Agreement for Cooperation"), of the Tokai Reprocessing Facility (hereinafter referred to as "the Facility") were held in Tokyo from August 29 to September 1, 1977. The Japanese delegation was led by H.E. Mr. Sosuke Uno, Minister of State for Science and Technology and chairman of the Atomic Energy Commission, while the United States delegation was headed by H.E. Ambassador Gerard Smith, Special Representative for Non-Proliferation Matters. The negotiations were conducted in a frank and friendly atmosphere throughout the session.

The United States recognizes the importance of the development of nuclear energy for the energy security and economic development of Japan. The United States strongly supports continued development of peaceful uses of nuclear energy in Japan. The United States is prepared to cooperate with Japan for the purpose of assuring that Japan's long-term nuclear energy programs, including its breeder research and development program, not be prejudiced. The United States is prepared to work with Japan and other countries to establish arrangements for assured supply of natural and low enriched uranium. The United States affirms that its policy is to accord Japan non-discriminatory treatment in the field of the peaceful uses of nuclear energy.

Japan and the United States will cooperate in evaluating the nuclear fuel cycle and the future role of plutonium. They share the view that plutonium poses a serious proliferation danger, that its recycling in light water reactors is not ready at present for commercial use, and that its premature commercialization should be avoided. They equally share the view that, if separation of plutonium for research and development work on fast breeder reactors and other advanced reactors is carried out, it should be at a rate not exceeding actual plutonium needs for such purposes.

Both Japan and the United States intend to defer decisions relating to the commercial use of plutonium in light water reactors at least during the International Nuclear Fuel Cycle Evaluation Program (INFCEP), which is expected to continue for two years. Japan plans to do related research and development work involving several kilograms of plutonium during this period. Furthermore, Japan and the United States

do not intend to undertake any major moves regarding additional reprocessing facilities for plutonium separation during the above-mentioned period. Thereafter, when making decisions on such facilities, they intend to take into account the outcome of the INFCEP, including spent fuel storage possibilities and other technical and institutional alternatives to reprocessing.

Taking into account both immediate practical considerations and the desire of the parties to identify fuel cycles that are as proliferation resistant as possible, the parties reached an understanding that the operation of the Facility will be guided, for an initial period of two years, by the following principles, in accordance with the relevant laws and regulations of Japan:

1. The Facility will process up to 99 tonnes of U.S.-origin spent fuel. The major portion of this spent fuel will be processed in the scheduled mode to prove out plant design and to preserve Japan's warranty rights. Some of this spent fuel may be used for the experimental coprocessing described in paragraph 4 below.

2. Japan intends to defer, during the initial period of operation, the construction of the plutonium conversion facility scheduled to be attached to the Facility.

3. The United States is prepared to consider with Japan on an annual basis Japanese plutonium requirements for advanced reactor research and development and to seek ways to ensure that any shortfalls of plutonium resulting from deferral of the construction of the plutonium conversion facility referred to in the preceding paragraph will not entail unnecessary delay in the Japanese program.

4. Experimental coprocessing will be undertaken in the Operational Test Laboratory (OTL) at the Facility and in other facilities, during the period when the main Facility is operating in the scheduled mode. The results of this experimental work will be made available to INFCEP in support of the INFCEP effort to identify fuel cycles that are as proliferation resistant as the "once through" fuel cycle.

5. At the end of the initial period of operation, the mode of operating the Facility will be promptly converted from conventional reprocessing to full-scale coprocessing, if such coprocessing is agreed by the two Governments to be technically feasible and effective as a result of the experimental work in the OTL and in the light of the results of INFCEP. The necessary modifications of the Facility will be carried out in such a way as to assure that the expenditures and delays involved are kept to the minimum consistent with fulfilling the purposes of these principles, and that the operation of the Facility may start expeditiously in the coprocessing mode.

6. The International Atomic Energy Agency (IAEA) will be afforded full opportunity to apply safeguards at the Facility, including continuous inspection, in accordance with the relevant existing and future international agreements. Japan is willing to improve the safeguardability and physical security at the Facility,

and for this purpose is prepared to cooperate with the IAEA in the testing of advanced safeguards instrumentation, and to make timely preparations to facilitate the use of such instrumentation in the initial period. The United States is prepared to participate in this safeguards testing through agreed means. Japan and the United States will promptly consult with the IAEA to facilitate implementation of this testing program. The results of this safeguards experimentation will be made available to INFCEP.

On the basis of the understandings, principles and intentions set out above, and in view of Japan's continued adherence to the Non-Proliferation Treaty and its undertakings herein with respect to safeguards, the limited amount of plutonium involved, the carefully monitored experimental character of the process, and the provisions for the application of effective safeguards by the IAEA and for advanced safeguards experimentation, a joint determination has been made pursuant to Article VIII C of the Agreement for Cooperation that the provisions of Article XI of that Agreement may be effectively applied to the reprocessing at the Facility of irradiated fuel elements containing up to 99 tonnes of fuel material received from the United States.

Japan and the United States will consult on a regular basis, or at the request of either of the parties, on the implementation of the above-mentioned matters and on any other matters related to the Agreement for Cooperation between the two countries.

JOINT DETERMINATION

On the basis of the understandings, principles and intentions set out in the Communique of the Government of Japan and the Government of the United States of America issued on September 12, 1977, and in view of Japan's continued adherence to the Treaty on the Non-Proliferation of Nuclear Weapons and its undertakings therein with respect to safeguards, the limited amount of plutonium involved, the carefully monitored experimental character of the process, and the provisions for the application of effective safeguards by the International Atomic Energy Agency and for advanced safeguards experimentation,

1. The Government of Japan and the Government of the United States of America hereby jointly determine pursuant to Article VIII C of the Agreement for Cooperation between the Government of Japan and the Government of the United States of America Concerning Civil Uses of Atomic Energy of February 26, 1968, as amended, that the provisions of Article XI of that Agreement may be effectively applied to the reprocessing in the Tokai Facility of the Power Reactor and Nuclear Fuel Development Corporation of irradiated fuel elements containing up to 99 tonnes of fuel material received from the United States;

2. No determination is now being made as to whether safeguards can be effectively applied to Purex reprocessing plants in general;

3. There is no change in the requirement for subsequent determinations as to whether the provisions of Article XI may be effectively applied to the reprocessing or other alteration in form or content of any special nuclear material or irradiated fuel elements subject to Article VIII C beyond the irradiated fuel elements referred to in paragraph 1 above. However, the United States would be prepared to enter into an affirmative joint determination, if the mode of operating the said facility is converted to full-scale coprocessing, subject to the requirements of its laws and mutual agreement on the scope and character of the coprocessing operation.

Diplomatic Recognition

*A Foreign Relations Outline*¹

Recently President Carter expressed his desire that the United States work toward establishment and maintenance of normal diplomatic relations with the governments of all states. The United States now has diplomatic relations with over 130 governments of states. It has no diplomatic relations, or is in the process of normalizing relations, with 11 other governments of entities widely recognized as states. (We do not recognize Southern Rhodesia as an independent state, in accordance with U.N. decisions and resolutions.) In a few cases, the United States has withheld recognition from, or has suspended relations with, another government; in other cases, governments have suspended relations with us.

Under our constitutional system, recognition and the establishment of diplomatic relations are Presidential prerogatives. Establishing and maintaining diplomatic relations with governments, however, is not a unilateral process; both states must agree that it serves their national interests.

The United States maintains relations with other governments because it helps us

¹ Based on a Department of State publication in the GIST series, released August 1977. This outline is designed to be a quick reference aid on U.S. foreign relations. It is not intended as a comprehensive U.S. policy statement.

achieve our basic foreign policy objectives: By communicating directly with governments on a full range of issues—by stating our views and listening to theirs—we can help avoid misunderstandings and affect the decisions and actions of other governments. This is particularly true in crises, when good communication is essential.

Criteria for Recognition

Diplomatic recognition of governments is a comparatively recent practice in the history of international relations. Traditionally some European governments used nonrecognition of revolutionary change to protect monarchies and to emphasize the unique legitimacy of dynastic heirs and their governments. France ignored this tradition by recognizing the United States during our Revolutionary War. Later, when the revolutionary French Government took power in 1792, Thomas Jefferson, our first Secretary of State, instructed the U.S. envoy in Paris to deal with it because it had been "formed by the will of the nation substantially declared."

Throughout most of the 19th century, the United States recognized stable governments without thereby attempting to confer approval. U.S. recognition policy grew more complex as various Administrations applied differing criteria for recognition and expressed differently the reasons for their decisions. For example, Secretary of State William Seward (1861–69) added as a criterion the government's ability to honor its international obligations; President Rutherford Hayes (1877–81) required a demonstration of popular support for the new government; and President Woodrow Wilson (1913–21) favored using recognition to spread democracy around the world by demanding free elections.

Other criteria have been applied since then. These include the degree of foreign involvement in the government as well as the government's political orientation, attitude toward foreign investment, and treatment of U.S. citizens, corporations, and government representatives.

One result of such complex recognition

criteria was to create the impression among other nations that the United States approved of those governments it recognized and disapproved of those from which it withheld recognition. This appearance of approval, in turn, affected our decisions in ways that have not always advanced U.S. interests. In recent years, U.S. practice has been to deemphasize and avoid the use of recognition in cases of changes of governments and to concern ourselves with the question of whether we wish to have diplomatic relations with the new governments.

The Administration's policy is that establishment of relations does not involve approval or disapproval but merely demonstrates a willingness on our part to conduct our affairs with other governments directly. In today's interdependent world, effective contacts with other governments are of ever-increasing importance.

Status of Relations

Albania. There has been no Albanian expression of interest in establishing diplomatic relations.

Angola. The United States looks forward eventually to establishing relations with Angola.

Cambodia. The new government of what is now Democratic Kampuchea has expressed no interest in establishing relations with the United States.

People's Republic of China. The P.R.C. and the United States maintain liaison offices in each other's capitals. The goal of U.S. policy is normalization of U.S.-P.R.C. relations on the basis of the Shanghai communique (1972).

Cuba. The United States is seeking to normalize relations with Cuba through negotiations based on strict reciprocity.

Equatorial Guinea. The United States suspended relations following a dispute over treatment of the U.S. Ambassador.

Iraq. The United States will reestablish diplomatic relations, which Iraq suspended, whenever Iraq desires.

North Korea. The United States is prepared to move toward improved relations,

provided North Korea's allies take steps to improve relations with South Korea.

Mongolia. The United States has made clear to the Mongolian People's Republic that we are prepared to continue negotiations begun in 1973 aimed at establishing diplomatic relations.

Vietnam. The United States and Vietnam have begun discussions to explore the possibility of normalizing relations.

South Yemen. The United States looks forward to normalizing relations with South Yemen.

Status of Palestinians in Peace Negotiations

*Department Statement*¹

Along with the issues of the nature of peace, recognition, security, and borders, the status of the Palestinians must be settled in a comprehensive Arab-Israeli peace agreement. This issue cannot be ignored if the others are to be solved.

Moreover, to be lasting, a peace agreement must be positively supported by all of the parties to the conflict, including the Palestinians. This means that the Palestinians must be involved in the peacemaking process. Their representatives will have to be at Geneva for the Palestinian question to be solved.

As cochairman of the Geneva conference, the United States has a special responsibility for insuring the success of the conference. We have therefore been exploring with the confrontation states and Saudi Arabia a number of alternatives with regard to the participation of the Palestinians in the peace negotiations.

With respect to U.N. Resolution 242, all of the participants in the peace conference should adhere to the terms of that resolution and Resolution 338 which presently form the only agreed basis for negotiations.

¹ Read to news correspondents on Sept. 12, 1977, by Department spokesman Hodding Carter III.

The Leadership Role for Private Enterprise in Latin America

Following is an address by Terence A. Todman, Assistant Secretary of State for Inter-American Affairs, before a meeting of the Council of the Americas in Washington, D.C. on June 27, 1977.

The Council of the Americas is a young organization, but its membership represents the collective wisdom and experience of nearly all the major American firms with investments in Latin America and the Caribbean. That experience has been gained over many decades through eras of growth and turbulence abroad and shifting priorities at home. During their long involvement in the region many of your companies have confronted in microcosm the painful dilemmas and difficult adjustments that have marked the relationships between our country and the other nations of this hemisphere at the level of national policy.

In recent years we have seen not only a phenomenal developmental growth of the Latin economies themselves; we have also seen a gradual yet profound shift in the way U.S. firms look at their role and responsibilities as investors in foreign societies. This has been accompanied by a similar change in the way the U.S. investor is perceived and regarded by the host governments and peoples.

In each of these major developments the business community represented by this Council has played a key catalytic role. The Council itself as an organization has had—and is continuing to have—an important impact. Your public education efforts on the Panama issue, your contributions to our government's understanding of technology transfer issues, and—most important of all—your progressive approach to problem-solving and good corporate citizenship overseas have created a model of enlightened leadership that all of us,

whether in government or the private sector, might well emulate.

For that reason I come here today with a great deal of hope for the future and with the firm conviction that all of us here have an important and mutually supporting role to play in it.

Private-Sector Relationships

As a representative of the U.S. Government and of this Administration, I am constantly struck by the fact that official government actions are only the tip of the iceberg in the overall relationship between this country and the peoples of other societies. President Carter's pledge to involve the American people in the foreign policy process reflects a recognition of that fact. We recognize that government policies have little meaning unless they reflect, and are backed up by, the public attitudes and private actions of American citizens.

This nongovernmental dimension is particularly significant in our relations with Latin America and the Caribbean. Every year a tremendous two-way migration takes place between the United States and the nations of South America, Central America, Mexico, and the Caribbean. Several million U.S. tourists visit the region each year. American citizens from all walks of life participate with their Latin American counterparts in exchange programs designed to increase understanding and cooperation between our cultures. For their part, many people from the Latin and Caribbean countries come to the United States as tourists or students, on business or seeking a permanent place to live or work. Within the United States, the growing size and influence of the U.S. Hispanic community

provides yet another human and cultural link joining the Americas.

Commercial relationships are even more pervasive and deeply ingrained. Indeed, the activities of American firms are probably the most widely impacting of all U.S. public or private dealings with Latin America.

Latin America accounts for a huge volume of U.S. trade. Our exports and imports for the region have more than tripled in the last 10 years, reaching a combined annual figure of \$34 billion. This makes Latin America our third largest trading partner next to Western Europe and Canada. It stands far ahead of every other area.

These statistics are impressive in themselves but standing behind them are hundreds of thousands of individual transactions—each leaving a wake of personal relationships and impressions. In the area of direct investment—where your own experience is paramount—the impact of the U.S. private sector on Latin economies and societies has been not only extensive but continuing and deeply felt. The \$20 billion U.S. private investment stake in Latin America means not only a very real American interest in the economic progress and institutional development of the host countries, but also a substantial human impact on the everyday lives and attitudes of the host peoples.

Our overlapping populations and intense economic relationships have produced many common problems and a growing interest in their resolution. Economic problems that affect U.S. communities in the first instance have secondary effects on Caribbean tourism, for instance, or on the U.S. market for South American exports. Economic problems elsewhere in the hemisphere, in turn, often translate into immigration problems for U.S. communities. Poverty and hopelessness feed both ends of the drug traffic chain. For good or ill, our lives and those of our neighbors throughout the Americas are deeply entwined.

The salience of these multiple private relationships to overall U.S.-Latin American relations is further magnified by the fact that we perceive no military threat from the region. Latin America's own development drive and the decline of security problems as such has

moved economic and human relationships to the center of hemispheric relations.

The Challenge of Development

To the extent that economics is the issue, development—economic growth and the progress toward social goals that it makes possible—is the only long-term answer. The nations of Latin America, like the rest of the developing world, seek to telescope into a few short decades the process of economic and social development that in the Northern Hemisphere evolved over many generations. Their struggle represents in many respects the central challenge of our time.

Industrialized countries like the United States have a very real interest in the success of that ambitious effort. The new realities of global economics—the scarcity and maldistribution of oil, the worldwide ripple effects of recession, the need of both developed and developing countries for markets, and the interdependence of resource producers and consumers—all point to a system where no nation can hope to achieve or sustain its own prosperity in isolation. No nation, not even ours, can isolate itself from the impact of development failure and frustration upon world economic and political stability.

The challenge of development reaches beyond narrow self-interest. All of us who have known the blessings of material security and productive achievement have a moral stake in the success of the drive for development gripping two-thirds of the globe. Widespread poverty in much of the world is of direct moral as well as political and economic importance to the United States. Our concern over the widening gap between rich and poor, our own role as a disproportionate resource consumer, and the deeply felt desire of the American people to see our nation as a champion of human rights and aspirations make it impossible for us to stand aloof from this great human struggle.

The challenge for the industrialized nations would be far simpler—though more painful—if the task were merely one of redistributing the world's existing wealth. But the development process, as the very term suggests, requires that the economies of the aspiring nations actually develop—grow in institutional capacity,

human performance capability, individual development opportunity, and productivity.

The achievement of that complex goal will require not only the energies and best talents of the developing societies themselves, but a substantial infusion of capital, technology, and know-how from outside the developing world.

The U.S. Government recognizes that need and is committed to helping to meet it. But the response this country makes to the development challenge depends as much—and in some critical ways more—on what takes place through the private sector as on official government actions.

Many of the productive resources the developing economies need from outside themselves—industrial technologies, managerial skills, tested marketing capabilities—are mainly in the hands, not of the U.S. Government, but of the U.S. business community.

The contribution of resources to development cannot be compelled by governments—ours or theirs. The U.S. Government supplements private-sector interactions with economic cooperation programs and special trade arrangements for developing countries. Their governments establish the rules and environment for your contributions. Nevertheless, the crucial decisions on your involvement in development—whether to invest and where, what markets to pursue and how, what technology to apply or develop—must and will be made voluntarily by individual entrepreneurs.

In recent years, the climate for these decisions has not always been entirely propitious. Though conditions have, of course, varied greatly from country to country, there has been a tendency toward expanded public-sector activities, often to the detriment of local as well as foreign private investors and entrepreneurs.

I believe this climate is now changing for the better. Economic nationalism is receding. It is being replaced by a new awareness of the fragility of the development process and of the important contributions that foreign firms can make. There is a new awareness that developing societies can still profit greatly from the attitudes and habits of operation that have made American business so successful. The pragmatic and imaginative search for solu-

tions to production and marketing problems; a sense of optimism and historical perspective; a sense that individual effort can be both personally and socially rewarding—these things cannot be fully acquired from books nor transferred through a public grant. They can only become habits through imitation and experience.

Role of U.S. Businessmen

Because the corporate community holds so many of the tangible and intangible assets the development process requires, American businessmen have an opportunity to play a role of substantial leadership and creativity in translating development aspirations into practical achievements. American business, with its far-ranging resources and its myriad daily decisions, can take the lead in projecting attitudes and the type of conduct that will place this nation firmly on the side of progress, equity, and human dignity in meeting the development challenge.

Business can and must take the lead in working out constructive relationships with the governments in their host societies. These last decades have seen changing patterns and difficult adjustments for both businesses and governments. It would be foolhardy to pretend that the investor-host relationship, in the context of global inequalities, will ever be frictionless.

But we need look no further than this Council for models of how sophisticated, politically sensitive businessmen with enlightened leadership can turn potential conflicts into exercises in pragmatic problem-solving, anticipating problems before they arise and devising procedures to deal with them.

It is this spirit of cooperation—a willingness to come to terms with the new rules of the game and to master them—that will mark the successful entrepreneur in Latin America or the Caribbean today. Companies contemplating a major investment or commercial role abroad have to make sure that the ground rules for coming in and staying in are clearly understood and mutually supported. If their industry is subject to regulation or limitations on continuing foreign control, they can cooperate with the host nations in working out

details and language that both sides can live with. If disputes arise, they can attempt to work out amicable settlements using the good offices of our government where we can be helpful and of appropriate private organizations.

Progressive American businesses abroad have demonstrated that by integrating their own business objectives into the agenda and priorities of the host government, they can discover new options and opportunities for advancing their own interests while serving those of the society in which they function.

On the home front, the business community can also take the lead in bringing the realities of global economics home to the U.S. public.

—Businessmen can contribute to the development of trade and tariff policies by clarifying for the selling and consuming public the link between U.S. willingness to import and our ability to export.

—Business can clarify the extent to which consumers, retailers, and importers of raw materials depend on the continued growth and vitality of Latin American economies and the well-being of their industries and workers.

—Finally, business can take the lead in helping the U.S. public understand the magnitude and significance of the development struggle itself and the U.S. stake in it.

But beyond its pursuit of enlightened self-interest in dealing with most governments—beyond its very useful role in educating a wider business and general public—the business community itself can take the lead in responding with vigor and creativity, on behalf of the American people, to the development challenge.

Top-level corporate leadership—people like you—can set a standard for policymaker and private citizen alike by accepting and supporting the development goal. We look particularly to you for a generous and creative approach in working out the complex practical arrangements of effective technology transfer.

Business leadership can also make a major contribution by seeking out types of investment or trade initiatives that would be particularly appropriate for the local Latin economy—for instance, in meeting local mar-

ket needs or in the development of industries that can be competitive in the world market. Whatever their product, American businessmen overseas can contribute to the well-being of the people in their host country by maintaining high labor relations standards in their own companies. This achievement not only would benefit the workers involved but would reduce major obstacles to domestic support in the United States for foreign investment and imports.

U.S. firms in Latin America—particularly major corporations like many of the Council members—are also in a unique position to advance the ideals of our nation. You become factors in the local social as well as economic picture. A creative use of your human resources might lead to sponsorship of people-to-people exchange programs, joint professional projects, industry-academic working groups, and other cultural initiatives.

Above all, you are in a position both to convey and to act out the concern of the American people for human rights and for the victims of human rights violations anywhere in the world. You may often be in an effective position to convey the interest in our nation in basic human rights. In weighing options among potential buyers, sellers, industrial sites, or the like, you may have an opportunity to demonstrate that Americans prefer to do business with law-abiding, compassionate people. This attitude—certainly a spontaneous reaction of most of us here—needs communication from the private as well as the public sector.

Role of U.S. Government

The American business community will find that this government and this Administration understand and support the constructive role of American entrepreneurs in economic development and in reflecting American ideals.

We will do what we can, as the President has pledged, to help avoid differences and misunderstandings with host governments arising out of U.S. business activities.

We will seek ways by which the government can bring attention to new opportunities for U.S. business to engage in profitable ac-

tivities that contribute to economic and social development in Latin America.

We will continue to support freer trade among nations, so that in your efforts to export and import you will encounter as few restrictions as possible.

We will work to conclude negotiations for a new Panama Canal treaty that will enjoy the mutual support of the United States and Panama. We will thereby help to assure that your stake in an operating canal is not jeopardized by future friction. Your own organization's role in fostering responsible public debate on the Panama issue will certainly contribute to a healthy climate of public opinion here. I congratulate you on your initiative and leadership as well as on the fine programs you have put together in various American communities.

We will look to you, to your interest and expertise, to help build a relationship between the American people and the peoples of Latin America that will reflect the friendliness, diversity, and practical genius of our people.

For each of us as individuals, our reward will be the knowledge of having contributed personally to the economic advancement and international harmony of this hemisphere and to the principles we are most proud to identify with our nation.

Atlantic Treaty Association

Following is the text of a letter sent by President Carter to Mr. Karl Mommer, President of the Atlantic Treaty Association, on August 27.¹

AUGUST 27

DEAR MR. MOMMER: I ask you to extend to the Association my warmest greetings as you assemble again to consider the current state of our Alliance. We look to you, opinion leaders in the North Atlantic Community, for insights on how we should move to strengthen

even further the security on which the Atlantic Community vitally depends.

Your deliberations have never been more timely. We are faced with a renewed military challenge from the Warsaw Pact. In the last decade, the Warsaw Pact has steadily and impressively strengthened its forces deployed against Western Europe.

At last May's NATO [North Atlantic Treaty Organization] Summit, I joined my Alliance colleagues in a thorough review of the challenge. We chose our response carefully—a major program of defense improvements, both short- and long-term, as well as both conventional and nuclear. My government is solidly committed to these efforts, which we believe will maintain the credibility of existing NATO strategy into the 1980s and beyond. We are intensively engaged, in cooperation with our Allies, in charting concrete force improvements in pursuit of this objective.

I would also like to reiterate that the United States remains categorically committed to NATO's strategy of forward defense and flexible response. This is my own firm conviction, and it will remain the policy of the United States as long as I am President. Since this is also the firm conviction of the Congress and the American people, there is absolutely no doubt that my successors in office will continue this commitment.

We continue to be convinced that this strategy, kept credible through timely force improvements, can preserve the territorial integrity of all Alliance members.

My nation's commitment to the defense of Western Europe is at the center of our foreign and security policies. The security of the North Atlantic Community continues to be vital to that of the United States itself.

JIMMY CARTER.

¹ Delivered to a meeting of the Atlantic Treaty Association in Reykjavik, Iceland, by Ambassador W. Tapley Bennett, Jr., Chief of the Permanent U.S. Mission to NATO (text from Weekly Compilation of Presidential Documents dated Sept. 1, 1977).

International Debt: Current Issues and Implications

*Statement by Richard N. Cooper
Under Secretary for Economic Affairs¹*

I am pleased to have this opportunity to appear before this subcommittee to discuss issues related to international debt. I would like to make some observations on the nature of external debt and on the implications of the current debt situation for the international economy. I will also discuss existing arrangements for treating serious debt problems, focusing largely on the creditor club mechanism as well as the role played by the International Monetary Fund (IMF). Finally, I will comment on the relationship between public and private creditors in a situation of debt crisis.

Debt as an Issue

Reliance on external borrowing has long been the means of supplementing domestic savings for investment and thus increasing economic growth. By such borrowings, countries are able to sustain larger imports of goods and services than would otherwise be possible. External debt constitutes, in effect, the financial counterpart to resource flows related to merchandise trade and other current international transactions.

There is nothing wrong with debt in itself. It has been an integral component of world

economic development. External borrowings made a major contribution to the U.S. development during the 19th century and to that of Japan in the 1960's. Canada continues to rely on such resource inflows to help bridge the gap between domestic savings and available investment opportunities. In the post-World War II era, external debt has become increasingly associated with the efforts of countries in the developing world to promote their economic welfare. For these developing countries, the concept of external borrowing is now considered both normal and responsible.

The oil price rise, coupled with world recession, added a strikingly new dimension to the debt situation. In the 3-year period 1974-76, the combined current account surplus of OPEC nations [Organization of Petroleum Exporting Countries] approximated \$140 billion. (By way of contrast, their surplus for the 7 prior years had totaled only about \$15 billion.) Since these surpluses inevitably generated a corresponding deficit in non-OPEC countries, balance-of-payments management for most oil-importing countries became very difficult. In order to cushion their economies while adjusting to the shocks buffeting the world economy, these countries, as a group, borrowed ahead on an unprecedented scale, extensively through the private capital and money markets.

The table [p. 470] shows clearly the impact on world current payments, and hence on external borrowing, of the large increase in oil

¹Made before the Subcommittee on International Finance of the Senate Committee on Banking, Housing, and Urban Affairs on Aug. 29, 1977. 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.

Current Account Balances
(Including Official Transfers)
(\$billions)

| | 1973 | 1974 | 1975 | 1976 | 1977 (est.) |
|--------------------|------|-------|-------|-------|----------------|
| Total OECD | 2 | -33 | -6.5 | -26.5 | -30 |
| Of which: | | | | | |
| United States | 0.3 | -3.6 | 11.7 | -0.6 | -14 |
| Japan | -0.1 | -4.7 | -0.7 | 3.7 | 7 |
| Germany | 4.3 | 9.7 | 3.8 | 3.0 | 2.5 |
| Netherlands | 1.8 | 2.0 | 1.6 | 2.3 | 2 |
| Switzerland | 0.3 | 0.2 | 2.6 | 3.5 | 3.3 |
| Other OECD | -4.6 | -35.2 | -25.5 | -38.4 | -30.8 |
| OPEC | 3 | 62 | 34 | 42 | 41 |
| Non-Oil LDCs | -9 | -24 | -33 | -23 | -22 |
| Other ¹ | -4.5 | -11 | -18 | -14 | -11.5 |

¹U.S.S.R., Eastern European countries, China, North Korea, Mongolia, Laos, Cambodia, Vietnam, Malta, and South Africa.

Source: Organization for Economic Cooperation and Development (OECD), *Economic Outlook*, July 1977. Columns do not balance due to statistical errors and asymmetries.

prices in 1974 which threw most oil-consuming countries into deficit; of the world recession in 1975 which shifted that deficit even more onto developing countries; and of the subsequent gradual world recovery which has reduced the deficit of developing countries and enlarged that of the United States.

Some of the most difficult adjustment problems are found in industrial democracies. In the past 3 years, the external debt of a group of severely affected industrial countries of southern Europe has increased from about \$22 billion to \$45 billion as they have borrowed to spread out the adjustment process over a period consistent with maintaining political and social stability. In the coming months and years, a number of industrial democracies will need the assurance that sufficient external financing will be available on reasonable terms to allow them to make necessary economic adjustments at a pace which their social and political conditions permit.

High world commodity prices, the world recession, and increased imports of Western capital goods and grain also generated a significant upswing in the external debt of the Soviet Union and Eastern Europe.

For the non-oil developing countries, total external debt more than doubled between 1973 and 1976, with their debt-service payments (interest plus amortization of outstanding debt) increasing by about 75 percent.

Implications of International Debt

In evaluating the implications of international debt, it is important that we keep the current situation in perspective and that we weigh fully the following considerations.

—The international financial system has performed remarkably well under the sudden strains that were imposed upon it by the current account surpluses of the OPEC nations. We have managed the crisis because the oil-importing countries' external financing needs could be met on adequate terms. External borrowings, in effect, have cushioned the necessary economic adjustments by enabling the necessary reduction in consumption to be distributed over a number of years.

—Without adequate financing, the efforts of the oil-importing countries to adjust would have necessitated curtailing economic growth so abruptly that it would have caused severe hardships on their populations and might well have jeopardized the political stability of a number of countries in both the developed and developing worlds.

—An abrupt curtailment of economic growth in borrowing countries would also have complicated recovery of the world economic system as a whole. Without extensive external borrowing, we would have had a "seige-economy" mentality reminiscent of the 1930's, with even greater economic dislocation—including the prospect of widespread default on preexisting debt—than that caused by the initial increase in the price of oil. In this context, we can point with satisfaction to the continued adherence of all major developed countries to the principles of liberal trade and their determination to avoid the restrictive practices of the 1930's.

—Given the alternatives, the concept of borrowing to avert what would have been a disastrous economic contraction can be judged to be prudent. This is true even though a substantial portion of the borrowing was of

necessity utilized for consumption rather than investment.

—While most recent external borrowing has facilitated international financial stability, we cannot expect the current scale or distribution of borrowing to continue indefinitely. Since it appears that a large OPEC surplus will last at least through this decade, we face a period of prolonged economic adjustment and structural change. During this period, it will be important to insure a reasonable distribution of the deficit that will accrue to the oil-importing countries. In the longer term, deficits must be geared to the underlying productive potential of individual countries. Given the relative size and strength of the U.S. economy, it is appropriate that we are a net borrower during this adjustment period. In pursuing appropriate adjustment policies, all economies confront the dual task of reducing reliance on external funds while at the same time increasingly directing such funds into investment rather than consumption.

—The only sure way to revert to the pre-1974 pattern of borrowing is to alter the current financial imbalance of the OPEC countries with the rest of the world. Their imports from the rest of the world will steadily increase, but given the low absorptive capacity for imports of a few important OPEC countries, this cannot be accomplished fully without restraining industrial countries' imports of oil. Thus the President's proposal for a wide-ranging program to reduce U.S. dependency on imported oil is a critical step toward preserving a stable international economy.

Debt-Servicing Prospects

In assessing the current debt situation, one must give careful consideration to the debt-servicing capacity of individual debtor countries. Although the system, as always, requires our attention, there is little likelihood of a general debt crisis. As in the past, acute debt-servicing problems will be restricted to a few countries, with individual problems which require country-specific solutions.

In each case we should begin by recalling that a rising level of indebtedness does not by

itself pose the threat of major debt-servicing problems. The nominal increases in debt that have occurred appear far less dramatic when one allows both for the growth of real output and trade that has taken place in the world economy and for the inflation that has occurred. In the 1973-76 period, for example, the merchandise exports of the non-oil developing countries increased by about 70 percent in nominal terms, compared with a 75-percent increase in their debt service.

Moreover, aggregate debt statistics can be misleading in that they obscure the widely diverse situations among countries, especially the disparities in their capacities both to earn foreign exchange and to manage their debt effectively. It is important to recognize that external debt is distributed broadly in line with individual country debt-servicing capacity. Most of the new debt attributable to the poorer countries has, for example, been highly concessional in nature. On the other hand, the bulk of private debt is concentrated in developed countries and a dozen or so rapidly growing developing countries with relatively high per capita incomes and diversified economies.

The ratio of a country's debt-service payments to its annual exports of goods and services has often been used as a rough indicator of a country's debt burden. Its main value is as a guide to the shortrun rigidity in a country's balance of payments caused by debt service. The higher the ratio, the greater would be the need for severe adjustment measures if exports developed unfavorably. Similarly, the higher the ratio, the greater the level of gross borrowings required to reach a desired level of net capital inflows. The debt-service ratio at a particular time does not, however, record such key factors as the maturity structure of a country's debt or the cyclical variability of its exports.

The debt-service ratio of the non-oil developing countries was estimated at about 16 percent in 1973. It declined to 13 percent in 1974, largely as a result of an upsurge in commodity exports, and then rose to 14 percent in 1975 and roughly 16 percent in 1976. The ratio may increase moderately over the next few years. Since most industrial coun-

tries are relatively recent participants in large-scale borrowing, their debt-service ratios tend to be significantly lower than those of the developing world.

Aggregate data are, as I have already noted, often misleading. Several countries maintain debt-service ratios considerably higher than the average. A number of important Latin American countries, for example, had 1976 debt-service ratios in the 25- to 45-percent range. I emphasize, however, that the debt-service ratio suffers from major shortcomings and cannot be used independently as an accurate guide to debt-servicing prospects. Other factors such as a country's growth and export potential must also be considered. This is the reason why the relatively more advanced developing countries tend to have the highest debt-service ratios, yet still retain creditworthiness, while the poorer developing countries, with low debt-service ratios, are generally unable to borrow in commercial markets.

Backstopping the Financial System

While no general debt crisis is predicted, this should not be considered as justifying a policy of complacency with respect to the future of the financial system. Care must be taken to insure individual problem situations are treated efficiently, taking into account global economic circumstances. In particular, we must recognize that the OPEC surpluses have created a different world environment than in the past and that the task of backstopping the world financial system now entails greater general responsibilities for many countries.

Unless the temporary financing is available, countries with maladjustments in their balance-of-payments positions could be forced to resort to undesirable measures such as trade restrictions. It is clear that balance-of-payments problems for many oil-importing countries will remain for at least the next several years. These countries will require significant external financing to facilitate internal adjustments in an orderly fashion.

Some of these countries appear fully capable of sustaining increased private borrowings

to cushion adjustment. Where adjustment problems are particularly difficult, more reliance on official financing may be appropriate. Any serious shortfall in the overall availability of financing would have a major destabilizing effect on the world economic system. The question of whether adequate financing will be available for individual countries for the period ahead is also an important one.

The International Monetary Fund has as one purpose to provide members with an opportunity to correct maladjustments in their external sector and to help them do so without resort to protectionist measures. Since 1973 the extensive use of IMF credit has greatly eased adjustment problems. At the same time, the IMF's greatly increased activity has caused a depletion of its available resources. In the period ahead, there will be a continuing need for IMF lending. For this reason, the Administration strongly urges the Congress to authorize U.S. participation in the IMF's supplementary financing facility, which will be described by other members of this panel.

Treatment of Debt Problems

The IMF provides new financing to countries in need. In addition to IMF assistance, it is often necessary to relieve a country from some of its outstanding debt-servicing burden. Since 1956 there have been approximately 40 multilateral debt renegotiations involving 11 developing countries. The multilateral framework is considered essential to insure that creditors share the risks of lending identically. The creditor club has been the forum used by most countries. The notable exceptions relate to the numerous reschedulings for India and Pakistan within the framework of World Bank-sponsored aid consortia. Debt reschedulings arranged through creditor clubs cover loans extended or guaranteed by creditor governments. Usually, short-term credits, all unguaranteed bank credits, and loans from the multilateral lending institutions such as the World Bank are excluded. Private lenders do not participate in creditor club negotiations, although they sometimes precede or follow suit.

Countries approaching or experiencing an

acute debt-servicing situation seek relief through the creditor club mechanism after they have established a relationship with the IMF. They then apply to a major country, usually France, for a convening of club negotiations. The club, which in the case of the "Paris Club" is usually chaired by the French Ministry of Finance, is called into being by the chair after consultation with major creditors.

The first stage of negotiations is characterized by an assessment of the facts and a request for detailed information from the debtor country. The second stage involves negotiation of an umbrella agreement between creditor countries and the debtor nation. This agreement is based on the principle of equal treatment of all creditors and serves as the basis for subsequent individual bilateral agreements.

The viability of the creditor club mechanism for dealing with debt-servicing crises rests on three elements: the case-by-case approach, conditionality, and the mutual interests of both creditors and the debtor in reaching a settlement. The case-by-case approach allows creditors the flexibility which is necessary to consider and negotiate a rescheduling agreement according to the merits of each individual situation. Generalized approaches to rescheduling and the use of trigger mechanisms to determine eligibility for relief have been rejected by the major creditor countries.

The linkage of debt relief with performance standards has proved a key element in restoring debtor countries' normal commercial and financial relationships. The conditional nature of relief serves to limit the incidence of rescheduling applications by confining them to serious debt situations and acting as a disincentive to requests for the use of debt relief as a means of resource transfer.

An important element in debt negotiations is the confluence of interests between debtors and creditors. If the terms of rescheduled payments are met, debtors are able to reestablish creditworthiness and creditors ultimately receive payments, albeit at a later date than was planned. The mutual interest of debtors and creditors is in large part respon-

sible for the effectiveness of the creditor club as an instrument to resolve debt-servicing crises.

The IMF also plays a pivotal role in creditor club negotiations by providing an assessment of the debtor's balance-of-payments situation and, in the great majority of cases, supporting a financial program adopted by the debtor country. Of the 17 debt renegotiations that involved a creditor club, 11 were related to IMF standby arrangements, one involved a first-credit tranche, and 10 involved higher credit tranches. In five cases not involving a standby, the IMF was requested to survey the implementation of the debtor's financial program and/or transmit performance data to the creditors. On two occasions, the IMF helped the debtor country prepare for a debt renegotiation with private banks and then attended the meetings.

Most creditor countries agree that the creditor club mechanism works reasonably well. There is general agreement, however, that steps can be taken to further assure debtor countries that the club mechanism may be relied upon to provide efficient and equitable treatment. For this purpose, during the recent Conference on International Economic Cooperation (CIEC), the United States and the European Community, with the support of most other developed nations, tabled a proposal which included features to provide guidance for future creditor club renegotiations.

The U.S.-EC proposal was not approved. Developing countries instead maintained their demands for generalized debt reschedulings. These demands seek to utilize widespread debt relief for low-income countries as a means of supplementing what are perceived to be inadequate flows of development assistance. From the point of view of some developing countries, generalized debt relief would be an ideal form of assistance, since it has the effect of being unconditional, untied, and fast disbursing.

The United States has stressed the fact that we do not view generalized debt relief as an efficient mode of resource transfer since it in no way relates to developing-country economic performance or need. Moreover, we are concerned that the publicity being accorded to

developing-country demands for debt relief could erode the creditworthiness of these countries as a group.

The developing countries also tabled a proposal at CIEC for guidelines to alter substantially the nature and the function of the creditor club. The proposal based eligibility for debt relief solely on developmental considerations and was intended to lead to the widespread use of debt relief as a means of meeting development targets. As such, it was not acceptable to the developed countries.

Despite the lack of agreement on this issue at the CIEC, the United States continues to advocate cooperation among countries to assure that the creditor club mechanism provides efficient equitable treatment of serious debt situations.

The Role of Private Lending

I would now like to turn to the significant role being played by the private banks as a source of finance for developing countries.

Despite increased availabilities of official bilateral and multilateral financing, over the past few years developing countries have increasingly turned to private markets to help meet their financial requirements. In 1975 and 1976, private markets supplied roughly one-half of the new credit to all non-oil developing countries. As a result, about 40 percent of their outstanding debt is now attributable to commercial banks.

The lending standards of the banks appear to have been quite high. This is evidenced by the concentration of bank lending in a small number of developing countries with high growth rates and favorable export prospects. Brazil and Mexico each account for about a quarter of all private bank lending to the non-oil developing countries. Five other countries together account for another quarter. In contrast, bank lending to those developing countries with limited export and growth potential has been minimal.

As a result of generally prudent lending policies, as well as the determination of most borrowers to make whatever economic adjustment was necessary to retain creditworthiness, losses on bank loans to foreign

countries have been relatively small. Severe servicing problems have, in fact, been confined to a few countries.

Although private banks have not participated in creditor club negotiations, creditor governments take into account a country's liability to private lenders. On occasion, rescheduling of the official debt is made contingent on debtor-country agreement to seek to renegotiate debt owed to private creditors.

For example, in the case of Chile in 1972, important amounts of bank credits were negotiated by private banks outside the framework of the Paris Club but on terms broadly comparable to that negotiated by official creditors. The 1976 and 1977 Paris Club agreement for Zaire also called on Zaire to seek "comparable" rescheduling arrangements from private banks. Subsequent to the 1976 agreement, an international consortium of banks headed by Citibank worked out a type of refinancing arrangement (the London agreement). This agreement carries no obligation for the banks to reschedule; rather, they pledged themselves to a "best-effort" commitment to provide \$250 million in medium-term financing if certain undertakings were carried out by the Government of Zaire.

In other recent situations, where commercial debt was clearly the source of servicing difficulty, no renegotiation of government debt was undertaken. Instead, private banks "rolled over" or refinanced debt-service obligations.

Creditor governments have no legal authority to bind private creditors. As a result, we have at the present time what could best be described as an "arm's-length" relationship with private lenders in a debt-rescheduling situation.

Although our relationship with private creditors is "arm's length," the principle of roughly comparable treatment of both public and private creditors is appropriate. It is highly important that the risks of lending be shared by both public and private creditors. Public creditors should not "bail out" their private counterparts. In addition to establishing an unfair burden on taxpayers, such a "bail-out" could lower lending standards by giving both private lenders and debtor countries the false

impression that creditor governments are willing to assume responsibility for the payment of private debt.

Private lending will continue to have a vital role in assuring finance for both developed and developing countries. It is important that such financing continue to employ high lending standards. Up to now, private lending has been made when such lending constitutes a good investment for the lender.

In summary I believe that dealing with the international debt problem as we now find it entails three broad elements.

—First, we need to assure steady expansion of the world economy, an objective which serves our domestic aims as well as improves stability of the world economy. Under these conditions, developing countries with deficits will find both the quantities and the prices of their exports increasing, and they will operate in an environment in which those domestic economic adjustments which they must undertake will be both politically and economically easier. Of course, continued access of these countries to the major markets of the world is critical to long-term adjustment, and the industrial countries should continue to provide such access.

—Second, reduction in our consumption of OPEC oil will be necessary for restoration of long-term balance in the world economy. The President's energy program is designed to restrain substantially U.S. imports of oil, once it comes fully into effect. We urge Congress to enact this program, and we hope that other countries will encourage restraint in consumption of oil and development of alternative energy supplies.

—Third, the supplementary financing facility for the International Monetary Fund is necessary not only to augment the capacity of the IMF to lend to its member states but also to assure the world that a source of official financing exists on the scale that is sufficient to cope with whatever financial turbulence we are likely to encounter. It is, in short, as important in its backstopping role as in its role as a source of funds to be used.

With those elements, it is reasonable to assume that debt problems over the next sev-

eral years will be confined to a relatively few countries and that they can be handled in a manner similar to the approach which we have used in the past—possibly improved in several respects—for dealing with individual countries encountering acute difficulties in servicing their external debts.

Developing Codes of Conduct for Multinational Enterprises

*Following is a statement by Paul H. Boeker, Deputy Assistant Secretary for Economic and Business Affairs, made before the Subcommittee on International Economic Policy and Trade of the House Committee on International Relations on September 7.*¹

I am pleased to be here today to discuss the status of international consideration of codes of conduct for multinational enterprises and to comment on the proposed legislation regarding bribery which the subcommittee is considering.

International investment has played a positive and constructive role in the economic growth of developed and developing countries. Effective use of investment resources should continue to be one of the objectives of a successful international economic system. The United States has long believed that flows of trade, finance, and investment among nations can make their fullest contribution to sustainable economic growth in an open climate in which these flows can respond to market forces.

Consistent with our belief in such an open system, general U.S. investment policy is neither to promote nor discourage inward or outward investment flows. In general, therefore, we favor a climate of governmental regulation that offers on a nondiscriminatory basis the same opportunities to foreign and domestic investors—unless national security or essential interests dictate otherwise.

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

For most of the postwar period all developed countries shared in this goal. The consensus behind this basic principle required no collective safeguards. But in recent years, general uneasiness has grown about the qualitative impacts of foreign investment on the economic and social fabric of host countries. This uneasiness has been accompanied by calls for unilateral action to somehow separate "good" investments from "bad" investments and thereby manipulate investment flows to one's national advantage—often without regard for the impacts of such actions on other countries.

The tendency toward unilateralism in the investment field has threatened conflicts between governments to the extent such interventions affect exports and jobs in the home countries of international investors. In order to prevent such conflicts and to avoid unilateral actions from introducing distortions in an open international investment regime, we seek a strengthened multilateral consensus to clarify the rules and procedures for avoiding damage to other economies from national action. Both capital exporting and importing countries would be well served by a common set of fundamental attitudes toward investment based upon a commitment to an open international investment regime.

Establishing a Basis for Negotiation

Eventually a new institutional framework, such as the GATT [General Agreement on Tariffs and Trade] in the investment area may be desirable. However, the difficulties in reaching such a broad international consensus on this issue now—particularly given the wide gulf separating developed and developing country views—has led us to look to incremental and second-best approaches for the next few years. Our estimate is that at the present time we would have to sacrifice too much in the negotiating process to achieve even the minimum consensus necessary to launch such an institution. Thus it is neither a conceptual weakness of the GATT idea nor an unwillingness to consider a binding approach but political realities that give us pause.

For the present several avenues of progress are possible:

—Negotiating nonlegislative codes of conduct that at least clarify broad standards of acceptable behavior for governments and investors and hopefully contribute to a longer term, broader consensus;

—Negotiating binding agreements on some aspects of international trade and investment where adequate consensus may be attainable, such as an international treaty on bribery; and

—Working out more comprehensive investment rules and cooperation among industrial countries where a considerable consensus already exists on the obligations of governments and the regulatory climate for business, as well as the basic principle of nondiscrimination.

The United States has become involved in negotiations on codes of conduct in a number of international organizations, including the OECD [Organization for Economic Cooperation and Development] and various subgroups of the United Nations. Although not the initiator of these code exercises, in each case we have participated actively.

In the OECD we were able after 18 months of negotiation to conclude an agreement which reaffirmed a common interest of member countries in an open international investment climate and established a norm of national treatment for foreign-owned enterprises. Member countries also agreed to take each others' interests into account in incentives and disincentives for international investment. A set of voluntary guidelines for multinational enterprises was also agreed upon. Finally, a consultative process was established for each of the above elements of the agreement.

We saw advantages in having a constructive developed country code on this subject before proceeding too far with code exercises in other forums. In the process, we for our part have also come to appreciate that codes of conduct—although of necessity broad in nature and not amenable to legally binding arrangements—can nevertheless serve a useful purpose by providing a basis for firmer expectations of accepted behavior for both investors and host governments. We have also found that the negotiating process has had a useful educational effect with regard to multinational enterprise issues.

It has been the position of the U.S. Government that such broad codes of conduct should:

(a) Be voluntary in nature, i.e., not constituting legally binding commitments among states or establishing legally recognized or enforceable rights and duties on states or enterprises. However, a broad range of consultative mechanisms may be possible even with a voluntary code;

(b) Be appropriately balanced in reference to the responsibilities of governments as well as multinational enterprises;

(c) Not be used as a basis for discriminating against multinational enterprises as opposed to domestic firms and provide for nondiscriminatory treatment for established multinational enterprises except under specifically defined and limited circumstances;

(d) Not derogate from those principles governing the treatment of foreigners and their property rights which international law embodies; and

(e) Apply to all enterprises whether their ownership is private, government, or mixed.

This position does not, however, exclude the possibility of the United States pursuing more binding arrangements whenever international consensus exists on a specific issue or group of issues and the subject matter is amenable to such arrangements. For example, we are trying to negotiate a binding treaty on illicit payments. We remain willing to examine the desirability and feasibility of other binding arrangements.

I am providing a summary of the current status of the various negotiations on codes of conduct. In addition, I would like to make a few general comments about the major exercises.

Progress of Negotiations

To date, the investment package agreed to by OECD ministers in June 1976 represents the only existing internationally agreed code of conduct. We believe that the OECD package containing all the elements of our basic position on codes of conduct has been a major step toward realizing our goal of clarifying the rules for, and strengthening cooperation on,

international investment. It has also had an important influence on other international efforts to deal with investment and other multinational enterprise issues.

The OECD Committee on International Investment and Multinational Enterprises carries out the consultations envisaged by the investment decisions. Thus far consultations have been held regarding experience under the voluntary guidelines for multinational enterprises. These consultations have included the participation of both the trade union and business advisory councils to the OECD. Criticism of the conduct of multinational enterprises relating to the guidelines—which consist of seven parts—has thus far been confined to the employment and industrial relations area where the trade unions primarily have accused a few multinational enterprises of violating the spirit of the guidelines. We want to use these consultations to clarify and address real problems arising from the operations of multinational business, including examining the need for strengthened intergovernmental cooperation. We do not believe, however, that the consultations should encompass charges against specific companies' practices.

We regard the forthcoming consultations under the OECD code on national treatment and possibly the incentives/disincentives decisions as important tests of the success of this multilateral effort. We regard further progress in these areas as essential if we are to minimize government intervention in the investment process at the expense of other countries. Eventually GATT-type rules in the national treatment and perhaps incentives/disincentives area may be the ultimate solution to intergovernmental conflicts on investment issues.

We are also currently examining the possibilities of a more ambitious effort with respect to national treatment and incentives, although clearly any such initiative would need to be based on the progress already achieved in the OECD and further experience within the OECD on some of the issues discussed above. With almost 80 percent of total world investment taking place in the OECD member countries, the OECD represents an important

forum for discussion of investment problems and presents greater prospects than broader forums for achieving international consensus.

We also attach great importance in finding solutions to problems relating to foreign investment in the developing world. One drawback to emphasis on the OECD is that this forum cannot directly consider all of the desires and problems of developing countries in the investment area, although over the longer haul there may be some opportunity to open up OECD understandings on investment to developing countries who might find it possible to join with the existing general consensus of OECD governments on investment issues.

The most important current forum for dealing with North-South investment issues is in the U.N. Commission on Transnational Corporations and its Intergovernmental Working Group on a Code of Conduct. In these two groups we are coming face-to-face with some important issues that divide developed and developing countries:

—Permanent sovereignty (the claimed absolute right of a state over its wealth, natural resources, and economic activities subjected exclusively to its national law) versus standards of equitable treatment and compensation traditionally maintained in international law;

—A binding versus a voluntary general code of conduct; and

—Responsibilities of firms versus responsibilities of governments.

As much importance as we attach to this effort to negotiate a general code of conduct relating to multinational enterprises and as dedicated as we are to fully participating in these negotiations, we cannot in the end envisage weakening of general standards for equitable treatment that are recognized by countries where most foreign investment is located.

Perhaps the most contentious negotiations have taken place on a U.N. Conference on Trade and Development (UNCTAD) code of conduct for transfer of technology. During the past 2 years there have been numerous meetings in the UNCTAD on this subject. A group of experts is still in the drafting process but prospects for achieving an agreed code are not

good. Not only is there deadlock over the legal nature of the code (developed countries favor a voluntary code, developing countries a binding arrangement), but the developing countries are claiming an absolute right of access to technology while the developed countries assert that access to technology can only be facilitated under mutually advantageous terms and conditions that take account of property rights. The result is a set of divergent texts which reflect sharp differences in approach, in underlying principles, and in substance.

We will continue our efforts to negotiate an international agreement to deal with the serious problem of bribery in international commercial transactions. The U.N. Economic and Social Council (ECOSOC) last year established an [Ad Hoc] Intergovernmental Working Group on Corrupt Practices which has been working to elaborate the scope and contents of a possible international agreement to eliminate illicit payments. At its July-August session this year, ECOSOC expanded the working group, gave it a specific charge to draft an international agreement, and recommended that the General Assembly decide, when appropriate, to convene a diplomatic conference to conclude an international agreement.

The ECOSOC decision makes possible an early agreement on this important subject but also reflects the concern of many developing countries that progress on the comprehensive code of conduct should not fall far behind the illicit payments agreement. We oppose this sort of direct linkage, believing that each agreement should proceed at its own pace with progress in one area not tied to progress in the other.

Legislation on Illicit Payments

I would like now to take this opportunity to comment on two pieces of legislation relating to illicit payments.

As to H.R. 7543, which would establish an Office of Foreign Business Practices within the Department of Commerce, the Department of State has supported the approach which is embodied in two other bills now pending in Congress—H.R. 3815 and S. 305. These

bills would make it a crime under U.S. law for domestic concerns to use U.S. commerce in furtherance of bribes of foreign officials. Legislation of this type, together with the already existing body of law and regulations currently being enforced with respect to foreign bribery, will constitute an effective means of dealing with the problem.

The Department, therefore, favors enactment of legislation based on S. 305 and H.R. 3815, rather than consideration of additional legislation such as H.R. 7543 at this time. A determination as to whether further legislation is necessary, taking into account both domestic law enforcement and the negotiation of an international agreement on illicit payments, can be made subsequently. The Department will certainly be prepared to assist in that process.

As to H.R. 3604, the Department last year opposed a similar bill and has not changed its position. We strongly believe that OPIC [Overseas Private Investment Corporation] insurance should not be used to protect investors from the consequences of making illicit payments to foreign officials. We would support any revision of OPIC contracts which is necessary to insure that this will not happen.

However, the Department is concerned that terminating OPIC insurance can give the mistaken impression that we consider extreme measures, such as expropriation, to be appropriate responses to bribery by U.S. firms abroad.

The legislation would require OPIC to investigate allegations that significant payments had been made to influence foreign officials. Without a specific understanding between our government and the host government involved, such investigations would be viewed as an unwarranted extraterritorial extension of U.S. jurisdiction and could have adverse effects on efforts to resolve investment disputes and on bilateral relations in general.

In summary, the Department believes that current law and regulations, together with new legislation based on H.R. 3815 and S. 305, will provide an effective framework for dealing with the problem of foreign bribery by U.S. firms. We recommend against passage of H.R. 7543 and H.R. 3604.

Alaska Natural Gas Transportation System

*Following is the text of a letter sent by President Carter to Speaker of the House Thomas P. O'Neill and President of the Senate Walter F. Mondale on September 1.*¹

SEPTEMBER 1, 1977.

DEAR MR. SPEAKER: (DEAR MR. PRESIDENT:) Section 7 of the Alaska Natural Gas Transportation Act of 1976 provides that my decision regarding an Alaska natural gas transportation system be transmitted to the House of Representatives and the Senate by September 1, 1977. The Act also provides that the decision may be delayed by as much as 90 days upon a determination that additional time is necessary to reach a sound decision. Although I intend to submit my decision to the Congress in the near future, it appears prudent to take some additional time prior to transmittal of that decision.

A decision on an Alaska natural gas transportation system is dependent upon a full and complete assessment of all options. Information and data concerning the proposal for building a pipeline across Alaska and then shipping Alaska gas to the lower-48 states via LNG [liquefied natural gas] tankers is complete and well understood.

Discussions with officials of the Canadian government to determine the route and conditions associated with any joint overland pipeline have been underway for some time. The general outline of the Canadian option is becoming increasingly clear, although several final details must still be resolved. While I expect these matters to be resolved in the course of the next several days, I have determined they will not be settled in time for a September 1, 1977, decision.

As soon as these discussions are completed, a final comparative assessment of all project options will be made and a decision regarding an Alaska natural gas transportation system reached.

I intend to transmit that decision to the

¹ Text from Weekly Compilation of Presidential Documents dated September 5, p. 1284; also printed as H. Doc. 95-210 dated Sept. 7.

Congress in the very near future so that action on this critical matter can be taken during this session of the Congress.

Sincerely,

JIMMY CARTER.

TREATY INFORMATION

Current Actions

MULTILATERAL

Agriculture

International plant protection convention. Done at Rome December 6, 1951. Entered into force April 3, 1952; for the United States August 18, 1972. TIAS 7465.

Ratification deposited: Indonesia (with declaration), June 21, 1977.

Adherence deposited: Ethiopia, June 20, 1977.

Succession deposited: Surinam, April 22, 1977.

Bills of Lading

International convention for the unification of certain rules relating to bills of lading and protocol of signature. Done at Brussels August 25, 1924. Entered into force June 2, 1931; for the United States December 29, 1937, 51 Stat. 233.

Adherence deposited: Cuba, July 25, 1977.

Narcotic Drugs

Protocol amending the single convention on narcotic drugs, 1961. Done at Geneva March 25, 1972. Entered into force August 8, 1975. TIAS 8118.

Ratification deposited: Peru, September 12, 1977.

Property—Industrial

Convention of Paris for the protection of industrial property of March 20, 1883, as revised. Done at Stockholm July 14, 1967. Articles 1 through 12 entered into force May 19, 1970; for the United States August 25, 1973. Articles 13 through 30 entered into force April 26, 1970; for the United States September 5, 1970, TIAS 6923.

Notification from World Intellectual Property Organization that accession deposited: Malta (with the exception of articles 1 to 12) (with a declaration), September 12, 1977.

Property—Intellectual

Convention establishing the World Intellectual Property Organization. Done at Stockholm July 14, 1967. Entered into force April 26, 1970; for the United States August 25, 1970. TIAS 6932.

Accession deposited: Malta, September 7, 1977.

Space

Convention on registration of objects launched into outer space. Done at New York January 14, 1975.

Entered into force September 15, 1976. TIAS 8480.

Ratification deposited: Ukrainian Soviet Socialist Republic, September 14, 1977.

Telecommunications

International telecommunication convention with annexes and protocols. Done at Malaga-Torremolinos October 25, 1973. Entered into force January 1, 1975; for the United States April 7, 1976. TIAS 8572.

Accession deposited: Tonga, August 22, 1977.

BILATERAL

Canada

Agreement concerning transit pipelines. Signed at Washington January 28, 1977.

Instrument of ratification signed by the President: September 15, 1977.

Ratifications exchanged: September 19, 1977.

Entered into force: October 1, 1977.

Agreement on principles applicable to a northern natural gas pipeline, with annexes. Signed at Ottawa September 20, 1977. Entered into force September 20, 1977, provided that those provisions of the agreement requiring legislative action will become effective upon exchange of notification that such legislative action has been completed.

France

Memorandum of understanding for a cooperative research project in titanium alloys, with annex. Signed at Washington and Paris June 23 and August 26, 1977. Entered into force August 26, 1977.

Haiti

Agreement amending the agreement of March 22 and 23, 1976, as amended (TIAS 8268, 8395, 8643) relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Washington September 14 and 15, 1977. Entered into force September 15, 1977.

United Kingdom

Arrangement in the field of nuclear safety research and development, with addendums. Signed at Washington and London July 20 and August 3, 1977. Entered into force August 3, 1977.

Upper Volta

Agreement relating to the transfer of food to Upper Volta. Signed at Ouagadougou September 9, 1977. Entered into force September 9, 1977.

Zaire

Agreement amending the agreement for sales of agricultural commodities of May 24, 1977. Effected by exchange of notes at Kinshasa August 15 and 19, 1977. Entered into force August 19, 1977.

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| 424 | 9/19 | Garrison diversion unit report released |
| 425 | 9/19 | Edward Marks sworn in as Ambassador to Cape Verde and Guinea-Bissau (biographic data). |
| 426 | 9/19 | Oregon World Affairs Council, Oregon Economic Development Commission, and Department of State to hold "Town Meeting," Oct. 6. |
| 427 | 9/20 | Shipping Coordinating Committee, Subcommittee on Safety of Life at Sea, working group on international multimodal transport and containers, Nov. 2. |
| 428 | 9/20 | Shipping Coordinating Committee, Oct. 27-28. |
| 429 | 9/21 | Senior foreign affairs officials depart to visit Chicago and Iowa, Sept. 25. |
| 430 | 9/23 | Advisory Committee on Transnational Enterprises, Oct. 20. |
| 431 | 9/23 | Arthur J. Goldberg sworn in as Ambassador at Large (biographic data). |
| 432 | 9/24 | Documents issued after meeting among President Carter, Secretary Vance, and U.S.S.R. Foreign Minister Gromyko. |

*Not printed

†Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE
BULLETIN

Volume LXXVII • No. 1999 • October 17, 1977

THE PANAMA CANAL TREATIES AND RELATED MATERIALS
(For complete Contents, see p. i)

THE OFFICIAL WEEKLY RECORD OF UNITED STATES FOREIGN POLICY

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXXVII, No. 1999

October 17, 1977

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

Publications of the Department of State, United Nations documents, and legislative material in the field of international relations are also listed.

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U. S. Government Printing Office
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President Carter and General Torrijos Sign Panama Canal Treaties

The signing ceremony for the two Panama Canal treaties took place at the Pan American Union, headquarters of the Organization of American States (OAS), on September 7, 1977, and was presided over by Alejandro Orfila, Secretary General of the OAS. Among the distinguished guests were chiefs of state or other representatives of 26 Western Hemisphere nations, former President Ford, Mrs. Lyndon B. Johnson, former Secretaries of State Rogers and Kissinger, and numerous Members of the U.S. Senate and House of Representatives.

Following are remarks by President Carter and Panama's Chief of Government Gen. Torrijos made at the ceremony, the texts of the Panama Canal treaties, the Declaration of Washington, and a fact sheet on the treaties.

REMARKS BY PRESIDENT CARTER

Weekly Compilation of Presidential Documents dated September 12

Mr. Secretary General and distinguished leaders from throughout our own country and from throughout this hemisphere: First of all, I want to express my deep thanks to the leaders who have come here from 27 nations in our own hemisphere—20 heads of state—for this historic occasion.¹

I'm proud to be here as part of the largest group of heads of state ever assembled in the Hall of the Americas, Mr. Secretary General.

We are here to participate in the signing of treaties which will assure a peaceful and prosperous and secure future for an international waterway of great importance to us all.

But the treaties do more than that. They mark the commitment of the United States to the belief that fairness, and not force, should lie at the heart of our dealings with the nations of the world.

If any agreement between two nations is to

last, it must serve the best interests of both nations. The new treaties do that. And by guaranteeing the neutrality of the Panama Canal, the treaties also serve the best interests of every nation that uses the canal.

This agreement thus forms a new partnership to insure that this vital waterway, so important to all of us, will continue to be well operated, safe, and open to shipping by all nations, now and in the future.

Under these accords, Panama will play an increasingly important role in the operation and defense of the canal during the next 23 years. And after that, the United States will still be able to counter any threat to the canal's neutrality and openness for use.

The members of the Organization of American States and all the members of the United Nations will have a chance to subscribe to the permanent neutrality of the canal.

The accords also give Panama an important economic stake in the continued, safe, and efficient operation of the canal and make Panama a strong and interested party in the future success of the waterway.

In the spirit of reciprocity suggested by the

¹ All government officials attending the ceremony were observers, with the exception of President Carter and Gen. Torrijos.

**ANNOUNCEMENT BY AMBASSADORS
BUNKER AND LINOWITZ, AUGUST 10**

Press release 383 dated August 10

We are deeply gratified to be able to announce that we and our Panamanian colleagues have today reached agreement in principle on the basic elements of a new treaty—and a new relationship between our countries. Our legal specialists will continue working to express promptly those elements in the formal treaty.

Though this is but one stage in the completion of our historic task, it is a major step toward our mutual goal. We will be flying back to Washington tomorrow and will go immediately to the White House to report to President Carter. We will describe to him the work that has been done during this final week of negotiations and present for his review the agreement in principle.

It has been a long and arduous task, as you know. For more than 13 years, under four Presidents, we have sought a new and mutually beneficial relationship between our countries. Now we have taken a significant step toward that long-sought goal.

From the point of view of the United States, we are confident that this treaty will not only protect but strengthen our national security interests. It will also be a strongly positive element in our overall relationship with our Latin American neighbors and preserve our vital common interests in an open, secure, and efficient canal.

leaders at the Bogotá summit [August 5-7, 1977], the United States and Panama have agreed that any future sea-level canal will be built in Panama and with the cooperation of the United States. In this manner, the best interests of both our nations are linked and preserved into the future.

Many of you seated at this table have made known for years through the Organization of American States and through your own personal expressions of concern to my predecessors in the White House, your own strong feelings about the Panama Canal Treaty of 1903. That treaty, drafted in a world so different from ours today, has become an obstacle to better relations with Latin America.

I thank each of you for the support and help that you and your countries have given during the long process of negotiation, which is now drawing to a close. This agreement has been negotiated over a period of 14 years under four Presidents of the United States.

I'm proud to see President Ford here with us tonight. And I'm also glad to see Mrs. Lyndon Johnson here with us tonight.

Many Secretaries of State have been involved in the negotiations. Dean Rusk can't be here. He has endorsed the treaty. But Secretary of State William Rogers is here. We are glad to have you, sir. And Secretary of State Henry Kissinger is here too.

This has been a bipartisan effort, and it is extremely important for our country to stay unified in our commitment to the fairness, the symbol of equality, the mutual respect, the preservation of the security and defense of our own nation, and an exhibition of cooperation which sets a symbol that is important to us all before this assembly tonight and before the American people in the future.

This opens a new chapter in our relations with all nations of this hemisphere, and it testifies to the maturity and the good judgment and the decency of our people. This agreement is a symbol for the world of the mutual respect and cooperation among all our nations.

REMARKS BY GENERAL TORRIJOS ²

Mr. President of the United States: I quote: "You and I know well how many points there are in the Treaty to which any Panamanian patriot would object." Letter from John Hay, United States Secretary of State, to Senator Spooner, January 20, 1904.

My presence here, together with the most representative leaders and statesmen of the hemisphere, attests to the end of many struggles by several generations of Panamanian patriots.

Our people, who have struggled with heroic perseverance to complete their independence, harbor no feelings of animosity against this nation which, through gigantic feats of technology, pierced the Isthmus of Panama and connected two oceans 8 hours apart.

However, what was for mankind a technological conquest became, through a distortion of history, a colonial conquest of our country. I say distortion of history because President Theodore Roosevelt himself stated publicly in Panama, I quote:

"President Amador Guerrero, we have not

² Gen. Torrijos spoke in Spanish.

the slightest intention of establishing an independent colony in the Canal Zone." October 18, 1904.

Basically what sustained the hopes of the Panamanian people and strengthened their patience during all these years was the firm conviction that the people of the United States were not colonialists at heart, because you yourselves had been a colony and had fought heroically for your freedom. We feel that you, Mr. President, in raising the banner of morality over our relations, are representing the true spirit of your people.

Latin America has stood by us both loyally and impartially. Its leaders have come to attend this ceremony in testimony of the fact that the religion and the cause of the Panamanian people are the religion and the cause of the hemisphere.

The presence of these leaders must herald a new and different era among us who live and sleep together in the hemisphere, so that all traces of the injustices which prevent us from dealing as equals may disappear. If one would be strong, one must also be just. You have changed imperial strength into moral strength.

Mr. President, there are two types of truths—logical truth and pleasant truth. In the name of logical truth, I want you to know that this treaty, which I shall sign and which repeals a treaty not signed by any Panamanian, does not enjoy the approval of all our people, because the 23 years agreed upon as a transition period are 8,395 days, because during this time there will still be military bases which make my country a strategic reprisal target, and because we are agreeing to a treaty of neutrality which places us under the protective umbrella of the Pentagon. This pact could, if it is not administered judiciously by future generations, become an instrument of permanent intervention.

However, what has been agreed is the product of an understanding between two leaders who believe that their nations should live together peacefully and who have the courage and the leadership to stand before their people armed only with the truth and their deep conviction of what is just.

In Panama the instrument of ratification will be a plebiscite which, more than just a

STATEMENT BY SECRETARY VANCE,

AUGUST 11

Press release 388 dated August 12

I was greatly pleased to learn of the agreement in principle between representatives of the United States and Panama on basic elements of the new treaties governing the Panama Canal.

U.S. Ambassadors Ellsworth Bunker and Sol Linowitz have labored long and hard with their Panamanian counterparts to achieve an agreement that will assure an open, efficiently operated, neutral, and secure canal. They deserve our deepest gratitude for their exceptional work in achieving an agreement in principle which will strengthen our nation's security and enhance our close relationships with our Latin American neighbors.

plebiscite, will be the purest example of civic participation ever recorded in the political history of the republic. Ratification by this country will depend on the consensus of the Congress.

Esteemed friends of the Senate: Before leaving you, I should like to recall a thought of a man which is today more pertinent than ever. Abraham Lincoln said: "A statesman is one who thinks of future generations and a politician is one who thinks of the next elections." I return to my country convinced that the future of our relations rests in the hands of excellent statesmen.

TEXTS OF TREATIES ³

Panama Canal Treaty

The United States of America and the Republic of Panama,

Acting in the spirit of the Joint Declaration of April 3, 1964, by the Representatives of the Governments of the United States of America and the Republic of Panama, and of the Joint Statement of Principles of February 7, 1974, initialed by the Secretary of State of the United States of America and the Foreign Minister of the Republic of Panama, and

Acknowledging the Republic of Panama's sovereignty over its territory,

Have decided to terminate the prior Treaties pertaining to the Panama Canal and to conclude a new Treaty to serve as the basis for a new relationship between them and, accordingly, have agreed upon the following:

³ Also printed as Senate document S. Ex. N dated Sept. 16, 1977.

LETTER OF SUBMITTAL*

THE PRESIDENT, *The White House.*

The President: I have the honor to submit to you, with the recommendation that they be transmitted to the Senate for advice and consent to ratification, the Panama Canal Treaty and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. You signed these instruments with General Omar Torrijos Herrera, Head of Government of the Republic of Panama, at the headquarters of the Organization of American States on September 7, 1977.

These Treaties represent an important milestone in our relations with Panama and also our relations with the other countries of Latin America and the Caribbean. The Panama Canal regime established in 1903 no longer constitutes the best means to ensure the continued efficient operation and defense of the Canal.

In my view these Treaties will protect fully the United States' interests in the future operation and security of the Panama Canal. They will provide a basis for further improvement of our relations with Panama and the other nations of the Hemisphere. Moreover, the Treaties protect not only the interests of the two signatories, but also the interest of world commerce in a Canal which functions efficiently and is permanently open to vessels of all countries on a nondiscriminatory basis.

It will be recalled that negotiations with Panama looking toward a new, mutually satisfactory relationship began in 1964. Following dem-

onstrations in Panama in January of that year and a three-month suspension of diplomatic relations, the two countries, with the cooperation of the Organization of American States, agreed on April 3, 1964, to a Joint Declaration in which they undertook to seek the prompt elimination of the causes of conflict between them without limitations or preconditions of any kind. On September 24 of the following year, President Johnson and President Robles of Panama announced agreement to negotiate a new treaty based on certain principles, including abrogation of the 1903 Convention, recognition of Panama's sovereignty over all its territory and provision for the possible construction of a sea-level canal. President Johnson reached the decision to negotiate with Panama after consulting with Presidents Truman and Eisenhower and other leaders of both major political parties.

Draft treaties were completed in 1967 but were not signed. In 1970 the Government of Panama formally rejected those treaties and proposed new negotiations. Additional negotiations in 1971 and 1972 failed to produce agreement. Negotiations resumed in late 1973. In February 1974, Secretary of State Kissinger initialed with Panama's Foreign Minister Tack a Joint Statement of Principles to guide the negotiations, which were similar in content to those established by Presidents Johnson and Robles as guidance for the 1965-1967 negotiations. This Administration endorsed these basic concepts earlier this year, and the Treaties which Ambassadors Bunker and Linowitz have negotiated and I am submitting to you reflect those principles.

Under the new Panama Canal Treaty, the United States will operate the Canal and have primary responsibility for its defense until De-

*Also printed in Senate document S. Ex. N dated Sept. 16, 1977.

ARTICLE I

ABROGATION OF PRIOR TREATIES AND ESTABLISHMENT OF A NEW RELATIONSHIP

1. Upon its entry into force, this Treaty terminates and supersedes:

(a) The Isthmian Canal Convention between the United States of America and the Republic of Panama, signed at Washington, November 18, 1903;

(b) The Treaty of Friendship and Cooperation signed at Washington, March 2, 1936, and the Treaty of Mutual Understanding and Cooperation and the related Memorandum of Understandings Reached, signed at Panama, January 25, 1955, between the United States of America and the Republic of Panama;

(c) All other treaties, conventions, agreements and exchanges of notes between the United States of America and the Republic of Panama concerning the Panama Canal which were in force prior to the entry into force of this Treaty; and

(d) Provisions concerning the Panama Canal which appear in other treaties, conventions, agreements and exchanges of notes between the United States of America and the Republic of Panama which were in force prior to the entry into force of this Treaty.

2. In accordance with the terms of this Treaty and related agreements, the Republic of Panama, as territorial sovereign, grants to the United States of America, for the duration of this Treaty, the rights necessary to regulate the transit of ships through the Panama Canal, and to manage, operate, maintain, improve, protect and defend the Canal. The Republic of Panama guarantees to the United States of America the peaceful use of the land and water areas which it has been granted the rights to use for such purposes pursuant to this Treaty and related agreements.

3. The Republic of Panama shall participate increasingly in the management and protection and defense of the Canal, as provided in this Treaty.

4. In view of the special relationship established by

December 31, 1999. The Treaty grants to the United States all of the rights necessary for the operation, maintenance and defense of the Canal, including the use of specific land and water areas necessary for these purposes. United States operation and maintenance of the Canal will be carried out by the Panama Canal Commission, a new United States Government agency that will replace the present Panama Canal Company and Canal Zone Government.

Panama will participate increasingly in the operation and defense of the Canal during the duration of the Treaty, and will assume responsibility for the Canal upon expiration of the Treaty.

In addition, the Panama Canal Treaty establishes basic employment policies for the Panama Canal Commission, provides for payments to the Republic of Panama out of Canal operating revenues, provides for protection of the environment and commits the two countries to study the feasibility of constructing a sea-level canal in Panama and to deal with each other regarding construction of a new interoceanic canal.

The Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal will enter into force simultaneously with the Panama Canal Treaty. This Treaty establishes a regime of permanent neutrality of the Canal to ensure that the Canal, both in time of peace and time of war, "shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality."

The United States and Panama agree to maintain the regime of neutrality established in the Treaty notwithstanding the termination of any other treaties between the two countries. The Treaty does not limit in any way the measures the United States might take to ensure the

maintenance of the neutrality regime. In recognition of the important contributions of the United States and Panama to the Canal, their vessels of war and auxiliary vessels shall be entitled to transit the Canal expeditiously.

The Neutrality Treaty provides for a Protocol, open to accession by all States, by which signatories would acknowledge, associate themselves with the objectives of and agree to observe and respect the regime of permanent neutrality established by that Treaty.

This report is accompanied by a summary of the terms of these Treaties.

The terms of these Treaties are implemented and supplemented by a number of separate agreements and other instruments between the United States and Panama. Additionally, arrangements have been entered into concerning continuation by United States agencies of various activities in Panama not directly related to the Canal, and efforts to provide to Panama certain loans, guarantees and credits to assist with its economic development and to strengthen its capability to contribute to the defense of the Canal. A schedule of all of the above-mentioned documents accompanies this report, and the Department of State will provide copies of these documents to the Senate for its information.

I am confident you will find that these Treaties are well designed to achieve our national objectives. They provide a sound basis for the continued operation and defense of the Canal. Accordingly, I recommend that you transmit them to the Senate for its advice and consent to ratification.

Respectfully submitted,

CYRUS VANCE.

DEPARTMENT OF STATE, *September 15, 1977.*

this Treaty, the United States of America and the Republic of Panama shall cooperate to assure the uninterrupted and efficient operation of the Panama Canal.

ARTICLE II

RATIFICATION, ENTRY INTO FORCE, AND TERMINATION

1. This Treaty shall be subject to ratification in accordance with the constitutional procedures of the two Parties. The instruments of ratification of this Treaty shall be exchanged at Panama at the same time as the instruments of ratification of the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, signed this date, are exchanged. This Treaty shall enter into force, simultaneously with the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, six calendar months from the date of the exchange of the instruments of ratification.

2. This Treaty shall terminate at noon, Panama time, December 31, 1999.

ARTICLE III

CANAL OPERATION AND MANAGEMENT

1. The Republic of Panama, as territorial sovereign, grants to the United States of America the rights to manage, operate, and maintain the Panama Canal, its complementary works, installations and equipment and to provide for the orderly transit of vessels through the Panama Canal. The United States of America accepts the grant of such rights and undertakes to exercise them in accordance with this Treaty and related agreements.

2. In carrying out the foregoing responsibilities, the United States of America may:

(a) Use for the aforementioned purposes, without cost except as provided in this Treaty, the various installations and areas (including the Panama Canal) and waters, described in the Agreement in Implementation

LETTER OF TRANSMITTAL*

To the Senate of the United States:

I transmit herewith, for the purpose of receiving the advice and consent of the Senate to ratification, the Panama Canal Treaty and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal which I signed on behalf of the United States at the headquarters of the Organization of American States on September 7, 1977. I also transmit, for the information of the Senate, the report of the Department of State with respect to those Treaties.

When ratified, the Treaties will establish new arrangements for operating and defending the Panama Canal, and for ensuring its continuing neutrality and accessibility to all shipping. These objectives will be achieved through a new, cooperative relationship between the United States and Panama under which the United States will continue to operate the Canal until December 31, 1999. After this period of preparation, Panama will assume control of Canal operations, with the United States sharing permanent responsibility for maintaining the Canal's neutrality.

The Treaties serve the essential interest of the United States in an efficient and safe Canal. They permit a new relationship with Panama based on friendship and mutual respect. Moreover, they remove a major obstacle to the betterment of our relations with the countries of Latin America and the Caribbean area, and will substantially improve our standing with other nations, particularly those of the developing world.

I believe that these Treaties are fair to both countries, consistent with our heritage, and right for our times. They protect United States interests in the Panama Canal for the future better than the 1903 Convention which they will replace. Undue delay in ratification could cause serious problems for our foreign relations and jeopardize our long-term interests in the Canal and in the Hemisphere. Accordingly, I urge the Senate to give these Treaties early and favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *September 16, 1977.*

*Also printed in Senate document S. Ex. N dated Sept. 16, 1977.

of this Article,⁴ signed this date, as well as such other areas and installations as are made available to the

⁴ Copies of the Agreement in Implementation of articles III and IV of this treaty may be obtained from the Public Correspondence Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

United States of America under this Treaty and related agreements, and take the measures necessary to ensure sanitation of such areas;

(b) Make such improvements and alterations to the aforesaid installations and areas as it deems appropriate, consistent with the terms of this Treaty;

(c) Make and enforce all rules pertaining to the passage of vessels through the Canal and other rules with respect to navigation and maritime matters, in accordance with this Treaty and related agreements. The Republic of Panama will lend its cooperation, when necessary, in the enforcement of such rules;

(d) Establish, modify, collect and retain tolls for the use of the Panama Canal, and other charges, and establish and modify methods of their assessment;

(e) Regulate relations with employees of the United States Government;

(f) Provide supporting services to facilitate the performance of its responsibilities under this Article;

(g) Issue and enforce regulations for the effective exercise of the rights and responsibilities of the United States of America under this Treaty and related agreements. The Republic of Panama will lend its cooperation, when necessary, in the enforcement of such rules; and

(h) Exercise any other right granted under this Treaty, or otherwise agreed upon between the two Parties.

3. Pursuant to the foregoing grant of rights, the United States of America shall, in accordance with the terms of this Treaty and the provisions of United States law, carry out its responsibilities by means of a United States Government agency called the Panama Canal Commission, which shall be constituted by and in conformity with the laws of the United States of America.

(a) The Panama Canal Commission shall be supervised by a Board composed of nine members, five of whom shall be nationals of the United States of America, and four of whom shall be Panamanian nationals proposed by the Republic of Panama for appointment to such positions by the United States of America in a timely manner.

(b) Should the Republic of Panama request the United States of America to remove a Panamanian national from membership on the Board, the United States of America shall agree to such request. In that event, the Republic of Panama shall propose another Panamanian national for appointment by the United States of America to such position in a timely manner. In case of removal of a Panamanian member of the Board at the initiative of the United States of America, both parties will consult in advance in order to reach agreement concerning such removal, and the Republic of Panama shall propose another Panamanian national for appointment by the United States of America in his stead.

(c) The United States of America shall employ a national of the United States of America as Administrator of the Panama Canal Commission, and a Panamanian national as Deputy Administrator, through December 31, 1989. Beginning January 1, 1990, a Panamanian na-

ional shall be employed as the Administrator and a national of the United States of America shall occupy the position of Deputy Administrator. Such Panamanian nationals shall be proposed to the United States of America by the Republic of Panama for appointment to such positions by the United States of America.

(d) Should the United States of America remove the Panamanian national from his position as Deputy Administrator, or Administrator, the Republic of Panama shall propose another Panamanian national for appointment to such position by the United States of America.

4. An illustrative description of the activities the Panama Canal Commission will perform in carrying out the responsibilities and rights of the United States of America under this Article is set forth at the Annex. Also set forth in the Annex are procedures for the discontinuance or transfer of those activities performed prior to the entry into force of this Treaty by the Panama Canal Company or the Canal Zone Government which are not to be carried out by the Panama Canal Commission.

5. The Panama Canal Commission shall reimburse the Republic of Panama for the costs incurred by the Republic of Panama in providing the following public services in the Canal operating areas and in housing areas set forth in the Agreement in Implementation of Article III of this Treaty and occupied by both United States and Panamanian citizen employees of the Panama Canal Commission: police, fire protection, street maintenance, street lighting, street cleaning, traffic management and garbage collection. The Panama Canal Commission shall pay the Republic of Panama the sum of ten million United States dollars (\$10,000,000) per annum for the foregoing services. It is agreed that every three years from the date that this Treaty enters into force, the costs involved in furnishing said services shall be reexamined to determine whether adjustment of the annual payment should be made because of inflation and other relevant factors affecting the cost of such services.

6. The Republic of Panama shall be responsible for providing, in all areas comprising the former Canal Zone, services of a general jurisdictional nature such as customs and immigration, postal services, courts and licensing, in accordance with this Treaty and related agreements.

7. The United States of America and the Republic of Panama shall establish a Panama Canal Consultative Committee, composed of an equal number of high-level representatives of the United States of America and the Republic of Panama, and which may appoint such subcommittees as it may deem appropriate. This Committee shall advise the United States of America and the Republic of Panama on matters of policy affecting the Canal's operation. In view of both Parties' special interest in the continuity and efficiency of the Canal operation in the future, the Committee shall advise on matters such as general tolls policy, employment and training policies to increase the participation of Panamanian nationals in the operation of the Canal, and

MESSAGE FROM THE MEXICAN OBSERVER

With special congratulations to President Carter and to General Torrijos for beginning the steps leading to attain total sovereignty by the Republic of Panama over all of its territory.

The Observer, S. ROEL.

international policies on matters concerning the Canal. The Committee's recommendations shall be transmitted to the two Governments, which shall give such recommendations full consideration in the formulation of such policy decisions.

8. In addition to the participation of Panamanian nationals at high management levels of the Panama Canal Commission, as provided for in paragraph 3 of this Article, there shall be growing participation of Panamanian nationals at all other levels and areas of employment in the aforesaid commission, with the objective of preparing, in an orderly and efficient fashion, for the assumption by the Republic of Panama of full responsibility for the management, operation and maintenance of the Canal upon the termination of this Treaty.

9. The use of the areas, waters and installations with respect to which the United States of America is granted rights pursuant to this Article, and the rights and legal status of United States Government agencies and employees operating in the Republic of Panama pursuant to this Article, shall be governed by the Agreement in Implementation of this Article, signed this date.

10. Upon entry into force of this Treaty, the United States Government agencies known as the Panama Canal Company and the Canal Zone Government shall cease to operate within the territory of the Republic of Panama that formerly constituted the Canal Zone.

ARTICLE IV

PROTECTION AND DEFENSE

1. The United States of America and the Republic of Panama commit themselves to protect and defend the Panama Canal. Each Party shall act, in accordance with its constitutional processes, to meet the danger resulting from an armed attack or other actions which threaten the security of the Panama Canal or of ships transiting it.

2. For the duration of this Treaty, the United States of America shall have primary responsibility to protect and defend the Canal. The rights of the United States of America to station, train, and move military forces within the Republic of Panama are described in the Agreement in Implementation of this Article, signed this date. The use of areas and installations and the legal status of the armed forces of the United States of America in the Republic of Panama shall be governed by the aforesaid Agreement.

3. In order to facilitate the participation and cooperation of the armed forces of both parties in the protection and defense of the Canal, the United States of America

and the Republic of Panama shall establish a Combined Board comprised of an equal number of senior military representatives of each Party. These representatives shall be charged by their respective governments with consulting and cooperating on all matters pertaining to the protection and defense of the Canal, and with planning for actions to be taken in concert for that purpose. Such combined protection and defense arrangements shall not inhibit the identity or lines of authority of the armed forces of the United States of America or the Republic of Panama. The Combined Board shall provide for coordination and cooperation concerning such matters as:

(a) The preparation of contingency plans for the protection and defense of the Canal based upon the cooperative efforts of the armed forces of both Parties;

(b) The planning and conduct of combined military exercises; and

(c) The conduct of United States and Panamanian military operations with respect to the protection and defense of the Canal.

4. The Combined Board shall, at five-year intervals throughout the duration of this Treaty, review the resources being made available by the two Parties for the protection and defense of the Canal. Also, the Combined Board shall make appropriate recommendations to the two Governments respecting projected requirements, the efficient utilization of available resources of the two Parties, and other matters of mutual interest with respect to the protection and defense of the Canal.

5. To the extent possible consistent with its primary responsibility for the protection and defense of the Panama Canal, the United States of America will endeavor to maintain its armed forces in the Republic of Panama in normal times at a level not in excess of that of the armed forces of the United States of America in the territory of the former Canal Zone immediately prior to the entry into force of this Treaty.

ARTICLE V

PRINCIPLE OF NON-INTERVENTION

Employees of the Panama Canal Commission, their dependents and designated contractors of the Panama Canal Commission, who are nationals of the United States of America, shall respect the laws of the Republic of Panama and shall abstain from any activity incompatible with the spirit of this Treaty. Accordingly, they shall abstain from any political activity in the Republic of Panama as well as from any intervention in the internal affairs of the Republic of Panama. The United States of America shall take all measures within its authority to ensure that the provisions of this Article are fulfilled.

ARTICLE VI

PROTECTION OF THE ENVIRONMENT

1. The United States of America and the Republic of Panama commit themselves to implement this Treaty in a manner consistent with the protection of the natural environment of the Republic of Panama. To this end,

they shall consult and cooperate with each other in all appropriate ways to ensure that they shall give due regard to the protection and conservation of the environment.

2. A Joint Commission on the Environment shall be established with equal representation from the United States of America and the Republic of Panama, which shall periodically review the implementation of this Treaty and shall recommend as appropriate to the two Governments ways to avoid or, should this not be possible, to mitigate the adverse environmental impacts which might result from their respective actions pursuant to the Treaty.

3. The United States of America and the Republic of Panama shall furnish the Joint Commission on the Environment complete information on any action taken in accordance with this Treaty which, in the judgment of both, might have a significant effect on the environment. Such information shall be made available to the Commission as far in advance of the contemplated action as possible to facilitate the study by the Commission of any potential environmental problems and to allow for consideration of the recommendation of the Commission before the contemplated action is carried out.

ARTICLE VII

FLAGS

1. The entire territory of the Republic of Panama, including the areas the use of which the Republic of Panama makes available to the United States of America pursuant to this Treaty and related agreements, shall be under the flag of the Republic of Panama, and consequently such flag always shall occupy the position of honor.

2. The flag of the United States of America may be displayed, together with the flag of the Republic of Panama, at the headquarters of the Panama Canal Commission, at the site of the Combined Board, and as provided in the Agreement in Implementation of Article IV of this Treaty.

3. The flag of the United States of America also may be displayed at other places and on some occasions, as agreed by both Parties.

ARTICLE VIII

PRIVILEGES AND IMMUNITIES

1. The installations owned or used by the agencies or instrumentalities of the United States of America operating in the Republic of Panama pursuant to this Treaty and related agreements, and their official archives and documents, shall be inviolable. The two Parties shall agree on procedures to be followed in the conduct of any criminal investigation at such locations by the Republic of Panama.

2. Agencies and instrumentalities of the Government of the United States of America operating in the Republic of Panama pursuant to this Treaty and related agreements shall be immune from the jurisdiction of the Republic of Panama.

3. In addition to such other privileges and immunities

as are afforded to employees of the United States Government and their dependents pursuant to this Treaty, the United States of America may designate up to twenty officials of the Panama Canal Commission who, along with their dependents, shall enjoy the privileges and immunities accorded to diplomatic agents and their dependents under international law and practice. The United States of America shall furnish to the Republic of Panama a list of the names of said officials and their dependents, identifying the positions they occupy in the Government of the United States of America, and shall keep such list current at all times.

ARTICLE IX

APPLICABLE LAWS AND LAW ENFORCEMENT

1. In accordance with the provisions of this Treaty and related agreements, the law of the Republic of Panama shall apply in the areas made available for the use of the United States of America pursuant to this Treaty. The law of the Republic of Panama shall be applied to matters or events which occurred in the former Canal Zone prior to the entry into force of this Treaty only to the extent specifically provided in prior treaties and agreements.

2. Natural or juridical persons who, on the date of entry into force of this Treaty, are engaged in business or non-profit activities at locations in the former Canal Zone may continue such business or activities at those locations under the same terms and conditions prevailing prior to the entry into force of this Treaty for a thirty-month transition period from its entry into force. The Republic of Panama shall maintain the same operating conditions as those applicable to the aforementioned enterprises prior to the entry into force of this Treaty in order that they may receive licenses to do business in the Republic of Panama subject to their compliance with the requirements of its law. Thereafter, such persons shall receive the same treatment under the law of the Republic of Panama as similar enterprises already established in the rest of the territory of the Republic of Panama without discrimination.

3. The rights of ownership, as recognized by the United States of America, enjoyed by natural or juridical private persons in buildings and other improvements to real property located in the former Canal Zone shall be recognized by the Republic of Panama in conformity with its laws.

4. With respect to buildings and other improvements to real property located in the Canal operating areas, housing areas or other areas subject to the licensing procedure established in Article IV of the Agreement in Implementation of Article III of this Treaty, the owners shall be authorized to continue using the land upon which their property is located in accordance with the procedures established in that Article.

5. With respect to buildings and other improvements to real property located in areas of the former Canal Zone to which the aforesaid licensing procedure is not applicable, or may cease to be applicable during the lifetime or upon termination of this Treaty, the owners may continue to use the land upon which their property is lo-

cated, subject to the payment of a reasonable charge to the Republic of Panama. Should the Republic of Panama decide to sell such land, the owners of the buildings or other improvements located thereon shall be offered a first option to purchase such land at a reasonable cost. In the case of non-profit enterprises, such as churches and fraternal organizations, the cost of purchase will be nominal in accordance with the prevailing practice in the rest of the territory of the Republic of Panama.

6. If any of the aforementioned persons are required by the Republic of Panama to discontinue their activities or vacate their property for public purposes, they shall be compensated at fair market value by the Republic of Panama.

7. The provisions of paragraphs 2-6 above shall apply to natural or juridical persons who have been engaged in business or non-profit activities at locations in the former Canal Zone for at least six months prior to the date of signature of this Treaty.

8. The Republic of Panama shall not issue, adopt or enforce any law, decree, regulation, or international agreement or take any other action which purports to regulate or would otherwise interfere with the exercise on the part of the United States of America of any right granted under this Treaty or related agreements.

9. Vessels transiting the Canal, and cargo, passengers and crews carried on such vessels shall be exempt from any taxes, fees, or other charges by the Republic of Panama. However, in the event such vessels call at a Panamanian port, they may be assessed charges incident thereto, such as charges for services provided to the vessel. The Republic of Panama may also require the passengers and crew disembarking from such vessels to pay such taxes, fees and charges as are established under Panamanian law for persons entering its territory. Such taxes, fees and charges shall be assessed on a nondiscriminatory basis.

10. The United States of America and the Republic of Panama will cooperate in taking such steps as may from time to time be necessary to guarantee the security of the Panama Canal Commission, its property, its employees and their dependents, and their property, the Forces of the United States of America and the members thereof, the civilian component of the United

MESSAGES FROM FOREIGN LEADERS

In the days following the signing of the Panama Canal treaties, President Carter received many congratulatory messages from leaders around the world, including leaders of countries which are principal users of the canal. They expressed great pleasure at the successful outcome of the negotiations between the United States and Panama and that the maintenance of the security of the canal and the insuring of nondiscriminatory use of it are permanently guaranteed to all nations of the world.

States Forces, the dependents of members of the Forces and the civilian component, and their property, and the contractors of the Panama Canal Commission and of the United States Forces, their dependents, and their property. The Republic of Panama will seek from its Legislative Branch such legislation as may be needed to carry out the foregoing purposes and to punish any offenders.

11. The Parties shall conclude an agreement whereby nationals of either State, who are sentenced by the courts of the other State, and who are not domiciled therein, may elect to serve their sentences in their State of nationality.

ARTICLE X

EMPLOYMENT WITH THE PANAMA CANAL COMMISSION

1. In exercising its rights and fulfilling its responsibilities as the employer, the United States of America shall establish employment and labor regulations which shall contain the terms, conditions and prerequisites for all categories of employees of the Panama Canal Commission. These regulations shall be provided to the Republic of Panama prior to their entry into force.

2. (a) The regulations shall establish a system of preference when hiring employees, for Panamanian applicants possessing the skills and qualifications required for employment by the Panama Canal Commission. The United States of America shall endeavor to ensure that the number of Panamanian nationals employed by the Panama Canal Commission in relation to the total number of its employees will conform to the proportion established for foreign enterprises under the law of the Republic of Panama.

(b) The terms and conditions of employment to be established will in general be no less favorable to persons already employed by the Panama Canal Company or Canal Zone Government prior to the entry into force of this Treaty, than those in effect immediately prior to that date.

3. (a) The United States of America shall establish an employment policy for the Panama Canal Commission that shall generally limit the recruitment of personnel outside the Republic of Panama to persons possessing requisite skills and qualifications which are not available in the Republic of Panama.

(b) The United States of America will establish training programs for Panamanian employees and apprentices in order to increase the number of Panamanian nationals qualified to assume positions with the Panama Canal Commission, as positions become available.

(c) Within five years from the entry into force of this Treaty, the number of United States nationals employed by the Panama Canal Commission who were previously employed by the Panama Canal Company shall be at least twenty percent less than the total number of United States nationals working for the Panama Canal Company immediately prior to the entry into force of this Treaty.

(d) The United States of America shall periodically inform the Republic of Panama, through the Coordinating Committee, established pursuant to the Agreement

in Implementation of Article III of this Treaty, of available positions within the Panama Canal Commission. The Republic of Panama shall similarly provide the United States of America any information it may have as to the availability of Panamanian nationals claiming to have skills and qualifications that might be required by the Panama Canal Commission, in order that the United States of America may take this information into account.

4. The United States of America will establish qualification standards for skills, training and experience required by the Panama Canal Commission. In establishing such standards, to the extent they include a requirement for a professional license, the United States of America, without prejudice to its right to require additional professional skills and qualifications, shall recognize the professional licenses issued by the Republic of Panama.

5. The United States of America shall establish a policy for the periodic rotation, at a maximum of every five years, of United States citizen employees and other non-Panamanian employees, hired after the entry into force of this Treaty. It is recognized that certain exceptions to the said policy of rotation may be made for sound administrative reasons, such as in the case of employees holding positions requiring certain non-transferable or nonrecruitable skills.

6. With regard to wages and fringe benefits, there shall be no discrimination on the basis of nationality, sex, or race. Payments by the Panama Canal Commission of additional remuneration, or the provision of other benefits, such as home leave benefits, to United States nationals employed prior to entry into force of this Treaty, or to persons of any nationality, including Panamanian nationals who are thereafter recruited outside of the Republic of Panama and who change their place of residence, shall not be considered to be discrimination for the purpose of this paragraph.

7. Persons employed by the Panama Canal Company or Canal Zone Government prior to the entry into force of this Treaty, who are displaced from their employment as a result of the discontinuance by the United States of America of certain activities pursuant to this Treaty, will be placed by the United States of America, to the maximum extent feasible, in other appropriate jobs with the Government of the United States in accordance with United States Civil Service regulations. For such persons who are not United States nationals, placement efforts will be confined to United States Government activities located within the Republic of Panama. Likewise, persons previously employed in activities for which the Republic of Panama assumes responsibility as a result of this Treaty will be continued in their employment to the maximum extent feasible by the Republic of Panama. The Republic of Panama shall, to the maximum extent feasible, ensure that the terms and conditions of employment applicable to personnel employed in the activities for which it assumes responsibility are no less favorable than those in effect immediately prior to the entry into force of this Treaty. Non-United States nationals employed by the Panama Canal Company or Canal Zone Government prior to the

entry into force of this Treaty who are involuntarily separated from their positions because of the discontinuance of an activity by reason of this Treaty, who are not entitled to an immediate annuity under the United States Civil Service Retirement System, and for whom continued employment in the Republic of Panama by the Government of the United States of America is not practicable, will be provided special job placement assistance by the Republic of Panama for employment in positions for which they may be qualified by experience and training.

8. The Parties agree to establish a system whereby the Panama Canal Commission may, if deemed mutually convenient or desirable by the two Parties, assign certain employees of the Panama Canal Commission, for a limited period of time, to assist in the operation of activities transferred to the responsibility of the Republic of Panama as a result of this Treaty or related agreements. The salaries and other costs of employment of any such persons assigned to provide such assistance shall be reimbursed to the United States of America by the Republic of Panama.

9. (a) The right of employees to negotiate collective contracts with the Panama Canal Commission is recognized. Labor relations with employees of the Panama Canal Commission shall be conducted in accordance with forms of collective bargaining established by the United States of America after consultation with employee unions.

(b) Employee unions shall have the right to affiliate with international labor organizations.

10. The United States of America will provide an appropriate early optional retirement program for all persons employed by the Panama Canal Company or Canal Zone Government immediately prior to the entry into force of this Treaty. In this regard, taking into account the unique circumstances created by the provisions of this Treaty, including its duration, and their effect upon such employees, the United States of America shall, with respect to them:

(a) determine that conditions exist which invoke applicable United States law permitting early retirement annuities and apply such law for a substantial period of the duration of the Treaty;

(b) seek special legislation to provide more liberal entitlement to, and calculation of, retirement annuities than is currently provided for by law.

ARTICLE XI

PROVISIONS FOR THE TRANSITION PERIOD

1. The Republic of Panama shall reassume plenary jurisdiction over the former Canal Zone upon entry into force of this Treaty and in accordance with its terms. In order to provide for an orderly transition to the full application of the jurisdictional arrangements established by this Treaty and related agreements, the provisions of this Article shall become applicable upon the date this Treaty enters into force, and shall remain in effect for thirty calendar months. The authority granted in this Article to the United States of America for this transition period shall supplement, and is not intended to limit, the

full application and effect of the rights and authority granted to the United States of America elsewhere in this Treaty and in related agreements.

2. During this transition period, the criminal and civil laws of the United States of America shall apply concurrently with those of the Republic of Panama in certain of the areas and installations made available for the use of the United States of America pursuant to this Treaty, in accordance with the following provisions:

(a) The Republic of Panama permits the authorities of the United States of America to have the primary right to exercise criminal jurisdiction over United States citizen employees of the Panama Canal Commission and their dependents, and members of the United States Forces and civilian component and their dependents, in the following cases:

(i) for any offense committed during the transition period within such areas and installations, and

(ii) for any offense committed prior to that period in the former Canal Zone.

The Republic of Panama shall have the primary right to exercise jurisdiction over all other offenses committed by such persons, except as otherwise provided in this Treaty and related agreements or as may be otherwise agreed.

(b) Either Party may waive its primary right to exercise jurisdiction in a specific case or category of cases.

3. The United States of America shall retain the right to exercise jurisdiction in criminal cases relating to offenses committed prior to the entry into force of this Treaty in violation of the laws applicable in the former Canal Zone.

4. For the transition period, the United States of America shall retain police authority and maintain a police force in the aforementioned areas and installations. In such areas, the police authorities of the United States of America may take into custody any person not subject to their primary jurisdiction if such person is believed to have committed or to be committing an offense against applicable laws or regulations, and shall promptly transfer custody to the police authorities of the Republic of Panama. The United States of America and the Republic of Panama shall establish joint police patrols in agreed areas. Any arrests conducted by a joint patrol shall be the responsibility of the patrol member or members representing the Party having primary jurisdiction over the person or persons arrested.

5. The courts of the United States of America and related personnel, functioning in the former Canal Zone immediately prior to the entry into force of this Treaty, may continue to function during the transition period for the judicial enforcement of the jurisdiction to be exercised by the United States of America in accordance with this Article.

6. In civil cases, the civilian courts of the United States of America in the Republic of Panama shall have no jurisdiction over new cases of a private civil nature, but shall retain full jurisdiction during the transition period to dispose of any civil cases, including admiralty

cases, already instituted and pending before the courts prior to the entry into force of this Treaty.

7. The laws, regulations, and administrative authority of the United States of America applicable in the former Canal Zone immediately prior to the entry into force of this Treaty shall, to the extent not inconsistent with this Treaty and related agreements, continue in force for the purpose of the exercise by the United States of America of law enforcement and judicial jurisdiction only during the transition period. The United States of America may amend, repeal or otherwise change such laws, regulations and administrative authority. The two Parties shall consult concerning procedural and substantive matters relative to the implementation of this Article, including the disposition of cases pending at the end of the transition period and, in this respect, may enter into appropriate agreements by an exchange of notes or other instrument.

8. During this transition period, the United States of America may continue to incarcerate individuals in the areas and installations made available for the use of the United States of America by the Republic of Panama pursuant to this Treaty and related agreements, or to transfer them to penal facilities in the United States of America to serve their sentences.

ARTICLE XII

A SEA-LEVEL CANAL OR A THIRD LANE OF LOCKS

1. The United States of America and the Republic of Panama recognize that a sea-level canal may be important for international navigation in the future. Consequently, during the duration of this Treaty, both Parties commit themselves to study jointly the feasibility of a sea-level canal in the Republic of Panama, and in the event they determine that such a waterway is necessary, they shall negotiate terms, agreeable to both Parties, for its construction.

2. The United States of America and the Republic of Panama agree on the following:

(a) No new interoceanic canal shall be constructed in the territory of the Republic of Panama during the duration of this Treaty, except in accordance with the provisions of this Treaty, or as the two Parties may otherwise agree; and

(b) During the duration of this Treaty, the United States of America shall not negotiate with third States for the right to construct an interoceanic canal on any other route in the Western Hemisphere, except as the two Parties may otherwise agree.

3. The Republic of Panama grants to the United States of America the right to add a third lane of locks to the existing Panama Canal. This right may be exercised at any time during the duration of this Treaty, provided that the United States of America has delivered to the Republic of Panama copies of the plans for such construction.

4. In the event the United States of America exercises the right granted in paragraph 3 above, it may use for that purpose, in addition to the areas otherwise

made available to the United States of America pursuant to this Treaty, such other areas as the two Parties may agree upon. The terms and conditions applicable to Canal operating areas made available by the Republic of Panama for the use of the United States of America pursuant to Article III of this Treaty shall apply in a similar manner to such additional areas.

5. In the construction of the aforesaid works, the United States of America shall not use nuclear excavation techniques without the previous consent of the Republic of Panama.

ARTICLE XIII

PROPERTY TRANSFER AND ECONOMIC PARTICIPATION BY THE REPUBLIC OF PANAMA

1. Upon termination of this Treaty, the Republic of Panama shall assume total responsibility for the management, operation, and maintenance of the Panama Canal, which shall be turned over in operating condition and free of liens and debts, except as the two Parties may otherwise agree.

2. The United States of America transfers, without charge, to the Republic of Panama all right, title and interest the United States of America may have with respect to all real property, including non-removable improvements thereon, as set forth below:

(a) Upon the entry into force of this Treaty, the Panama Railroad and such property that was located in the former Canal Zone but that is not within the land and water areas the use of which is made available to the United States of America pursuant to this Treaty. However, it is agreed that the transfer on such date shall not include buildings and other facilities, except housing, the use of which is retained by the United States of America pursuant to this Treaty and related agreements, outside such areas.

(b) Such property located in an area or a portion thereof at such time as the use by the United States of America of such area or portion thereof ceases pursuant to agreement between the two Parties.

(c) Housing units made available for occupancy by members of the Armed Forces of the Republic of Panama in accordance with paragraph 5(b) of Annex B to the Agreement in Implementation of Article IV of this Treaty at such time as such units are made available to the Republic of Panama.

(d) Upon termination of this Treaty, all real property and non-removable improvements that were used by the United States of America for the purposes of this Treaty and related agreements and equipment related to the management, operation and maintenance of the Canal remaining in the Republic of Panama.

3. The Republic of Panama agrees to hold the United States of America harmless with respect to any claims which may be made by third parties relating to rights, title and interest in such property.

4. The Republic of Panama shall receive, in addition, from the Panama Canal Commission a just and equitable return on the national resources which it has dedicated to the efficient management, operation, maintenance,

protection and defense of the Panama Canal, in accordance with the following:

(a) An annual amount to be paid out of Canal operating revenues computed at a rate of thirty hundredths of a United States dollar (\$0.30) per Panama Canal net ton, or its equivalency, for each vessel transiting the Canal after the entry into force of this Treaty, for which tolls are charged. The rate of thirty hundredths of a United States dollar (\$0.30) per Panama Canal net ton, or its equivalency, will be adjusted to reflect changes in the United States wholesale price index for total manufactured goods during biennial periods. The first adjustment shall take place five years after entry into force of this Treaty, taking into account the changes that occurred in such price index during the preceding two years. Thereafter, successive adjustments shall take place at the end of each biennial period. If the United States of America should decide that another indexing method is preferable, such method shall be proposed to the Republic of Panama and applied if mutually agreed.

(b) A fixed annuity of ten million United States dollars (\$10,000,000) to be paid out of Canal operating revenues. This amount shall constitute a fixed expense of the Panama Canal Commission.

(c) An annual amount of up to ten million United States dollars (\$10,000,000) per year, to be paid out of Canal operating revenues to the extent that such revenues exceed expenditures of the Panama Canal Commission including amounts paid pursuant to this Treaty. In the event Canal operating revenues in any year do not produce a surplus sufficient to cover this payment, the unpaid balance shall be paid from operating surpluses in future years in a manner to be mutually agreed.

ARTICLE XIV

SETTLEMENT OF DISPUTES

In the event that any question should arise between the Parties concerning the interpretation of this Treaty or related agreements, they shall make every effort to resolve the matter through consultation in the appropriate committees established pursuant to this Treaty and related agreements, or, if appropriate, through diplomatic channels. In the event the Parties are unable to resolve a particular matter through such means, they may, in appropriate cases, agree to submit the matter to conciliation, mediation, arbitration, or such other procedure for the peaceful settlement of the dispute as they may mutually deem appropriate.

DONE at Washington, this 7th day of September, 1977, in duplicate, in the English and Spanish languages, both texts being equally authentic.

For the Republic
of Panama:

OMAR TORRIJOS HERRERA

*Head of Government of
the Republic of Panama*

For the United States
of America:

JIMMY CARTER

*President of the
United States of America*

ANNEX

PROCEDURES FOR THE CESSATION OR TRANSFER OF ACTIVITIES CARRIED OUT BY THE PANAMA CANAL COMPANY AND THE CANAL ZONE GOVERNMENT AND ILLUSTRATIVE LIST OF THE FUNCTIONS THAT MAY BE PERFORMED BY THE PANAMA CANAL COMMISSION

1. The laws of the Republic of Panama shall regulate the exercise of private economic activities within the areas made available by the Republic of Panama for the use of the United States of America pursuant to this Treaty. Natural or juridical persons who, at least six months prior to the date of signature of this Treaty, were legally established and engaged in the exercise of economic activities in the former Canal Zone, may continue such activities in accordance with the provisions of paragraphs 2-7 of Article IX of this Treaty.

2. The Panama Canal Commission shall not perform governmental or commercial functions as stipulated in paragraph 4 of this Annex, provided, however, that this shall not be deemed to limit in any way the right of the United States of America to perform those functions that may be necessary for the efficient management, operation and maintenance of the Canal.

3. It is understood that the Panama Canal Commission, in the exercise of the rights of the United States of America with respect to the management, operation and maintenance of the Canal, may perform functions such as are set forth below by way of illustration:

- a. Management of the Canal enterprise.
- b. Aids to navigation in Canal waters and in proximity thereto.
- c. Control of vessel movement.
- d. Operation and maintenance of the locks.
- e. Tug service for the transit of vessels and dredging for the piers and docks of the Panama Canal Commission.
- f. Control of the water levels in Gatun, Alajuela (Madden) and Miraflores Lakes.
- g. Non-commercial transportation services in Canal waters.
- h. Meteorological and hydrographic services.
- i. Admeasurement.
- j. Non-commercial motor transport and maintenance.
- k. Industrial security through the use of watchmen.
- l. Procurement and warehousing.
- m. Telecommunications.
- n. Protection of the environment by preventing and controlling the spillage of oil and substances harmful to human or animal life and of the ecological equilibrium in areas used in operation of the Canal and the anchorages.
- o. Non-commercial vessel repair.
- p. Air conditioning services in Canal installations.
- q. Industrial sanitation and health services.
- r. Engineering design, construction and maintenance of Panama Canal Commission installations.
- s. Dredging of the Canal channel, terminal ports and adjacent waters.

t. Control of the banks and stabilizing of the slopes of the Canal.

u. Non-commercial handling of cargo on the piers and docks of the Panama Canal Commission.

v. Maintenance of public areas of the Panama Canal Commission, such as parks and gardens.

w. Generation of electric power.

x. Purification and supply of water.

y. Marine salvage in Canal waters.

z. Such other functions as may be necessary or appropriate to carry out, in conformity with this Treaty and related agreements, the rights and responsibilities of the United States of America with respect to the management, operation and maintenance of the Panama Canal.

4. The following activities and operations carried out by the Panama Canal Company and the Canal Zone Government shall not be carried out by the Panama Canal Commission, effective upon the dates indicated herein:

(a) Upon the date of entry into force of this Treaty:

(i) Wholesale and retail sales, including those through commissaries, food stores, department stores, optical shops and pastry shops;

(ii) The production of food and drink, including milk products and bakery products;

(iii) The operation of public restaurants and cafeterias and the sale of articles through vending machines;

(iv) The operation of movie theaters, bowling alleys, pool rooms and other recreational and amusement facilities for the use of which a charge is payable;

(v) The operation of laundry and dry cleaning plants other than those operated for official use;

(vi) The repair and service of privately owned automobiles or the sale of petroleum or lubricants thereto, including the operation of gasoline stations, repair garages and tire repair and recapping facilities, and the repair and service of other privately owned property, including appliances, electronic devices, boats, motors, and furniture;

(vii) The operation of cold storage and freezer plants other than those operated for official use;

(viii) The operation of freight houses other than those operated for official use;

(ix) The operation of commercial services to and supply of privately owned and operated vessels, including the construction of vessels, the sale of petroleum and lubricants and the provision of water, tug services not related to the Canal or other United States Government operations, and repair of such vessels, except in situations where repairs may be necessary to remove disabled vessels from the Canal;

(x) Printing services other than for official use;

(xi) Maritime transportation for the use of the general public;

(xii) Health and medical services provided to individuals, including hospitals, leprosariums, veterinary, mortuary and cemetery services;

(xiii) Educational services not for professional training, including schools and libraries;

(xiv) Postal services;

(xv) Immigration, customs and quarantine controls, except those measures necessary to ensure the sanitation of the Canal;

(xvi) Commercial pier and dock services, such as the handling of cargo and passengers; and

(xvii) Any other commercial activity of a similar nature, not related to the management, operation or maintenance of the Canal.

(b) Within thirty calendar months from the date of entry into force of this Treaty, governmental services such as:

(i) Police;

(ii) Courts; and

(iii) Prison system.

5. (a) With respect to those activities or functions described in paragraph 4 above, or otherwise agreed upon by the two Parties, which are to be assumed by the Government of the Republic of Panama or by private persons subject to its authority, the two Parties shall consult prior to the discontinuance of such activities or functions by the Panama Canal Commission to develop appropriate arrangements for the orderly transfer and continued efficient operation or conduct thereof.

(b) In the event that appropriate arrangements cannot be arrived at to ensure the continued performance of a particular activity or function described in paragraph 4 above which is necessary to the efficient management, operation or maintenance of the Canal, the Panama Canal Commission may, to the extent consistent with the other provisions of this Treaty and related agreements, continue to perform such activity or function until such arrangements can be made.

AGREED MINUTE TO THE PANAMA CANAL TREATY

1. With reference to paragraph 1(c) of Article I (Abrogation of Prior Treaties and Establishment of a New Relationship), it is understood that the treaties, conventions, agreements and exchanges of notes, or portions thereof, abrogated and superseded thereby include:

(a) The Agreement delimiting the Canal Zone referred to in Article II of the Inter-oceanic Canal Convention of November 18, 1903 signed at Panama on June 15, 1904.

(b) The Boundary Convention signed at Panama on September 2, 1914.

(c) The Convention regarding the Colon Corridor and certain other corridors through the Canal Zone signed at Panama on May 24, 1950.

(d) The Trans-Isthmian Highway Convention signed at Washington on March 2, 1936, the Agreement supplementing that Convention entered into through an exchange of notes signed at Washington on August 31 and September 6, 1940, and the arrangement between the United States of America and Panama respecting the Trans-Isthmian Joint Highway Board, entered into through an exchange of notes at Panama on October 19 and 23, 1939.

(e) The Highway Convention between the United States and Panama signed at Panama on September 14, 1950.

(f) The Convention regulating the transit of alcoholic liquors through the Canal Zone signed at Panama on March 14, 1932.

(g) The Protocol of an Agreement restricting use of Panama and Canal Zone waters by belligerents signed at Washington on October 10, 1914.

(h) The Agreement providing for the reciprocal recognition of motor vehicle license plates in Panama and the Canal Zone entered into through an exchange of notes at Panama on December 7 and December 12, 1950, and the Agreement establishing procedures for the reciprocal recognition of motor vehicle operator's licenses in the Canal Zone and Panama entered into through an exchange of notes at Panama on October 31, 1960.

(i) The General Relations Agreement entered into through an exchange of notes at Washington on May 18, 1942.

(j) Any other treaty, convention, agreement or exchange of notes between the United States and the Republic of Panama, or portions thereof, concerning the Panama Canal which was entered into prior to the entry into force of the Panama Canal Treaty.

2. It is further understood that the following treaties, conventions, agreements and exchanges of notes between the two Parties are not affected by paragraph 1 of Article I of the Panama Canal Treaty:

(a) The Agreement confirming the cooperative agreement between the Panamanian Ministry of Agriculture and Livestock and the United States Department of Agriculture for the prevention of foot-and-mouth disease and rinderpest in Panama, entered into by an exchange of notes signed at Panama on June 21 and October 5, 1972, and amended May 28 and June 12, 1974.

(b) The Loan Agreement to assist Panama in executing public marketing programs in basic grains and perishables, with annex, signed at Panama on September 10, 1975.

(c) The Agreement concerning the regulation of commercial aviation in the Republic of Panama, entered into by an exchange of notes signed at Panama on April 22, 1929.

(d) The Air Transport Agreement signed at Panama on March 31, 1949, and amended May 29 and June 3, 1952, June 5, 1967, December 23, 1974, and March 6, 1975.

(e) The Agreement relating to the establishment of headquarters in Panama for a civil aviation technical assistance group for the Latin American area, entered into by an exchange of notes signed at Panama on August 8, 1952.

(f) The Agreement relating to the furnishing by the Federal Aviation Agency of certain services and materials for air navigation aids, entered into by an exchange of notes signed at Panama on December 5, 1967 and February 22, 1968.

(g) The Declaration permitting consuls to take note in person, or by authorized representatives, of declarations of values of exports made by shippers before customs of-

ficers, entered into by an exchange of notes signed at Washington on April 17, 1913.

(h) The Agreement relating to customs privileges for consular officers, entered into by an exchange of notes signed at Panama on January 7 and 31, 1935.

(i) The Agreement relating to the sale of military equipment, materials, and services to Panama, entered into by an exchange of notes signed at Panama on May 20, 1959.

(j) The Agreement relating to the furnishing of defense articles and services to Panama for the purpose of contributing to its internal security, entered into by an exchange of notes signed at Panama on March 26 and May 23, 1962.

(k) The Agreement relating to the deposit by Panama of ten percent of the value of grant military assistance and excess defense articles furnished by the United States, entered into by an exchange of notes signed at Panama on April 4 and May 9, 1972.

(l) The Agreement concerning payment to the United States of net proceeds from the sale of defense articles furnished under the military assistance program, entered into by an exchange of notes signed at Panama on May 20 and December 6, 1974.

(m) The General Agreement for Technical and Economic Cooperation, signed at Panama on December 11, 1961.

(n) The Loan Agreement relating to the Panama City water supply system, with annex, signed at Panama on May 6, 1969, and amended September 30, 1971.

(o) The Loan Agreement for rural municipal development in Panama, signed at Panama on November 28, 1975.

(p) The Loan Agreement relating to a project for the modernization, restructuring and reorientation of Panama's educational programs, signed at Panama on November 19, 1975.

(q) The Treaty providing for the extradition of criminals, signed at Panama on May 25, 1904.

(r) The Agreement relating to legal tender and fractional silver coinage by Panama, entered into by an exchange of notes signed at Washington and New York on June 20, 1904, and amended March 26 and April 2, 1930, May 28 and June 6, 1931, March 2, 1936, June 17, 1946, May 9 and 24, 1950, September 11 and October 22, 1953, August 23 and October 25, 1961, and September 26 and October 23, 1962.

(s) The Agreement for enlargement and use by Canal Zone of sewerage facilities in Colon Free Zone Area, entered into by an exchange of notes signed at Panama on March 8 and 25, 1954.

(t) The Agreement relating to the construction of the inter-American highway, entered into by an exchange of notes signed at Panama on May 15 and June 7, 1943.

(u) The Agreement for cooperation in the construction of the Panama segment of the Darien Gap highway, signed at Washington on May 6, 1971.

(v) The Agreement relating to investment guaranties under sec. 413(b) (4) of the Mutual Security Act of 1954, as amended, entered into by an exchange of notes signed at Washington on January 23, 1961.

(w) The Informal Arrangement relating to cooperation between the American Embassy, or Consulate, and Panamanian authorities when American merchant seamen or tourists are brought before a magistrate's court, entered into by an exchange of notes signed at Panama on September 18 and October 15, 1947.

(x) The Agreement relating to the mutual recognition of ship measurement certificates, entered into by an exchange of notes signed at Washington on August 17, 1937.

(y) The Agreement relating to the detail of a military officer to serve as adviser to the Minister of Foreign Affairs of Panama, signed at Washington on July 7, 1942, and extended and amended February 17, March 23, September 22 and November 6, 1959, March 26 and July 6, 1962, and September 20 and October 8, 1962.

(z) The Agreement relating to the exchange of official publications, entered into by an exchange of notes signed at Panama on November 27, 1941 and March 7, 1942.

(aa) The Convention for the Prevention of Smuggling of Intoxicating Liquors, signed at Washington on June 6, 1924.

(bb) The Arrangement providing for relief from double income tax on shipping profits, entered into by an exchange of notes signed at Washington on January 15, February 8, and March 28, 1941.

(cc) The Agreement for withholding of Panamanian income tax from compensation paid to Panamanians employed within Canal Zone by the canal, railroad, or auxiliary works, entered into by an exchange of notes signed at Panama on August 12 and 30, 1963.

(dd) The Agreement relating to the withholding of contributions for educational insurance from salaries paid to certain Canal Zone employees, entered into by an exchange of notes signed at Panama on September 8 and October 13, 1972.

(ee) The Agreement for radio communications between amateur stations on behalf of third parties, entered into by an exchange of notes signed at Panama on July 19 and August 1, 1956.

(ff) The Agreement relating to the granting of reciprocal authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country, entered into by an exchange of notes signed at Panama on November 16, 1966.

(gg) The Convention facilitating the work of traveling salesmen, signed at Washington on February 8, 1919.

(hh) The Reciprocal Agreement for gratis nonimmigrant visas, entered into by an exchange of notes signed at Panama on March 27 and May 22 and 25, 1956.

(ii) The Agreement modifying the Agreement of March 27 and May 22 and 25, 1956 for gratis nonimmigrant visas, entered into by an exchange of notes signed at Panama on June 14 and 17, 1971.

(jj) Any other treaty, convention, agreement or exchange of notes, or portions thereof, which does not concern the Panama Canal and which is in force immediately prior to the entry into force of the Panama Canal Treaty.

3. With reference to paragraph 2 of Article X (Employment with the Panama Canal Commission), concerning the endeavor to ensure that the number of

Panamanian nationals employed in relation to the total number of employees will conform to the proportion established under Panamanian law for foreign business enterprises, it is recognized that progress in this regard may require an extended period in consonance with the concept of a growing and orderly Panamanian participation, through training programs and otherwise, and that progress may be affected from time to time by such actions as the transfer or discontinuance of functions and activities.

4. With reference to paragraph 10(a) of Article X, it is understood that the currently applicable United States law is that contained in Section 8336 of Title 5, United States Code.

5. With reference to paragraph 2 of Article XI (Transitional Provisions), the areas and installations in which the jurisdictional arrangements therein described shall apply during the transition period are as follows:

(a) The Canal operating areas and housing areas described in Annex A to the Agreement in Implementation of Article III of the Panama Canal Treaty.

(b) The Defense Sites and Areas of Military Coordination described in the Agreement in Implementation of Article IV of the Panama Canal Treaty.

(c) The Ports of Balboa and Cristobal described in Annex B of the Agreement in Implementation of Article III of the Panama Canal Treaty.

6. With reference to paragraph 4 of Article XI, the areas in which the police authorities of the Republic of Panama may conduct joint police patrols with the police authorities of the United States of America during the transition period are as follows:

(a) Those portions of the Canal operating areas open to the general public, the housing areas and the Ports of Balboa and Cristobal.

(b) Those areas of military coordination in which joint police patrols are established pursuant to the provisions of the Agreement in Implementation of Article IV of this Treaty, signed this date. The two police authorities shall develop appropriate administrative arrangements for the scheduling and conduct of such joint police patrol.

Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal

The United States of America and the Republic of Panama have agreed upon the following:

ARTICLE I

The Republic of Panama declares that the Canal, as an international transit waterway, shall be permanently neutral in accordance with the regime established in this Treaty. The same regime of neutrality shall apply to any other international waterway that may be built either partially or wholly in the territory of the Republic of Panama.

ARTICLE II

The Republic of Panama declares the neutrality of the

Canal in order that both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality, so that there will be no discrimination against any nation, or its citizens or subjects, concerning the conditions or charges of transit, or for any other reason, and so that the Canal, and therefore the Isthmus of Panama, shall not be the target of reprisals in any armed conflict between other nations of the world. The foregoing shall be subject to the following requirements:

(a) Payment of tolls and other charges for transit and ancillary services, provided they have been fixed in conformity with the provisions of Article III (c);

(b) Compliance with applicable rules and regulations, provided such rules and regulations are applied in conformity with the provisions of Article III (c);

(c) The requirement that transiting vessels commit no acts of hostility while in the Canal; and

(d) Such other conditions and restrictions as are established by this Treaty.

ARTICLE III

1. For purposes of the security, efficiency and proper maintenance of the Canal the following rules shall apply:

(a) The Canal shall be operated efficiently in accordance with conditions of transit through the Canal, and rules and regulations that shall be just, equitable and reasonable, and limited to those necessary for safe navigation and efficient, sanitary operation of the Canal;

(b) Ancillary services necessary for transit through the Canal shall be provided;

(c) Tolls and other charges for transit and ancillary services shall be just, reasonable, equitable and consistent with the principles of international law;

(d) As a pre-condition of transit, vessels may be required to establish clearly the financial responsibility and guarantees for payment of reasonable and adequate indemnification, consistent with international practice and standards, for damages resulting from acts or omissions of such vessels when passing through the Canal. In the case of vessels owned or operated by a State or for which it has acknowledged responsibility, a certification by that State that it shall observe its obligations under international law to pay for damages resulting from the act or omission of such vessels when passing through the Canal shall be deemed sufficient to establish such financial responsibility;

(e) Vessels of war and auxiliary vessels of all nations shall at all times be entitled to transit the Canal, irrespective of their internal operation, means of propulsion, origin, destination or armament, without being subjected, as a condition of transit, to inspection, search or surveillance. However, such vessels may be required to certify that they have complied with all applicable health, sanitation and quarantine regulations. In addition, such vessels shall be entitled to refuse to disclose their internal operation, origin, armament, cargo or destination. However, auxiliary vessels may be required to present written assurances, certified by

an official at a high level of the government of the State requesting the exemption, that they are owned or operated by that government and in this case are being used only on government non-commercial service.

2. For the purposes of this Treaty, the terms "Canal," "vessel of war," "auxiliary vessel," "internal operation," "armament" and "inspection" shall have the meanings assigned them in Annex A to this Treaty.

ARTICLE IV

The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral, notwithstanding the termination of any other treaties entered into by the two Contracting Parties.

ARTICLE V

After the termination of the Panama Canal Treaty, only the Republic of Panama shall operate the Canal and maintain military forces, defense sites and military installations within its national territory.

ARTICLE VI

1. In recognition of the important contributions of the United States of America and of the Republic of Panama to the construction, operation, maintenance, and protection and defense of the Canal, vessels of war and auxiliary vessels of those nations shall, notwithstanding any other provisions of this Treaty, be entitled to transit the Canal irrespective of their internal operation, means of propulsion, origin, destination, armament or cargo carried. Such vessels of war and auxiliary vessels will be entitled to transit the Canal expeditiously.

2. The United States of America, so long as it has responsibility for the operation of the Canal, may continue to provide the Republic of Colombia toll-free transit through the Canal for its troops, vessels and materials of war. Thereafter, the Republic of Panama may provide the Republic of Colombia and the Republic of Costa Rica with the right of toll-free transit.

ARTICLE VII

1. The United States of America and the Republic of Panama shall jointly sponsor a resolution in the Organization of American States opening to accession by all nations of the world the Protocol to this Treaty whereby all the signatories will adhere to the objectives of this Treaty, agreeing to respect the regime of neutrality set forth herein.

2. The Organization of American States shall act as the depositary for this Treaty and related instruments.

ARTICLE VIII

This Treaty shall be subject to ratification in accordance with the constitutional procedures of the two Parties. The instruments of ratification of this Treaty shall be exchanged at Panama at the same time as the instruments of ratification of the Panama Canal Treaty, signed this date, are exchanged. This Treaty shall enter into force, simultaneously with the Panama Canal

Treaty, six calendar months from the date of the exchange of the instruments of ratification.

DONE at Washington, this 7th day of September, 1977, in the English and Spanish languages, both texts being equally authentic.

For the Republic
of Panama:

For the United States
of America:

OMAR TORRIJOS HERRERA

JIMMY CARTER

*Head of Government of
the Republic of Panama*

*President of the
United States of America*

ANNEX A

1. "Canal" includes the existing Panama Canal, the entrances thereto and the territorial seas of the Republic of Panama adjacent thereto, as defined on the map annexed hereto (Annex B), and any other interoceanic waterway in which the United States of America is a participant or in which the United States of America has participated in connection with the construction or financing, that may be operated wholly or partially within the territory of the Republic of Panama, the entrances thereto and the territorial seas adjacent thereto.

2. "Vessel of war" means a ship belonging to the naval forces of a State, and bearing the external marks distinguishing warships of its nationality, under the command of an officer duly commissioned by the government and whose name appears in the Navy List, and manned by a crew which is under regular naval discipline.

3. "Auxiliary vessel" means any ship, not a vessel of war, that is owned or operated by a State and used, for the time being, exclusively on government non-commercial service.

4. "Internal operation" encompasses all machinery and propulsion systems, as well as the management and control of the vessel, including its crew. It does not include the measures necessary to transit vessels under the control of pilots while such vessels are in the Canal.

5. "Armament" means arms, ammunitions, implements of war and other equipment of a vessel which possesses characteristics appropriate for use for war-like purposes.

6. "Inspection" includes on-board examination of vessel structure, cargo, armament and internal operation.

It does not include those measures strictly necessary for admeasurement, nor those measures strictly necessary to assure safe, sanitary transit and navigation, including examination of deck and visual navigation equipment, nor in the case of live cargoes, such as cattle or other livestock, that may carry communicable diseases, those measures necessary to assure that health and sanitation requirements are satisfied.

PROTOCOL TO THE TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL

Whereas the maintenance of the neutrality of the Panama Canal is important not only to the commerce and security of the United States of America and the Republic of Panama, but to the peace and security of the Western Hemisphere and to the interests of world commerce as well;

Whereas the regime of neutrality which the United States of America and the Republic of Panama have agreed to maintain will ensure permanent access to the Canal by vessels of all nations on the basis of entire equality; and

Whereas the said regime of effective neutrality shall constitute the best protection for the Canal and shall ensure the absence of any hostile act against it;

The Contracting Parties to this Protocol have agreed upon the following:

ARTICLE I

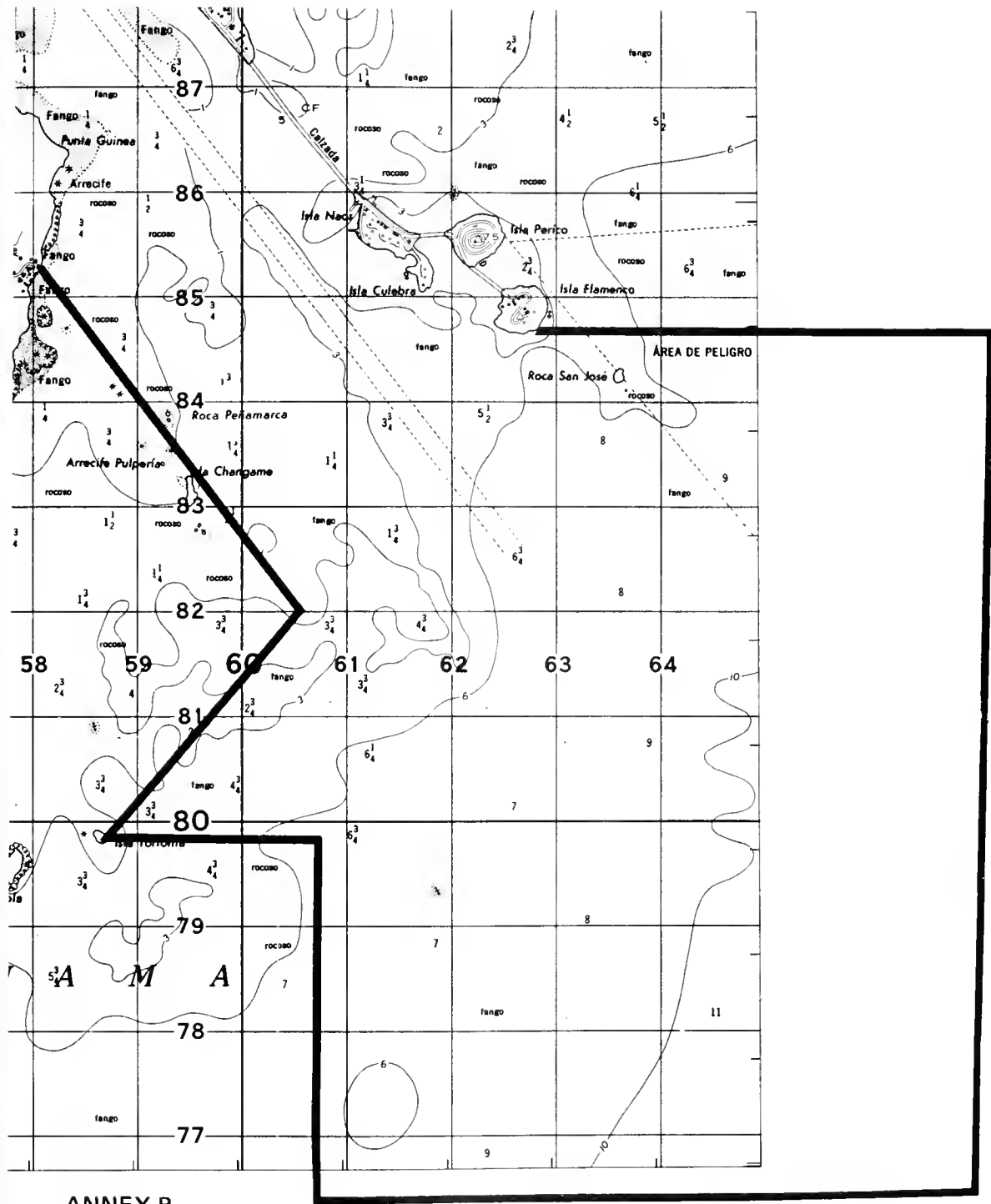
The Contracting Parties hereby acknowledge the regime of permanent neutrality for the Canal established in the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal and associate themselves with its objectives.

ARTICLE II

The Contracting Parties agree to observe and respect the regime of permanent neutrality of the Canal in time of war as in time of peace, and to ensure that vessels of their registry strictly observe the applicable rules.

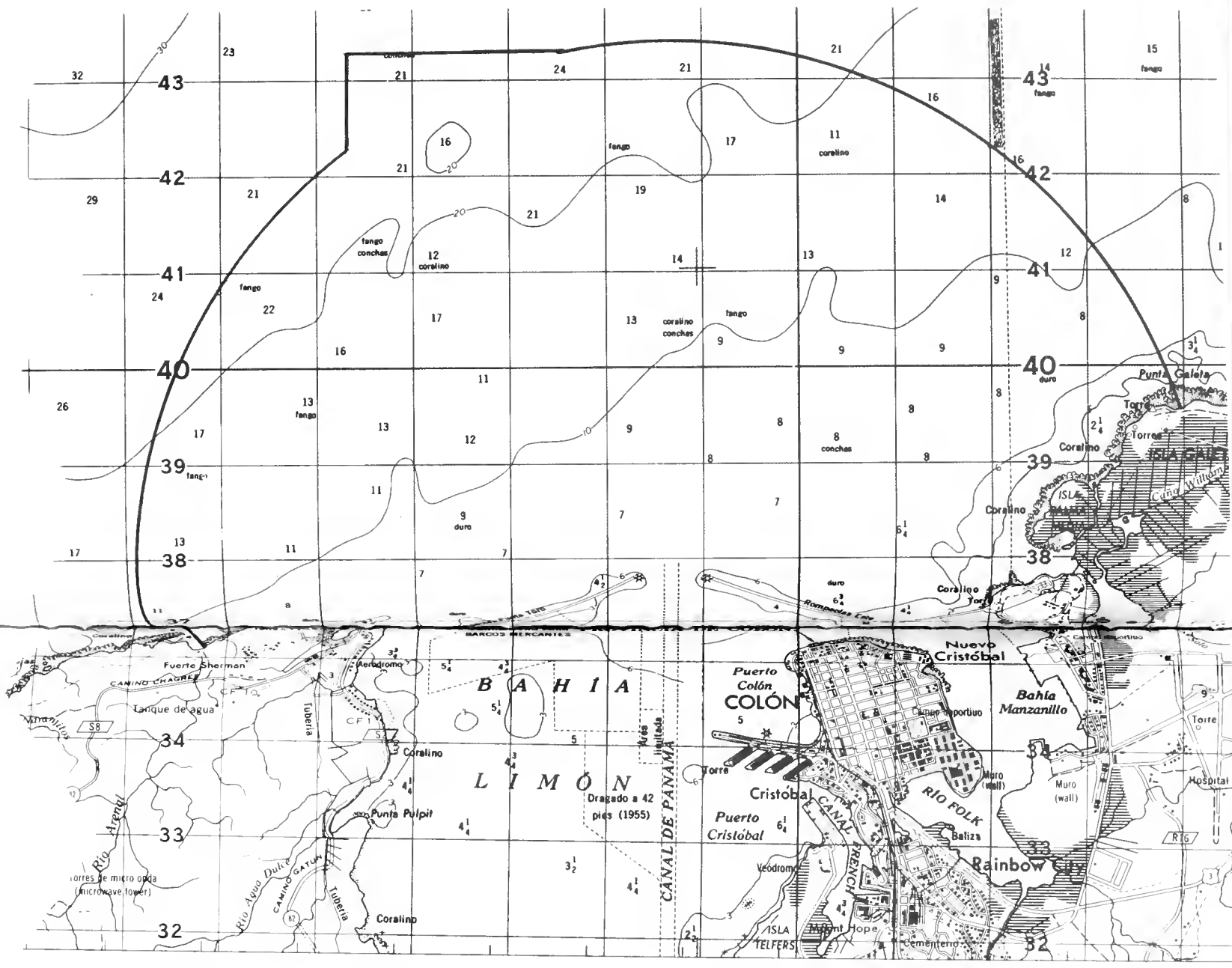
ARTICLE III

This Protocol shall be open to accession by all States of the world, and shall enter into force for each State at the time of deposit of its instrument of accession with the Secretary General of the Organization of American States.



ANNEX B
ANEXO B





Scale 1:50,000
Escala 1:50,000

MAPA ADJUNTO AL ANEXO A DEL TRATADO CONCERNIENTE A LA NEUTRALIDAD PERMANENTE DEL CANAL Y AL FUNCIONAMIENTO DEL CANAL DE PANAMA

[ANNEX B]
[ANEXO B]

MAP ATTACHMENT TO ANNEX "A" OF TREATY CONCERNING THE PERMANENT NEUTRALITY AND OPERATION OF THE PANAMA CANAL.

DECLARATION OF WASHINGTON

We, the Chiefs of State, Heads of Government or other representatives of the American Republics and other states present at the ceremony for the signature on this day of the Panama Canal Treaty establishing new arrangements for the operation, maintenance and defense of the Panama Canal until December 31st, 1999, and the Treaty concerning the permanent neutrality and operation of the Panama Canal, both concluded by the Governments of Panama and the United States of America, in accordance with the Joint Declaration between the two countries of April 3, 1964, agreed under the auspices of the Council of the OAS;

Noting that the Panama Canal Treaty is based on the recognition of the sovereignty of the Republic of Panama over the totality of its national territory;

Considering that settlement of the Panama Canal issue represents a major step toward strengthening of relations among the nations of the Western Hemisphere on a basis of common interest, equality and mutual respect for the sovereignty and independence of every state;

Recognizing the importance for hemisphere and world commerce and navigation of arrangements for assuring the continuing accessibility and neutrality of the Panama Canal;

Record our profound satisfaction at the signature by the President of the United States of America and the Chief of Government of Panama of the Panama Canal Treaty of 1977 and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal.

DONE at Washington on September 7, 1977 in the name of:

| | |
|--------------------|--|
| ARGENTINA | President (Lt. Gen.) Jorge Rafael VIDELA |
| BAHAMAS | Prime Minister Lynden O. PINDLING |
| BARBADOS | Ambassador to the U.S. and OAS Oliver JACKMAN ⁵ |
| BOLIVIA | President (Maj. Gen.) Hugo BANZER Suarez |
| BRAZIL | Vice President Adalberto PEREIRA DOS SANTOS |
| CANADA | Prime Minister Pierre-Elliott TRUDEAU |
| CHILE | President (Maj. Gen.) Augusto PINOCHET Ugarte |
| COLOMBIA | President Alfonso LOPEZ Michelsen |
| COSTA RICA | President Daniel ODUBER Quiros |
| DOMINICAN REPUBLIC | President Joaquin BALAGUER |

⁵ Ambassador Jackman did not sign the declaration for Barbados on Sept. 7.

| | |
|---------------------|---|
| ECUADOR | President (Vice Adm.) Alfredo POVEDA Burbano |
| EL SALVADOR | President (Gen.) Carlos Humberto ROMERO Mena |
| GRENADA | Prime Minister Eric M. GAIRY |
| GUATEMALA | President (Brig. Gen.) Kjell LAUGERUD Garcia |
| GUYANA | Deputy Prime Minister Ptolemy A. REID |
| HAITI | Secretary of State for Foreign Affairs and Worship Edner BRUTUS |
| HONDURAS | President (Brig. Gen.) Juan Alberto MELGAR Castro |
| JAMAICA | Prime Minister Michael N. MANLEY |
| MEXICO | Secretary of Foreign Relations Santiago ROEL Garcia |
| NICARAGUA | President of Congress Cornelio H. HUECK |
| PARAGUAY | President (Gen.) Alfredo STROESSNER |
| PERU | President (Gen.) Francisco MORALES BERMUDEZ Cerrutti |
| SURINAM | Ambassador to the U.S. and OAS Roel F. KARAMAT |
| TRINIDAD AND TOBAGO | Ambassador to the U.S. and OAS Victor C. MCINTYRE |
| URUGUAY | President Aparicio MENDEZ Manfredini |
| VENEZUELA | President Carlos Andres PEREZ |

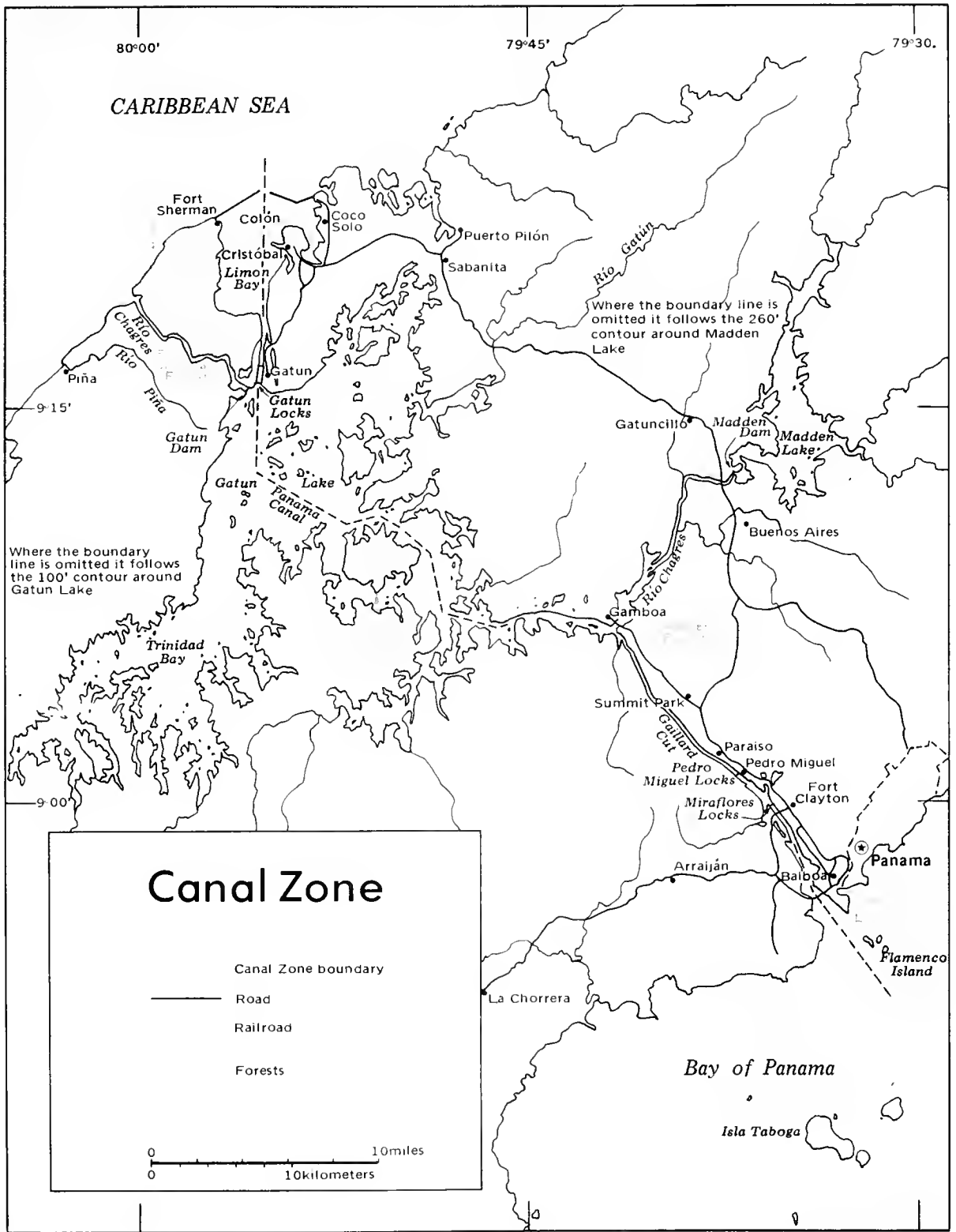
FACT SHEET

Defense and National Security

—The United States will have primary responsibility for the canal's defense during the basic treaty's term (until the year 2000). Panama will participate, and at the treaty's end our military presence will cease.

—A Status of Forces Agreement, similar to such agreements elsewhere, will cover the activities and presence of our military forces.

—The United States will continue to have access to and the rights to use all land and water areas and installations necessary for the defense of the canal during the basic treaty period.



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—In a separate treaty Panama and the United States will maintain indefinitely a regime providing for the permanent neutrality of the canal including nondiscriminatory access and tolls for merchant and naval vessels of all nations.

—U.S. and Panamanian warships will be entitled to expeditious passage of the canal at all times without regard to the type of propulsion or cargo carried.

—Our continuing freedom of action to maintain the canal's neutrality will not be limited by the treaty.

Canal Operations

—The United States will have responsibility for canal operations during the period of the basic treaty.

—It will continue to have access to and the rights to use all land and water areas and facilities necessary for the operation and maintenance of the canal during the basic treaty period.

—It will act through a U.S. Government agency which will replace the Panama Canal Company. A policy-level board of five Americans and four Panamanians will serve as the Board of Directors. Until 1990, the Canal Administrator will be an American and the Deputy Administrator a Panamanian. Thereafter, the Administrator will be Panamanian and the Deputy, American. Panamanian board members and the Panamanian Deputy Administrator/Administrator will be proposed by Panama and appointed by the United States. Panamanians will participate increasingly in the canal's operation at all levels.

Economic Factors

The treaty's financial provisions involve no congressional appropriations. Instead, during the treaty's life Panama will receive exclusively from canal revenues:

—An annual payment from toll revenues of 30 cents (to be adjusted periodically for inflation) per Panama Canal ton transiting the canal and

—A fixed sum of \$10 million per annum and

an additional \$10 million per year if canal traffic and revenues permit.

In addition the United States will cooperate with Panama outside the treaty to promote Panama's development and stability. To this end, the United States has pledged its best efforts to arrange for an economic program of loans, loan guarantees, and credits which would be implemented over the next several years under existing statutory programs. This economic cooperation program would use up to \$200 million in Export-Import Bank credits, up to \$75 million in Agency for International Development (AID) housing guarantees, and \$20 million in Overseas Private Investment Corporation (OPIC) loan guarantees.

Panama will also receive up to \$50 million in foreign military sales credits over a period of 10 years, under existing statutory programs, to improve Panama's ability to assist in the canal's defense.

No major increase is contemplated in AID loans and grants.

Private businesses and nonprofit activities in the present Canal Zone will be able to continue their operations on the same terms applicable elsewhere in Panama.

A joint authority will coordinate port and railroad activities.

Employees

All U.S. civilians currently employed in the Canal Zone can continue in U.S. Government jobs until retirement. Present employees of the Canal Company and Canal Zone Government may continue to work for the new agency until their retirement or until the termination of their employment for any other reason. The number of present U.S.-citizen employees of the company will be reduced 20 percent during the first 5 years of the treaty.

All U.S.-citizen employees will enjoy rights and protections similar to those of U.S. Government employees elsewhere abroad. Present U.S.-citizen employees will have access to military postal, PX, and commissary facilities for the first 5 years of the treaty. New U.S.-

citizen employees will generally be rotated every 5 years.

Terms and conditions of employment will generally be no less favorable to persons already employed than those in force immediately prior to the start of the treaty. Hiring policy will provide preferences for Panamanian applicants.

With regard to basic wages there shall be no discrimination on the basis of nationality, sex, or race. The United States will provide an appropriate early retirement program. Persons employed in activities transferred to Panama will, to the maximum extent possible, be retained by Panama. Panama and the United States will cooperate in providing appropriate health and retirement programs.

Panama will assume general territorial jurisdiction over the present Canal Zone at the treaty's start. U.S. criminal jurisdiction over its nationals will be phased down during the first 3 years of the treaty. Thereafter, Panama will exercise primary criminal jurisdiction with the understanding that it may waive jurisdiction to the United States. U.S.-citizen employees and their dependents

charged with crimes will be entitled to procedural guarantees and will be permitted to serve any sentences in the United States in accordance with a reciprocal arrangement.

New Sea-level Canal

Panama and the United States commit themselves jointly to study the feasibility of a sea-level canal and, if they agree that such canal is necessary, to negotiate mutually agreeable terms for its construction. In addition the United States will have the right throughout the term of the basic treaty to add a third lane of locks to increase the capacity of the existing canal.

Treaties

There are two treaties: (1) a treaty guaranteeing the permanent neutrality of the canal and (2) a basic treaty governing the operation and defense of the canal which will extend through December 31, 1999. The basic treaty will be supported by separate agreements in implementation of its provisions concerning defense and operation of the canal.

The New Panama Canal Treaties: A Negotiator's View

*By Ellsworth Bunker
Ambassador at Large and Chief Co-Negotiator*

On August 10, after 13 years' work, U.S. and Panamanian negotiators reached agreement on the terms of two new treaties to govern the roles of our two nations in the operation and defense of the Panama Canal. These will replace a 74-year-old treaty now in force—one that has long since outlived its usefulness to us and has gone on to become a source of needless problems for the United States.

The new agreements were signed on September 7 and transmitted to the Senate for ratification by President Carter on September 16. We do not expect the Senators—nor would we wish them—to take this important step lightly.

Neither, on the other hand, would we expect any Member of Congress, or any member of the public, to dismiss lightly a measure that President Carter, President Ford, their Secretaries of State, their predecessors of both parties, and the Joint Chiefs of Staff of our armed forces all tell us is urgently needed to protect and promote our national interest.

A decision on ratification should come only when the Senate, and the American people, have had a chance to consider fully what these treaties will do, and how they will affect our interests as a nation.

The debate will be a confusing one—complicated as it is by strained legal arguments over the meaning of sovereignty and by moral arguments over the propriety of the original treaty of 1903. But in the end, these arguments about the past—even if interpreted to support the broadest possible U.S. claim—are

less important than our nation's real stake in the canal's future.

In the end, these treaties—like all treaties—must be judged on one principal criterion: Do they serve the best interest of the United States?

Our Interests in the Canal

The usefulness of the canal to the United States is in the time and money it saves our armed forces or our commercial enterprises when they move vessels and cargoes between the Atlantic and Pacific. That is why we built it, and that is why we continue to care about its future.

As the Joint Chiefs have stated, U.S. military interests in the Panama Canal are in its use, not its ownership. The same is true of our commercial interests. We want to be able to depend on the knowledge that whenever we feel it is in our interest to move a ship through, we will always be able to do so. This requires an arrangement that guarantees, as much as is humanly possible, against any future source of obstruction to our free passage.

—It means making sure that the canal system isn't drained or otherwise physically put out of use by sabotage or by inexperienced operation.

—It means making sure that ships passing through are safe from attack.

—It means making sure that ships aren't barred from entering by arbitrary or discriminatory policies or by involvement of the canal in international disputes.

—It means making sure that ships aren't effectively barred by excessive tolls.

Many observers, of course, point out that our actual need to use the canal, either for defense or for commerce, is not what it used to be before the days of air transport, or two-ocean Navy or ships too big to fit. But, to us as negotiators, this was not decisive. Whether we use the canal much or little, it is clearly in our interest to preserve the option—the option we sought in building the canal—to use it whenever we choose.

Our determination to protect that interest is the same today as in 1903. But the world has changed a great deal in 75 years, and the actions required of us to protect our interest have changed with it. We have negotiated a new treaty because the old treaty arrangements could no longer provide the protection our interests clearly continue to warrant.

In 1903 our negotiators came up with a plan that seemed to protect our interests very well. It was clean and simple. Sovereignty as such did not change hands; no territory was purchased. But the United States was given control of a 10-mile-wide strip of land coast-to-coast, in which we were granted the right—for an annual fee—to build a canal, operate it forever, provide for its defense, and provide a government for the encompassed Panamanian territory as if it were our own—to act as though we were sovereign in the Canal Zone.

The terms thus gave the United States considerably more control over Panamanian countryside and local affairs than the technical operation of a canal would require. The proposed canal route was unconquered jungle. The French had tried and failed to conquer the incredible health and engineering obstacles. If a canal was to be built and operated at all, the Americans had to do it. If it was to be defended, the United States had to provide the defense. If civil authority and consumer goods and governmental services had to be provided for canal workers and their families, it was simple and most convenient for the United States to provide it.

All these things were convenient means to an end. They have never been ends in themselves.

Protecting Our Interests in 1977

In today's world, all the original assumptions have been turned upside down.

Our control of civilian government in the zone no longer is necessary to operate or defend the canal itself. It contributes only to tensions with Panamanian citizens, who resent—as we would—the presence of a foreign power running their local government within their territory.

The assumption that the Panamanians would be unable to operate the canal—however true it might once have been—is now incorrect. Over 70 percent of the present canal workforce is Panamanian, and the ability of the Panamanians over the next generation to assume full responsibility for the operation of the canal is no longer questioned by informed observers.

The assumption that U.S. control would keep the canal safest from interruption is also no longer accurate. It is not reasonable to suggest that the Panamanian Government itself, which attributes 13 percent of its annual GNP to the canal, would ever wish to attack it in a dispute over U.S. control. But any friction that might erupt into violence poses a danger to a system by its nature so vulnerable that a terrorist could possibly render the canal inoperable for as long as 2 years. Our greatest asset in defending the canal is not our exclusive or perpetual control of its operation but, rather, the absence of hostility and the active and harmonious support of the Panamanian population.

That is why our government 13 years ago set out to negotiate a new treaty that would have the active support of Panama and serve both our interests better. It was a long, hard bargaining process because we wanted to make sure the new partnership arrangement would contain the best possible protections, both for our broad national interests and for those of individual citizens in the zone.

The agreement we have reached admirably serves all our objectives and reflects substantial Panamanian concessions to our point of view.

The agreement includes two separate treaties—one to govern the operation and de-

fense of the canal for the rest of this century and another by which Panama and the United States would insure the permanent neutrality of the canal with nondiscriminatory access and tolls for the vessels of all nations.

The basic operating treaty would provide for joint U.S.-Panamanian management of the canal through a U.S. Government agency, with U.S. control through the rest of this century. To insure an efficient transition, Panamanians will participate increasingly in all levels of canal operations. The zone, as such, will cease to exist. Panama will assume normal local government functions, while the United States will continue to control all land and water areas directly involved in canal operation and defense. There is no requirement for any phasing down of our troops during the treaty period. A status-of-forces agreement, similar to such agreements for U.S. bases in other friendly countries, will govern our military presence.

Panama's annuity, increased to a more equitable amount, will be derived from tolls and other canal revenues. While the United States will control the setting of tolls through this century, Panama's own interest, during this period and beyond, will be in keeping tolls as low as possible to encourage maximum use and income.

What Do We Stand To Lose?

One way to look at any treaty debate is by asking what we stand to gain or lose by enacting the proposed agreement. In this case there are two very definite things we will be giving up: We will be giving up the right to run a civil government and private enclave in the area known as the Canal Zone; and we will be giving up the right to have a controlling say in the operation and management of the canal in the 21st century. But neither of these is a decisive interest. The first is something we don't need; the second is something we could not in any case guarantee. Neither serves our real interest in safeguarding the canal and our access to it.

What then, in terms of real, substantial national interests, do we stand to lose by ratifying this agreement? The answer is simple: We stand to lose nothing.

Sovereignty over the zone? We have never had it—as treaty terms, U.S. public statements, and Supreme Court decisions all make clear. No amount of rhetoric can convey territory or sovereignty that the original treaty of

BACKGROUND INFORMATION ON THE TREATIES

Purpose of the Treaties. The new treaties on the Panama Canal will provide an entirely new basis for cooperation between the United States and Panama in the operation and defense of the Panama Canal. They will replace the U.S.-Panama treaty of 1903, which has governed canal operations since the waterway's construction, and subsequent amendments.

The Existing System. Under the 1903 treaty, the United States has total control of canal operations. The United States also administers the Canal Zone—an area of Panamanian territory five miles wide on either side of the canal. In this area Panama has sovereignty while we have as-if-sovereign rights permanently. This arrangement is deeply resented in Panama and a liability in our relations with Latin America and with many other nations of the world.

Basic U.S. Objectives. In negotiating the new treaties, the United States proceeded on the basis that its national interest lies in assuring that the canal continues to be efficiently operated, secure, neutral, and open to all nations on a nondiscriminatory basis. Fundamental to this objective is the cooperation of Panama.

History of the Negotiations. The negotiations, extending over 13 years, have been pursued by four Administrations of both parties. They began in 1964, following a serious crisis in U.S.-Panamanian relations created by rioting along the Canal Zone boundary in which 20 Panamanians and 4 Americans were killed. In December 1964 President Johnson, after consulting with Presidents Eisenhower and Truman, announced that the United States would begin talks with Panama on an entirely new canal treaty. These negotiations resulted in draft treaties that were not acted on by either country.

The present series of negotiations began in 1973 with the appointment of Ambassador Bunker as Chief Negotiator by President Nixon and continued during the Ford Administration. President Carter decided to continue the negotiations after taking office in January 1977 and appointed Ambassador Sol Linowitz to serve as Co-Negotiator with Ambassador Bunker. The Department of Defense has been an active participant in the negotiations and has been represented by Lt. Gen. Welborn G. Dolvin.

1903 did not convey to us. We cannot lose what we do not have.

Profits on our investment? The canal has never been operated for a profit. By law it is supposed to operate at cost, and in fact since 1973 present toll structures have produced a slight deficit.

Dependable, efficient operation? Cooperative U.S.-Panamanian management, with the United States in control until the year 2000, will insure expert operation by a well-trained labor force, over 70 percent of which is already Panamanian today.

Rights of U.S. employees and citizens in the zone? These will be fully protected—including job rights for present workers.

Reasonable rates and certainty that the waterway will remain open? Panama's own stake in keeping it so is far greater than ours.

Security from sabotage and violence? The Pentagon tells us a canal arrangement we maintain in cooperation with Panama will be easier to defend than one which brings us and Panama into conflict.

Our own military defense options? These are not restricted. We will be free to defend the canal's neutrality as we are now, and will maintain our bases—as in other host countries—under agreements covering a fixed term.

In short, all our interests that matter would be preserved, or—in many instances—enhanced, by putting the new agreement into force.

What Do We Stand To Gain?

Our immediate gain will be a new relationship of cooperation with Panama, one that will offer us the best assurance that the Panama Canal—a source of justifiable pride to our nation as well as a major asset—will continue to serve as an avenue of commerce on into the next century and will continue to be available to us for whatever our needs may be.

Beyond that, though, our new relationship with Panama will remove a major obstacle standing in the way of our other policy objectives throughout Latin America. It will remove the stigma of colonialism and disarm the propaganda of our adversaries, enabling us to pursue our nation's interests in trade, defense, human rights, and world leadership with respect and credibility.

It will, in sum, enable us to deal with friend and foe alike from the truest base of strength we could hope to find—the respect and admiration and cooperation of the Latin American people.

President Carter Holds Bilateral Meetings With Western Hemisphere Leaders

Following are statements by Secretary Vance and General Torrijos of Panama upon the latter's arrival at Washington, D.C., a statement issued by the White House following a meeting between President Carter and General Torrijos, and those remarks President Carter made to reporters after his meetings with some of the leaders of the Western Hemisphere who attended the signing ceremony of the Panama Canal treaties.

PANAMA

Arrival of General Torrijos, Andrews Air Force Base, September 5

Press release 414 dated September 7

Secretary Vance

General Torrijos, Mrs. Torrijos, members of the Panamanian delegation: On behalf of President Carter and the American people, may I extend to you a very warm welcome to Washington and to our nation.

Your visit is an historic occasion. Our two nations have just completed negotiations on a critical issue to both of our countries—the future of the Panama Canal.

The negotiations at times have been difficult for both sides, but with good will and determination, we have reached agreement on the terms of a treaty which not only protects but advances the vital interests of both our nations. In addition, this treaty assures that the canal will remain open, neutral, secure, and efficiently run for the nations of this hemisphere and for the nations of all the world. General Torrijos, again, we welcome you very warmly and look forward to our discussions this week.

*General Torrijos*¹

Mr. Secretary and Mrs. Vance, may I say that I am very pleased to be here in your capital city. This trip, when compared to other trips that I have made to this city, is very different because, indeed, this time I have come to an occasion of great historical significance.

It has deep significance because a group of leaders came up to this country, which preferred to correct an error instead of to prolong for an eternity a situation of injustice. And when injustices become eternalized, they leave people without hope. However, our people have sustained their hopes and their aspirations on what they know were the very moral basis on which your country was founded. We felt secure that some day leaders would come up who would understand our claims and recognize them. And this we have now witnessed.

White House Statement, September 6

Weekly Compilation of Presidential Documents dated September 12

President Carter met with General Omar Torrijos Herrera, Chief of Government of Panama, for one hour this morning. The President was accompanied by Vice President Walter Mondale, Secretary of State Cyrus Vance, Assistant for National Security Affairs Zbigniew Brzezinski, Assistant Secretary of State [for Inter-American Affairs] Terence Todman, Ambassador to Panama William Jordan, and National Security Council staff member Robert Pastor. General Torrijos was accompanied by Foreign Minister Nicolas Gonzalez Revilla, Ambassador Gabriel Lewis, Minister of Planning and Economic Policy

¹ Gen. Torrijos spoke in Spanish.

Panama—A Profile ¹

Geography

Area: 30,641 sq. mi. (slightly smaller than South Carolina).

Capital: Panama City (pop. 438,000).

Other Cities: San Miguelito (139,000), Colon (85,600), David (70,700).

People

Population: 1.9 million (1976 est.).

Annual Growth Rate: 3.1% (1976).

Density: 61 per sq. mi.

Ethnic Groups: Mestizo (70%), Antillean Negro (14%), white (10%), Indian (6%).

Religions: Roman Catholic (95%), Protestant (5%).

Languages: Spanish (official), English.

Literacy: 82%.

Life Expectancy: 59 yrs.

Government

Official Name: Republic of Panama.

Type: Centralized republic.

Independence: November 4, 1903.

Date of Constitution: October 11, 1972.

Branches: *Executive*—President (Chief of State),

Vice President, *Legislative*—National Assembly of Community Representatives,

Judicial—Supreme Court.

¹ Taken from the Department of State's August 1977 edition of the BACKGROUND NOTES on Panama. Copies of the complete NOTE may be purchased for 50¢ from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (a 25% discount is allowed when ordering 100 or more NOTES mailed to the same address).

Political Parties: A moratorium on organized political activity is in effect.

Suffrage: Universal adult over 18.

Administrative Subdivisions: 9 Provinces and 1 Territory.

Economy

GNP: \$2.39 billion (1976 current prices).

Per Capita Income: \$1,378 (1976 current prices).

Agriculture: Land—29.3%; labor—40%; products—bananas, corn, sugar, rice, cattle.

Industry: Labor—18%; products—refined petroleum, sugar refining.

Natural Resources: Geographic location, copper (yet to be exploited).

Trade: *Exports*—\$278 million (1975 f.o.b.): bananas (21%), refined petroleum (46%), sugar (17%), shrimp (7%); partners—U.S. (44%), F.R.G. (15%). *Imports*—\$795 million (1975 c.i.f.): crude oil (41%), capital goods (16%), food (6%); partners—U.S. (34%), Saudi Arabia (12%), Ecuador (12%), Venezuela (7%), Japan (3%).

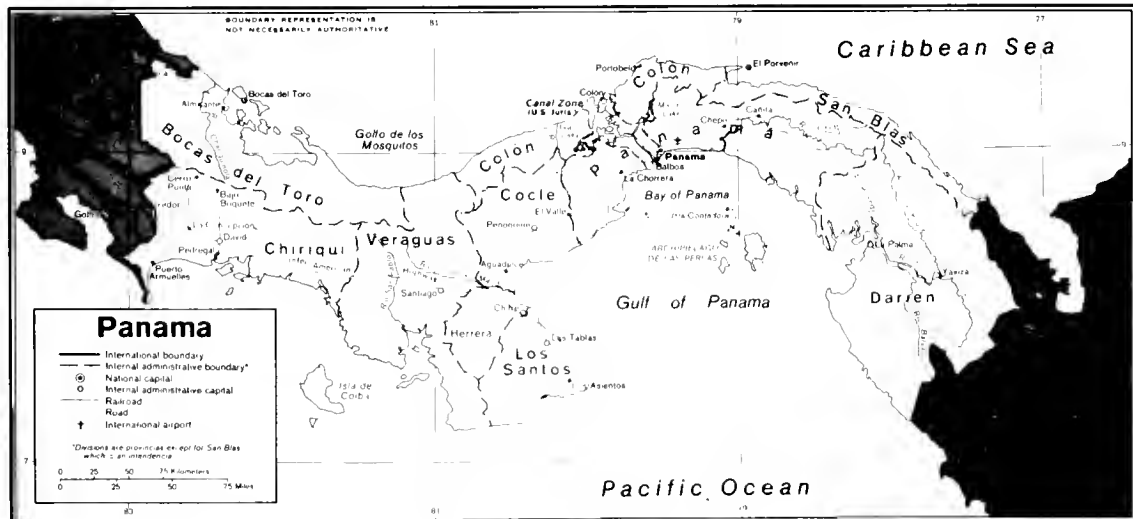
Official Exchange Rate: 1 Balboa (B/1) = US\$1.00.

Economic Aid Received: \$647 million (1946–75)—IDB, IBRD, UNDP, and other countries and U.S. loans and grants. U.S. only—\$331.5 million (1946–75).

Principal Government Officials

Panama: President—Demetrio B. LAKAS, Head of Government—Brig. Gen. Omar TORRIJOS Herrera, Minister of Foreign Affairs—Nicolas GONZALEZ-REVILLA, Ambassador to the U.S.—Gabriel LEWIS Galindo.

United States: Ambassador To Panama—William J. Jordan.



Nicolas Ardito Barletta, Advisor to the Head of Government Ambassador Rodrigo Gonzales, Aide-de-Camp of the Military Household Lieutenant Colonel Armando Beillido, and Aide-de-Camp of the Military Household Lieutenant Colonel Manuel A. Noriega.

President Carter and General Torrijos discussed the importance of the Panama Canal treaty to the United States and Panama and efforts by both countries to gain widespread and popular acceptance of the treaty. The President noted that the treaty had been concluded without either side being under the pressure of the threat of violence and that the treaty would establish a new era of closer cooperation and friendship between the United States and Panama. The treaty, suggested the President, will be the first step in a series of improvements in the cooperation and friendship between the United States and Panama.

General Torrijos praised President Carter for pursuing the Panama Canal Treaty and said he too hoped the treaty would lead to a new type of relationship that will serve as an example for other Latin American countries.

President Carter said he hoped that the spirit of mutual respect and friendship which had guided the United States and Panama through the canal treaty negotiations will serve as an example to the other countries of the hemisphere as all our countries seek to resolve outstanding problems or disputes.

The two leaders agreed to consult closely on a continuing basis as the treaty moves toward ratification and implementation.

items with Peru. For instance, we are very grateful that they have signed the treaty of Tlatelolco and also the nonproliferation treaty and the fact that they are moving strongly toward democratization of their government.

The President has announced that in 1980, if things go well, they'll have free elections, which is quite a step forward.

We also discussed matters that concern other countries—the possibility of Bolivia's having access to the Pacific Ocean, which they lost about a hundred years ago, and the possibility that Ecuador might have access to the Amazon River, which they desire very much.

We discussed the international copper prices and the possibility of an international sugar agreement, which is of great importance to almost all the countries to the south and also to us. But these are some of the items we discussed, in addition to the main question, which has brought all the countries here, and that is the interest in a new era of cooperation and equality of treatment of the Latin American countries by our country as demonstrated so vividly in the signing of the Panama Canal treaty.

So, in each individual instance, with 18 or 20 foreign leaders, there are general subjects that affect the whole hemisphere—the alleviation of tensions, the reduction of armaments, the nonproliferation commitment, human rights questions. Each country is quite different from one another. And I have tried to learn in every case what I can do to make our relationship with them better and also to alleviate any tensions that might exist with their neighbors.

Weekly Compilation of Presidential Documents dated September 12

PERU, SEPTEMBER 6

In every instance, I spent several hours studying about each country and am briefed as best I can be by the State Department and by the other leaders of our own government concerning issues that are important between myself and the leaders of the visiting country.

I've already met with General Torrijos of Panama and this is Morales Bermudez, the President of Peru. We discussed a number of

PARAGUAY, SEPTEMBER 6

We have President Stroessner here with his Foreign Minister and other dignitaries to participate in the signing of a treaty between ourselves and Panama. We had an opportunity to discuss subjects of interest to our country and to Paraguay, to reemphasize the historic friendship that has bound our countries together, to discuss the present plans in Paraguay for the development of the country's

economy, and also we made plans, I believe, to alleviate any differences of opinion that might exist between our country and Paraguay.

The President outlined the plans for elections in February and offered us an opportunity to come and observe the elections there. I told him that I might learn how to conduct a better campaign if I could see how the elections were conducted in Paraguay.

We had a discussion about the question of human rights and the fact that it has been a problem. And the President outlined to me the progress that is being made in this area.

We were pleased to learn about the cooperation between Paraguay and the neighbors in Brazil and Argentina in the development of water resources. And the President outlined to me the size of the fish which he quite often catches in the beautiful streams of Paraguay.

But we had a good discussion, and we are very grateful that he could come.

COLOMBIA, SEPTEMBER 6

President Lopez and I had a very thorough discussion about many items. First of all, the preservation of Colombia's special rights in the use of the Panama Canal—they will be extended after the canal treaty goes into effect.

We also discussed the very important trade relationships that exist between ourselves and Colombia and the total commitment that Colombia has always made to democracy in its purest form and to the principle of human rights. And we discussed the importance of many nations being involved in pursuing the hope that all people might live in freedom and without oppression from government. And Colombia has set a very fine example for the rest of the world to follow.

We discussed the very serious problem of the traffic in drugs—marijuana, cocaine, and heroin—and the growing cooperation between our country and Colombia. President Lopez has been very helpful in this effort of ours, and we have been helpful, I hope, in his effort, as well.

We have no differences between our countries. There is great friendship and great

cooperation, and this has existed historically. And I think that our own visit together was one of complete understanding and cooperation.

I also, of course, expressed my thanks to President Lopez and to his family for being so hospitable to my own wife when she was in Colombia recently and reminded him of my own visit to Colombia back in 1973 when I was Governor of Georgia.

So far as I know, the relationships between the United States and Colombia are excellent. It means a lot to us in this country to have the people of Colombia supporting the Panama Canal treaty that has been evolved between the United States and Panama. And I think it's accurate to say that President Lopez has been very helpful during the negotiations themselves.

CHILE, SEPTEMBER 6

This was President Pinochet of Chile, and we had a good discussion about matters that are important between us. We talked about the possibility of Bolivia having access to the ocean, the importance of Chile's ratifying the nonproliferation treaty and implementing the treaty of Tlatelolco.

We also discussed the importance of holding down the armaments race in the Andean region. And I discussed with President Pinochet the problem that exists with the question of human rights in Chile, and he described to me some of the steps they are taking to improve the rights of the people there as they have recovered from the recent coup, and also we discussed the possibility of some observers who might go into Chile to observe what has been done there.

But these are matters that are, I think, important to Chile. They are certainly important to us and to the interrelationships that exist in our hemisphere.

Q. Did you ask him about missing Americans in Chile or anything about the problems concerning American citizens?

President Carter: We talked about the release of prisoners and the right of those to be tried, the expedition of the judicial system,

which has, he admitted, been delayed in some instances, and the elimination of their intelligence agency, I think a couple of weeks ago; also the new process by which a prisoner can be released from incarceration in exchange for extradition. In other words, if they want to be released, they leave the country.

We have had a very frank discussion about this serious problem. I think the Chilean leaders, including President Pinochet, recognize that the reputation of their country has been very poor in the field of human rights. He acknowledged that they have had problems in the past. He claimed that progress had been made in recent months and told me that their plans are for an increase in human freedoms in the future.

But I think that he can describe plans for the future better than can I. He knows that this is a very serious problem for Chile.

Q. Would you send observers?

President Carter: No, we would not send observers. I think the observers that might—by the way, Assistant Secretary Todman was there recently—and the observers that we talked about would be from the United Nations.

Q. What do you say to people who say you shouldn't meet with these dictators? In other words, is there a problem meeting with people who have bad reputations?

President Carter: Well, no, I don't feel that this should be an obstacle to my meeting with them, to describing to them the problems as I see them, to ask for their explanation in a very frank and forthcoming way, and to request their plans for the alleviation of the problem or the explanation of the charges that have been made against their governments.

Obviously, the question of human rights has historically been a serious one in this hemisphere, Latin America in particular.

Most of the leaders have expressed to me great satisfaction at the progress that is now being made. Even when free elections do not exist, the commitments have been made among the leaders with whom I have met today that within a certain period of time

and a date set by them that free elections would be held.

So, I think that my meeting with leaders of countries where human rights questions or others do exist—excessive armaments, border disputes, drug supply problems—I think it's healthy for them and for us, for me to know their position better and for them to have the encouragement of our expressions of concern. I think it's a good thing.

VENEZUELA, SEPTEMBER 7

President Pérez has developed into one of my best personal friends and is a great counselor and adviser for me on matters that concern the nations of the Caribbean and Central and South America.

Also, he was of great assistance in the negotiations between ourselves and Panama in developing the terms of the treaty.

The people of our country look upon President Pérez as a great leader in this hemisphere and also, of course, the leader of one of the great democracies of the world.

ECUADOR, SEPTEMBER 8

We had a very thorough discussion about matters that are of mutual importance to us, the common commitment that we have with the people and leaders of Ecuador for the enhancement of human rights, and our thanks to the leaders of Ecuador for supporting our strong position in improving human rights taken in the last Organization of American States meeting.

We also are very excited and pleased to see the move of the leaders of your country toward democratic elections that will commence perhaps next year. And we congratulated Admiral Poveda on this decision.

We discussed the statement by the Peruvian President that additional purchase of arms and weapons by Peru was not planned, the gratitude that we have for improved relationships between Ecuador and Peru. We discussed the future possibility of access by Ecuador to the Amazon River, although the

prospects are not good at this point. The discussions, I think, will be accelerated in the future.

We discussed the delivery of landing craft from our country to Ecuador and the upcoming delivery of a new destroyer. And I also expressed my thanks that the desire of Ecuador for army and navy equipment was obviously predicated on defense of your country and not offense against any other nation.

We reemphasized our appreciation to the people of Ecuador for supplying oil to our country during the 1973 embargo and the gratitude that we feel for this expression of friendship to us.

We had long discussions about these items, and I think the meetings were very helpful to me in understanding the special problems and opportunities that exist in Ecuador.

We discussed other matters—oil exploration, enhancement of your port facilities, construction of new highways, the high percentage of your national budget that's spent for education, improvement of health care. These kind of things are very good for us to see.

BOLIVIA, SEPTEMBER 8

We had a very thorough discussion with President Banzer of the good relationships between ourselves and your country. We examined the maps of the possible route to the sea for Bolivia, just north of Arica in Chile. And our hope is that Bolivia, Chile, and Peru can agree on some corridor which will permit Bolivia to have direct access to the sea on Bolivian territory.

We have no authority over the nations involved, but we have expressed our hope to Presidents Pinochet and Morales Bermudez that this might be accomplished.

We also discussed the progress that Bolivia has made in reducing the traffic in drugs, particularly cocaine, that comes to North America.

And I expressed my sincere hope that the Americans who are in Bolivian prisons and who have not been tried might have their

cases examined very soon. Three of these prisoners are very ill, and we hope that within the bounds of Bolivian law, that their cases might be resolved very early.

This is a serious problem in our country. The parents of these prisoners—and families—have aroused a great deal of interest among American citizens, and President Banzer, I think, will take a personal interest, within the framework of Bolivian law, that attention will be given in their case.

We have good relations with Bolivia. And we appreciate the cooperation that has been evidenced between the Bolivian people and our people.

We expect good progress to be made in return of the political processes to civilian rule, hopefully by 1980 or before. President Banzer reemphasized his commitment to this process.

Q. Mr. President, what is the outlook for the sea corridor, as you see it—

President Carter: No, I think there is a hope that President Banzer can meet with the Presidents of Peru and Chile, and what the prospects might be for success, I really don't know. But we have wished him well.

DOMINICAN REPUBLIC, SEPTEMBER 8

We have an extremely good relationship with the Dominican Republic, as you know. President Balaguer has set an example for all leaders in this nation in changing his own country and his own people away from a former totalitarian government to one of increasingly pure democracy. And the commitment that he's shown in preserving human rights and leading the other nations in this effort has been an inspiration to me.

I doubt that any other two countries have worked more closely together in matters relating to our own hemisphere, in the United Nations, than has the Dominican Republic and the United States of America. We cooperate on the sugar agreement; we cooperate in our debates in the General Assembly of the United Nations; we cooperate in matters that relate to the Organization of American States.

We've been talking to President Balaguer about the upcoming elections next year, which will be open and free and, I think, which will be a model to everyone on the universality of the right to vote and the free expression of the people's will in choosing their own government.

So, in the last 7 years, there's been unbelievable progress made in the Dominican Republic. President Balaguer pointed out to me that there's a great need for us to realize that their major crop—their major export item is sugar, and what we do here in our own country has a profound impact on the well-being of his own people. And of course, we hope that we'll have an international sugar agreement during 1977. We produce tremendous quantities of sugar in our own nation from sugar beets and cane. And of course, we also import large quantities of sugar.

So, these discussions, particularly with him and with the other nations, are very important to me.

Q. When do you think the Senate is going to bring up these treaties, and are you confident of the result?

President Carter: I'm going to do the best I can to have the treaties ratified. And I think that we will succeed. But the time schedule is something that I can't predict right now. It's going to be a matter of great importance to me and to our country and to this hemisphere, and I think a failure to ratify the treaty would have very serious consequences.

Q. The Hill leaders are saying it won't be 'til next year. Do you accept that that's probably what will happen?

President Carter: Well, that is, I think, a guess at this point that would be good. But I've talked to the leaders on the Democratic and Republican sides, and if it seems apparent that we have enough votes to ratify the treaty during this session of Congress, they've all assured me that that would be their desire.

Q. Don't bring it up if you don't have the vote.

President Carter: That's right.

Q. What do you mean by "serious consequences"? You've said that several times now. Do you mean war?

President Carter: Well, no, I wouldn't want to predict war. But I think it would be a serious disappointment on behalf of all the nations of this hemisphere in the refusal to ratify the treaty by our country. I don't, obviously, predict war. But there would be a deterioration of the relationships between our country and almost every nation south of here.

Q. Do you see your own relationship to other foreign policy questions tied to your success or failure on this particular one?

President Carter: Yes, to some degree, yes, because it ties the character and the will of the American people to do what's fair, what's right, what's decent, and to treat other nations with respect, and at the same time to enhance the security and well-being of our own people. And I think it would be a reflection on our judgment and our fairness if the treaty was not ratified.

Q. And if it is ratified, do you then have a better hand in the Mideast, on SALT, on other questions?

President Carter: I think my own position would be enhanced in that it would be a show of support for my Administration by the Congress and the people, yes.

EL SALVADOR, SEPTEMBER 8

President Romero from El Salvador was very gratifying to us.

In the past, there has been great concern in the United States about two questions: One, the question of human rights and the fact that charges have been made and allegations have been made that there were violations of these rights in El Salvador.

President Romero has informed me that he has requested that a commission on human rights from the United Nations or OAS go to El Salvador to see the great progress that has been made there in the last 2 months. And we are grateful to get this good news.

Another item that has been of great con-

cern to us and all the nations of this hemisphere has been the absence of approval by the Congress of El Salvador of the mediation of the border disputes with Honduras, which has resulted in an interruption of free trade and transportation and exchange of people with Honduras to the north and the interruption of Pan American Highway traffic.

But the President informed me that the Congress has today voted to accept the agreement that was signed here in Washington last year and that he anticipates a good chance now that the dispute with Honduras can be resolved without further delay.

So, these two problems that have existed between our countries have, I think, been substantially resolved, and we are very grateful that the new administration has been able to achieve these accomplishments in only 2 months in office.

I believe that we will have in the future a much closer relationship between our country and El Salvador, and I think the concern that has been expressed here in the Congress, among our people, and from the White House will be eliminated to a great degree in the future.

We believe that the President will carry out these statements with enthusiasm and with determination and with success. And this is very good news for all the nations and all the people of our hemisphere.

Q. Is there any indication when the commission might be going to El Salvador?

President Carter: No, but the President said that was one of his major purposes in coming to Washington. Since he has only been in office 2 months, this is really the first time for him to assess the needs in his country and to come to the OAS to specifically request that the commission go to El Salvador to witness themselves the progress that has been made.

But the time schedule for the sending of the commission, I guess, is now in the hands of the leaders of the international body.

Q. Did he see any progress for possible renewal of relations with Honduras, or did you just talk about mediation?

President Carter: He just pointed out the

fact that the Congress had today voted unanimously to take this action, which all of us have been hoping to see. But I think the President himself would have to answer the question about prospects for the renewal of relations. I don't know about that. We are very grateful for this good news.

HONDURAS, SEPTEMBER 8

One of the most difficult threats to peace in our entire hemisphere has been the breakdown in relations between El Salvador and Honduras because of a border dispute that has been longstanding and which was aggravated by a conflict following a soccer game 7 or 8 years ago. And because of this, the Pan American Highway has been severed for use and there have been no relations there and a constant threat of war.

Today, however, the El Salvadorian Congress voted unanimously to approve a pending agreement for mediation of the border disputes, and on the other hand, Honduras has reaffirmed its commitment to peace with El Salvador, and the two Presidents have been meeting at length while they have been in Washington.

We've also received good news from El Salvador, that they asked the Organization of American States to send their commission on human rights into El Salvador to witness the great progress that has been made in the last 2 months since the new administration took effect.

I've just met with President Melgar of Honduras, who has shown a great interest in multinational cooperation between Honduras and Guatemala and El Salvador and other countries in that region—like Nicaragua—in the development of energy resources. These are relatively poor countries as far as per capita income is concerned. And of course, this poverty has been aggravated by an absence of trade and commerce and cooperation with their neighbors.

And so, I think that many of these leaders have come here to Washington not only to participate in the ceremonies related to the Panama Canal treaty but also to use the occasion as a chance to meet privately with

one another and to try to resolve differences that have been in existence for decades as an exhibition of their hope for peace and friendship which we showed, along with Panama, with our treaty.

So, I think the discussions have been good. It also gives me a chance to learn about their special needs.

There is a hydroelectric project, for instance, in Honduras—El Cajon—and of course, our attitude on the Board of Directors of the World Bank and the Inter-American Bank, the allocation of funds from some of the European countries and some of the Arab countries—Iran—for this project might very well make it possible now to be completed. It's been pending for years and years. And I think a common interest in this kind of project, whether or not this particular one is successful, is a constructive opportunity.

ARGENTINA, SEPTEMBER 9

We discussed several items, but the two that we discussed at most length were, first, the question of nonproliferation of nuclear explosives. We are very hopeful that Argentina, which has been in the nuclear field for 25 years in the production of power, will join with other nations in this hemisphere in signing the treaty of Tlatelolco to prevent any development of explosives. And I was very encouraged by what President Videla had to say.

The other item that we discussed at length was the question of human rights—the number of people who are incarcerated or imprisoned in Argentina, the need for rapid trial of these cases, and the need for Argentina to let the world know the status of the prisoners.

President Videla was very frank with me about pointing out the problems that have existed in Argentina and his commitment to make very rapid progress in the next few months. He wants Argentina to be judged not on his words alone but on the demonstrable progress that he stated would be made.

We had a thorough discussion, and I think it was one of the most productive and most frank discussions that I've had with any leader.

I've had a chance to visit Argentina in the past and know the tremendous strength of your people and of your economy, the beauty of your nation, and the serious problem that presently exists in the opinion of the world about Argentina because of the repression of human rights and the terrorism that has existed there.

But we have great hopes that rapid progress might be made in alleviating this problem. And I was encouraged by what President Videla had to say.

URUGUAY, SEPTEMBER 9

President Méndez would like to make a statement to the press, and I think I'll make a brief statement and then leave him here with you for questions.

It's a grand pleasure for us to have in our country President Méndez, representing the people of Uruguay. We had a very thorough discussion about matters that are important to both our countries.

One of the major discussions was about the question of human rights, and President Méndez described to us the progress that is being made in Uruguay and invited any representative from our country, or group of representatives from our country, to visit Uruguay to inspect personally the situations that do exist there.

I pointed out to him that there is a very grave concern in our nation about allegations or charges that have been made. And it's important to Uruguay and also to us to have these questions answered.

In addition we discussed the question of the export of leather goods to our country, and we arranged for early additional negotiations to take place so that we can understand the law in Uruguay, the subsidies that exist, and so that Uruguay can understand the special American laws that restrict imports here when large subsidies are given in the exporting country.

But these negotiations and discussions will be expedited in the weeks ahead.

Q. What is your feeling about the relations now between Uruguay and the United States?

President Carter: I think I've described our position. We have very great concern about the status of human rights in Uruguay. But President Méndez has described to me the situation there, the reasons for the restraint, and his commitment to open up the country for observation by people from our country and to answer any questions. And my hope is that under his leadership the relationships can be improved very soon.

COSTA RICA, SEPTEMBER 9

It's very difficult to find any differences that exist between Costa Rica and the United States. If there is a pure democracy in the world which has been an example for all nations in preserving human freedoms, it would be Costa Rica.

This is a nation which has protected itself, not through military might, since you don't even have an army, but which has preserved its own freedom by making those freedoms so attractive.

We have followed in the footsteps of President Oduber and his predecessors in our own insistence on publicizing the deprivation of human rights in this hemisphere.

Our trade arrangements with Costa Rica are mutually advantageous. The friendship that has long existed between our countries is a very precious possession for us. I've

been to Costa Rica to visit. My wife has been there twice; Ambassador [to the United Nations Andrew] Young has been there recently; Mr. Todman has been there recently. And we are very proud that President Oduber could come here for this meeting.

Another subject that's of great importance to all our people is the quality of the environment, and the first time I became acquainted with President Oduber was when he received an award as the outstanding environmentalist among all leaders in the world. He was here in Washington, and I called to congratulate him on that occasion.

The other thing I'd like to say—and then perhaps he would like to make a comment—is that 26 nations have come here to be represented and to sign the Declaration of Washington, which is a remarkable demonstration of mutuality of purpose and friendship that is perhaps unprecedented. And we have used the signing of the Panama treaty as an opportunity to bring these nations together. But I think in Central America, we have a much greater chance now to see the longstanding disputes—for instance, that have existed between El Salvador and Honduras—be resolved.

And there's been a major commitment to me and mutually among the leaders for the enhancement of basic human rights, which have long been a source of deprivation in some of the countries of our hemisphere.

So, Costa Rica represents the kind of nation that's worthy of admiration and emulation. And I'm very grateful that President Oduber has been here to represent these great people.

Why a New Panama Canal Treaty?

Address by Sol M. Linowitz

*Senior Adviser to the Panama Canal Treaty Negotiations*¹

I am very pleased to have this opportunity to be here and to talk to you about an issue which I regard as one of the most important and explosive confronting this nation today—the Panama Canal.

As we know all too well from last year's Presidential campaign, this issue is one which can be emotional, divisive, and characterized by misconceptions and misunderstandings.

I know that there are many thoughtful Americans of intelligence and commitment—including many members of the American Legion—who are expressing grave doubts and patriotic concern about the proposed new Panama Canal treaty. They are entitled to full, honest, and responsive answers to their questions, and this I will try to do in the course of my remarks and thereafter.

For several years before I agreed to accept the post of Co-Negotiator of the Panama Canal Treaty, I served as Chairman of the Commission on United States-Latin American Relations. Before that I was, for a 3-year period, U.S. Ambassador to the Organization of American States. During the course of those assignments and during my present stint, I have come to three deep convictions about the Panama Canal and our stake in it. Let me start by setting those forth for you.

—First, the Panama Canal issue involves far more than the relationship between the United States and Panama. It is an issue which affects all U.S.-Latin American relations, for all the countries of Latin America

have joined with Panama in urging a new treaty with the United States. In their eyes, the canal runs not just through the center of Panama but through the center of the Western Hemisphere. Indeed, the problem significantly affects the relationship between this country and the entire Third World, since the nations of the Third World have made common cause on this issue—looking upon our position in the canal as the last vestige of a colonial past which evokes bitter memories and deep animosities. So in going forward with a mutually satisfactory basis for a new treaty with Panama, the United States will find itself in a position to improve relations with virtually all the countries of this hemisphere and, indeed, the people of the entire developing world whose attitude toward us as a nation will be importantly influenced by how we conduct ourselves on this Panama Canal issue.

—Second, our primary interest in the canal is to assure its free, open, and neutral operation on a nondiscriminatory basis. I am convinced that the greatest threat to the operation and security of the canal would be to try to insist upon retention of the present outmoded treaty and its anachronistic provisions—provisions which have in the past, and can so easily again, trigger hostility and violence. If we do not approve a mutually agreeable basis for a new treaty, we may find ourselves in the position of having to defend the canal by force against a hostile population and in the face of widespread, if not universal, condemnation.

—Third, in the light of these facts, I believe that the best way to preserve the canal's op-

¹ Made before the American Legion Convention at Denver, Colorado, on Aug. 19, 1977.

eration and to maintain its permanent neutrality is to substitute for the 1903 Panama Canal treaty a new arrangement which will be mutually fair, which will properly provide for Panama's just aspirations, and which will take into full account our own national needs. Putting it another way, a new treaty is the most practical means for protecting the interests we are trying to preserve in the canal.

Briefly, that is the mission on which we have been engaged as negotiators in trying to find a satisfactory basis for a new Panama Canal treaty. We believe that the new agreement on principles we have reached preserves for this nation the important interest it has in assuring that the canal remains free, secure, accessible, and open on a nondiscriminatory basis—and in a manner which will both advance our national security interests and further our hemispheric objectives.

As a point of departure for examining the bases for these convictions, I would like to focus on three specific questions:

—First, how did we get where we are in Panama?

—Second, what are the main objections to a new treaty?

—Third, what are the basic elements of the principles agreed upon?

First a few words of history. As early as the middle of the 1800's we were, as a young nation, interested in the possibility of constructing a canal across the Isthmus of Darien in order to connect the Atlantic and the Pacific Oceans. In the late 1800's, this need was dramatically underlined when during the Spanish American War it took the cruiser *Oregon* 90 days to get from the Pacific coast to its Atlantic battle station.

At the end of the 1800's, the French Canal Company had undertaken to construct such a canal through the province of Colombia known as Panama. By the end of the century it acknowledged failure—failure because of disease, because of technological and scientific problems which seemed insurmountable, because of lack of financing, and finally because of lack of spirit and morale.

Sometime earlier the United States had indicated real interest in constructing an isth-

mus canal in Nicaragua, and indeed, legislation toward that end was approved in 1901. When the French Canal Company's efforts came to a halt, however, a French engineer named Bunau-Varilla, employed by the canal company, organized an effort to urge the United States to take over the French company's assets in Panama and enter into a treaty with Colombia for the construction of the canal. Such a proposal calling for a 100-year treaty was put forward by the United States and rejected by the Colombian Senate.

At this point Mr. Bunau-Varilla, who was enterprising and imaginative, suggested to American authorities that the province of Panama might undertake to declare its independence and then enter into a satisfactory treaty with the United States. So on November 4, 1903, a revolution occurred in Panama with the knowledge, if not the acquiescence, of the United States, and a few days later the United States recognized Panama's independence.

Mr. Bunau-Varilla then appeared as Minister Plenipotentiary on behalf of the new country of Panama and undertook to conclude a treaty with the United States even before other officially designated negotiators had reached the United States. This was the treaty of 1903, which has been in effect ever since. It called for payment of \$10 million by the United States to Panama and an annual payment thereafter of \$250,000 per annum. In return, Panama granted to the United States rights "in perpetuity" to construct a canal 10 miles wide over which the United States would exercise rights, powers, and authority as "if it were the sovereign." As Secretary of State Hay, the American signatory of the treaty, candidly testified: The treaty has a number of advantages for the United States, and "I must confess not so many for Panama."

The treaty was ratified in 1904, and construction of the canal was begun immediately. The canal was completed in 1914 after a brilliant engineering and scientific performance by American engineers, doctors, scientists, and builders who were determined to conquer the unconquerable and make the canal a reality.

Today the canal stands as an engineering

marvel, as one of this country's greatest accomplishments. It was in a very real sense our moon shot of the early 1900's. Any American must view with pride this highly complex, integrated, hydraulic system of locks, dams, and artificial bodies of water designed to move ships over the uplands of the isthmus for 50 miles from ocean to ocean.

And we have more than the canal's technology which we can point to with such pride. For 62 years we have operated the canal for the nations of the world more as a public service than as a business. The canal's tolls have been set as low as has been compatible with meeting costs and providing a modest return, and world commerce has been a major beneficiary, not just our own domestic and foreign trade.

But from the beginning and over the years, the Canal Zone became an ever more troubling and festering presence. Under the treaty, the United States instituted jurisdiction over the courts, the schools, the jails, and the police force of the Canal Zone. It set up what the Panamanians regarded as a colonial enclave, splitting their country in two and taking 550 square miles of their best land, which they otherwise might have had for development.

Almost from the beginning, there was resentment by the Panamanians who asserted that the United States had carved out in the zone and taken unto itself the heart of Panama and made it the United States and done so under a treaty which was not even signed by a Panamanian. The opposition and resentment which festered over the years predictably led to violence. The most serious was in 1964 when anti-U.S. riots erupted which led to the death of 20 Panamanians and 4 Americans.

These developments and the dangerous explosive atmosphere made clearer than ever that the 1903 treaty with Panama had become a constant source of potential hostility and that in the mutual interest of both countries a new treaty arrangement should be made. In 1964 President Lyndon Johnson committed the United States to such a new treaty, and negotiations have been continuing ever since.

In 1974 Ambassador Ellsworth Bunker was appointed to conduct the treaty negotiations, and since that time efforts have been under

way to develop a new mutually agreeable treaty consistent with the basic goals and objectives of both countries. I joined him 6 months ago as Co-Negotiator.

Treaty Concerns

In the light of these facts, let us take a look at some of the arguments being advanced against a new treaty and the most important questions which are being raised.

First, won't a new treaty mean surrender of U.S. sovereignty over the Panama Canal? The simple answer is that the United States has never had sovereignty. The 1903 treaty specifically gave the United States certain rights and authority which it would have "if it were the sovereign." Obviously, these words would not have been necessary if the United States were in fact intended to be sovereign.

Before the ink was dry on the 1903 treaty Secretary of War William Taft wrote to President Theodore Roosevelt asserting that the treaty "seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama." A treaty of friendship entered into between the United States and Panama in March 1936 referred to the Canal Zone as "territory of the Republic of Panama under the jurisdiction of the United States." In 1946 John Foster Dulles, as U.S. Representative to the United Nations, acknowledged before the General Assembly that Panama had never ceased to be sovereign over the Canal Zone.

The Supreme Court has dealt with the issue several times, but always for a limited, specific purpose. Thus, in the earliest case of *Wilson v. Shaw* in 1907, the Supreme Court held that for the purposes of the validity of U.S. expenditure of funds to construct the canal, the zone was U.S. territory. But in 1948 the Supreme Court described the Canal Zone as "admittedly territory over which we do not have sovereignty."

It is important to recognize the difference between the rights acquired with reference to Panama and the territory acquired in the purchase of Louisiana or Alaska. In the Louisiana Purchase, the United States was explicitly granted full sovereignty over the "territory with all its rights and appurtenances." In the

case of the purchase of Alaska from Russia, the United States was similarly ceded all territory. In both cases it was a transfer of land; in neither transaction was provision made for a continuing annual payment or for a continuing relationship on the matters covered by the agreements, as is true in the Panama Canal treaty.

It is worth noting that U.S. citizenship is not granted to children born of non-U.S. parents in the zone. The zone ports are considered foreign ports for the purpose of transporting the U.S. mail. Imports from the Canal Zone into the United States are treated exactly the same as imports from foreign countries.

The simple fact is, therefore, that while we have exercised virtually complete jurisdiction over that part of the Panamanian territory which comprises the Canal Zone, we have never had actual sovereignty and do not have it today.

Second, will a new Panama Canal treaty prejudice our national security? As I have already tried to indicate, the greatest danger to our security interest in the canal would be an effort to maintain and continue the present status. While the canal remains an important defense asset according to our Department of Defense, it is no longer vital, clearly no longer as useful as it once was for the shifting of combat forces. Larger warships and merchant tankers are unable to pass through the canal. Alternative means of transportation have been developed which compete by lowering costs to make land or air transportation economically viable.

But an open, secure, and efficient canal is still of importance to the United States and the world. And in our negotiations we have worked closely with the Department of Defense and the Joint Chiefs of Staff to assure that our national security interests will not in any respect be prejudiced under the new treaty arrangements. They have assured us that the kind of treaty we have agreed upon will not only preserve our security interests but indeed enhance them.

Third, will the new treaty seriously affect U.S. commercial interests? While the use of the canal commercially is still significant, obviously its importance has diminished consid-

erably as world commerce patterns and technologies of shipping have changed. Today larger vessels cannot use the canal. In percentage terms, the canal is much more important to various countries of Latin America than it is to us. Today approximately 8 percent of total U.S. exports and imports by value pass through the canal each year. About 7 percent of the U.S. seaborne trade traverses the canal. To a substantial extent, therefore, the canal, though still important, is obsolescent.

Fourth, is the present Government of Panama the one with whom we should be negotiating? The fact is that for years now the Panamanian people have been pressing for a new treaty. For over 12 years we have been engaged in negotiations. The present head of government, General Omar Torrijos, is committed to try to work out a new treaty with the United States. And in doing so he is fully supported by the people in his country and following in the footsteps of every Panamanian head of state since 1903, irrespective of any ideological differences.

Elements of Agreement in Principle

Against this backdrop, what is it, then, we have achieved in the agreement in principle reached with the Panamanians?

First let us take a look at defense and national security. Two treaties will be agreed upon dealing with these aspects of the relationship—one, a new Panama Canal treaty and the other, a neutrality treaty. Under the Panama Canal treaty, the United States will have primary responsibility for the defense of the canal during the treaty's term—until the year 2000. Panama will participate and at the end of the treaty, our military presence will cease. There will be a status-of-forces agreement in effect similar to agreements elsewhere which will cover the activities and presence of our military forces.

The United States will have access to and the rights to use all land and water areas and installations necessary for the defense of the canal during the basic treaty period.

The neutrality treaty is of permanent duration and provides that the United States and Panama will maintain the permanent neutrality of the canal, including nondiscriminatory

access and tolls for merchant and naval vessels of all nations. In this treaty the word "neutrality" is defined as the assurance of an open, accessible, secure, and efficient canal. Nothing in the treaty limits our freedom of action to do what we may consider necessary to maintain the canal's neutrality.

U.S. and Panamanian warships will be entitled to expeditious passage of the canal at all times and without regard to the type of propulsion or cargo carried.

As to canal operations, the United States will have responsibility for operating the canal during the period of the basic treaty. It will have access to and the rights to use all land and water areas and facilities necessary for the operation and maintenance of the canal during the treaty. The United States will act through a U.S. Government agency which will replace the present Panama Canal Company. There will be a board of nine members, of which a majority will always be American. During the first 10 years the Administrator will be an American and the Deputy Administrator, a Panamanian. Thereafter a Panamanian will be Administrator, and the Deputy will be American. It is contemplated that during the term of the treaty Panamanians will participate increasingly in the canal's operations.

As to compensation to Panama during the term of the treaty, payments will come from canal revenues and no congressional appropriations will be required. During the life of the treaty, Panama will receive an annual payment from toll revenues of 30 cents per ton transiting the canal. In addition, it will be paid a fixed sum of \$10 million per annum and, if canal revenues permit, an additional \$10 million per year.

Outside of the treaty, the United States will cooperate with Panama in promoting Panama's development and stability. Toward this end, the United States will use its best efforts to arrange for an economic program of loans, guarantees, and credits under existing statutory programs which will total around \$300 million over the life of the treaty. There will also be a military sales credit program worked out with Panama over the next 10 years to improve Panama's ability to assist in the canal's defense.

Provision is made for private businesses and nonprofit activities in the Canal Zone to be able to continue their operations on the same terms applicable to such enterprises elsewhere in Panama.

As to the U.S. civilians currently employed in the Canal Zone, all are assured that they can continue to hold U.S. Government jobs until their retirement. Present employees of the Canal Company and the Canal Zone Government may continue to work for the new agency until they retire or until their employment is terminated for any other reason. During the first 5 years of the treaty, the number of U.S.-citizen employees of the company will be reduced 20 percent. All U.S.-citizen employees will enjoy rights and protections similar to those of U.S. Government employees elsewhere abroad. They will even have access to military postal, PX, and commissary facilities for the first 5 years of the treaty. New U.S.-citizen employees will generally be rotated every 5 years.

DATA ON THE PANAMA CANAL

Description. The canal is 51 miles long. It is a lock canal, operating by gravity flow of water from specially constructed reservoirs.

Cost. It is extremely difficult to provide a single figure for the cost of the canal. The construction cost to the United States at the time of completion of the canal in 1914 was \$387 million. The amount of unrecovered U.S. investment in the canal is \$752 million. The current book value of the canal and related facilities is \$561.5 million.

Work Force. The canal enterprise employs 13,139 persons, of whom 27 percent are U.S. citizens. Almost all of the others are Panamanians.

Defense. The United States maintains seven military base areas in the Canal Zone. Total U.S. military personnel are 9,300.

Financial Condition. Since 1951 the canal has been required by law to meet its own operating costs. Until 1973 it did so. It has shown a net operating loss each year since 1973, with the result that tolls have been raised—the first toll increases since the canal was opened.

Importance to U.S. Trade. Of all the foreign trade going in and out of U.S. seaports, 7 percent passed through the Panama Canal in 1976. This compares with 13 percent in 1949.

In general, terms and conditions of employment will be no less favorable to persons already employed than those in force immediately prior to the start of the treaty. There will be preferences for Panamanian applicants, but no employee will lose his job on the basis of nationality, sex, or race, and there will be no discrimination with regard to basic wages.

The treaty will also provide that Panama will also assume general territorial jurisdiction over the present Canal Zone at the start of the treaty. U.S. criminal jurisdiction over its nationals will be phased down during the first 3 years of the treaty. Thereafter, Panama will exercise primary criminal jurisdiction with the understanding that it may waive jurisdiction to the United States. Any U.S.-citizen employees and their dependents charged with crimes will be assured procedural guarantees and, if convicted, will be permitted to serve any sentences in the United States in accordance with the reciprocal arrangement.

Finally, in the treaty Panama and the United States commit themselves jointly to study the feasibility of a sea-level canal and, if they agree that such a canal is necessary, to

negotiate mutually agreeable terms for its construction.

These, then, are the basic terms of the agreement. In our judgment they represent a fair and equitable basis for dealing with these issues which have been the cause of so much dissension and hostility for so many years and do so in a manner which fully protects our interests, properly recognizes Panamanian aspirations, and does us credit as a great democratic nation.

It is vitally important that the American people study the treaties carefully and openly and recognize what is at stake. In these new agreements we believe we have a rare opportunity to demonstrate to the world how a large nation and a small nation can settle their differences amicably and with mutual respect and enter into a lasting partnership of which future generations will be proud. Such a treaty will bear witness to our intentions to build a balanced, constructive, and lasting relationship among the countries of this hemisphere.

Theodore Roosevelt put it very well:

We have no choice as to whether or not we shall play a great part in the world. That has been determined for us by fate. The only question is whether we will play that part well or badly.

U.S. Negotiators Brief Press on New Panama Canal Treaties

Following are remarks by President Carter made to reporters at the White House on August 12, together with the transcript of a briefing held that day by Ambassadors Ellsworth Bunker and Sol M. Linowitz.

REMARKS BY PRESIDENT CARTER

Weekly Compilation of Presidential Documents dated August 15

For 13 years, we have been engaged in negotiations for a Panama Canal treaty that would strengthen our security interests, be fair to ourselves and the people of Panama, and insure free international use of the Panama Canal in a spirit of cooperation and friendship among all nations in this hemisphere. In spite of difficulties and even bloodshed, each of my predecessors since President Lyndon Johnson has decided that this effort must be continued. And I'm pleased that it will now be completed during my own Administration.

The Joint Chiefs of Staff and other principal advisers of mine have been involved in these talks at every stage. All of us believe that these agreements are good ones and that the implementation of the treaties incorporating these agreements are important to our long-term national interests.

Under the canal treaty that will now be prepared, we will have operating control and the right to protect and defend the Panama Canal with our own military forces until the end of this century. Under a separate neutrality treaty, we will have the right to assure the maintenance of the permanent neutrality of the canal as we may deem necessary. Our own warships are guaranteed the permanent right to expeditious passage, without regard to their type of propulsion or the cargo they carry. And the treaties will be a foundation

for a new cooperative era in our relations with all of Latin America.

As provided by our U.S. Constitution, I will seek the advice and consent of the Senate for the ratification of these treaties. I know that each Senator and each Member of the House of Representatives will give the utmost and careful consideration to these agreements—not only to the treaties themselves but to the positive influence that their approval will have in our own country and in our position in the world as a strong and generous nation.

We will work with Panama to assess the need for a sea-level canal and will also cooperate on possible improvements to the existing canal. I believe that these treaties will help to usher in a new day in hemispheric relations. All of the countries in Latin America are joined with us in a conviction that a new treaty which properly responds to the Panamanian aspirations and fully preserves our own security and other interests will give us an opportunity to work together more effectively toward our common objectives. Our two leading negotiators have been Ambassador Ellsworth Bunker and Ambassador Sol Linowitz, and they are here this afternoon to answer specific questions that you might have on the treaties themselves and the negotiations and agreements that have been reached with Panama. I'm glad now to introduce Ambassador Bunker and Ambassador Linowitz.

BRIEFING BY AMBASSADORS BUNKER AND LINOWITZ

White House press release dated August 12

Ambassador Linowitz: Ambassador Bunker and I are very pleased with these agreements which have been formulated and which we

think will indeed be in the highest interests of the United States when incorporated into formal treaties. Those treaties are now being prepared in final form, and we trust that in the next week or two they will be ready for signature.

Just for purposes of clarification, there are going to be two separate treaties—one, a neutrality treaty; the other a new Panama Canal Treaty. The Panama Canal Treaty will be accompanied by an Implementation Agreement which will add body to some of the provisions in the Panama Canal Treaty itself.

We are ready for your questions and will be delighted to focus on them as you would like.

Q. Where will the signing ceremony take place and with what participants?

Ambassador Linowitz: It hasn't been decided yet. And it will be decided between us after the treaties have been signed.

Q. Does the President sign those treaties before they are advised and consented to by the Senate or does the advise and consent come first?

Ambassador Linowitz: The treaties are signed and then presented to the Senate for ratification.

Q. What is meant by expeditious passage? That seems to be sort of an arcane word that is subject to several interpretations. How do you interpret it?

Ambassador Linowitz: Get through with it as soon as you reasonably can.

Q. Would that be this year, hopefully?

Ambassador Linowitz: The signing of the treaty?

Q. The expeditious passage? I thought you were talking about confirmation.

Ambassador Linowitz: I thought Terry was asking about expeditious passage of vessels.

Q. I want to know whether it means priority for U.S. vessels over those of other flags.

Ambassador Linowitz: The United States and Panama alone will have the right to expeditious passage.

Q. Which means priority over other flags. Is that correct?

Ambassador Linowitz: We have not used the word priority.

Q. Is that a correct interpretation?

Ambassador Linowitz: It means they will be in the position where two ships are coming at the same time, one being the U.S.-Panamanian and another ship, the U.S.-Panamanian could be accorded expeditious passage.

Q. How soon do you expect Senate ratification?

Ambassador Linowitz: That depends on wiser heads than ours. That is being explored now.

Q. Will it pass this year, or do you think it will go over to the next session of Congress?

Ambassador Linowitz: We are hopeful it might be presented for ratification this year.

Q. Did either of you contact Ronald Reagan or any of the other political figures who were very much against America relinquishing control of the canal?

Ambassador Linowitz: Since the treaty? Since the agreement?

Q. At any point during the negotiations or since and could you tell us about that?

Ambassador Linowitz: I met with Governor Reagan for lunch some weeks ago and for about two hours we discussed the general situation of the Panama Canal and compared ideas and approaches.

Q. Did his ideas influence you in the outcome?

Ambassador Linowitz: I think it is fair to say that we listened respectfully to the position of the other and I don't think I persuaded him. I am sure he didn't persuade me.

Q. Did you also meet with former President Ford?

Ambassador Linowitz: I called President Ford from Panama at the request of President Carter in order to report to him the outlines of the agreements we reached.

Q. How about the other living former President? Did you contact President Nixon?

Ambassador Linowitz: No, sir. I wasn't. You were?

Ambassador Bunker: No. I haven't been.

Q. There are one out of every twelve Americans favoring U.S. ownership of the canal. This will affect the vote in Congress. How do you plan to overcome this?

Ambassador Linowitz: Through education. We hope to alert and advise the American people of the terms of these agreements and believe that when they see what has been negotiated that these agreements do, indeed, fully protect and preserve American interests, that they will want to support a new treaty. I think part of the problem has been that the American people have not had an alternative to the present arrangement.

Ambassador Bunker: I think it is fair to say it is not ownership but use of the canal that is important—keep it open permanently.

Q. You said about 6 months ago one of the problems was the canal had its own constituency; because it was there the treaty had no constituency because we didn't have the treaty at the time. Now you have a treaty. Do you plan to be actively involved in convincing the American people that you have got what you consider a good treaty?

Ambassador Bunker: Yes. I certainly do.

Q. How will you be doing that?

Ambassador Bunker: I expect I will be doing it by speaking, by using what influence I have. Ambassador Linowitz and I have been briefing Senators extensively and we have had hearings on the congressional—House of Representatives—side, and we will be trying to carry out an educational campaign to the extent possible.

Q. So you do consider yourselves an emissary to the Senate on the part of the President to "sell" this treaty as a wise move?

Ambassador Bunker: I think we are two among many; the President being the foremost one himself.

Q. There are already rumblings on the Hill from opponents saying that maybe this treaty isn't so wonderful; one says even it might lead to war.

What makes this treaty good? Why are they wrong? Why is this the right way to go?

Ambassador Linowitz: In important respects it not only preserves but enhances the national security interests of the United States. It does so by means of a treaty that is fair, equitable, and takes into proper account the aspirations of the Panamanian people and the needs of the United States. It exchanges an uncertain, unsettled, unstable one which threatens the safety, the security, the openness of the canal with one that insures the cooperation of the Panamanians and, therefore, it is a fine investment.

Q. The economics of this treaty will obviously be under dispute. It is not quite clear from the fact sheet [not printed here] how much money we are really talking about during the period of time between now and the end of the control period. Has there been a horseback guess as to what we are really paying per ton?

Ambassador Linowitz: Yes. It is more than a horseback guess; I think it is pretty clear. We are talking about paying 30 cents per Panama Canal ton from toll revenues and that is estimated at something around \$40 million or so rising to \$50 million as time goes on.

In addition, out of total revenues Panama would receive \$10 million a year and another \$10 million if canal revenues permit. That is the extent of the financial commitment under the treaty itself.

Q. Can you compare that with what Panama receives now and what is the Panama Canal receiving?

Ambassador Linowitz: Panama receives now \$2.3 million per year. Do you want to describe a Panama Canal ton?

Ambassador Bunker: A Panama Canal ton is a measurement used by the canal. It is roughly, I think, 500 cubic feet. It is considered the capacity of the Panama Canal ton. It comes out pretty close to long tons in the end. It is almost the same.

Q. Have either one of you made a recommendation to the President or a member of his staff on whether he ought to travel to Panama or some other Latin American country to sign this treaty?

Ambassador Linowitz: Not yet. We have discussed it.

Q. What is your own feeling on that question?

Ambassador Linowitz: At this moment I don't think we have come to a clear decision on whether or not it ought to be signed in Panama, but we are giving it a lot of thought.

Q. In recent years, what has the annual revenue from the canal tolls been so that we can see the significance of the \$10 million and the \$10 million? I mean, how much could we get a year from the canal in revenues now?

Ambassador Linowitz: About \$150 million.

Ambassador Bunker: About \$150 million. But the other income brings it up to almost \$220 million in toto.

Ambassador Linowitz: A good part of that will be turned over to Panama under the treaty.

Q. What other income is there?

Ambassador Linowitz: There was bunkering and other activities in addition to total revenue coming from passage from the canal.

Q. What role does the House of Representatives have in these two treaties?

Ambassador Linowitz: The House will be asked to join in implementing legislation to effectuate some of the terms of the treaty. For example, setting up the new canal operating mechanism, dealing with the labor conditions that are applicable for the employees, establishing tolls policy, and so forth. There will be a number of areas in short where the Congress will be asked to pass implementing legislation.

Q. The new agency hasn't been named yet. Do you have a name for the new agency?

Ambassador Linowitz: Tentatively the Panama Canal Commission.

Q. What does it cost to operate it for a year?

Q. Could the House procedure block the treaty?

Ambassador Linowitz: Assuming unfavorable House procedure, is that what you mean?

Q. Yes. Do they have the power?

Ambassador Linowitz: It depends on what the implementing legislation is that is sought. Block is a large word. It can certainly impede effectuation of some important provisions in the treaty. Whether it will completely block the treaty, I don't think so.

Q. Will you attempt to draft the legislation that goes to the House so that in the event they do not act favorably on it, it would still not prevent the treaties from taking effect?

Ambassador Linowitz: We haven't gotten into the implementing legislation. I can tell you what the spirit is. The spirit is not to try to find a way around the House but to persuade the Members of the House that this is in the highest national interest and that they, therefore, ought to join the Senate in approving the treaty.

Q. Would you explain the details again? What exactly goes to the House and what does the relationship of the protocol with the OAS have to do with the treaty that goes to the Senate?

Ambassador Linowitz: Yes. There are two separate issues and in effect two separate treaties. Let me talk about each of them in turn.

The canal treaty itself calls for the creation of a commission, calls for what the Panama Canal Commission will be doing, how it will operate, and so forth. To accomplish a number of these things legislation is going to be required. That will fall under the legislation that the House will have to participate in, and we have not yet worked out the whole scope of what that will be.

The neutrality treaty, which is a separate treaty, will have appended to it a protocol by means of which the neutrality treaty will be presented to the OAS for accession by all the countries of the world. In other words, all the nations of the world will be asked to indicate their support of this neutrality arrangement.

Q. That is called a separate treaty? The thing that goes to the House is not called a treaty, that is enabling legislation?

Ambassador Linowitz: That is the law. That is legislation, yes, sir.

Q. Could you tell me what it costs to operate the canal now?

Ambassador Bunker: The purpose is simply to recover the costs, so that the income from the canal and the other operations cover the cost of operating the canal, plus interest, which we pay to the U.S. Treasury, and includes depreciation.

Ambassador Linowitz: Could I add one word on that in amplification? We, since 1903, have been paying interest in the United States on the original investment in the canal. It currently runs at about \$20 million a year. As of now, some \$642.5 million has been repaid to the United States against the investment in the canal by the United States. This has been labeled interest. The sums that I have indicated before which will be paid out of revenues to Panama will come out of that interest.

Q. How realistic is it to think that there might some day be a new canal at sea-level somewhere in that area?

Ambassador Bunker: That is a matter that we have agreed with the Panamanians to study, to see whether a sea-level canal is desirable and feasible, and if it proves to be so, together to work out some arrangements for constructing such a canal.

Q. What kind of obligation do we have to pay for that if this feasibility study finds we should build that?

Ambassador Bunker: That would have to be determined at the time it is concluded that we should go ahead with the canal. It is understood that we will work out mutually agreeable terms for the construction and for the location of the canal.

Q. Do you think it will ever happen?

Ambassador Bunker: It is difficult to say. I think certainly it is a possibility it will happen, yes.

Q. Does this give us an option to be involved in a sea-level canal if anybody builds one there?

Ambassador Linowitz: If anybody?

Q. If it is ever built, do we have an option?

Ambassador Linowitz: What we have now is an understanding with Panama that this treaty, as it is put into effect, that we will together undertake a feasibility study to determine whether a sea-level canal makes sense to both of us.

Q. Could we get the other side of the coin? Supposing the thing falls apart—the Senate refuses to ratify; the House also?

Q. Let him finish the question. He was answering something.

Ambassador Linowitz: If that feasibility study indicates that in the interest of both countries this new sea-level canal can be built, we will negotiate mutually agreeable terms and conditions.

Q. Does that give us an option over any other country in the world?

Ambassador Linowitz: Let me put it this way: No other country has this agreement with Panama.

Q. It amounts to an option, then?

Ambassador Linowitz: No. I wouldn't call it an option. I am trying to be accurate. No other country has the agreement that we are going to be incorporating in this agreement.

Q. Is this canal through Panama or Nicaragua? Years ago there was a feasibility study about a canal going through Nicaragua.

Ambassador Bunker: Yes, but the feasibility studies that were made indicated that the most desirable routes were in Panama.

Q. How will the new commission differ from the Panama Canal Company and, secondly, there is a phrase back here on the second page, it says, U.S. civilians currently employed in the canal may continue in the U.S. Government jobs until retirement.

Does that mean some of them will be leaving employment in the Canal Zone and, in connection with the canal, taking other government jobs in the continental United States?

Ambassador Bunker: Yes, that is true. Some will be leaving but will have jobs elsewhere in the United States. They will

continue to be employees of the U.S. Government.

Q. Is there any percentage of the employees that is going to be involved that you could tell us about?

Ambassador Bunker: No. It is difficult to say at this stage.

Q. How is the commission different than the Company?

Ambassador Bunker: The commission—the agency which runs, operates the canal—will be a U.S. Government agency.

Q. Until?

Ambassador Bunker: They will be a supervising board of nine members on which we will have a majority. We will have five members at the board throughout the life of the treaty.

Q. Could I ask you to comment on the military phasedown? How soon does that begin? Where does it end? And then could you comment on how we will defend the canal after it becomes Panamanian property?

Ambassador Linowitz: There is nothing in the treaty that calls for a particular rate of phasedown except for the United States to undertake to do it as it deems best.

Q. You have 14 bases there now—something like that. Will that begin to go in the next few years? Will that begin to be phased down?

Ambassador Linowitz: There is no undertaking in that regard. I think that is the import of your question. We have the right to decide what we do or don't do with those bases.

Q. When you begin to phase them down, in other words?

Ambassador Linowitz: Exactly.

Q. After the canal becomes Panamanian territory, how do we defend it then?

Ambassador Linowitz: We are assured by the Joint Chiefs of Staff, by the Department of Defense, that the total arrangement we have worked out involving the neutrality treaty and the present canal treaty will permit us adequately to provide for the defense of the canal, now until the year 2000 and after the year 2000.

Q. Yes, but after the year 2000, would that mean we would no longer have any bases there at all after the year 2000?

Ambassador Linowitz: Yes.

Q. In other words, you would defend it with troops that would be stationed someplace else?

Q. Under what conditions would we intervene in the canal to protect the neutrality?

Ambassador Linowitz: I don't like the word intervene. Under what conditions would we be in the position to move? The answer is if the permanent neutrality of the canal were jeopardized—

Q. Who would decide that?

Ambassador Linowitz: We would. Then the United States would be in the position to take such steps as might be deemed necessary.

Q. Could I ask you, after sitting across from the Panamanians for untold hours, I wonder if you would give us a reading as to what their mood would be and what their course of action might be if, indeed, the U.S. Senate were to reject this treaty? What is the future of the canal under those circumstances?

Ambassador Linowitz: They would be terribly disappointed, they would feel this was a tremendous letdown, and it would not bode well for the future relationships between the United States and Panama and the United States and Latin America.

Q. What about the canal itself? During the Ford Administration, for example, there was talk that if the canal was not agreed to that perhaps, indeed, it might become a hemispheric Vietnam. Do you share that view?

Ambassador Linowitz: The danger of an explosive situation developing, if the treaty is not ratified, is there. It would be difficult to project. Ambassador Bunker, of all people, knows about Vietnam. I wonder if he has any comment.

Ambassador Bunker: The point is that the canal is very vulnerable. It is difficult to defend. It is difficult to keep in operation.

As I think General Brown [Chairman of the Joint Chiefs of Staff Gen. George Brown] expressed it once, we could defend the canal.

The question is whether we could keep it operating. That is the issue; that is the reason why we think that a new treaty is imperative.

Q. What did former President Ford tell you in your conversation with him? Did he promise to support your position or did you ask him to?

Ambassador Linowitz: I didn't ask. President Carter suggested he be briefed, and I briefed him on the developments that had taken place and we said we would be sending along the details and he appreciated it and said so.

Q. What was Governor Reagan's reaction when you briefed him?

Ambassador Linowitz: I didn't brief Governor Reagan since these arrangements have been worked out. Our discussion was some weeks ago.

Q. If we find it difficult to defend it now and if we give up the sovereignty over that area, how do we expect to defend it later in 20 years from now? Won't we be accused of going into that sovereignty, taking over?

Ambassador Linowitz: We don't believe we are giving up sovereignty. We don't believe we have had sovereignty, and we have to actually rely on the judgment of the most competent people we know—the Joint Chiefs, the Department of Defense, and those who are deeply concerned with our security—who assure us that under the arrangement we have worked out our national defense interests are well preserved.

Q. You just said it is difficult to defend. How can we defend it later?

Ambassador Linowitz: That is the best answer I can give you.

Q. If there should be a defense emergency,

how would we get troops and ships there quick enough and where would they come from? Guantanamo or where?

Ambassador Bunker: They would come probably from the mainland of the United States. There are bases here.

Q. That would take a while, wouldn't it?

Ambassador Bunker: Not very long, not with the amount of transportation.

Q. Have you consulted with former Secretary Kissinger?

Ambassador Linowitz: I have talked to Secretary Kissinger several times during the course of these negotiations.

Q. Can you indicate his response?

Ambassador Linowitz: He was interested and helpful and seemed pleased with the progress of the negotiations.

Q. If after the year 2000 circumstances should come about threatening the neutrality of the canal, you said that we would take whatever steps were deemed necessary. Could that conceivably involve U.S. troops actually entering the Canal Zone?

Ambassador Linowitz: I think the important fact is that we are in the position to take such action as we may think necessary. There are no limits prescribed in this instrument. And we are given certain rights without limiting language and, therefore, we are in a position to await the event and then make our determination.

Q. So the answer to the question is yes, it could include the U.S. troops entering the zone?

Ambassador Linowitz: I think the answer to the question is let's wait and see. We are trying not to get into those situations in the future.

Administration Officials Testify on the Panama Canal Treaties

Following are statements by Herbert J. Hansell, Legal Adviser, before the House Committee on Merchant Marine and Fisheries on August 17 and statements by Ambassadors Ellsworth Bunker and Sol M. Linowitz before the House International Relations Committee on September 8.¹

MR. HANSELL, AUGUST 17

I wish to address this morning a legal question that has arisen in the course of the Panama Canal negotiations. I refer to the question of whether property of the United States in the Canal Zone may be disposed of by treaty or whether legislation is required for such a disposition. Because this committee has oversight responsibility for the administration of the Panama Canal, the Canal Zone, and its waters, I appreciate that the committee has a particular interest in this legal question, and I wish to discuss it fully with you.

Ambassadors Bunker and Linowitz have described the general scope of the proposed treaties. I would simply wish to reiterate that under the proposed treaties, the Congress would have continuing legislative responsibility over such matters as U.S. defense activities in Panama, organization and functioning of the canal operation, financial management of the canal, employee relations, and navigation. In addition, specific legislation will be required to implement many aspects of the new relationship, including the establishment of a new canal operating agency and a new employment system and measures concerning the financial management of the canal.

While it is clear that extensive implement-

ing legislation will be required, we are not able yet to make specific proposals concerning the contemplated legislation since the texts of the treaties are still under negotiation. However, I would emphasize that the House of Representatives will, in any event, have a major role in the creation and implementation of any new relationship between the United States and Panama.

I would now like to turn to the legal question concerning the power to transfer property. The nub of the problem is the interrelation of the treaty power clause of the Constitution (Art. 2, §2, cl. 2) and the property clause of the Constitution (Art. 4, §3, cl. 2).

Article 2, §2, cl. 2, dealing with the powers of the President, states:

He shall have Power, by and with the Advice and Consent of the Senate, to make Treaties, provided two-thirds of the Senators present concur. . . .

Article 4, §3, cl. 2 provides:

The Congress shall have Power to dispose of and make all needful Rules and Regulations respecting the Territory or other Property belonging to the United States; and nothing in this Constitution shall be so construed as to Prejudice any Claims of the United States, or of any particular State.

I first note that nothing in the language of the two clauses limits the treaty power with respect to dispositions of property. Nor is Article 4, with respect to disposition of property, exclusive. As Mr. Justice Field stated in *Geofroy v. Riggs*,² “. . . the treaty power, as expressed in the Constitution, is in terms unlimited except by those restraints which are found in that instrument. . . .” But there is no restraint expressed in the Constitution with respect to dispositions of property. The property clause in Article 4, like most of the clauses granting legislative powers contained in Article 1, provides that “Congress shall have power,” without any qualification indi-

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

² 133 U.S. 258 at 267 (1890).

cating exclusiveness against the treaty power.

Today the rule is firmly settled that the treaty power extends to all areas within the legislative authority of Congress that are not expressly reserved by the Constitution to the exclusive jurisdiction of Congress. Under Article 6, cl. 2 of the Constitution, all treaties made under the authority of the United States which are self-executing take effect as the law of the land.

The Constitution, of course, contains some provisions which limit the treaty power with respect to specific subjects. Principal instances are Art. 1, §7, cl. 1 and Art. 1, §9, cl. 7. The former clause provides that: "All Bills for raising Revenue shall originate in the House of Representatives. . . ." The second clause cited ordains that: "No money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law. . . ." Hence it is recognized that treaties may neither impose taxes nor directly appropriate funds.

The property clause in Article 4, however, contains no language that would exclude concurrent application of the treaty power. In fact the placement of the property clause in Article 4 of the Constitution (which deals with Federal-State relations), rather than in Article 1 (which deals with the powers of Congress), provides further evidence that the property clause does not restrict the treaty power.

As the debates in the Constitutional Convention of 1787 show, the property clause originated in conjunction with the grant to Congress, in the preceding clause of section 3, of the power to create new States in the territories ceded to the United States. The powers of Congress enumerated in cl. 2 of that section were added to establish Federal authority over these territories and other property belonging to the United States, while preserving the claims of the States and the United States in disputed matters. The drafting history of that clause shows no indication of any intent to restrict the scope of the treaty power.

It is also significant that the property clause in Article 4 links "the power to dispose of" property closely to "the power . . . to make all needful Rules and Regulations" respecting the territory and other property belonging to the United States. These two

categories of congressional power are closely related. The applicability of the treaty power for one of these categories should be the same for the other. It is well settled that the treaty power can be used to make rules and regulations governing in the territory belonging to the United States, even in the District of Columbia.³

The power to dispose of public land and other property belonging to the United States by treaty is also supported by judicial decisions⁴ and long-standing practice.

The most familiar judicial statement of the power to transfer rights in land by treaty was made by Mr. Justice Clifford in *Holden v. Joy*:⁵

. . . It is insisted that the President and the Senate, in concluding such a treaty, could not lawfully covenant that a patent should be issued to convey lands which belonged to the United States without the consent of Congress, which cannot be admitted. On the contrary, there are many authorities where it is held that a treaty may convey to a grantee a good title to such lands without an act of Congress conferring it, and that Congress has no constitutional power to settle or interfere with rights under treaties, except in cases purely political.

Similarly in *Jones v. Meehan*,⁶ Mr. Justice Gray stated:

It is well settled that a good title to parts of the lands of an Indian tribe may be granted to individuals by a treaty between the United States and the tribe, without any act of Congress, or any patent from the Executive authority of the United States.⁷

Although the treaties in these cases were concluded with Indian tribes, the decisions are authoritative precedents for treaties with foreign nations. As the Supreme Court has stated,⁸ the former power of the United States to make treaties with the Indian tribes was:

. . . coextensive with that to make treaties with foreign nations. In regard to the latter, it is, beyond doubt, ample to cover all usual subjects of diplomacy.

³ *Geofroy v. Riggs*, 133 U.S. 258 (1890).

⁴ *Holden v. Joy*, 17 Wall. (84 U.S.) 211, 242, 243 (1872); *Geofroy v. Riggs*, 133 U.S. 258, 267 (1890); *Missouri v. Holland*, 252 U.S. 416, 433 (1920); *Asakura v. Seattle*, 265 U.S. 332, 341 (1924); *Santovincenzo v. Egan*, 284 U.S. 30, 40 (1931); *Reid v. Covert*, 354 U.S. 1, 16 (1957).

⁵ *Holden v. Joy*, 17 Wall. (84 U.S.) 211 at 247 (1872).

⁶ 175 U.S., 1 at 10 (1899).

⁷ 175 U.S. 1 at 32 (1899).

⁸ *U.S. v. 43 Gallons of Whiskey*, 93 U.S. 188 at 197 (1876).

Let me now turn to the treaty practice of the United States. There the precedents look two ways. The record shows instances where transfers of territory and other property have been made by or pursuant to treaties alone and instances where treaties or executive agreements disposing of property belonging to the United States have been concluded pursuant to or contingent upon congressional authorization.

Precedents supporting the power to dispose of property by treaty alone can be found in the boundary treaties with neighboring powers, especially in the treaties between the United States and Great Britain of 1842 and 1846 for the location of our northeast and northwest boundaries and in the treaty with Spain of 1819 which effectuated the cession of Florida and determined the boundary west of the Mississippi, ceding lands claimed by the United States on the Spanish side of the boundary.

I would like to call your special attention to the treaty with Mexico of 1933 and the treaty with Mexico of 1970. Both of these treaties provided for the rectification of the river channel and the cession of lands which would have been left on the other side of the channel.

Other recent examples of treaties transferring or providing for the transfer of real and personal property are the treaties between the United States and Honduras of 1971 recognizing the sovereignty of Honduras over the Swan Islands and the treaty between the United States and Japan of 1971 for the return to Japan of the Ryukyu and Daito Islands. Both treaties included provisions for the transfer of real and personal property belonging to the United States or its agencies. The terms of the treaties either transferred the property directly or agreed upon the transfer of property. The transfers were made without implementing legislation apparently in reliance on the treaty or general statutory authority to dispose of foreign excess property.

In the history of transfers of property to Panama we have had a mixed practice. Property has been transferred by executive agreement implemented by a Joint Resolution, by treaty providing specifically for legislation, and in at least one instance by treaty alone. However, in the legislation implement-

ing the 1955 treaty, Congress recognized the validity of conveyances made by operation of the treaty.

Thus, for all of these reasons, we conclude that the Constitution permits the transfer of property belonging to the United States under the treaty power.

I am authorized by the Attorney General to state that he concurs in the conclusions I have expressed here today. The Attorney General has provided a formal written opinion setting out his views. With your permission, I submit a copy of that opinion for the record.

AMBASSADOR BUNKER, SEPTEMBER 8

Ambassador Linowitz and I greatly appreciate the committee's invitation to discuss the new Panama Canal treaties.

This is our first appearance before a congressional committee since completion of the new treaties, which were signed yesterday by President Carter and Panama's General Torrijos and which will shortly go to the Senate for advice and consent to ratification.

The new agreements include the following documents:

—The Panama Canal Treaty, with two implementing agreements concerning canal operation (Agreement in Implementation of Article III of the Panama Canal Treaty) and defense (Agreement in Implementation of Article IV of the Panama Canal Treaty);

—Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal;

—Exchanges of notes concerning various U.S. Government activities currently located in the Canal Zone;

—A note concerning loans, loan guarantees, and credits to be provided to Panama to assist its economic development and to enhance its capability to contribute to canal defense.

In our opening statements Ambassador Linowitz and I will review a few of the most important features of these documents. I will outline the provisions governing canal operation and defense through December 31, 1999. Ambassador Linowitz will describe the neutrality treaty and the economic arrangements. Before taking up canal operation and defense, I want to make a few preliminary remarks.

Among the committees of the House, yours is the one most concerned with this nation's interests abroad. Nothing could better serve to underscore the significance of the new canal agreement to our foreign policy interests than the presence in Washington for yesterday's signing ceremony of presidents or prime ministers from 18 countries of the hemisphere and of high-level representatives from eight other American nations.

For many of these countries, the canal is an important trade artery. For all of them, the extended negotiations for a new canal agreement have been viewed as a test of our willingness to deal equitably with our Latin American neighbors.

Two U.S. foreign policy interests are involved in the new canal treaties: The first is our interest—for reasons of both trade and defense—in assured use of an efficiently operated and secure Panama Canal; the second is our interest in cooperative and productive relations with Latin America.

The nations to the south of us are important not only as neighbors sharing the same hemisphere but also as partners in trade and investment; sources of important raw materials; and as collaborators in building a secure, peaceful, and prosperous world community.

Four Presidents of both political parties have recognized that the protection of our nation's interest—with regard both to the Panama Canal and to the hemisphere—required reform of the treaty arrangements governing the canal.

We believe that the terms that have been negotiated fully meet the needs of the United States:

—They assure the efficient operation of the canal;

—They enable the United States to protect the canal;

—They guarantee the canal's neutrality permanently;

—They provide an economic settlement that is fair and reasonable; and

—They provide a firm foundation for long-term cooperation between the United States and Panama.

Let me now describe how canal operation and defense will be carried out under the

terms of the Panama Canal Treaty, which will remain in force until December 31, 1999.

The basic principle is that for the duration of the treaty—that is, for the rest of this century—the United States will retain control of operation and defense, with Panama taking part in both activities. This arrangement will assure that the United States can guarantee the uninterrupted, efficient operation and security of the canal after the new treaty goes into effect. It will also provide the necessary preparatory period for Panama to develop the capability to assume responsibility for canal operation and defense beginning in the year 2000. The key provisions are articles 3 and 4 of the Panama Canal Treaty.

In article 3 Panama grants to the United States “. . . the rights to manage, operate, and maintain the Panama Canal, its complementary works, installations and equipment and to provide for the orderly transit of vessels through the Panama Canal.”

Article 3 further lists a number of specific powers which the United States will have in order to exercise its responsibility for canal operation. These include the authority to: “Make and enforce all rules pertaining to the passage of vessels through the Canal. . . .” and to: “Establish, modify, collect and retain tolls. . . .”

In similar fashion article 4, which deals with defense matters, provides that for the duration of the treaty, the United States “. . . shall have primary responsibility to protect and defend the Canal.”

The Agreement in Implementation of Article 4 sets forth the specific rights which the United States will have in order to carry out its defense responsibilities. These include rights to station, train, and move military forces within Panama.

Of special importance to canal operation and defense are the arrangements for use of lands and waters in the present Canal Zone. Under the new treaty the Canal Zone will cease to exist, and the territory included in the zone will come under the general territorial jurisdiction of Panama. However, the United States will have access to and the rights to use all lands and waters needed for operation, maintenance, and defense of the canal through December 31, 1999. The specific areas re-

served for these purposes and the rights for their use are set forth in detail in the two implementing agreements. The designated areas include the canal itself and related facilities, together with military bases for the use of our forces.

To administer the canal, the United States will establish, under legislation to be sought from Congress, a U.S. Government agency, which will be called the Panama Canal Commission and which will replace the present Panama Canal Company.

Article 3 of the Panama Canal Treaty provides that the commission will be supervised by a board composed of five Americans and four Panamanians. The executive officers will be an Administrator and a Deputy Administrator. Until 1990 the Administrator will be an American and the Deputy, a Panamanian. Thereafter, the Administrator will be a Panamanian and the Deputy, an American. The Administrator, the Deputy Administrator, and all board members—both American and Panamanian—will be appointed by the United States.

Also affecting canal operation are the treaty provisions dealing with personnel of the canal enterprise. The basic guidelines on personnel are set forth in Article 10 of the Panama Canal Treaty.

In general, these are designed to allow present employees—both American and Panamanian whose services will be required by the new Panama Canal Commission—to continue working under conditions generally no less favorable than those which they currently enjoy.

For those who are displaced from their jobs, various procedures are provided to facilitate placement in other U.S. Government positions, to the extent these are available, and to assist in finding other jobs when necessary.

In addition, the United States will provide a special optional early retirement program to all persons employed by the Panama Canal Company and the Canal Zone Government immediately prior to entry into force of the new treaty.

The treaty also establishes guidelines for increasing employment of Panamanians at all levels in the canal enterprise in preparation for Panama's assumption of responsibility for

canal operation at the treaty's end. The right of collective bargaining for canal employees is guaranteed. We believe these provisions will make it possible for the Panama Canal Commission to retain a qualified workforce and will provide fair treatment for existing employees.

In this connection, I think it worth noting that the AFL-CIO, which represents most of the U.S. and Panamanian canal employees, has endorsed the new canal treaties.

The treaty makes special provision to insure that environmental considerations are not overlooked. In article 6, both governments commit themselves to implement the treaty in a manner consistent with the protection of the natural environment of Panama. The article also calls for the creation of a Joint Commission on the Environment which will review the treaty's implementation and will recommend ways to avoid or to mitigate any adverse environmental impacts which might arise from actions taken pursuant to the treaty.

A separate exchange of notes will provide for continued operation of the Smithsonian Tropical Research Institute, which makes such a valuable contribution to our understanding of the natural environment of the canal area. The wildlife preserve on Barro Colorado Island will also be maintained.

Taken as a whole, the treaty provisions concerning operation and defense provide a comprehensive approach toward meeting U.S. interests in the near and long term. They build on the effective administration and experienced personnel developed in 60 years of U.S. operation and provide a means to utilize these important assets under the new treaty.

The new agreements also establish an organized framework for development of an effective Panamanian management that can carry out canal operations after the year 2000. And they open the way for modernization of the canal should that become necessary in the future.

AMBASSADOR LINOWITZ, SEPTEMBER 8

As Ambassador Bunker has indicated, for more than 13 years, under four Presidents, the United States has been seeking to find the

basis for a new treaty with Panama to replace the outmoded treaty of 1903. It has been a long and arduous road beset with many obstacles and frustrations. Last evening we came to the end of the road. The President of the United States, on behalf of this country, signed two new treaties with Panama to replace the 1903 treaty.

These new treaties, we believe, represent a fair and equitable basis for dealing with the issues which have been the cause of so much dissension and hostility over the years. And they do so in a manner which fully protects our interests, properly recognizes Panamanian aspirations, and does us credit as a great democratic country.

As you know, President Ford has joined President Carter in announcing his full support for these two treaties, and they have been joined by a number of other leaders of both parties. They recognize that in these new treaties the United States has finally realized the result of such great effort by Democratic and Republican Administrations alike to achieve a fair and reasonable new treaty arrangement which permits us to act the way a great nation should act.

Ambassador Bunker has outlined a number of the major features of these new treaties to you, and I would like to follow by describing several others.

As you know, the new Panama Canal Treaty provides the basis for assuring to the United States continued access to a canal which is open and secure. Under the new treaty U.S. forces will have the primary responsibility for maintaining canal defense until the year 2000. But the United States will have very important rights extending beyond that date.

The separate Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, which will take effect simultaneously with the new Panama Canal Treaty, commits the United States and Panama to maintain a regime of neutrality of the canal. Under the rules of neutrality set forth in the treaty, the canal is to be open to merchant and naval vessels of all nations at all times without discrimination as to conditions or charges of transit.

A special provision authorizes U.S. and Panamanian warships to transit the canal expeditiously in both peace and war without being subject to any restrictions as regards means of propulsion, armament, or cargo.

The treaty gives the United States the right to assure that the canal's permanent neutrality is maintained and places no limitation on our ability to take such action as may be necessary in the event the canal's neutrality is threatened or violated.

It also prohibits any foreign country from operating the canal or stationing troops in Panama after the year 2000.

It is most important to stress that unlike the treaty governing canal operation, the neutrality treaty is of indefinite duration and calls for the maintenance of the canal's permanent neutrality. The neutrality treaty will also apply to any other international waterway that may be built in Panama in the future. In short, the neutrality treaty provides a firm foundation for assuring that our long-term interest in the maintenance of an open, accessible, secure, efficient canal is preserved—now and in the future.

In order to emphasize the importance of the regime of neutrality to world shipping, there is a protocol to the neutrality treaty, which will be open to accession by all countries of the world. The signatories to this protocol will, in effect, endorse the neutrality treaty by specifically associating themselves with its objectives and by agreeing to respect the regime of permanent neutrality of the canal both in time of war and in time of peace. The instruments of accession will be deposited with the Secretary General of the Organization of American States.

Now as to the economic terms of the new canal agreement: At the start of these negotiations, both countries agreed—in the 1974 Kissinger-Tack Joint Statement of Principles—that Panama should receive “. . . a just and equitable share of the benefits derived from the operation of the canal in its territory.” Consistent with this principle, the United States maintained, during the negotiations, that payments to Panama should be drawn entirely from the canal revenues—that is, that the payments should reflect the can-

al's economic value as measured by its revenue-generating capacity.

The agreement which has now been worked out has two components. First, payments to Panama, to be financed entirely from canal revenues, will be provided for in the new treaty. And a package of loans, loan guarantees, and credits outside of the treaty and subject to existing statutory procedures is also planned.

Payments to Panama from canal revenues to be provided for in the new treaty will consist of:

—A fixed share of tolls amounting to 30 cents per Panama Canal ton—we estimate that this will yield about \$40 million per year:

—A fixed payment of \$10 million per year, also to be drawn from canal revenues;

—An additional sum of up to \$10 million per year if canal revenues permit.

The economic development program outside of the treaty consists of loans, loan guarantees, and credits extending over a period of 5 years and will include the following components—all designed to support Panama's economic development:

—Up to \$200 million in Export-Import Bank credits;

—Up to \$75 million in AID [Agency for International Development] housing guarantees;

—A \$20 million Overseas Private Investment Corporation loan guarantee to COFINA, the Panamanian national development corporation.

In addition the United States is undertaking to provide to Panama up to \$50 million in foreign military sales credits over 10 years to assist it in developing the capability needed to exercise its responsibilities for canal defense under the new agreement.

None of these loans, guarantees, and credits will require appropriations from the Congress. I want to stress, however, that the disbursement of funds under these programs will be subject to all the procedures and criteria which normally apply to each of the programs involved.

We believe that the economic settlement is fair, reasonable, and appropriate. We are convinced that it is a good investment toward establishing a new relationship with Panama

that will protect our long-term interest in the canal. And it will not involve any additional burden for the American taxpayer, since it can be financed from canal revenues.

The canal treaty also grants to the United States certain rights in connection with adding a third lane of locks to the canal, or possibly construction of a sea-level canal in Panama. Under the treaty, we have the right to construct a third lane of locks if we should choose to do so at any time during the treaty.

With respect to a sea-level canal, the United States and Panama commit themselves jointly to study the feasibility of such a canal and, if they agree that such a canal is necessary, to negotiate mutually agreeable terms for its construction. Panama agrees that it will not negotiate with any other country for the construction of such a sea-level canal, and the United States undertakes not to negotiate with another nation for a sea-level canal in any other country in the hemisphere.

As was clear last evening during the treaty signing ceremonies, these new treaties will have profound significance throughout the hemisphere and they have the full approval of all the countries of Latin America. It has been apparent for years that the countries of Latin America have regarded the Panama Canal issue not as a bilateral matter but as a problem involving the United States on the one hand and all Latin America on the other. At the beginning of this year the heads of state of eight countries wrote to President Carter urging him to give highest priority to the resolution of this important issue which so strongly affects our relations with our neighbors to the South. So, in going forward with these new treaties and their ultimate ratification, the United States will be opening up a new era in its relationships in this hemisphere. Beyond that, we believe that these new agreements present us with a rare opportunity to demonstrate to the world how a large nation and a small nation can settle their differences amicably and with mutual respect and enter into a lasting partnership of which future generations will be proud. Such a treaty will bear witness to our intention to build a balanced, constructive, and lasting relationship among the countries of the hemisphere and the world at large.

Treaty Rights Acquired by the United States To Construct the Panama Canal

Early Interest in a Canal

Construction of the Panama Canal, completed in 1914 and based on treaty rights obtained in 1903, concluded a project which had been in various stages of planning for more than 4 centuries. Interest in a passageway connecting the Atlantic and Pacific Oceans dated back to the age of exploration. Failure to find a natural waterway through the American Continents focused attention on the narrow isthmus connecting North and South America and led explorers, such as Ceron and Cortez, to propose construction of a passage across the isthmus. Charles V took an active interest in the proposal, and, by the middle of the 16th century, four routes had been marked out as practicable: Darien, Panama, Nicaragua, and Tehuantepec. The scope of the undertaking was daunting, however, and little more than planning was done until the 19th century.

The United States began to take an interest in the construction of an artificial waterway early in the 19th century, after the surveys and reports of Alexander von Humboldt revived interest in the idea. In 1825, Secretary of State Henry Clay weighed a suggestion made by the Central American Republic that the United States cooperate in the construc-

tion of a Nicaraguan canal.¹ In 1826, Clay instructed American representatives to the Panama Congress that a Central American canal was a proper subject for discussion, and he added that the enterprise "should not be left to the separate and unassisted efforts of any one power" nor the benefits "exclusively appropriated to any one nation, but should be extended to all parts of the globe upon the payment of a just compensation or reasonable tolls."²

Treaty of 1846 with New Granada

Nothing came of the first indications of American interest in a Central American canal, but interest in the project continued and grew throughout the 19th century. In 1835, the Senate passed a resolution encouraging private American enterprise to undertake the construction of a canal under government protection, and in 1839 President Van Buren's confidential agent, John F. Stevens, surveyed the prospects for a canal and reported in favor of the Nicaraguan route, which he estimated would cost \$35 million.³ The cost was prohibitive, but in December 1846 Benjamin Bidlack, the American Chargé d'Affaires in Bogotá, laid the basis for an American canal by negotiating with Foreign Minister Manuel Mallarino of New Granada, Colombia, a treaty by which the United States guaranteed the neutrality of the isthmus of Panama and, as a

NOTE: This study (Research Memorandum No. 1145) was prepared in December 1975 at the request of Ambassador Ellsworth Bunker's office. It is based upon secondary works and published official documents. The research and writing were done by Louis J. Smith under the direction of Mary P. Chapman, Chief of the Area Studies Branch, Historical Office, Bureau of Public Affairs, Department of State.

¹ D.C. Miner, *The Fight for the Panama Route* (New York: Columbia University Press, 1940), p. 11.

² J.B. Moore, *A Digest of International Law* (Washington: Government Printing Office, 1906), III, 2. As it turned out, the U.S. delegates failed to arrive at Panama.

³ *Senate Journal*, 23d Cong., 2d Sess., p. 238; Miner, *The Fight for the Panama Route*, p. 12.

LEGAL BASIS FOR THE AUTHORITY OF THE U.S. IN THE CANAL ZONE

The United States acquired the use, occupation, and control of the Canal Zone under Article II of the 1903 treaty, but the rights of private property owners in the zone were specifically preserved. Subsequently, the United States constructed numerous facilities and installations, including the canal, and paid private property owners for the holdings taken from them, either through purchase or indemnification for damage in accordance with Article VI of the 1903 treaty.

In addition, the United States was given, by Article III of the 1903 treaty, the privilege of exercising the rights, powers, and authority over the area which the United States would exercise if it were the sovereign of the territory.

From 1904 to the present, however, the United States consistently has recognized that the Canal Zone remains Panamanian territory. As early as 1905, for example, William Howard Taft, then Secretary of War, stated in a letter addressed to the President:

"... the truth is that while we have all the attributes of sovereignty necessary in all construction, maintenance, and protection of the Canal, the very form in which these attributes are conferred in the treaty (of 1903) seems to preserve the titular sovereignty over the Canal Zone in the Republic of Panama. . . ."

From the legal standpoint, then, the United States does not have sovereignty; rather, we own certain property in and, by treaty right, exercise virtually complete jurisdiction over that part of Panamanian territory which comprises the Canal Zone.

From the practical point of view, the basic interest of the United States in the canal is that it remain open, safe, efficient, and neutral.

Perpetuating this extraneous authority contributes nothing to the protection of our interests in the Panama Canal; it actually threatens those interests by creating resentment against our presence.

We are proposing in a new treaty to return to Panama those aspects of authority which are not substantially related to the protection of our basic interests in the canal, while retaining for the United States those which are. Thus, under the new treaty each country would have the means of protecting its own vital concerns without impugning unnecessarily on the legitimate interests of the other country.

The legal basis for our authority under a new treaty would be the same as it is today—treaty rights granted to the United States by the Republic of Panama.

concomitant, also guaranteed New Granadan sovereignty over the isthmus. In return, the United States was granted the right of free passage across the isthmus.⁴ Bidlack acted without instructions, but the Senate ratified the treaty without amendments. The purpose of the treaty was commercial, and President Polk anticipated that Britain and France would subscribe to the pledge of neutrality.

Clayton-Bulwer Treaty of 1850

Britain, under Palmerston's strong hand, had no desire to encourage American designs on Central America. The American interest in Panama and the war between the United States and Mexico impressed upon Palmerston the threat of American imperialism, and he moved to solidify British interests in Nicaragua along one of the proposed canal routes. Britain had a long-established protective relationship with the native people who populated the Mosquito coast of Nicaragua. Acting through the Mosquito king, Palmerston ordered Nicaragua to withdraw from the mouth of the San Juan River by January 1, 1848, or be expelled by force. Nicaragua turned to the United States for support. President Polk sent Elijah Hise to Central America to encourage opposition to the British demands, and Hise, acting without instructions, concluded a convention with Nicaragua in June 1849 which granted to the United States the exclusive right to build, fortify, and protect a canal or railroad across Nicaragua. In return, the United States was to guarantee the territorial integrity of Nicaragua.⁵

The convention negotiated by Hise was unacceptable to Washington, and it conflicted sharply with British pretensions. The new Taylor Administration dispatched E. G. Squier to replace Hise with more guarded instructions. Squier negotiated a more modest treaty which recognized Nicaragua's sovereignty over the canal route and guaranteed the neu-

⁴ William M. Malloy (comp.), *Treaties, Conventions, International Acts, Protocols and Agreements* (Washington: Government Printing Office, 1910), I, 302-14.

⁵ *House Exec. Docs.*, 31st Cong., 1st Sess., No. 75, pp. 110-17.

trality of any canal constructed by U.S. citizens.⁶ Squier's agreement did not sit much better with the British, and an involved dispute and attendant negotiations ensued. The up-shot was the Clayton-Bulwer treaty signed in Washington on April 19, 1850. By the terms of the treaty, neither Britain nor the United States was to control or fortify a Nicaraguan canal, neither was to take possession of, fortify, colonize, or exercise dominion over any part of Central America, and both were to guard the safety and neutrality of the proposed canal, wherever it was constructed in Central America.⁷

The Clayton-Bulwer treaty had the effect, while it remained in force, of prohibiting the development of a canal under American control. Irritation with the restraints imposed by the Clayton-Bulwer agreement mounted as the nation grew in strength and confidence during the years following the American Civil War. The opening of the Suez Canal in 1869 and the development of the American west lent impetus to the desire for an American effort to link the Atlantic and the Pacific. In 1878, a French company which included Ferdinand de Lesseps, the principal architect of the Suez Canal, obtained a concession from Colombia to build a canal across the Isthmus of Panama. The French company pledged that the canal would be kept free from political influence, but Secretary of State Evarts protested:

Our Pacific coast is so situated that, with our railroad connections, time (in case of war) would always be allowed to prepare for its defense. But with a canal through the isthmus the same advantage would be given to a hostile fleet which would be given to friendly commerce; its line of operations and the time in which warlike demonstration could be made, would be enormously shortened. All the treaties of neutrality in the world might fail to be a safeguard in a time of great conflict.⁸

President Hayes added, in a message submitted to the Senate on March 8, 1880, that:

The policy of this country is a canal under American control. The United States cannot consent to the surrender of this control to any European power or to any combination of European powers.⁹

⁶ *Ibid.*, pp. 152-54, 168-74.

⁷ Malloy, *Treaties*, I, 659-63.

⁸ Moore, *A Digest of International Law*, III, 15.

⁹ *Senate Exec. Docs.*, 46th Cong., 2d Sess., No. 112.

The American view was that an interoceanic canal would be virtually a part of the coastline of the United States.

Efforts to renegotiate the Clayton-Bulwer treaty to bring it into line with the American point of view failed, and in 1884 Secretary of State Frelinghuysen decided, in frustration, to ignore it. He negotiated a convention with Nicaragua which granted the United States the exclusive right to build and control a canal, and, despite the obvious conflict with the Clayton-Bulwer agreement, the Frelinghuysen-Zavala treaty was only narrowly rejected by the Senate.¹⁰ A group of American capitalists decided in 1887 to push ahead with the Nicaraguan project in any event, and in 1889 Congress incorporated the enterprise as the Maritime Canal Company of Nicaragua. At that point, the French effort in Panama collapsed, defeated by graft, corruption, and disease, and 3 years later the American effort in Nicaragua suffered a similar fate. The failures made it clear that the interoceanic canal would not be completed by private enterprise.

The need for a canal remained, however, and from the American point of view the need was underlined by the Spanish-American war. It took the U.S. cruiser *Oregon* 90 days to sail from the Pacific coast of the United States to its Atlantic battle station, and the value of a canal was driven home. The United States emerged from the war as a naval power with two-ocean responsibilities. The McKinley Administration determined to push for the construction of an American canal, but the agreement with Britain still stood in the way.

Hay-Pauncefote Treaties of 1900 and 1901

When American diplomats approached the British Foreign Office at the turn of the century to try again to renegotiate the Clayton-Bulwer treaty, they found the British in a much more accommodating frame of mind. Mired in the Boer war and faced with French animosity and German competition, the British were anxious to win American goodwill. Accordingly, Foreign Secretary

¹⁰ Miner, *The Fight for the Panama Route*, p. 22.

Lansdowne agreed to a new treaty to supersede the 1850 agreement. After an unsuccessful effort to include the Canada-Alaska boundary dispute in the agreement, the British ambassador in Washington, Lord Pauncefote, signed a treaty on February 5, 1900, which provided that the United States could construct, own, and neutralize a canal across the isthmus, but could not fortify it. The Senate was not prepared to accept any further limitations, however, and Secretary of State Hay was forced to renegotiate the understanding. The second Hay-Pauncefote treaty, signed on November 18, 1901, eliminated the earlier restriction, and, although it did not explicitly concede to the United States the right to fortify a canal, the Senate was satisfied, and the treaty was ratified in February 1902.¹¹

With the British restriction cleared away, the remaining question was where to build the canal. The shortest route was across the isthmus of Panama, but that route was tainted by the French scandal and complicated by the concession which the French company still held. By contrast, there was an established American interest in the Nicaraguan route, where an American company had already made a beginning and where the Nicaraguan Government welcomed American interest. In 1897, the Walker Commission was appointed to study the proposed canal routes. The commission recommended the Nicaraguan route in 1899, and reconfirmed its recommendation in 1901. On May 2, 1900, the House of Representatives voted in favor of the Nicaraguan route by a margin of 224 to 36.¹²

Panama Canal Bill of 1902 (The "Spooner Act")

The growing sentiment in favor of the Nicaraguan route roused the representatives of the French company which held the Panama concession from Colombia to mount a remarkable lobbying effort in Washington on behalf of the Panamanian route. The French company had offered to sell its concession for \$109 million. After the House voted in favor of the Nicaraguan route, however, the new

Panama Canal Company dropped the asking price to \$40 million. Philippe Bunau-Varilla, the former chief engineer of the company, and William Cromwell, the American legal representative of the company, set about the task of trying to convince American officials that the Panamanian route would be cheaper, quicker, and less dangerous than the Nicaraguan route. They succeeded in persuading a majority in the Senate that a Panama, rather than a Nicaragua, canal was in America's best interests. The Spooner Act, which became law in June 1902, instructed the President to secure a right-of-way across the Isthmus of Panama, but, if he failed to do so "within a reasonable time and upon reasonable terms," he was to turn to Nicaragua.¹³

Hay-Herran Treaty of 1903

The Colombian Government, which was beset with financial problems growing out of a civil war, was willing to negotiate an understanding with the United States but saw no reason why the French company should get \$40 million which could well go to Colombia since the French concession was about to run out. The United States had the Nicaraguan route to fall back on in the negotiations and was in a good position to bargain. President Roosevelt was anxious to "make the dirt fly," however, and, at his instruction, Secretary Hay delivered an ultimatum on January 21, 1903, to the Colombian negotiator, Thomas Herran:

I am commanded by the President to inform you that the reasonable time provided in the statute for the conclusion of the negotiations with Colombia for the excavation of an Isthmian Canal has expired, and he has authorized me to sign the treaty of which I had the honor to give you a draft, with the modification that the sum of \$100,000, fixed therein as the annual payment, be increased to \$250,000. I am not authorized to consider or discuss any other change.¹⁴

Herran signed the treaty on the following day. The treaty would have given the United States a 100-year lease on a strip of land 10 kilometers wide across the isthmus for an initial payment of \$10 million and an annuity of

¹¹ Malloy, *Treaties*, I, 782-84.

¹² *Cong. Rec.*, 56th Cong., 1st Sess., pp. 5014-5015.

¹³ *Cong. Rec.*, 57th Cong., 1st Sess., p. 7074.

¹⁴ Quoted in Miner, *The Fight for the Panama Route*, p. 195.

\$250,000, but the Colombian Senate rejected the agreement.

Independence of Panama and the Hay-Bunau-Varilla Treaty of 1903

President Roosevelt was furious at what he saw as Colombian greed, and he denounced the Colombians in private as "inefficient bandits," "foolish and homicidal corruptionists," and "contemptible little creatures."¹⁵ Bunau-Varilla, who had very good contacts in Washington, was aware of Roosevelt's anger and frustration. He calculated that the United States would support a revolution in Panama if it would facilitate the construction of an American canal. Roosevelt later denied that either he or his government conspired to encourage a Panamanian revolt, but Bunau-Varilla was able to tell the Panamanian patriots who had long been anxious to revolt that the U.S.S. *Nashville* would arrive at Colon, Panama, on November 2, 1903, and that the United States would enforce the provisions of the treaty of 1846 to prevent the Colombian Government from crushing the revolt.¹⁶ With that encouragement, the small patriot army of Panama revolted on November 3, and American naval forces, acting to preserve freedom of transit across the isthmus, prevented Colombian troops from landing to suppress the revolt. Panama declared its independence on November 4, and the Roosevelt Administration accorded recognition on November 6.

With the establishment of the Republic of Panama, the success of the canal negotiations was assured. Bunau-Varilla was appointed as diplomatic agent to negotiate the agreement for Panama, and he completed the negotiations with Secretary Hay before the arrival of two additional Panamanian ministers, authorized to participate in the negotiations. The terms of the Hay-Bunau-Varilla treaty were all that the Roosevelt Administration could desire. The United States was authorized to build a canal through a zone 10 miles in width and to administer, fortify, and

defend it. The zone was granted to the United States "in perpetuity" (Article II) and the United States was accorded rights over it tantamount to sovereignty (Article III):

The Republic of Panama grants to the United States all the rights, power and authority within the zone mentioned and described in Article II of this agreement and within the limits of all auxiliary lands and waters mentioned and described in said Article II which the United States would possess and exercise if it were the sovereign of the territory within which said lands and waters are located to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority.¹⁷

In return, the United States guaranteed the independence of Panama and agreed to pay \$10 million and an annuity of \$250,000 beginning 9 years after the treaty came into force.¹⁸ The treaty was ratified by the United States Senate on February 23, 1904, 3 months after it had been approved by the Government of Panama.

Thomson-Urrutia Treaty of 1914

The Hay-Bunau-Varilla treaty made possible the construction of the Panama Canal, but the entire episode placed a severe strain on U.S.-Colombian relations. In April 1914, the United States sought to repair the damaged relations. By the terms of the Thomson-Urrutia convention, the United States expressed "sincere regret" over the incident and agreed to pay an indemnity of \$25 million.¹⁹ Former President Roosevelt saw the agreement as a criticism of his Administration, however, and rallied his friends in the Senate to prevent ratification. It was not until 1921, after Roosevelt's death, that the Senate ratified an amended form of the treaty which retained the indemnity but omitted the apology. Colombia accepted the compromise, and the Panamanian incident was closed.

Bryan-Chamorro Treaty of 1914 and the U.S.-Panama Treaties of 1936 and 1955

The Bryan-Chamorro treaty with Nicaragua in 1914 tied up another loose end. By the

¹⁵ Quoted in Thomas A. Bailey, *A Diplomatic History of the American People* (New York: Crofts, 1940), pp. 538-39.

¹⁶ *Ibid.*, p. 541.

¹⁷ Malloy, *Treaties*, II, 1350.

¹⁸ *Ibid.*, pp. 1349 and 1354.

¹⁹ Bailey, *A Diplomatic History of the American People*, p. 545.

terms of this treaty, the United States gained the exclusive option to build a canal through Nicaragua and thus prevented the development of a competing canal. The United States maintained, and gave occasional consideration to, the Nicaraguan option until the treaty was abrogated in 1970. The treaty signed in 1903 by the United States and Panama has also been subject to regular review.

Panamanians have maintained from the outset that the Hay-Bunau-Varilla treaty was inequitable, and the United States has made allowance for a number of the Panamanian complaints. In 1904 Secretary of War William Howard Taft negotiated the so-called Taft Agreements, which met a number of minor grievances and which remained in effect until 1924.

A major revision of the treaty of 1903 did not take place until 1936, when the United

States and Panama signed a treaty revising the terms governing American control over the canal. Among other things, the 1936 treaty increased the annuity of \$430,000 and changed the U.S. guarantee of Panamanian independence into an agreement to consult for mutual defense.

The other major revision of the canal agreement which has occurred since 1903 is the treaty which was signed by the United States and Panama in 1955. By the terms of the 1955 agreement the canal annuity was increased to \$1,930,000, Panamanians were accorded job and commercial equality with Americans in the Canal Zone, some boundary adjustments were made, and the United States relinquished its monopoly over a trans-isthmian railroad.²⁰ Panamanian dissatisfaction with the canal agreement has continued, however.

TREATY INFORMATION

Current Actions

MULTILATERAL

Antarctica

Recommendations relating to the furtherance of the principles and objectives of the Antarctic treaty. Adopted at Oslo June 20, 1975, at the Eighth Consultative Meeting.¹

Notification of approval: United Kingdom, September 1, 1977.

Aviation

Convention on international civil aviation. Done at Chicago December 7, 1944. Entered into force April 4, 1947. TIAS 1591.

Notification of adherence deposited: Democratic People's Republic of Korea, August 16, 1977.

Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591). Done at Montreal October 16, 1974.¹

Senate advice and consent to ratification: September 26, 1977.

Coffee

International coffee agreement 1976, with annexes. Done at London December 3, 1975. Entered into force August 1, 1977.

Ratifications deposited: Cameroon, September 23, 1977; Ireland, September 22, 1977.

Proclaimed by the President: September 22, 1977.

Customs

Customs convention regarding E.C.S. carnets for commercial samples, with annex and protocol of signature. Done at Brussels March 1, 1956. Entered into force October 3, 1957; for the United States March 3, 1969. TIAS 6632.

Notification of denunciation deposited: Austria, August 10, 1977; effective November 10, 1977.

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977.¹

Signature: Cuba, September 23, 1977.

¹ Not in force.

²⁰ For a survey of U.S.-Panamanian relations during the period of 1903-63, see Department of State, Historical Office, Research Project No. 658, "Highlights in the Relations Between the United States and Panama, 1903-1963."

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976.¹
Signatures: Cuba, September 23, 1977; Peru, September 20, 1977.
Ratification deposited: Malta, September 23, 1977.

Load Lines

International convention on load lines, 1966. Done at London April 5, 1966. Entered into force July 21, 1968. TIAS 6331, 6629, 6720.
Accession deposited: Senegal, August 18, 1977.

Patents

Patent cooperation treaty, with regulations. Done at Washington June 19, 1970.¹
Ratification deposited: Switzerland, September 14, 1977.

Poplar Commission

Convention placing the International Poplar Commission within the framework of the Food and Agriculture Organization. Entered into force September 26, 1961; for the United States August 13, 1970. TIAS 6952.
Acceptance deposited: Iraq, June 7, 1977.

Satellite Communications System

Agreement relating to the International Telecommunications Satellite Organization (INTELSAT), with annexes. Done at Washington August 20, 1971. Entered into force February 12, 1973. TIAS 7532.
Accession deposited: Angola, September 23, 1977.
Operating agreement relating to the International Telecommunications Satellite Organization (INTELSAT), with annex. Done at Washington August 20, 1971. Entered into force February 12, 1973. TIAS 7532.
Signature: Empresa Publica de Telecomunicacoes (EPTTEL) for Angola, September 23, 1977.

Wheat

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement) 1971. Done at Washington March 17, 1976. Entered into force June 19, 1976, with respect to certain provisions and July 1, 1976, with respect to other provisions.
Proclaimed by the President: September 22, 1977.

Protocol modifying and further extending the food aid

¹ Not in force.

convention (part of the international wheat agreement) 1971. Done at Washington March 17, 1976. Entered into force June 19, 1976, with respect to certain provisions and July 1, 1976, with respect to other provisions.

Proclaimed by the President: September 22, 1977.

Women

Convention on the political rights of women. Done at New York March 21, 1953. Entered into force July 7, 1954; for the United States July 7, 1976.
Notification of succession: Bahamas, August 16, 1977.

BILATERAL

Bangladesh

Agreement amending the agreement for sales of agricultural commodities of April 1, 1977, and the agreed minutes of the same date. Effected by exchange of notes at Dacca September 21, 1977. Entered into force September 21, 1977.

Korea

Agreement amending and extending the agreement of June 26, 1975, as amended (TIAS 8124, 8267), relating to trade in cotton, wool, and manmade fiber textiles. Effected by exchanges of notes at Washington September 27, 1977. Entered into force provisionally, September 27, 1977; definitively, when Korea notifies the United States of the completion of its domestic legal procedures necessary for entry into force.

Mexico

Agreement relating to the development of telecommunications capability to support the narcotics control effort. Effected by exchange of letters at Mexico September 7, 1977. Entered into force September 7, 1977.

Sudan

Agreement for sales of agricultural commodities. Signed at Khartoum February 21, 1977.
Entered into force: July 7, 1977.

Zaire

Agreement amending the agreement for sales of agricultural commodities of May 24, 1977. Effected by exchange of notes at Kinshasa September 19 and 20, 1977. Entered into force September 20, 1977.

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Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

| No. | Date | Subject |
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| *433 | 9/26 | Vance: statement before Senate Foreign Relations Committee on Panama Canal treaties. |
| *434 | 9/26 | Mari-Luci Jaramillo sworn in as Ambassador to Honduras (biographic data). |
| *435 | 9/26 | William B. Schwartz, Jr., sworn in as Ambassador to the Bahamas (biographic data). |
| *436 | 9/26 | U.S., Haiti amend bilateral textile agreement, Sept. 14–15. |
| *437 | 9/27 | Composer David Amram to tour Latin America under the American Specialists Program, Oct. 2–29. |
| *438 | 9/27 | James J. Romano appointed Director of Reception Center at Miami and Tobias Hartwick appointed Director of Reception Center at New Orleans (biographic data). |
| *439 | 9/27 | Joan Adams Brann appointed Director of Reception Center at San Francisco (biographic data). |
| *440 | 9/29 | U.S., Korea amend and extend bilateral textile agreement, Sept. 27. |
| *441 | 9/29 | Advisory Committee on Private International Law, Study Group on Leasing of the Security Interests in Movable Property, Nov. 4. |
| 442 | 9/30 | Paul H. Boeker sworn in as Ambassador to Bolivia (biographic data). |
| 443 | 10/1 | Shipping Coordinating Committee (SCC) Subcommittee on Safety of Life at Sea (SOLAS), working group on ship design and equipment, Nov. 16. |
| 444 | 10/1 | SCC, SOLAS, ad hoc working group on nuclear ships of the working group on design and equipment, Oct. 26–27. |
| 445 | 10/1 | Advisory Committee on International Intellectual Property, Oct. 25. |

† Not printed.

‡ Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE **BULLETIN**

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The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

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U.S. Role in a Peaceful Global Community

Address by President Carter¹

Mr. President, Mr. Secretary General, assembled delegates, and distinguished guests:

Mr. President, I wish to offer first my congratulations on your election as President of the 32d General Assembly. It gives my own government particular satisfaction to work under the leadership of a representative from Yugoslavia, a nation with which the United States enjoys close and valued relations. We pledge our cooperation and will depend heavily on your experience and skill in guiding these discussions, which we are beginning.

Mr. President, I would also like to express again the high esteem in which we hold Secretary General Waldheim. We continue to benefit greatly from our close consultations with him, and we place great trust in his leadership of this organization.

Thirty-two years ago, in the cold dawn of the atomic age, this organization came into being. Its first and its most urgent purpose has been to secure peace for an exhausted and ravaged world.

Present conditions in some respects appear quite hopeful, yet the assurance of peace continues to elude us. Before the end of this century, a score of nations could possess nuclear weapons. If this should happen, the world that we leave our children will mock our own hopes for peace.

—The level of nuclear armaments could grow by tens of thousands, and the same situation could well occur with advanced conventional weapons. The temptation to use these weapons, for fear that someone else might do it first, would be almost irresistible.

—The ever-growing trade in conventional arms subverts international commerce from a

force for peace to a caterer for war.

—Violence, terrorism, assassination, undeclared wars all threaten to destroy the restraint and the moderation that must become the dominant characteristic of our age.

Unless we establish a code of international behavior in which the resort to violence becomes increasingly irrelevant to the pursuit of national interests, we will crush the world's dreams for human development and the full flowering of human freedom.

We have already become a global community—but only in the sense that we face common problems and we share, for good or evil, a common future. In this community, power to solve the world's problems—particularly economic and political power—no longer lies solely in the hands of a few nations. Power is now widely shared among many nations with different cultures and different histories and different aspirations. The question is whether we will allow our differences to defeat us or whether we will work together to realize our common hopes for peace.

Today I want to address the major dimensions of peace and the role the United States intends to play in limiting and reducing all armaments, controlling nuclear technology, restricting the arms trade, and settling disputes by peaceful means.

Control of Nuclear Arms

When atomic weapons were used for the first time, Winston Churchill described the power of the atom as a revelation long mercifully withheld from man. Since then we have learned, in Durrenmatt's chilling words, that "what has once been thought can never be un-thought."

If we are to have any assurance that our

¹Made before the 32d U.N. General Assembly on Oct. 4, 1977 (text from Weekly Compilation of Presidential Documents dated Oct. 10).

children are to live out their lives in a world which satisfies our hope—or that they will have a chance to live at all—we must finally come to terms with this enormous nuclear force and turn it exclusively to beneficial ends.

Peace will not be assured until the weapons of war are finally put away. While we work toward that goal, nations will want sufficient arms to preserve their security. The U.S. purpose is to insure peace. It is for that reason that our military posture and our alliances will remain as strong as necessary to deter attack.

However, the security of the global community cannot forever rest on a balance of terror. In the past, war has been accepted as the ultimate arbiter of disputes among nations. But in the nuclear era, we can no longer think of war as merely a continuation of diplomacy by other means. Nuclear war cannot be measured by the archaic standards of "victory" or "defeat." This stark reality imposes on the United States and the Soviet Union an awesome and special responsibility.

The United States is engaged, along with other nations, in a broad range of negotiations. In Strategic Arms Limitation Talks (SALT), we and the Soviets are within sight of a significant agreement in limiting the total

numbers of weapons and in restricting certain categories of weapons of special concern to each of us. We can also start the critical process of curbing the relentless march of technological development which makes nuclear weapons ever more difficult to control.

We must look beyond the present and work to prevent the critical threats and instabilities of the future. In the principles of self-restraint, reciprocity, and mutual accommodation of interests—if these are observed, then the United States and the Soviet Union will not only succeed in limiting weapons but will also create a foundation of better relations in other spheres of interest.

The United States is willing to go as far as possible, consistent with our security interests, in limiting and reducing our nuclear weapons. On a reciprocal basis we are willing now to reduce them by 10 percent or 20 percent, even 50 percent. Then we will work for further reductions to a world truly free of nuclear weapons.

The United States also recognizes a threat of continued testing of nuclear explosives. Negotiations for a comprehensive ban on nuclear explosions are now being conducted by the United States, the United Kingdom, and the Soviet Union. As in other areas where vital national security interests are engaged, agreements must be verifiable and fair. They must be seen by all the parties as serving a longer term interest that justifies the restraints of the moment.

The longer term interest in this instance is to close one more avenue of nuclear competition and thereby demonstrate to all the world that the major nuclear powers take seriously our obligations to reduce the threat of nuclear catastrophe.

My country believes that the time has come to end all explosions of nuclear devices, no matter what their claimed justification—peaceful or military—and we appreciate the efforts of other nations to reach this same goal.

During the past 9 months I have expressed the special importance that we attach to controlling nuclear proliferation. But I fear that many do not understand why the United States feels as it does. Why is it so important

**U.S. DELEGATION
TO THE 32D U.N. GENERAL ASSEMBLY ***

Representatives

Andrew Young
James F. Leonard
Lester L. Wolff, U.S. Representative from the
State of New York
Charles W. Whalen, Jr., U.S. Representative from
the State of Ohio
Coretta Scott King

Alternate Representatives

Donald F. McHenry
Melissa F. Wells
Allard K. Lowenstein
Marjorie Craig Benton
John Clifford Kennedy

* Confirmed by the Senate on Sept. 21, 1977 (text from USUN press release 66 dated Sept. 21).

UNITED NATIONS DAY, 1977

A P R O C L A M A T I O N ¹

Each year on October 24, Americans join with the people of other countries in celebrating the anniversary of the United Nations—an institution created to maintain international peace and security, to promote the self-determination of peoples, to encourage respect for human rights, and to foster economic and social welfare.

Americans have been instrumental in creating the United Nations, in advancing cooperation through its forums, and in providing, over the years, the largest share of its financial support.

Since its establishment at San Francisco in 1945, the United Nations has undergone profound change. Its membership has nearly trebled from the original 51 members, as most of the former colonial areas of Asia and Africa received their independence. New problems brought on by developments in science and technology and by global interdependence have tested the ability of governments to cooperate harmoniously. Problems like the arms race, the spread of nuclear weapons, the international economic order, the disposition of the world's oceanic resources, energy, and environmental pollution transcend national boundaries, making the United Nations and its specialized and technical agencies of continuing importance to the international community.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby designate Monday, October 24, 1977, as United Nations Day. I have appointed Henry Ford II to be United States National Chairman for United Nations Day and I urge appropriate observances to inform citizens of the aims and achievements of the United Nations and its affiliated agencies.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of September, in the year of our Lord nineteen hundred seventy-seven, and of the Independence of the United States of America the two hundred and second.

JIMMY CARTER.

¹No. 4525; 42 *Fed. Reg.* 49433.

together on every facet of the nuclear fuel cycle.

The scientists and the policymakers of these nations will face a tremendous challenge. We know that by the year 2000 nuclear power reactors could be producing enough plutonium to make tens of thousands of bombs every year. I believe, from my own personal knowledge of this issue, that there are ways to solve

to avoid the chance that one or two or ten other nations might acquire one or two or ten nuclear weapons of their own? Let me try to explain why I deeply believe that this is one of the greatest challenges that we face in the next quarter of a century.

It's a truism that nuclear weapons are a powerful deterrent. They are a deterrent because they threaten. They could be used for terrorism or blackmail, as well as for war. But they threaten not just the intended enemy; they threaten every nation—combatant or noncombatant alike. That is why all of us must be concerned.

Let me be frank. The existence of nuclear weapons in the United States and the Soviet Union, in Great Britain, France, and China is something that we cannot undo except by the painstaking process of negotiation. But the existence of these weapons does not mean that other nations need to develop their own weapons, any more than it provides a reason for those of us who have them to share them with others.

Rather it imposes two solemn obligations on the nations which have the capacity to export nuclear fuel and nuclear technology—the obligations to meet the legitimate energy needs and, in doing so, to insure that nothing that we export contributes, directly or indirectly, to the production of nuclear explosives. That is why the supplier nations are seeking a common policy, and that is why the United States and the Soviet Union, even as we struggle to find common ground in the SALT talks, have already moved closer toward agreement and cooperation in our efforts to limit nuclear proliferation.

I believe that the London Suppliers Group must conclude its work as it's presently constituted so that world security will be safeguarded from the pressures of commercial competition. We have learned it is not enough to safeguard just some facilities or some materials; full scope comprehensive safeguards are necessary.

Two weeks from now, in our own country, more than 30 supplier and consuming nations will convene for the International Fuel Cycle Evaluation, which we proposed last spring. For the next several years experts will work

the problems that we face. I believe that there are alternative fuel cycles that can be managed safely on a global basis. I hope, therefore, that the International Fuel Cycle Evaluation will have the support and the encouragement of every nation.

I've heard it said that efforts to control nuclear proliferation are futile; that the genie is already out of the bottle. I do not believe this to be true. It should not be forgotten that for 25 years the nuclear club did not expand its membership. By genuine cooperation, we can make certain that this terrible club expands no further.

Conventional Arms

Now, I have talked about the special problems of nuclear arms control and nuclear proliferation at some length. Let me turn to the problem of conventional arms control, which affects potentially or directly every nation represented in this great hall. This is not a matter for the future—even the near future—but of the immediate present.

Worldwide military expenditures are now in the neighborhood of \$300 billion a year. Last year the nations of the world spent more than 60 times as much—60 times as much—equipping each soldier as we did educating each child. The industrialized nations spent the most money, but the rate of growth in military spending is faster in the developing world. While only a handful of states produced sophisticated weapons, the number of nations which seek to purchase these weapons is expanding rapidly.

The conventional arms race both causes and feeds on the threat of larger and more deadly wars. This levies an enormous burden on an already troubled world economy.

For our part the United States has now begun to reduce its arms exports. Our aim is to reduce both the quantity and the deadlines of the weapons that we sell. We have already taken the first steps, but we cannot go very far alone. Nations whose neighbors are purchasing large quantities of arms feel constrained to do the same. Supplier nations who practice restraint in arms sales sometimes find that they simply lose valuable

commercial markets to other suppliers.

We hope to work with other supplier nations to cut back on the flow of arms and to reduce the rate at which the most advanced and sophisticated weapon technologies spread around the world. We do not expect this task to be easy or to produce instant results. But we are committed to stop the spiral of increasing sale of weapons.

Equally important we hope the purchaser nations—individually and through regional organizations—will limit their arms imports. We are ready to provide to some nations the necessary means for legitimate self-defense, but we are also eager to work with any nation or region in order to decrease the need for more numerous, more deadly, and ever more expensive weapons.

Regional Conflicts

Fourteen years ago one of my predecessors spoke in this very room under circumstances that, in certain ways, resembled these. It was a time, he said, of comparative calm, and there was an atmosphere of rising hope about the prospect of controlling nuclear energy. The first specific step had been taken to limit the nuclear arms race—a test ban treaty signed by nearly a hundred nations.

But the succeeding years did not live up to the optimistic prospect John F. Kennedy placed before this Assembly, because, as a community of nations, we failed to address the deepest sources of potential conflict among us.

As we seek to establish the principles of détente among the major nuclear powers, we believe that these principles must also apply in regional conflicts. The United States is committed to the peaceful settlement of differences. We are committed to the strengthening of the peacemaking capabilities of the United Nations and regional organizations, such as the Organization of African Unity and the Organization of American States.

The United States supports Great Britain's effort to bring about a peaceful, rapid transition to majority rule and independence in Zimbabwe. We have joined other members of the Security Council last week and also the Secretary General in efforts to bring about in-

dependence and democratic rule in Namibia. We are pleased with the level of cooperation that we have achieved with the leaders of the nations in the area, as well as those people who are struggling for independence.

We urge South Africa and other nations to support the proposed solution to the problems in Zimbabwe and to cooperate still more closely in providing for a smooth and prompt transition in Namibia. But it is essential that all outside nations exercise restraint in their actions in Zimbabwe and Namibia so that we can bring about this majority rule and avoid a widening war that could engulf the southern half of the African Continent.

Of all the regional conflicts in the world, none holds more menace than the Middle East. War there has already carried the world to the edge of nuclear confrontation. It has already disrupted the world economy and imposed severe hardships on the people in the developed and the developing nations alike. So true peace—peace embodied in binding treaties—is essential. It will be in the interest of the Israelis and the Arabs. It is in the interest of the American people. It is in the interest of the entire world.

The United Nations Security Council has provided the basis for peace in Resolutions 242 and 338, but negotiations in good faith by all parties are needed to give substance to peace.

Such good faith negotiations must be inspired by a recognition that all nations in the area—Israel and the Arab countries—have a right to exist in peace, with early establishment of economic and cultural exchange and of normal diplomatic relations. Peace must include a process in which the bitter divisions of generations—even centuries—hatreds, and suspicions can be overcome. Negotiations cannot be successful if any of the parties harbor the deceitful view that peace is simply an interlude in which to prepare for war.

Good faith negotiations will also require acceptance by all sides of the fundamental rights and interests of everyone involved.

—For Israel this means borders that are recognized and secure. Security arrangements are crucial to a nation that has fought for its

survival in each of the last four decades. The commitment of the United States to Israel's security is unquestionable.

—For the Arabs the legitimate rights of the Palestinians must be recognized. One of the things that binds the American people to Israel is our shared respect for human rights and the courage with which Israel has defended such rights. It is clear that a true and lasting peace in the Middle East must also respect the rights of all peoples of the area. How these rights are to be defined and implemented is, of course, for the interested parties to decide in detailed negotiations and not for us to dictate.

We do not intend to impose from the outside a settlement on the nations of the Middle East.

The United States has been meeting with the Foreign Ministers of Israel and the Arab nations involved in the search for peace. We are staying in close contact with the Soviet Union, with whom we share responsibility for reconvening the Geneva conference.

As a result of these consultations, the Soviet Union and the United States have agreed to call for the resumption of the Geneva conference before the end of this year. While a number of procedural questions remain, if the parties continue to act in good faith, I believe that these questions can be answered.

The major powers have a special responsibility to act with restraint in areas of the world where they have competing interests, because the association of these interests with local rivalries and conflicts can lead to serious confrontation.

In the Indian Ocean area, neither we nor the Soviet Union has a large military presence, nor is there a rapidly mounting competition between us. Restraint in the area may well begin with a mutual effort to stabilize our presence and to avoid an escalation in military competition. Then both sides can consider how our military activities in the Indian Ocean, this whole area might be even further reduced.

The peaceful settlement of differences is, of course, essential. The United States is willing

to abide by that principle, as in the case of the recently signed Panama Canal treaties. Once ratified, these treaties can transform the U.S.-Panama relationship into one that permanently protects the interests and respects the sovereignty of both our countries.

We have all survived and surmounted major challenges since the United Nations was founded. But we can accelerate progress even in a world of ever-increasing diversity. A commitment to strengthen international institutions is vital, but progress lies also in our own national policies. We can work together to form a community of peace if we accept the kind of obligations that I have suggested today. To summarize:

—First, an obligation to remove the threat of nuclear weaponry, to reverse the buildup of armaments and their trade, and to conclude bilateral and multilateral arms control agreements that can bring security to all of us. In order to reduce the reliance of nations on nuclear weaponry, I hereby solemnly declare on behalf of the United States that we will not use nuclear weapons except in self-defense; that is, in circumstances of an actual nuclear or conventional attack on the United States, our territories, or armed forces, or such an attack on our allies. In addition, we hope that initiatives by the Western nations to secure mutual and balanced force reductions in Europe will be met by equal response from the Warsaw Pact countries.

—Second, an obligation to show restraint in areas of tension, to negotiate disputes and to settle them peacefully, and to strengthen peacemaking capabilities of the United Nations and regional organizations.

—And finally, an effort by all nations—East as well as West, North as well as South—to fulfill mankind's aspirations for human development and human freedom. It is to meet these basic demands that we build governments and seek peace.

We must share these obligations for our own mutual survival and our own mutual prosperity. We can see a world at peace. We can work for a world without want. We can build a global community dedicated to these purposes and to human dignity.

The view that I have sketched for you today is that of only one leader in only one nation. However wealthy and powerful the United States may be—however capable of leadership—this power is increasingly only relative, the leadership increasingly is in need of being shared. No nation has a monopoly of vision, of creativity, or of ideas. Bringing these together from many nations is our common responsibility and our common challenge. For only in these ways can the idea of a peaceful global community grow and prosper.

United Nations—A Profile

Established: By charter signed in San Francisco, California, on June 26, 1945; effective October 24, 1945.

Purposes: To maintain international peace and security; to develop friendly relations among nations; to cooperate internationally in solving economic, social, cultural, and humanitarian problems and in promoting respect for human rights and fundamental freedoms; to be a center for harmonizing the actions of nations in attaining these common ends.

Members: 149 (for complete list, see p. 555).

Secretary General: Kurt Waldheim (Austria).

Official Languages: Arabic, Chinese, English, French, Russian, Spanish.

Principal Organs: General Assembly, Security Council, Economic and Social Council, Trusteeship Council, International Court of Justice, Secretariat (see p. 553 for organization chart of U.N. system).

Budget: \$745.8 million (1976-77); U.S. share \$186.5 million (25%). Financed primarily by obligatory contributions from member states as determined by a scale of assessments based broadly on a capacity to pay.

General Assembly

Membership: All U.N. members.

President: Elected at the beginning of each General Assembly session.¹

¹ For the 32d session, the President is Lazar Mojsov, Deputy Foreign Minister of Yugoslavia.

Meetings: Annually in New York beginning the third Tuesday in September through mid-December. Special sessions can be convened at the request of the Security Council, of a majority of U.N. members, or of one member if the majority concurs. Emergency special sessions may be called within 24 hours.

Resolutions: Nonbinding except in budgetary and administrative matters.

Mandate: Considers important security issues with the Security Council; promotes disarmament agreements; encourages economic and social cooperation; finances peacekeeping operations; arranges world conferences on major issues; elects the nonpermanent members of the Security Council; admits new members after Security Council approval; approves the budget; appoints the Security Council and members of other

bodies; considers and acts on certain subjects not dealt with anywhere else in the U.N. system (e.g., drug control); with the Security Council elects members of the International Court of Justice.

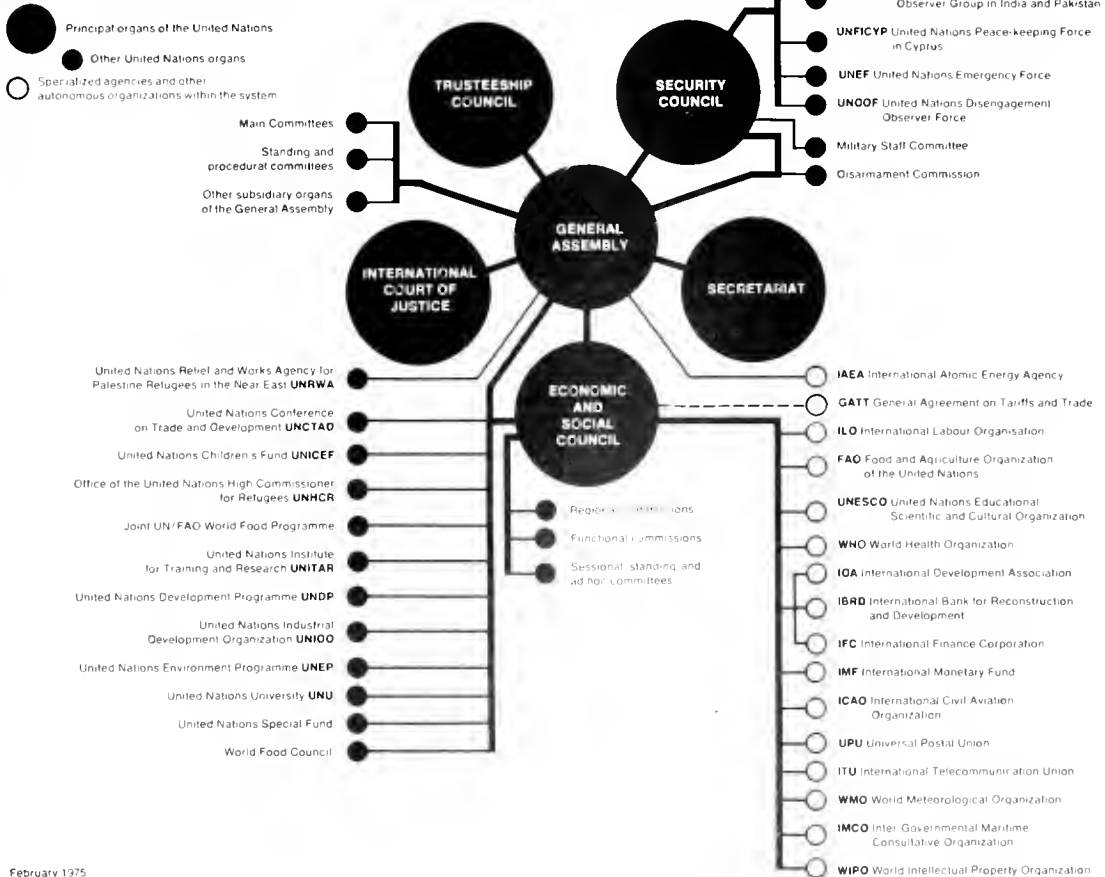
Main Committees: (First) Political and Security; Special Political Committee; (Second) Economic and Financial; (Third) Social, Humanitarian, and Cultural; (Fourth) Trusteeship; (Fifth) Administrative and Budgetary; (Sixth) Legal.

Security Council

Membership: 5 permanent (China, France, U.S.S.R., U.K., U.S.), each with the right to veto, and 10 nonpermanent elected by the General Assembly for 2-yr. terms (for 32d session they are Benin, Canada, Federal Republic of Germany, India, Libya,



THE UNITED NATIONS SYSTEM



February 1975

Mauritius, Pakistan, Panama, Romania, Venezuela).

President: Rotates monthly in alphabetical order by country.

Meetings: Can meet at any time, therefore a representative of each member must always be present at U.N. Headquarters. May meet outside of New York, but has rarely done so.

Resolutions: All members "agree to accept and carry out the decisions of the Security Council." Decisions under Chapter VII of the Charter are binding on members.

Mandate: Primarily responsible for the maintenance of international peace and security by investigating any situation threatening international peace; recommends procedures for peaceful solution; imposes economic sanctions, severance of diplomatic relations, and disruption of communications with offending states; ". . . may take such action by air, sea, or land forces as may be necessary to maintain or restore international peace and security."

Economic and Social Council

Membership: 54; 18 are elected each year by the General Assembly for 3-yr. terms.

President: Elected each year.

Meetings: Semiannually (New York in the spring and Geneva in the summer).

Resolutions: Nonbinding.

Mandate: Promotes human rights; coordinates the activities of the specialized agencies; supervises commissions on statistics, population, social development, the status of women, and narcotics.

Trusteeship Council

Membership: United States, China, France, U.S.S.R., U.K.

President: Elected each year.

Meetings: Annually in the spring in New York.

Resolutions: Nonbinding.

Mandate: Insures that territories placed under the trusteeship system are administered in the best interests of the inhabitants and are prepared for eventual self-government. (Only the Trust Territory of

the Pacific—Micronesia—is currently under the trusteeship system).

International Court of Justice

Membership: 15, elected for 9-yr. terms.

President: Elected by Court for 3-yr. term.

Meetings: Permanently in session, except during judicial vacations, in The Hague, Netherlands.

Mandate: Renders binding decisions in international legal cases referred to it by member states accepting its jurisdiction and renders advisory opinions at the request of the General Assembly, the Security Council, or other U.N. bodies authorized by the General Assembly to request an opinion.

Enforcement: U.N. Security Council can be called upon by one of the parties in a contentious case to determine measures to be taken to give effect to a judgment of the Court if the other party fails to perform its obligations under that judgment.

Secretariat

Chief Administrative Officer: Secretary General of the United Nations appointed to a 5-yr. term by the General Assembly on the recommendation of the Security Council.

Staff: 18 Under Secretaries, 21 Assistant Secretaries, and a staff of more than 11,000. Selection is the responsibility of the Secretary General and is made on the basis of ability and integrity with regard for as wide a geographical distribution as possible. The charter provides that no Secretariat employee may receive instructions from any government or authority other than the United Nations.

Responsibilities: Provides most facilities for meetings, including translators and documentary services; on request of U.N. bodies makes studies on technical questions (e.g., demography, law of the sea); presents the annual budget and annual report; directs peacekeeping activities; supervises the work of the international civil servants in New York and other U.N. offices throughout the world; Secretary General may bring to the Security Council's attention any matter which he believes may threaten international peace and security.

THE 149 MEMBERS OF THE UNITED NATIONS
(Year of Admission)

| | | | |
|-------------------------------|-------------------------------------|-------------------------|------------------------------|
| AFGHANISTAN (1946) | *ECUADOR | LAOS (1955) | SAO TOME AND PRINCIPE (1975) |
| ALBANIA (1955) | *EGYPT | *LEBANON | *SAUDI ARABIA |
| ALGERIA (1962) | *EL SALVADOR | LESOTHO (1966) | SENEGAL (1960) |
| ANGOLA (1976) | EQUATORIAL GUINEA (1968) | *LIBERIA | SEYCHELLES (1976) |
| *ARGENTINA | *ETHIOPIA | LIBYA (1955) | SIERRA LEONE (1961) |
| *AUSTRALIA | FIJI (1970) | *LUXEMBOURG | SINGAPORE (1965) |
| AUSTRIA (1955) | FINLAND (1955) | MALAGASY (1960) | SOMALIA (1960) |
| BAHAMAS (1973) | *FRANCE | MALAWI (1964) | *SOUTH AFRICA |
| BAHRAIN (1971) | GABON (1960) | MALAYSIA (1957) | SPAIN (1955) |
| BANGLADESH (1974) | GAMBIA (1965) | MALDIVES (1965) | SRI LANKA (1955) |
| BARBADOS (1966) | GERMAN DEMOCRATIC REPUBLIC (1973) | MALI (1960) | SUDAN (1956) |
| *BELGIUM | GERMANY, FEDERAL REPUBLIC OF (1973) | MALTA (1964) | SURINAM (1975) |
| BENIN (1960) | GHANA (1957) | MAURITANIA (1961) | SWAZILAND (1968) |
| BHUTAN (1971) | *GREECE | MAURITIUS (1968) | SWEDEN (1946) |
| *BOLIVIA | GRENADA (1974) | *MEXICO | *SYRIA |
| BOTSWANA (1966) | *GUATEMALA | MONGOLIA (1961) | TANZANIA (1961) |
| *BRAZIL | GUINEA (1958) | MOROCCO (1956) | THAILAND (1946) |
| BULGARIA (1955) | GUINEA-BISSAU (1974) | MOZAMBIQUE (1975) | THAILAND (1946) |
| BURMA (1948) | GUYANA (1966) | NEPAL (1955) | TOGO (1960) |
| BURUNDI (1962) | *HAITI | *NETHERLANDS | TRINIDAD AND TOBAGO (1962) |
| *BYELORUSSIAN S.S.R. | *HONDURAS | *NEW ZEALAND | TUNISIA (1956) |
| CAMBODIA (1955) | HUNGARY (1955) | *NICARAGUA | *TURKEY |
| CAMEROON (1960) | ICELAND (1946) | NIGER (1960) | UGANDA (1962) |
| *CANADA | *INDIA | NIGERIA (1960) | *UKRAINIAN S.S.R. |
| CAPE VERDE (1975) | INDONESIA (1950) | *NORWAY | *U.S.S.R. |
| CENTRAL AFRICAN EMPIRE (1960) | *IRAN | OMAN (1971) | UNITED ARAB EMIRATES (1971) |
| CHAD (1960) | *IRAQ | PAKISTAN (1947) | *UNITED KINGDOM |
| *CHILE | IRELAND (1955) | *PANAMA | *UNITED STATES |
| *CHINA** | ISRAEL (1949) | PAPUA NEW GUINEA (1975) | UPPER VOLTA (1960) |
| *COLOMBIA | ITALY (1955) | *PARAGUAY | *URUGUAY |
| COMOROS (1975) | IVORY COAST (1960) | *PERU | *VENEZUELA |
| CONGO (1960) | JAMAICA (1962) | *PHILIPPINES | VIETNAM (1977) |
| *COSTA RICA | JAPAN (1956) | *POLAND | YEMEN (ADEN) (1967) |
| *CUBA | JORDAN (1955) | PORTUGAL (1955) | YEMEN (SANA) (1947) |
| CYPRUS (1960) | KENYA (1963) | QATAR (1971) | *YUGOSLAVIA |
| *CZECHOSLOVAKIA | KUWAIT (1963) | ROMANIA (1955) | ZAIRE (1960) |
| *DENMARK | | RWANDA (1962) | ZAMBIA (1964) |
| DJIBOUTI (1977) | | SAMOA (1976) | |
| *DOMINICAN REPUBLIC | | | |

* Original member.

** By Resolution 2758 (XXVI) of Oct. 25, 1971, the General Assembly decided "to restore all its rights to the

People's Republic of China and to recognize the representatives of its Government as the only legitimate representatives of China to the United Nations."

New Hopes for Human Rights

Address by Charles W. Maynes

*Assistant Secretary for International Organization Affairs*¹

A British diplomat recently told Andy Young [U.S. Ambassador to the United Nations] that the United Nations seemed to be getting its "second wind." Its workload, he pointed out, had increased; it was tackling problems on every area of human concern; there was serious work going on in the Security Council; there was progress—whether temporary or permanent is still not clear—in avoiding unnecessary politicization of functional U.N. agencies. Small wonder then that public opinion polls have begun to show that the trend of declining U.S. support for the United Nations seems to be leveling off.

In the end, however, whether the United Nations can live up to this new promise will depend to a significant degree on whether we can bring along the American people. In this effort, one aspect of our foreign policy that will be critical is the attempt to make American moral and ethical values more prominent ingredients in the conduct of our relations with other countries. The phrase "human rights" has become a kind of shorthand description of the principles that President Carter believes are vital in this effort. Today, I would like to discuss with you some of the complex issues involved.

We begin with an acknowledgment. Respect for human rights in many countries is poor. There are governments which practice or condone torture. Detention without trial is widespread. Summary executions are too frequent. The hungry and sick in some areas are not

only ignored but intimidated. In various parts of the world, men and women cannot express freely their political and religious views.

These are practices offensive to basic human rights. All are contrary to civilized standards that should transcend national boundaries, cultures, religions, and political systems. All are facts. We cannot deny them. The issue is how we react to them.

One response is very troubling. Some—perhaps they are many or even a majority—look at the human rights situation in the world and pronounce the battle lost. They contend that progress is now hopeless except in a small circle of countries, themselves decreasing in number. They pronounce democracy a dying form of government; decency a disappearing code of conduct.

I will state my own views on this as forcefully as I can. The pessimism is misplaced, the reasoning false, and the predictions basically disastrous. For if there were any development that would end the current enthusiasm over the cause of human rights, it would be a judgment that progress was a lost and hopeless cause. Should that happen, we could expect interest in the struggle for human rights to decline sharply. Therefore, one task that those of us interested in human rights must address is how to dispel false pessimism.

We should begin by placing matters in perspective. And we can do this by recalling more often where we were only a short time ago.

Let us recall, as we denounce today's abuses, that in this century we have seen two World Wars, innumerable short wars, and various tribal and regional struggles.

¹ Made before the National United Nations Day Committee of the U.N. Association of the U.S.A. in New York on Sept. 9, 1977.

Moreover, in the early part of this century we have seen blacks lynched with impunity here and Irishmen subjugated without concern in their own country—and by nations that considered themselves among the leading practitioners of democracy. In central and Eastern Europe we witnessed appalling and historically unprecedented levels of barbarism and mass murder carried out by totalitarian regimes of both right and left. Elsewhere in the world we have watched as colonial uprisings were crushed under conditions that edged up to or assumed patterns of genocide, and as hundreds of millions of people were denied the fundamental human right to education and self-development.

Against this record, do we really have cause for such complete despair? Why should we not admit that we have come some considerable way? Our challenge, I would submit, is that having come this far, we are—quite appropriately—more conscious than ever before of how much further we now must go.

One of the encouraging developments in the field of human rights is the maturing sensitivity we all have to their importance. The reason is not that we are more committed than our forefathers—although that too may be true—it is, rather, that our memory of the past remains so searing, and, secondly, that we have developed a growing inability to avoid knowing a great deal about one another—a fact that constitutes our main hope for the future. Human rights abuses, after all, thrive in darkness. Even in our own country some officials used to denounce journalists who dared to publish the truth, and some governments today try to make it more difficult for the outside press to report freely. But in today's world, the concealment of gross abuses is harder and harder to accomplish. Societies find it more difficult to close themselves off from one another.

There is, in other words, a human rights benefit to interdependence. No nation today can practice social and diplomatic autarchy to the same degree as in the past. There are too many links that cannot be severed, too many visiting missions that cannot be disinvited, too many inquisitive journalists and lawyers, too many effective and rapid systems of communication, too many literate and conscious people

to deceive for such policy to succeed for long. The result is mounting pressure and debate—in the press, in private meetings, in public gatherings, and in forums provided by the United Nations or in other international assemblies.

Even the double standard increasingly works against those who try to employ it. The more that one government trumpets the abuses of others, the more that country's own citizens are encouraged to ask why such rights cannot exist at home. Our own black people in the 1950's began asking loudly why we could not call for freedom at home if we fought for it abroad. Now we are seeing this now happen elsewhere. Human rights movements have burst into view in countries where a decade ago this would have been thought impossible.

Resuming An Active Stance

What this Administration hopes to do is to make U.S. diplomacy take into account this new international reality—a reality which will not disappear or change course. In doing this, we are not embarking on uncharted ground; nor, as some commentators allege, are we taking the country into "Wilsonian excess." We are simply asking that the United States return to that period of forward, balanced, and determined leadership in the field of human rights that we associate with Eleanor Roosevelt.

As we all know, U.S. law and tradition were dominant in the creation of the Universal Declaration of Human Rights, which was drafted by the U.N. Human Rights Commission under the leadership of Mrs. Roosevelt and approved by the General Assembly in 1948. Throughout this period of her involvement, the United States played a leadership role. But in the 1950's the United States backed into a more passive position. We even refused to support formally many of the conventions we had helped to draft.

Today we are returning to an earlier approach more consistent with our traditions. In particular, we are committed to pressing ahead for ratification of the principal human rights treaties and to undertaking other new and important roles in the field of human rights. But I should articulate more precisely

this Administration's approach to human rights.

There are three broad categories of "human rights" with which the Administration has expressed special concern.

—The first relates to the integrity of the person. In this we are talking about summary execution, cruel and unusual punishment, arbitrary arrest or imprisonment, forcible and unjustifiable abduction from one's home by government authorities, secret detention, and denial of public trial or even any trial at all. We are talking about such horrible torture tactics as bodily mutilation, electric shock, mock executions.

—The second category in our definition of human rights concerns the fulfillment of vital human needs such as food, shelter, health care, and education.

—This third relates to civil and political liberties—freedom of speech, of thought, of religion, of the press, of movement both within and outside one's own country, and the freedom to take part in the affairs of government.

The issue we face as a government is how we should take such practices into account as we carry out our relations with these nations. Obviously there are difficult choices involved. We can approach the problem in one country with quiet, private conversations at a low governmental level, or we can approach it with very public pronouncements by the President or the Secretary of State. A wide range of other tactics and actions is also available.

There are also dilemmas involved. Sometimes an action we expect to improve a human rights situation will make it much worse. Public pressure does not always work as expected; nor does private diplomacy.

There are policy priorities involved. Some would cut off all economic assistance to nations which violate certain human rights in some substantial, measurable way. They argue that there is no reason the U.S. Government should help another government which practices or condones such abuses.

However, the chief objective of many of our developmental assistance programs is now to protect and meet basic human needs, and this is also one of our major human rights objec-

tives. If American assistance is, in fact, reaching the hungry, the homeless, and the illiterate of a certain country, then we are serving our human rights policy in one important way. If we cut off our assistance because the government in that country is repressive, then those people will get even less help than they get now, and the human rights situations of millions of the impoverished may well be worsened.

A related nuance is whether restrictions should be placed on the use of U.S. Government money in international financial institutions such as the World Bank, the regional banks, and the International Monetary Fund. Some argue that we must use all means at our disposal to put leverage on countries where human rights abuses exist. Others argue that if we take such an approach, we will encourage other nations to inject extraneous considerations into bank debate and introduce an element of instability into bank procedure.

Broad U.S. policy has been to urge other nations not to inject into functional international bodies issues that are irrelevant to the substantive role of each agency and to reserve such debate for more appropriate political forums like the U.N. General Assembly. However, since we define human rights to include economic rights and since all bank members have subscribed to the provisions of the U.N. Charter, we do believe that human rights issues are relevant considerations in the banks. We, of course, want to maintain flexibility, and we reject any approach that would have us cast an automatic negative vote when human rights issues arise. But President Carter has supported our use of these institutions to advance the human rights cause.

These are but some of the issues involved. You can see that there are no easy answers. What is important is that we have reached a point in our government where human rights must be considered in every policy decision. It is no longer a topic which is easily swept under the table. The topic is front and center. It is on every agenda.

Role of the U.N. System

Needless to say, the U.N. system is part of the panoply of tools available to nations as

they pursue progress on this issue. The dilemmas mentioned help to make the point that we cannot make human rights solely a bilateral effort. We must encourage others to join us. And this means trying to make the United Nations more effective in the human rights field.

In this effort we have on our side the U.N.'s historical concern for human rights. The U.N. Charter, to which all members have subscribed, states that the peoples of the United Nations have determined ". . .to reaffirm faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small. . . ." In article 56 all members pledge themselves ". . .to take joint and separate action in co-operation with the Organization . . ." for the achievement of goals on human rights.

One result of these provisions in the charter, as President Carter stated in his address here last March [17], is that ". . .no member of the United Nations can claim that mistreatment of its citizens is solely its own business. Equally, no member can avoid its responsibilities to review and to speak when torture or unwarranted deprivation occurs in any part of the world."

We do not underestimate the difficulties in mobilizing the efforts of such a vast organization to make progress in this field. Human rights is a very sensitive subject with many nations, including our own. It is clear that many members are reluctant to take any action which may reflect adversely on one of their neighbors, fearing that this will open up attacks on them all. As a result, the process of addressing human rights in U.N. bodies has not been evenhanded. It tends to focus on the few cases that are politically attractive to the majority of U.N. members—on Chile, on southern Africa, and on Israeli-occupied territories.

Some impediments to progress, quite frankly, fall on our side. Certainly our record compares favorably. But it would not hurt to remind ourselves that in this country we have not been immune from prejudice and discrimination—by race, religion, sex, and national origin. We still have considerable prog-

ress to make. Yet, as Andy Young put it so well in his recent speech in Lagos [Nigeria, on August 25], the continuing struggle on these issues in the United States does give us some knowledge of the sickness caused by gross violations of human rights. "We know that this is a sickness," Andy said, "which, like cancer, eats away at the inner structures of society. It can very well be a terminal illness, both physically and spiritually. But we also know that it is a disease that can be cured and that it is not necessary to kill the patient in order to cure the disease."

Another difficulty that America faces on human rights is that we as a government have not been forthcoming in ratifying some of the basic U.N. treaties relating to this subject. The President has already announced his intention to sign the International Covenants on Economic, Social, and Cultural Rights and on Civil and Political Rights.² Then we must seek Senate ratification of both those treaties as well as the genocide convention and the International Convention on the Elimination of All Forms of Racial Discrimination.

At the same time, there are specific initiatives which we hope to take in the United Nations to strengthen the human rights machinery of various segments of the organization.

—We will continue support of the procedures, made possible by ECOSOC [Economic and Social Council] Resolution 1503, which permit individuals (rather than governments) to raise complaints of human rights violations and to have those of a serious and gross nature investigated.

—We will encourage further exploration of procedures to take decisions by consensus rather than by vote, so that members may be spared the need to take sides formally on sensitive issues.

—We will support the proposal to create a position for a High Commissioner for Human Rights.

—We will continue this Administration's policy of according economic and social rights parity with political and civil rights.

—We will pursue, as Andy Young has al-

² President Carter signed these covenants at the United Nations on Oct. 5, 1977.

ready publicly indicated, the proposed creation of new procedures and policies to end torture as a government practice in some parts of the world.

—We will attempt to strengthen the operations of the Human Rights Commission—a top priority of our new representative, former Congressman Edward Mezvinsky.

—And we will support efforts of the sub-commission of the Human Rights Commission to establish new guidelines to protect those who are being detained on grounds of so-called mental illness.

We need to continue exploring new devices to assist the United Nations to make progress on the human rights front—while recognizing all the inherent difficulties in that process—and we would welcome ideas and proposals at any time, from any of you as individuals.

While we work on these efforts, I would hope we could acknowledge the evidence of some progress present in multilateral forums:

—The Secretary General has taken an active stand on human rights questions, and we hope he will continue to use his unique position in the world community and his good offices to help U.N. members make progress in this important area.

—At its last meeting, the U.N. Human Rights Commission, for the first time in history, decided to keep on its agenda certain new cases of alleged gross violations of human rights, Uganda in particular; its work was praised even by many who traditionally look askance at U.N. endeavors.

—ECOSOC delegates have been increasingly moderate on the question of Zionism and racism as they consider plans for a World Conference on Racism in 1978 and activities for the U.N. Decade for Action to Combat Racism and Racial Discrimination, which is currently underway, and we hope that too will continue.

—And the human rights cases brought to the United Nations by private communication continue at a level of about 20,000 a year—making systematic screening under ECOSOC Resolution 1503 an obvious bureaucratic headache but confirming the need for this highly valuable procedure.

Acknowledging Forward Steps

But one will ask what concretely has this new consciousness and concern about human rights accomplished? There are steps that deserve mention.

Political prisoners in a number of countries have been released. Secret police units in others have been disbanded. Some newspapers have been allowed to reopen. Some other elements of repression have been relaxed.

These in themselves are important concrete developments. But more important are concrete signs for the future.

There is increasing evidence that democracy is not a lost cause to the world. A return to democratic government has been achieved in recent times in India, Greece, Portugal, and Spain. A significant election just took place in Sri Lanka. In some of the military regimes of Latin America there are hopeful signs of a *retorno*—a return to civilian elected government. This is also true of the largest nation in Africa, Nigeria.

In addition, more attention is now being paid to the human rights machinery of the Organization of American States. Following Andy Young's recent visits, both Haiti and the Dominican Republic have agreed to admit representatives of the Inter-American Human Rights Commission. And the countries of the British Commonwealth—including a number of African nations—voted recently to condemn Uganda for its human rights practices, an action which augurs well for human rights action by other regional groups.

Nor is Eastern Europe without change. Some Eastern European countries have permitted the reunification of divided families and eased rules of emigration. And as all of you are aware, American evangelist Billy Graham was invited to preach the gospel in Hungary this week, a step unimaginable even a few years ago. However we view this area, it is difficult not to be struck by the favorable contrast between Eastern Europe in the 1950's and Eastern Europe today.

What we are seeing, I think, is that the human rights concerns to which the President is dedicated turn out to be among the deepest aspirations of human beings everywhere. The

developments mentioned did not take place so much because others were reacting to us as because there is a new mood about human rights worldwide. People everywhere want the right to go where they want, to say what they want, to have a voice in determining the rules under which they live, to eat and be healthy, and to live under orderly legal procedures which protect them from abuses of government authorities.

And that is precisely why we should look to the future with confidence. But we must have the maturity to recognize the progress already made. We must prevent others from using the great amount of work that will always remain to be done as an excuse for constantly calling into question the work we already have under way.

We must admit that we will never arrive where we want to be, since the struggle for human rights is never-ending. We must never be satisfied.

But if we maintain this mature perspective, if we keep the determination that is present in the Carter Administration today, then there is no reason why every year we cannot register steady progress on human rights. And we will not only reflect on how far we have come, but we will gain a new sense of accomplishment and of hope for the future.

Allocation of United Nations Agenda Items by Committee¹

Plenary Meetings

1. Opening of the session by the Chairman of the delegation of Sri Lanka (item 1).
2. Minute of silent prayer or meditation (item 2).
3. Credentials of representatives to the thirty-second session of the General Assembly (item 3):

- (a) Appointment of the members of the Credentials Committee;
- (b) Report of the Credentials Committee.

¹Allocation of agenda items for the 32nd regular session of the United Nations General Assembly adopted at its 5th and 15th plenary meetings on Sept. 23 and 30, 1977, respectively (U.N. Doc. A/32/252 and Add. 1). (For list of agenda items in order of appearance, see U.N. Doc. No. A/32/251.) Subsequent footnotes are in original and begin on p. 566.

4. Election of the President of the General Assembly (item 4).
5. Election of the officers of the Main Committees (item 5).
6. Election of the Vice-Presidents of the General Assembly (item 6).
7. Notification by the Secretary-General under Article 12, paragraph 2, of the Charter of the United Nations (item 7).
8. Adoption of the agenda (item 8).
9. General debate (item 9).
10. Report of the Secretary-General on the work of the Organization (item 10).
11. Report of the Security Council (item 11).
12. Report of the Economic and Social Council [chapters I and VIII (sections A to D and F)] (item 12).
13. Report of the International Court of Justice (item 13).
14. Report of the International Atomic Energy Agency (item 14).
15. Election of five non-permanent members of the Security Council (item 15).
16. Election of eighteen members of the Economic and Social Council (item 16).
17. Election of fifteen members of the Industrial Development Board (item 17).
18. Election of nineteen members of the Governing Council of the United Nations Environment Programme (item 18).
19. Election of twelve members of the World Food Council (item 19).
20. Election of twelve members of the Board of Governors of the United Nations Special Fund (item 20).
21. Election of seven members of the Committee for Programme and Co-ordination (item 21).
22. Election of the members of the Board of Governors of the United Nations Special Fund for Land-locked Developing Countries (item 22).
23. Appointment of the members of the Peace Observation Commission (item 23).
24. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (item 24).²

(a) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;

(b) Report of the United Nations Council for Namibia;

(c) Report of the Secretary-General.

25. Admission of new Members to the United Nations (item 25).

26. Restitution of works of art to countries victims of expropriation; report of the Secretary-General (item 26).

27. Policies of apartheid of the Government of South Africa (item 27):³

(a) Reports of the Special Committee against Apartheid;

(b) Report of the World Conference for Action against Apartheid;

(c) Report of the Ad Hoc Committee on the Drafting of an International Convention against Apartheid in Sports;

(d) Report of the Secretary-General.

28. Question of Cyprus: report of the Secretary-General (item 28).⁴

29. Co-operation between the United Nations and the Organization of African Unity: report of the Secretary-General (item 29).

30. Question of Palestine: report of the Committee on the Exercise of the Inalienable Rights of the Palestinian People (item 30).

31. The situation in the Middle East: report of the Secretary-General (item 31).

32. Third United Nations Conference on the Law of the Sea (item 32).

33. Operational activities for development (item 61):⁵

(i) Confirmation of the appointment of the Executive Director of the United Nations Special Fund for Land-locked Developing Countries.

34. United Nations Special Fund (item 64):⁶

(b) Confirmation of the appointment of the Executive Director.

35. Question of Namibia (item 91):

(a) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;

(b) Report of the United Nations Council for Namibia;

(c) Report of the Secretary-General;

(d) Appointment of the United Nations Commissioner for Namibia.

36. Joint Inspection Unit (item 104):⁷

(b) Appointment of the members of the Joint Inspection Unit.

37. Question of the Comorian island of Mayotte (item 125).

38. Recent illegal Israeli measures in the occupied Arab territories designed to change the legal status, geographical nature and demographic composition of those territories in contravention of the principles of the Charter of the United Nations, of Israel's international obligations under the fourth Geneva Convention of 1949 and of United Nations resolutions, and obstruction of efforts aimed at achieving a just and lasting peace in the Middle East (item 126).

First Committee—Political and Security

1. Economic and social consequences of the armaments race and its extremely harmful effects on world peace and security: report of the Secretary-General (item 33).

2. Implementation of General Assembly resolution 3473 (XXX) concerning the signature and ratification of Additional Protocol I of the Treaty for the Prohibition of Nuclear Weapons in Latin America (Treaty of

Tlatelolco): report of the Secretary-General (item 34).

3. International co-operation in the peaceful uses of outer space: report of the Committee on the Peaceful Uses of Outer Space (item 35).

4. Preparation of an international convention on principles governing the use by States of artificial earth satellites for direct television broadcasting: report of the Committee on the Peaceful Uses of Outer Space (item 36).

5. Conclusion of a world treaty on the non-use of force in international relations: report of the Secretary-General (item 37).

6. Incendiary and other special conventional weapons which may be the subject of prohibitions or restrictions of use for humanitarian reasons: report of the Secretary-General (item 38).

7. Chemical and bacteriological (biological) weapons: report of the Conference of the Committee on Disarmament (item 39).

8. Urgent need for cessation of nuclear and thermonuclear tests and conclusion of a treaty designed to achieve a comprehensive test ban: report of the Conference of the Committee on Disarmament (item 40).

9. Implementation of General Assembly resolution 31/67 concerning the signature and ratification of Additional Protocol II of the Treaty for the Prohibition of Nuclear Weapons in Latin America (Treaty of Tlatelolco) (item 41).

10. Effective measures to implement the purposes and objectives of the Disarmament Decade (item 42):

(a) Report of the Conference of the Committee on Disarmament;

(b) Report of the Secretary-General.

11. Implementation of the Declaration on the Denuclearization of Africa (item 43).

12. Establishment of a nuclear-weapon-free zone in the region of the Middle East (item 44).

13. Establishment of a nuclear-weapon-free zone in South Asia: report of the Secretary-General (item 45).

14. Prohibition of the development and manufacture of new types of weapons of mass destruction and new systems of such weapons: report of the Conference of the Committee on Disarmament (item 46).

15. Reduction of military budgets: report of the Secretary-General (item 47).

16. Implementation of the Declaration of the Indian Ocean as a Zone of Peace: report of the Ad Hoc Committee on the Indian Ocean (item 48).

17. Conclusion of a treaty on the complete and general prohibition of nuclear-weapon tests (item 49).

18. Implementation of the Declaration on the Strengthening of International Security: reports of the Secretary-General (item 50).

19. General and complete disarmament (item 51):

(a) Report of the Conference of the Committee on Disarmament;

(b) Report of the International Atomic Energy Agency;

(c) Report of the Secretary-General.

20. Special session of the General Assembly devoted to disarmament; report of the Preparatory Committee for the Special Session of the General Assembly Devoted to Disarmament (item 52).

21. World Disarmament Conference; report of the Ad Hoc Committee on the World Disarmament Conference (item 53).

22. Deepening and consolidation of international détente and prevention of danger of nuclear war (item 127).

Special Political Committee

1. Effects of atomic radiation; report of the United Nations Scientific Committee on the Effects of Atomic Radiation (item 54).

2. United Nations Relief and Works Agency for Palestine Refugees in the Near East (item 55):

(a) Report of the Commissioner-General;

(b) Report of the Working Group on the Financing of the United Nations Relief and Works Agency for Palestine Refugees in the Near East;

(c) Report of the United Nations Conciliation Commission for Palestine;

(d) Reports of the Secretary-General.

3. Comprehensive review of the whole question of peace-keeping operations in all their aspects; report of the Special Committee on Peace-keeping operations (item 56).

4. Report of the Special Committee to Investigate Israeli Practices Affecting the Human Rights of the Population of the Occupied Territories (item 57).

5. Establishment of an agency or a department of the United Nations for undertaking, co-ordinating and disseminating the results of research into unidentified flying objects and related phenomena (item 123).

6. Policies of apartheid of the Government of South Africa (item 27):²

(a) Reports of the Special Committee against Apartheid;

(b) Report of the World Conference for Action against Apartheid;

(c) Report of the Ad Hoc Committee on the Drafting of an International Convention against Apartheid in Sports;

(d) Report of the Secretary-General.

7. Question of Cyprus: report of the Secretary-General (item 28).³

8. Question of composition of the relevant organs of the United Nations (item 128).

Second Committee—Economic and Financial

1. Report of the Economic and Social Council [chapters II, III (sections A to F and H to K), IV, V, VI (section E) and VII (sections A, B, D and F to H)] (item 12).⁴

2. United Nations Conference on Trade and Development (item 58):

(a) Report of the Trade and Development Board;

(b) Report of the Secretary-General;

(c) Report of the Secretary-General of the United Nations Conference on Trade and Development.

3. United Nations Industrial Development Organization (item 59):

(a) Report of the Industrial Development Board;

(b) Report of the Executive Director.

4. United Nations Institute for Training and Research; report of the Executive Director (item 60).

5. Operational activities for development (item 61):¹⁰

(a) United Nations Development Programme;

(b) United Nations Capital Development Fund;

(c) Technical co-operation activities undertaken by the Secretary-General;

(d) United Nations Volunteers programme;

(e) United Nations Fund for Population Activities;

(f) United Nations Children's Fund;

(g) World Food Programme;

(h) United Nations Special Fund for Land-locked Developing Countries.

6. United Nations Environment Programme (item 62):

(a) Report of the Governing Council;

(b) Reports of the Secretary-General;

(c) United Nations Conference on Desertification.

7. Food problems: report of the World Food Council (item 63).

8. United Nations Special Fund (item 64):¹¹

(a) Report of the Board of Governors.

9. United Nations University (item 65):

(a) Report of the Council of the United Nations University;

(b) Report of the Secretary-General.

10. Office of the United Nations Disaster Relief Co-ordinator: reports of the Secretary-General (item 66).

11. Assessment of the progress made in the implementation of General Assembly resolutions 2626 (XXV), 3202 (S-VI), 3281 (XXIX) and 3362 (S-VII), entitled respectively "International Development Strategy for the Second United Nations Development Decade", "Programme of Action on the Establishment of a New International Economic Order", "Charter of Economic Rights and Duties of States" and "Development and international economic co-operation" (item 67).

12. Unified approach to development analysis and planning (item 68).

13. Long-term trends in the economic development of the regions of the world (item 69).

14. Economic co-operation among developing countries: reports of the Secretary-General (item 70).

15. Acceleration of the transfer of real resources to developing countries: report of the Secretary-General (item 71).

16. Technical co-operation among developing countries: United Nations Conference on Technical Co-operation among Developing Countries (item 72).

17. United Nations Conference on Science and Technology for Development (item 73).

Third Committee—Social, Humanitarian, and Cultural

1. Report of the Economic and Social Council [chapters II, III (sections G and L), IV (section A) and VI] (item 12).¹²
2. Elimination of all forms of racial discrimination (item 74):
 - (a) Decade for Action to Combat Racism and Racial Discrimination: report of the Secretary-General;
 - (b) Report of the Committee on the Elimination of Racial Discrimination;
 - (c) Status of the International Convention on the Elimination of All Forms of Racial Discrimination: report of the Secretary-General;
 - (d) Status of the International Convention on the Suppression and Punishment of the Crime of Apartheid: report of the Secretary-General.
3. World Conference to Combat Racism and Racial Discrimination (item 75).
4. Alternative approaches and ways and means within the United Nations System for improving the effective enjoyment of human rights and fundamental freedoms: reports of the Secretary-General (item 76).
5. Crime prevention and control: report of the Secretary-General (item 77).
6. Question of the elderly and the aged: report of the Secretary-General (item 78).
7. Importance of the universal realization of the right of peoples to self-determination and of the speedy granting of independence to colonial countries and peoples for the effective guarantee and observance of human rights: report of the Secretary-General (item 79).
8. Torture and other cruel, inhuman or degrading treatment or punishment (item 80).
9. International Covenants on Human Rights (item 81):
 - (a) Report of the Human Rights Committee;
 - (b) Status of the International Covenant on Economic, Social and Cultural Rights, the International Covenant on Civil and Political Rights and the Optional Protocol to the International Covenant on Civil and Political Rights: report of the Secretary-General.
10. International Year for Disabled Persons: report of the Secretary-General (item 82).
11. Human rights and scientific and technological developments (item 83).
12. Policies and programmes relating to youth: reports of the Secretary-General (item 84).
13. United Nations Decade for Women: Equality, Development and Peace: reports of the Secretary-General (item 85).
14. Elimination of all forms of religious intolerance (item 86).
15. Office of the United Nations High Commissioner for Refugees (item 87):
 - (a) Report of the High Commissioner;
 - (b) Question of the continuation of the Office of the High Commissioner.

16. Freedom of information (item 88):
 - (a) Draft Declaration of Freedom of Information;
 - (b) Draft Convention on Freedom of Information.
17. United Nations conference for an international convention on adoption law (item 89).

Fourth Committee—Trusteeship

1. Information from Non-Self-Governing Territories transmitted under Article 73e of the Charter of the United Nations (item 90):
 - (a) Report of the Secretary-General;
 - (b) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples.
2. Question of Southern Rhodesia: report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (item 92).
3. Question of East Timor: report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples (item 93).
4. Activities of foreign economic and other interests which are impeding the implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples in Southern Rhodesia and Namibia and in all other Territories under colonial domination and efforts to eliminate colonialism, apartheid and racial discrimination in southern Africa: report of the Special Committee on the Situation with regard to the Implementation of the Declaration of the Granting of Independence to Colonial Countries and Peoples (item 94).
5. Implementation on the Declaration on the Granting of Independence to Colonial Countries and Peoples by the specialized agencies and the international institutions associated with the United Nations (item 95):
 - (a) Report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples;
 - (b) Reports of the Secretary-General.
6. Report of the Economic and Social Council [chapter VII (section E)] (item 12).
7. United Nations Educational and Training Programme for Southern Africa: report of the Secretary-General (item 96).
8. Offers by Member States of study and training facilities for inhabitants of Non-Self-Governing Territories: report of the Secretary-General (item 97).
9. Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples: report of the Special Committee on the Situation with regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples [chapters relating to specific Territories] (item 24).¹³

Fifth Committee—Administrative and Budgetary

1. Financial reports and accounts, and reports of the Board of Auditors (item 98):
 - (a) United Nations Development programme;
 - (b) United Nations Children's Fund;
 - (c) United Nations Relief and Works Agency for Palestine Refugees in the Near East;
 - (d) United Nations Institute for Training and Research;
 - (e) Voluntary funds administered by the United Nations High Commissioner for Refugees;
 - (f) United Nations Fund for Population Activities.
2. Programme budget for the biennium 1976-1977 (item 99).
3. Proposed programme budget for the biennium 1978-1979 (item 100).¹⁴
4. Financial emergency of the United Nations: report of the Negotiating Committee on the Financial Emergency of the United Nations (item 101).
5. Review of the intergovernmental and expert machinery dealing with the formulation, review and approval of programmes and budgets (item 102).
6. Administrative and budgetary co-ordination of the United Nations with the specialized agencies and the International Atomic Energy Agency: report of the Advisory Committee on Administrative and Budgetary Questions (item 103).
7. Joint Inspection Unit (item 104):¹⁵
 - (a) Reports of the Joint Inspection Unit.
8. Pattern of conferences: report of the Committee on Conferences (item 105).
9. Scale of assessments for the apportionment of the expenses of the United Nations: report of the Committee on Contributions (item 106).
10. Appointments to fill vacancies in the membership of subsidiary organs of the General Assembly (item 107):
 - (a) Advisory Committee on Administrative and Budgetary Questions;
 - (b) Committee on Contributions;
 - (c) Board of Auditors;
 - (d) Investments Committee: confirmation of the appointments made by the Secretary-General;
 - (e) United Nations Administrative Tribunal;
 - (f) International Civil Service Commission.
11. Personnel questions (item 108):
 - (a) Composition of the Secretariat: report of the Secretary-General;
 - (b) Other personnel questions: report of the Secretary-General.
12. Report of the International Civil Service Commission (item 109).
13. United Nations pension system (item 110):
 - (a) Report of the United Nations Joint Staff Pension Board;
 - (b) Report of the Secretary-General.
14. Financing of the United Nations Emergency Force

and of the United Nations Disengagement Observer Force: report of the Secretary-General (item 111).

15. Report of the Economic and Social Council [chapters III (sections C and G to K), IV (sections A to D, G, I and J), V, VI (sections A to D), VII (sections A to C, H and D) and VIII (sections E and G)] (item 12).¹⁶

Sixth Committee—Legal

1. Report of the International Law Commission on the work of its twenty-ninth session (item 112).
2. Report of the United Nations Commission on International Trade Law on the work of its tenth session (item 113).
3. United Nations Programme of Assistance in the Teaching, Study, Dissemination and Wider Appreciation of International Law: report of the Secretary-General (item 114).
4. Respect for human rights in armed conflicts: report of the Secretary-General (item 115).
5. Report of the Special Committee on the Charter of the United Nations and on the Strengthening of the Role of the Organization (item 116).
6. Report of the Committee on Relations with the Host Country (item 117).
7. Measures to prevent international terrorism which endangers or takes innocent human lives or jeopardizes fundamental freedoms, and study of the underlying causes of those forms of terrorism and acts of violence which lie in misery, frustration, grievance and despair and which cause some people to sacrifice human lives, including their own, in an attempt to effect radical changes: report of the Ad Hoc Committee on International Terrorism (item 118).
8. Drafting of an international convention against the taking of hostages: report of the Ad Hoc Committee on the Drafting of an International Convention against the Taking of Hostages (item 119).
9. Resolutions adopted by the United Nations Conference on the Representation of States in Their Relations with International Organizations (item 120):
 - (a) Resolution relating to the observer status of national liberation movements recognized by the Organization of African Unity and/or by the League of Arab States;
 - (b) Resolution relating to the application of the Convention in future activities of international organizations.
10. Consolidation and progressive evolution of the norms and principles of international economic development law (item 121).
11. Recommendation adopted by the United Nations Conference on Succession of States in Respect of Treaties (item 122).
12. Conclusion of a world treaty on the non-use of force in international relations: report of the Secretary-General (item 37).¹⁷
13. Review of the multilateral treaty-making process (item 124).
14. Proposed programme budget for the biennium

French Prime Minister Barre Visits the United States

*Following is a White House statement issued after the conclusion of meetings between President Carter and French Prime Minister Raymond Barre on September 16.*¹

Weekly Compilation of Presidential Documents dated September 19

French Prime Minister Raymond Barre paid an official visit to Washington September 15-16 at the invitation of President Carter. The President gave a working dinner for Prime Minister Barre on September 15 and held two meetings with the Prime Minister and his party. Their talks covered the range of political, economic, and other issues of importance to the two governments.

These issues included the Middle East, developments in southern Africa, East-West relations, security and disarmament, nuclear

nonproliferation, human rights, and economic policy. The two leaders agreed that close U.S.-France consultations are important on these and other issues.

Following discussions at the seven-nation summit in London last May in which they had taken part, the President and Prime Minister reviewed economic conditions, both worldwide and in their own countries. Prime Minister Barre noted the significant improvement in France's foreign trade account and described the steps his government had taken to curb inflation, stimulate employment, and bring about conditions needed for sustained economic growth. President Carter reviewed the United States' own economic prospects and expressed confidence that the U.S. economic recovery would continue into 1978.

President Carter emphasized the need to gain significant results in the multilateral trade negotiations in the near future. The Prime Minister stressed the importance of organized freedom of trade as a necessary condition for the orderly growth of that trade for the benefit of both developed and developing countries.

The President and the Prime Minister

tee; and Chapter IV (section A)—Third and Fifth Committees.

¹⁰ For subitem (i), see "Plenary meetings", item 33.

¹¹ For subitem (b), see "Plenary meetings", item 34.

¹² The parts of the report listed below have been referred also to the Second and Fifth Committees as follows: Chapters II and VI (section E)—Second Committee; Chapters III (section G) and VI (sections A to D)—Fifth Committee; and Chapter IV (section A)—Second and Fifth Committees.

¹³ See also "Plenary meetings", item 24.

¹⁴ See also "Sixth Committee", item 14.

¹⁵ For subitem (b), see "Plenary meetings", item 36.

¹⁶ The parts of the report listed below have been referred also to the Second and Third Committees as follows: Chapters III (sections C and H to K), IV (sections B to D, G, I and J), V and VII (sections A, B and H)—Second Committee; Chapters III (section G) and VI (sections A to D)—Third Committee; and Chapter IV (section A)—Second and Third Committees.

¹⁷ See also "First Committee", item 5.

¹⁸ See also "Fifth Committee", item 3.

¹ For an exchange of remarks between President Carter and Prime Minister Barre at the welcoming ceremony and a working dinner on Sept. 15 and for President Carter's remarks on the departure of the Prime Minister on September 16, see Weekly Compilation of Presidential Documents dated September 19, 1977, pp. 1344, 1357, and 1361.

² See also "Fourth Committee", item 9.

³ The General Assembly decided to consider this item directly in plenary meeting on the understanding that the representatives of the Organization of African Unity and of national liberation movements recognized by the Organization of African Unity would be permitted to participate in the discussion in plenary meeting and that organizations having a special interest in the question would be permitted to be heard by the Special Political Committee.

⁴ The General Assembly decided to consider this item directly in plenary meeting on the understanding that it would, when considering the item, invite the Special Political Committee to meet for the purpose of affording representatives of the Cypriot communities an opportunity to take the floor in the Committee in order to express their views, and that it would then resume its consideration of the item, taking into account the report of the Special Political Committee.

⁵ For subitems (a) to (h), see "Second Committee", item 5.

⁶ For subitem (a), see "Second Committee", item 8.

⁷ For subitem (a), see "Fifth Committee", item 7.

⁸ See also "Sixth Committee", item 12.

⁹ The parts of the report listed below have been referred also to the Third and Fifth Committees as follows: Chapters II and VI (section E)—Third Committee; Chapters III (sections C and H to K), IV (sections B to D, G, I and J), V and VII (sections A, B and H)—Fifth Commit-

agreed on the importance of continued close consultation between the United States and France on international financial issues. The President said that the U.S. administration was seeking congressional authority for the United States to take part in the Supplementary Financing Facility (Witteveen facility), to assure that International Monetary Fund resources are sufficient to meet current needs for official financing.

President Carter praised France's leadership in proposing and helping to sustain the North-South dialogue between industrialized and developing nations. The two leaders agreed that the Conference on International Economic Cooperation, concluded last June in Paris, had produced a number of positive benefits. They committed their two governments to continue working for a more open and just international economic system.

The President and the Prime Minister reviewed major defense and disarmament issues. President Carter affirmed the unequivocal commitment of the United States to the defense of Western Europe. He reviewed U.S. steps, in line with the program he announced at last May's London meeting of the North Atlantic Council, to strengthen American forces committed to the defense of Europe. Prime Minister Barre described France's major program to modernize and upgrade its armed forces. The two leaders agreed that these efforts and similar efforts by other allies are essential to maintain the alliance's security into the next decade.

President Carter and Prime Minister Barre discussed current and projected disarmament talks, including SALT [Strategic Arms Limitation Talks] and the U.N. General Assembly's Special Session on Disarmament scheduled for 1978. President Carter said he is convinced that France, as a major power, can make a positive contribution both to the maintenance of allied security and to the search for a more secure and stable international order. He was most interested in Prime Minister Barre's comment on these issues and the indications given on the views that France intends to put forward in the field of disarmament.

President Carter stated his appreciation for France's expressed willingness to participate in the International Fuel Cycle Evaluation, the opening conference of which is to occur next month, and noted that France's technological leadership in the field of nuclear energy makes its contribution particularly important. The President and the Prime Minister agreed that vigorous and imaginative measures are needed to develop nuclear energy while preventing any proliferation of nuclear weapons.

Prime Minister Barre explained the main features of the French energy conservation policy and stressed the vital importance of a rapid implementation of President Carter's energy program.

President Carter outlined U.S. policies on human rights. Prime Minister Barre emphasized that the concept of liberty and the rights of man will continue to inspire French foreign policy. The President and the Prime Minister discussed the Belgrade CSCE [Conference on Security and Cooperation in Europe] Review Conference. They agreed on the need for a thorough review of implementation of all aspects of the Helsinki Final Act designed to promote further progress in each of these areas.

The President and the Prime Minister reviewed the situation in Africa. President Carter described U.S. steps to support the British effort to bring about a peaceful transition to majority rule in Rhodesia and expressed appreciation for French support. The two leaders agreed on the importance of progress toward social justice and majority rule in southern Africa. President Carter praised France's vital role in promoting economic development and political stability in Africa.

The two leaders also reviewed the situation in the Middle East and agreed on the importance of convening the Middle East Peace Conference.

Prime Minister Barre raised the subject of Concorde landing rights in the United States, emphasizing the importance of this issue to France. President Carter reiterated his support for a 16-month trial period for Concorde at Kennedy Airport and expressed the hope that

this could be soon initiated. He also said that he would decide the future of landing rights at Dulles Airport in the very near future.

President Carter emphasized the vital importance of close cooperation between the United States and Europe. He expressed admiration for French leadership in resolving many international economic, social, political, and technological problems. Prime Minister Barre reiterated President Giscard d'Estaing's invitation to President Carter to visit France and President Carter expressed the hope that he would soon be in a position to reply.

News Directors Interview President Carter

Following are excerpts relating to foreign policy from President Carter's opening remarks and a question-and-answer session from the transcript of a telephone interview by members of the Radio-Television News Directors Association in San Francisco on September 15.¹

I've just finished the morning meeting with the Prime Minister of France, Mr. [Raymond] Barre. This is the first time a French Prime Minister has been to our country in more than 20 years. Then from now on in the coming months, I'll be meeting—beginning next week—with Foreign Minister [Moshe] Dayan from Israel and then with all the Foreign Ministers of the Arabian countries around Israel, searching for a settlement in the Middle East.

I've spent last week, as you know, with the Panama Canal treaty, which I consider to be crucial to our country's future unimpeded use of the Panama Canal and a very important aspect in the mutual friendship and support that we can expect from Latin America.

We have constant negotiations going on with

the Soviet Union on things concerning demilitarization of the Indian Ocean. The SALT [Strategic Arms Limitation Talks] negotiations are presently underway.

We have meetings with the Soviets and also with the British on the comprehensive test ban to do away with the testing of nuclear explosives. I've met with several national leaders on reducing the opportunity for countries to go into the nuclear explosive field. One of the recent concerns, of course, was South Africa's prospective test.

We are dealing with the United Nations and specific countries involved in trying to resolve the Namibian question down near South Africa and also the Rhodesian question. We're working closely with the British, the French, the Germans, and the Canadians on these questions.

Of course, here in the Congress many of these matters spill over into joint decisions by me and the leaders in Congress.

Q. If the Panama Canal treaty is not ratified in the Senate, what effect will this have on our relations with OAS [Organization of American States] countries?

The President: Even before I was inaugurated, I had messages from eight different heads of state in Latin America urging me to put as our number one foreign policy matter the completion of a new Panama Canal treaty. For years, when the Organization of American States have met together, one of the prime items on the agenda has been to encourage our country and Panama to ratify a new treaty.

This past week we had a demonstration of support for the treaty terms from 27 different countries in this hemisphere. And as you probably have noticed in the news, last week we had 19 heads of state who took the time to leave their own jobs and to come to Washington to express publicly their support for the treaty terms. I met with all those heads of state and they considered this to be a crucial demonstration of our willingness to be fair.

I think there's a new sense of mutual pur-

¹For the complete transcript, see Weekly Compilation of Presidential Documents dated Sept. 19, 1977, p. 1348.

pose. There's also a new sense that we look upon our Latin American neighbors as equals. I think there's a new sense that there is a vista of improved friendship and common purpose between us and our Latin American friends in the years to come, not based on grants or loans or financial aid from us to them but based on the fact that this treaty corrects a longstanding defect in our relationship with countries to the south.

If the treaty should not be ratified, I think there would be very serious international consequences, not just with Panama but with all the nations in this hemisphere.

We have enjoyed the benefits of the presently existing treaty for a long time. No person from Panama ever saw that treaty before it was signed. No Panamanian, of course, was involved in the signing of that treaty.

In my opinion it's very beneficial to our nation, to our security, and to our diplomatic relationships, to our business trade, and health to have this treaty ratified.

Every President since President Johnson has been involved in trying to get such a treaty ratified. Past Secretaries of State Kissinger, Rogers, Rusk have confirmed their support for the treaty. President Ford is strongly in favor of the treaty. And, of course, our Joint Chiefs of Staff unanimously, representing the Armed Forces, feel that this treaty is in our nation's interests.

I think if we should fail to ratify the treaty that there would be a threat, at least, of disruption of the peaceful operation of the canal. I believe that we could defend the canal against such threatened disruptions. But it would be very difficult for us to do it.

It's not so important who actually owns the canal; Panama has always had sovereignty over the Panama Canal Zone. But what's important is whether or not the canal is open. And I believe that we can keep it open much more surely if we work in partnership with Panama rather than if we fail to ratify the canal [treaties] and make an enemy not only of Panama but betray the confidence that now exists in us by the other countries in our hemisphere.

So, you can tell from what I say that I consider it to be very important. And I'm very grateful that the American people's opinion is changing toward favoring the Panama Canal treaty as they become familiar with the elements of it.

Q. What's your current assessment of the chances for the treaty in the Senate?

The President: That's hard to say. As you know, a little more than a year ago, 40 Senators signed the resolution against the ratification of any treaty. Now many of those Senators have told me both privately and publicly that they favor the treaty itself. It's too early to say. Also, 6 months ago, according to some very responsible polls among the American people, only about 8 percent of our people favored the treaty. A more recent poll by Gallup—confirmed by some private polls that I have seen on a nationwide basis—show that about 40 percent now favor ratification of the treaty. There are about 45 to 50 percent still remaining who don't favor the ratification of the treaty. So, I would say that the trend is in the right direction, but we certainly don't have any assurance that we have a two-thirds majority yet.

United States Contributes to U.N. Institute for Namibia

USUN press release 60 dated August 26

On the occasion of Namibia Day—August 26, 1977—the U.S. Acting Permanent Representative to the United Nations, James F. Leonard, has sent to the Secretary General of the United Nations a letter informing him that the United States will contribute in 1977 \$250,000 to the U.N. Institute for Namibia in Lusaka, Zambia. This will be the second U.S. contribution, and through these contributions the United States joins with other members of the international community in supporting the Institute's program of helping Namibians prepare for the responsibilities of independence.

Editors and News Directors Interview President Carter

Following are excerpts relating to foreign policy from President Carter's opening remarks and a question-and-answer session from the transcript of an interview by a group of editors and news directors on September 16.¹

This morning I concluded my own talks with the Prime Minister of France [Raymond Barre], and this is a final meeting with him. He'll now, this afternoon, meet with economic advisers, the Secretary of State, Secretary of Defense, Secretary of Energy, and others so that we, in shaping our own policies for the future, will know the special problems of France, and vice versa. These discussions which I have had with many foreign leaders have been very helpful to me.

Last week, I met with, I think, 19 heads of state of the Latin American countries. And I think we have a new relationship with them, brought about primarily by the prospect of the ratification of the Panama Canal treaty.

We are continuing our negotiations with the Soviets on the SALT [Strategic Arms Limitation Talks] question; also, on a comprehensive test ban of nuclear weapons. And as you know, the Soviet Union in addition is a cochairman, along with us, of the Mideast talks that we hope will take place before the end of this year.

This coming week, I'll have the first of a series of foreign ministers who will come and meet with me from the Middle Eastern region—Foreign Minister Dayan from Israel. And during the following weeks, I'll meet with all the others. These meetings that come to me directly are preceded, of course, by long discussions with the Secretary of State and others.

We have, in addition, many other defense matters that have come to my desk. Quite of-

ten, we have foreign matters that don't relate to the prospect of war or the issue of peace. A recent one, concluded last week, was with the Canadians, on a means by which we might bring natural gas down to our country. And this is the biggest construction project ever undertaken in the history of the world, and I think we arrived at a common purpose there.

Q. Mr. President, Jim Wisch, with the Texas Jewish Post, Dallas and Fort Worth.

First of all, on behalf of the American Jewish Publishers Association, I want to thank you for the profound message you sent from your wife, Rosalynn, and yourself to the American Jewish community. It was indeed very sincere. And with regard to your sincerity, which was recognized by all editors across the country regardless of their background, I want to point up to you your profound statement on the Mideast which we published right before the election, which was highly informative and set out many things that you had proposed to do.

I just returned from the Mideast, where I had a long, long conversation with Ambassador Lewis [Samuel W. Lewis, U.S. Ambassador to Israel]. And it seems to me there's a great deal of apprehension going on amongst American Jews and Jews of the world, and somehow it rests upon what some of your decisions are going to be.

I think this apprehension could be cleared, because I think there may be a disagreement, perhaps, in semantics rather than in objectives. And I wonder if you had been concerned about your popularity or your interpretation vis-a-vis your embracement of the PLO [Palestine Liberation Organization] and that your regard for them has given them a propaganda ploy where they have become recalcitrant—they still employ chapter 16, the complete destruction of Israel.

Now, people think that you are pushing Israel to sit down and recognize the PLO, regardless of that point in the PLO's platform. [U.N. Security Council Resolution] 242, your resolution, which you so eloquently described last July, says that nobody can sit down unless it's a face-to-face discussion and they rec-

¹ For the complete transcript, see Weekly Compilation of Presidential Documents dated Sept. 26, 1977, p. 1369.

ognize the entity of each nation as being a sovereign nation like we are doing with Panama.

And in view of this regard, I wonder if you plan to clear this up or elucidate or however you plan to handle this.

The President: With all due respect, that's one of the most distorted assessments of my own policy that I've ever heard.

Q. It is not my assessment [laughter]—

The President: I understand.

Q. But it's incumbent upon me to bring it to you.

The President: I've never endorsed the PLO. Our government has had no communication, at all, directly with the PLO. The only communication has been when representatives of the PLO have been to Arab leaders immediately prior to a Cy Vance visit with them or their visit to our country and have delivered messages to us indirectly.

Our agreement with the Israeli Government several years ago—before I became President—was that we would not communicate with the PLO as long as they did not refute their commitment to destroy the nation of Israel and did not accept the right of Israel to exist. Our public position is the same as our private position. There is no difference between them.

We have said that if the PLO would accept publicly the right of Israel to exist and exist in peace, as described under U.N. Resolution 242, that we would meet with them and discuss the future of the Palestinians in the Middle East. We have never called on the PLO to be part of the future negotiations. We have said that the Palestinian people should be represented in the future negotiations. That is one of the three major elements of any agreement that might lead to lasting peace—one is the territorial boundaries; the other one is the Arab countries accepting Israel, to live in peace as neighbors; and the third one is some resolution of the Palestinian question.

I've never called for an independent Palestinian country. We have used the word "entity." And my own preference as expressed in that talk that I made in New Jersey, I think,

and now, is that we think that if there is a Palestinian entity established on the West Bank, that it ought to be associated with Jordan, for instance. I think this was the case among many Israeli leaders as their preference in the past.

So, we have been very cautious, very careful, very consistent in spelling out our posture on the Middle Eastern settlements. When we have gone around, for instance—I haven't, but Cy Vance has gone around to Israel, to Jordan, to Syria, to Egypt, to Saudi Arabia—to talk about the future Middle Eastern conference and, hopefully, a settlement, we have taken the same exact written set of principles so there would be no difference among them, and discussed it with Sadat and Hussein and Asad and Fahd and with Mr. Begin, so that there would never be any allegation on any part of theirs that we took one position with the Israelis and a different position with the Arabs.

Sometimes the Israelis would say, "We don't accept this principle number 4." Sometimes the Arabs would say, "We don't accept principle number 1." But we've tried to negotiate in good faith.

I might say one other thing. We are not just an idle bystander. We are not just an uninterested intermediary or mediator. Our country has a direct, substantial interest in a permanent peace in the Middle East. And I sincerely hope and I believe that the nations who live there also want to have a permanent settlement and a permanent peace in the Middle East. And the principles that I described in that speech, the principles that the Vice President described in a speech he made in California earlier this year, and the principles that we espouse in our public and private conversations with Arabs and Israelis and with Prime Minister Barre, yesterday, from France, and others who are interested, are exactly the same. We've never deviated.

We have learned a lot. And as we've learned, we've added additional new items onto our basic proposal. But ultimately, the Middle Eastern settlement has got to be an agreement among the parties involved.

Now, I hope that all the countries are eager

to negotiate in good faith. I hope that none of them are putting up deliberate obstacles to prevent a Geneva conference from being convened. That's my hope and that's my present expectation.

Reorganizing Cultural and Informational Activities

Following is a joint statement by Acting Secretary of State Warren Christopher and Director of the United States Information Agency (USIA) John E. Reinhardt issued on September 1.

We are pleased by the President's decision to reorganize international cultural, educational, and informational activities. The proposed reorganization will give these activities enhanced stature and make it possible to serve the American people and American interests more effectively.

The President will recommend to the Congress the establishment of a new agency embracing USIA (including the Voice of America, VOA) and the Department of State's Bureau of Educational and Cultural Affairs. This will provide a more rational organization of these communication efforts and will give them greater stature in the years ahead.

The new agency will be under the direction of the Secretary of State. Its Director will report directly both to him and to the President, as does the Director of the Arms Control and Disarmament Agency. The new agency's budget and personnel systems will be autonomous.

In arriving at his decision to submit a reorganization plan to the Congress, the President studied the views of the distinguished panel chaired by Dr. Frank Stanton, the House Subcommittee on International Operations headed by Congressman Dante Fascell, respected academic organizations, the General Accounting Office, the American Federation of Government Employees, the American Foreign Service Association, as well as the advice of many individuals.

We share the belief—strongly expressed by

these groups and individuals—that we must step up our efforts to broaden international communication between the government and people of our nation and the governments and peoples of other nations.

The reorganization plan will be drafted and submitted to the Congress prior to October 31, as required by law, and congressional consultations about the process are underway. The plan will include a statement defining the mission of the new agency. It will guarantee the continued integrity of the educational and cultural exchange programs. It will also guarantee the independence and objectivity of the news functions of the VOA. Finally, every effort will be made to protect the rights of affected personnel in USIA and the Department of State.

The new agency will seek to:

—Reflect accurately to other peoples and governments the values of our society;

—Convey the diversity of thought and cultural vitality of the United States;

—Insure that other countries know where this country stands and why;

—Assist Americans to understand the intellectual and cultural wealth and diversity of other countries;

—Forge relationships between Americans and others that can contribute to mutual understanding and the capacity to cooperate in solving common problems;

—Provide the President and the Secretary of State with accurate assessments of foreign opinion on important issues; and

—Seek to reduce barriers to the international exchange of ideas and information.

Cuban Interest Section Opens in Washington

Following is a statement by Philip Habib, Under Secretary for Political Affairs, made at the ceremony on opening the Cuban Interest Section at Washington, D.C., on September 1.

We are here today to mark a first step, a step which—while in itself not large—is, just the same, significant.

For many years two neighbors, Cuba and

the United States, have had no dialogue. Differences thus have been exaggerated and areas of potential agreement left unexplored. After only 5 weeks in office, Secretary Vance said “. . . there are a number of issues that we ought to start discussing with the Cubans. I would like to begin that process. . . .”

What we do here today, opening the Cuban Interest Section in the United States and the parallel ceremony taking place in Havana, is symbolic, but it also goes beyond mere symbolism. In practical terms, consular services now become available directly through the presence of consular representatives. On a broader basis, a direct dialogue is now possible on issues of mutual benefit to our peoples, and this is good.

But we should all keep in mind that this is not an end but a beginning. With these Interest Sections we can speak directly, but we will have many things about which to speak and the dialogue will not always be an easy one. President Carter recognized this when he told reporters in May that we “. . . still have a lot of differences between us.” Significantly, he went on to say that the United States has “full friendship with Cuba” as an “ultimate goal.”

And so the process has begun. I know I speak for the President and Secretary Vance when I say that it is our hope, working together with good will, that this process can flourish not only to the benefit of the Cuban and American peoples but also in the interest of peace and stability in this hemisphere and in the world. That is our objective; let us now work together toward it.

Report on Human Rights in the Americas

Following is a statement by Gale W. McGee, U.S. Permanent Representative to the Organization of American States (OAS) submitted to the Subcommittee on International Organizations of the House Committee on International Relations on September 15.¹

I am grateful for this opportunity to report on the developments relating to human rights which took place at the Seventh General As-

sembly of the OAS held in Grenada in June [14-24].

It is a source of great satisfaction that the question of human rights dominated the General Assembly. At least 90 percent of the Assembly's energies and almost all of its time was spent on this sensitive issue, which on previous occasions has usually been avoided or handled with exaggerated caution. A great deal of the credit for bringing human rights to the forefront goes to the concerted efforts of President Carter and other Latin and Caribbean leaders dedicated to the defense of the most basic traditions of our hemisphere. I am proud to say that the U.S. delegation at Grenada worked closely with those of like-minded states to develop a strategy that would result in passage of several important resolutions aimed at strengthening the Inter-American Human Rights Commission (IAHRC), advancing the ratification process of the San José Pact [American Convention on Human Rights] and, in general, enhancing the cause of human rights in the Americas.²

We had certain goals at Grenada and we sought to achieve them by working together with a number of other delegations of OAS member states.

—We agreed that by standing together we could promote human rights in the hemisphere.

—By actively seeking and successfully obtaining the cooperation of the majority of the OAS member states, we frustrated efforts by a few to make it appear that the United States was isolated in its advocacy of human rights.

—We also agreed that we must avoid the sort of crippling criticism of the IAHRC that was intended to result in restructuring of the commission in ways that would hamper its effectiveness.

—To counter this initiative by some states, we helped sponsor resolutions supporting and endorsing the conclusions of the reports of the IAHRC.

The OAS General Assembly in Grenada

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 American Convention on Human Rights, see BULLETIN of July 4, 1977, p. 28.

proved beyond all doubt that the promotion of respect for human rights is a broad-based movement against gross abuse of human beings in which many governments and peoples have joined together. At Grenada, the leaders of the drive for frank discussion and action in defense of human rights formed a roll call of Latin American and Caribbean states with a deep commitment to freedom.

I would like to pay particular credit to the important work of the Caribbean delegations who contributed so notably to the discussion and its results. The three strong resolutions this coalition of member states supported and helped pass went far toward demonstrating that the banner of human rights will draw many of the region's important leaders. Such frank debate and the forthright resolutions on human rights were unprecedented in the OAS and, indeed, in most international organizations to which we belong.

At the same time, Secretary Vance's opening statement, his bilateral discussions with every OAS Foreign Minister at the General Assembly, and the corridor work of our delegation to the conference showed convincingly to the participants that human rights is a serious and enduring concern for the U.S. Government.

Terrorism and its relation to human rights was another subject of intense interest to the delegations at Grenada. We gave our strong support to the resolution sponsored by the Dominican Republic that sought to focus attention on the problem of international terrorism and its consequences. The Dominican Republic's resolution called for early ratification of the OAS convention on preventing and punishing acts of terrorism against diplomatic and international organizations' personnel as well as for continuing study by the Permanent Council of other conventions on assault and kidnapping in the hemisphere.

A resolution sponsored by Argentina, combining the problems of terrorism and abuse of human rights and giving clear priority to the suppression of terrorism, was defeated. Mexico's ambassador to the OAS, Don Rafael de la Colina, made the distinction between these two subjects with particular eloquence when he argued that abuse of human rights is

a crime committed by the state against an individual subject to its laws while an act of terrorism is a lawless offense against the state committed by an individual. Both are crimes, but they must be dealt with differently. Suppression of terrorism cannot be an excuse for abuse of human rights. Venezuela's Foreign Minister Don Ramon Escovar Salom summed up the views of the pro-human rights delegations when he said that ". . . political freedom is the only antidote to terrorism." Secretary Vance himself said at Grenada: "The surest way to defeat terrorism is to promote justice in our societies—legal, economic, and social justice."³

Our strongest efforts, and those of the other seven delegations who joined in sponsoring it, were devoted to passage of Resolution 315, commending the work of the Inter-American Human Rights Commission, recommending that member states cooperate with it more fully and calling for greater resources to allow the commission to perform its functions more effectively. The resolution concluded with the affirmation that ". . . no circumstances can justify torture, summary conviction or prolonged detention without trial, contrary to law." I believe Resolution 315 is an accurate measure of the real concern of a majority of countries represented at Grenada with the defense of human rights.

The Inter-American Human Rights Commission presented its Third Report on the Status of Human Rights in Chile to the VII General Assembly. The United States supported the resolution that was adopted by the General Assembly which was supportive of the commission and pressed Chile to continue cooperating with and reporting to the commission on the human rights situation there. The commission's report made a series of recommendations designed to improve human rights in Chile.

The Grenada General Assembly focused attention on the issue of human rights in the Western Hemisphere. Why is that issue of such concern to the membership of the OAS, some may ask? I think it is because every one

³For complete text, see BULLETIN of July 18, 1977, p. 69.

of our constitutional documents and the very Charter of the OAS refers to the rights of man and citizen—the great legacy of our Greco-Roman civilization and an essential element of our shared historical tradition. Countries of this tradition feel a strong obligation to live up to common values of respect for the rights of citizens to freedom from illegal arrest, prolonged detention, and cruel forms of interrogation and punishment.

Grenada was a benchmark in the long, slow struggle for higher standards of human rights performance in this hemisphere. But steady improvement in the years ahead will only be made with great effort and close cooperation among like-minded OAS states. Improvements in the human rights climate are beginning to appear, not just or even primarily as a result of the work of the United States and the other governments who worked together at Grenada. Changes are being made, slowly, sometimes very reluctantly, but steps are being taken in a number of countries to end past abuses. More and more excuses for continuing violations are being couched in the language of our common hemispheric tradition.

All countries are aware of their own values and proud of their historical heritage. One of the most dramatic moments at the Grenada General Assembly was when the Permanent Observer of Spain [Luis de Pedroso] was brought to the rostrum to receive the warm praise of many delegations on the democratic election that took place that week in his homeland. This symbolic gesture of welcome for the mother country of many OAS member states was not lost on the audience at Grenada.

One measure of the improvement underway is that momentum is building toward the adoption of the American Convention on Human Rights, the Pact of San José, which President Carter signed in June and which has now been signed by 15 states and ratified by four—Costa Rica, Colombia, Honduras, and Venezuela. Eleven states must ratify in order to bring the Pact of San José into force. Adoption of the American Convention will be a landmark in the struggle for human rights in this hemisphere. The executive branch is formulating necessary reservations to the Pact of

San José which will then be submitted to the Senate for advice and consent to ratification.

I have every reason to believe, based on the very favorable results of the VII General Assembly of the OAS and the other developments I have referred to since then, that human rights in this hemisphere is of growing concern to a broad range of states, leaders, and peoples and that, far from standing alone, the United States is a member of a distinguished fraternity in the Americas. Defense of citizens against torture, illegal detention, summary execution, or disappearance by official connivance are abominations to the most deeply held values of all the American peoples. These crimes against human rights are the target of a growing wave of revulsion that is spreading throughout the Western Hemisphere. It is not and must not be seen to be an exclusive concern of the Government of the United States.

Congressional Documents Relating to Foreign Policy

- Senate Delegation Report on American Foreign Policy and Nonproliferation Interests in the Middle East. Report pursuant to S. Res. 167 of May 10, 1977. S. Doc. 95-47. June 1977. 55 pp.
- Packing Standards for Imported Tomatoes. Report of the Senate Committee on Agriculture, Nutrition, and Forestry to accompany S. 91. S. Rept. 95-356. July 21, 1977. 17 pp.
- Establishing a Select Committee on Population. Report of the House Committee on Rules to accompany H. Res. 70. H. Rept. 95-516. July 21, 1977. 3 pp.
- International Trade Commission Authorization, 1978. Report of the House committee of conference to accompany H.R. 6370. H. Rept. 95-518. July 21, 1977. 8 pp.
- Revised Customs Convention on the International Transport of Goods Under Cover of TIR Carnets. Message from the President of the United States transmitting the revised customs convention (TIR Convention), done at Geneva on November 14, 1975, with annexes. S. Ex. M. July 26, 1977. 86 pp.
- Protocol Relating to Intervention on the High Seas in Cases of Marine Pollution by Substances Other Than Oil, 1973. Message from the President of the United States transmitting the protocol relating to intervention on the high seas in cases of marine pollution by substances other than oil, adopted at London on November 2, 1973, by the International Conference on Marine Pollution. S. Ex. L. July 25, 1977. 8 pp.

Recommendation to Protect Antarctic Environment

Following is a statement by Robert C. Brester, Acting Assistant Secretary for Oceans and International Environmental and Scientific Affairs, made before the Subcommittee on Fisheries and Wildlife Conservation and the Environment of the House Committee on Merchant Marine and Fisheries and the Subcommittee on Environment and the Atmosphere of the House Committee on Science and Technology on September 12.¹

I appreciate the committee's prompt consideration of H.R. 7749, the bill transmitted to Congress by the Department of State on behalf of the executive branch on May 23. The bill, when enacted, would enable the United States to implement what are termed agreed measures adopted by the Antarctic Treaty members for the protection and conservation of Antarctic flora and fauna and the fragile ecosystem on which they depend. The bill has the support of all the concerned U.S. Government agencies and was endorsed by the President in his environmental message to the Congress of May 23.²

I also appreciate the committee's willingness to defer these hearings to permit the drafting of technical amendments that we believe clarify and streamline the regulatory mechanism contemplated by the bill. These amendments, which were developed as the result of consultations with the committee's staff, are now incorporated in the bill before us.

The Agreed Measures for the Protection of Antarctic Fauna and Flora are the product of the Antarctic Treaty system. The Antarctic Treaty was signed by 12 countries in 1959—Argentina, Australia, Belgium, Chile, France, Japan, New Zealand, Norway, South Africa, United Kingdom, U.S.S.R., and the United States. Subsequently, seven additional coun-

tries have adhered to the treaty—Brazil, Czechoslovakia, Denmark, East Germany, the Netherlands, Poland, and Romania.

The Antarctic Treaty sets aside Antarctica and the waters south of 60 degrees south latitude for peaceful purposes only, prohibits nuclear explosions or the disposal of nuclear wastes there, provides the right of arms control inspections, and guarantees freedom of scientific research throughout the Antarctic. The treaty provides for regular meetings of consultative parties. Those parties are the original 12 and, since July 29, Poland—the first acceding state to demonstrate its interest in Antarctica by conducting substantial scientific research there and thus to qualify for consultative status. It is at these consultative meetings that the parties discuss and agree on approaches to Antarctic problems.

It was at the third consultative meeting in 1964 that the representatives of the 12 consultative parties unanimously agreed upon and recommended to their governments for approval the Agreed Measures. The initiative for the measures came from the United States and stemmed from the fact that an increasing and continuing human activity in Antarctica—resulting in part from the cooperation under the treaty—threatened the biological and ecological integrity of certain areas and species for which there was inadequate or no protection. This was especially true for those habitats close to the permanent scientific stations or otherwise relatively easily accessible.

The Agreed Measures, among other things, provide for the protection of birds and mammals from harmful interference, the identification and establishment of specially protected areas which are closed to most activities, the prohibition of the introduction into Antarctica of exotic plants and animals, and for the determination of specially protected species. The taking of specimens or entry into the protected areas require special permits which are issued only for compelling and carefully delimited research activity.

The designation of the specially protected areas is normally proposed by one or more consultative parties, usually based on the suggestion of the nongovernmental Scientific Committee on Antarctic Research (SCAR)—

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

²See Weekly Compilation of Presidential Documents dated May 30, 1977, p. 782.

an advisory body on which sit representatives of the private and academic scientific communities of the consultative parties.

The Agreed Measures, as all other recommendations of consultative meetings, become effective when all governments of consultative parties have approved them. To date nine of the 13 countries have approved. Among the four who have not, Belgium and Australia are now going through a process similar to our own to obtain enabling legislation. Japan has indicated that it has certain domestic legal problems with special implementing legislation, but it is trying to work out a means to approve the measures.

Approval of the Agreed Measures by the United States, which would take place upon enactment of the proposed legislation, would be significant evidence of the continuing interest of the United States in the Antarctic and its environment. It would replace the informal administrative procedures by which the United States has, since 1964, observed the Agreed Measures as interim guidelines. These informal procedures sufficed as long as most Americans visiting Antarctica were members of U.S. scientific expeditions. With the increase of public interest and activity in Antarctica, however, legislation with appropriate enforcement and penalty provisions is needed to enable the U.S. Government to fully implement the Agreed Measures and formally approve them pursuant to the provisions of the Antarctic Treaty.

The National Science Foundation, which is responsible for the management of the U.S. program in Antarctica, would have primary responsibility for the implementation of the proposed act. The director of the National Science Foundation would, however, refer any permit applications involving species of birds, mammals, or plants native to Antarctica that fall within the regulatory responsibility of either the Secretary of Commerce or the Secretary of Interior to those Secretaries for action. I will leave the more detailed discussion of these procedures to the representatives of those agencies who are testifying with me this morning.

The bill also contains in section 7 a notification requirement that will assure that the

United States meets its obligations under Article VII of the Antarctic Treaty to inform other treaty parties of all expeditions to and within Antarctica on the part of U.S. ships or nationals and all expeditions to Antarctica organized in or proceeding from U.S. territory.

In his environmental message of May 23, 1977, the President assigned great importance to continued U.S. leadership and international cooperation in the Antarctic. He emphasized the need to maintain the environmental integrity of the Antarctic which influences the condition and stability of the Earth's oceans and atmosphere.

The passage of H.R. 7749 insures both support of the President's objectives and conveys to the world community in a concrete fashion our continuing interest in the protection of the Antarctic environment. We appreciate the committee's interest in this subject and hope that these comments will be of assistance to you in considering this proposed legislation.

TREATY INFORMATION

Current Actions

MULTILATERAL

Biological Weapons

Convention on the prohibition of the development, production, and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow April 10, 1972. Entered into force March 26, 1975. TIAS 8062.

Ratification deposited: Australia, October 5, 1977.

Economic Cooperation

Agreement establishing a financial support fund of the Organization for Economic Cooperation and Development. Done at Paris April 9, 1975.¹

Ratification deposited: Ireland, September 27, 1977.

Energy

Memorandum of understanding concerning cooperative information exchange relating to the development of solar heating and cooling systems in buildings. Formulated at Odeillo, France, October 1-4, 1974. Entered into force July 1, 1975.

¹ Not in force.

Signature: Department of Scientific and Industrial Research of New Zealand, August 9, 1977.

Finance

Articles of agreement of the International Monetary Fund. Done at Washington December 27, 1945. Entered into force December 27, 1945. TIAS 1501.

Signature and acceptance: Sao Tome and Principe, September 30, 1977.

Articles of agreement of the International Bank for Reconstruction and Development. Done at Washington December 27, 1945. Entered into force December 27, 1945. TIAS 1502.

Signature and acceptance: Sao Tome and Principe, September 30, 1977.

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976.¹

Acceptance deposited: United States, October 4, 1977.

Ratifications deposited: Indonesia, September 27, 1977; Mali, September 30, 1977.

Signature: Portugal, September 30, 1977.

Human Rights

International covenant on civil and political rights. Done at New York December 16, 1966. Entered into force March 23, 1976.²

Signature: United States, October 5, 1977.

International covenant on economic, social and cultural rights. Done at New York December 16, 1966. Entered into force January 3, 1976.²

Signature: United States, October 5, 1977.

Tin

Fifth international tin agreement, with annexes. Done at Geneva June 21, 1975. Entered into force June 14, 1977. TIAS 8607.

Ratification deposited: Italy, September 30, 1977.

BILATERAL

Bangladesh

Project grant agreement for rural finance experimental project, with annexes. Signed at Dacca August 31, 1977. Entered into force August 31, 1977.

Project grant agreement for agricultural inputs project III relating to fertilizer distribution and marketing, with annexes. Signed at Dacca August 31, 1977. Entered into force August 31, 1977.

Bolivia

Project agreement relating to rural education, with annexes. Signed at La Paz August 30, 1977. Entered into force August 30, 1977.

Cuba

Agreement concerning fisheries off the coasts of the United States, with agreed minutes. Signed at Havana April 27, 1977.

Entered into force: September 26, 1977.

Egypt

Project grant agreement for technology transfer and manpower development III, with annex. Signed at Cairo August 11, 1977. Entered into force August 11, 1977.

First amendment to project grant agreement of August 11, 1977, for technology transfer and manpower de-

velopment III. Signed at Cairo August 31, 1977. Entered into force August 31, 1977.

Guatemala

Loan agreement for primary school reconstruction, with annexes. Signed at Guatemala September 14, 1977. Entered into force September 14, 1977.

Indonesia

Agreement amending the agreement for sales of agricultural commodities of May 17, 1977. Effected by exchange of notes at Jakarta September 9, 1977. Entered into force September 9, 1977.

Liberia

Project grant agreement for agricultural sector analysis and planning, with annexes. Signed at Monrovia August 12, 1977. Entered into force August 12, 1977.

Project grant agreement for agricultural cooperative development, with annexes. Signed at Monrovia August 12, 1977. Entered into force August 12, 1977.

Malawi

Project agreement relating to extension of the capacity of Bunda College of Agriculture to provide skilled agriculture technicians. Signed at Lilongwe August 24, 1977. Entered into force August 24, 1977.

Nepal

Project agreement concerning improvement in production of food-grain crops, with annexes. Signed at Kathmandu August 4, 1977. Entered into force August 4, 1977.

Project agreement relating to the expansion and improvement of the Institute of Agriculture and Animal Sciences, with annexes. Signed at Kathmandu August 4, 1977. Entered into force August 4, 1977.

Pakistan

Agreement on procedures for mutual assistance in connection with matters relating to the Lockheed Aircraft Corporation and the Boeing Company. Signed at Washington September 9, 1977. Entered into force September 9, 1977.

River Niger Commission

Project grant agreement for River Niger development planning, with annexes. Signed at Niamey August 23, 1977. Entered into force August 23, 1977.

Sudan

Agreement on procedures for mutual assistance in connection with matters relating to the Boeing Company. Signed at Washington September 23, 1977. Entered into force September 23, 1977.

Syria

Agreement relating to investment guaranties, with related letter. Effected by exchange of notes at Damascus August 9, 1976.

Entry into force: August 13, 1977.

Thailand

Project agreement relating to population planning, with annexes. Signed at Bangkok August 24 and 29, 1977. Entered into force August 29, 1977.

¹ Not in force.

² Not in force for the United States.

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| No. | Date | Subject |
|------|------|--|
| *446 | 10/3 | Conference on U.S.-Caribbean Basin Trade and Diplomacy, Kansas City, Oct. 25-26. |
| *447 | 10/4 | Maurice D. Bean sworn in as Ambassador to Burma (biographic data). |
| *448 | 10/4 | Shipping Coordinating Committee, Subcommittee on Safety of Life at Sea, panel on bulk cargo, Nov. 1. |
| *449 | 10/4 | Study Group 3 of the U.S. National Committee for the International Telegraph and Telephone Consultative Committee (CCITT), Nov. 1. |
| *450 | 10/5 | Shipping Coordinating Committee, Oct. 27 meeting cancelled. |
| *451 | 10/5 | Mrs. Hamilton Jordan hosts White House reception for visiting African women educators, Oct. 6. |
| *452 | 10/5 | Secretary of Labor Marshall and J. William Fulbright to represent U.S. at celebrations of European binational commissions beginning Oct. 14. |
| *453 | 10/5 | Peter Daland and Kenneth Treadway to conduct swimming workshops in Portugal under auspices of Department of State and Phillips Petroleum, Nov. 4-11. |
| *454 | 10/7 | Vance: remarks at Rev. Leon Sullivan's dinner, New York, Oct. 5. |
| *455 | 10/7 | Vance, Secretary General of the Arab League H.E. Mahmoud Riad: exchange of remarks, New York, Oct. 6. |
| *456 | 10/7 | Advisory Committee to the U.S. National Section of the International Commission for the Conservation of Atlantic Tunas, Oct. 26. |
| *457 | 10/7 | Shipping Coordinating Committee, Subcommittee on Safety of Life at Sea, working group on fire protection, Nov. 15. |
| *458 | 10/7 | Program for the visit of Lt. Gen. Olusegun Obasanjo, Head of State and Commander in Chief of the armed forces of Nigeria, Oct. 10-15. |
| *459 | 10/7 | Assistant Secretary Todman to visit Puerto Rico, Haiti, and the Dominican Republic, Oct. 11-19. |

* Not printed.

† Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE BULLETIN

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The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

Publications of the Department of State, United Nations documents, and legislative material in the field of international relations are also listed.

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Secretary Vance Interviewed on "Meet the Press"

Following is the transcript of an interview with Secretary Vance on the NBC television and radio program "Meet the Press" on October 16. Interviewing the Secretary were Richard Valeriani of NBC News, Hedrick Smith of the New York Times, Robert Keatley of the Wall Street Journal, and Joseph Kraft of the Field Syndicate. Jim Hartz, NBC News, was moderator.

Press release 467 dated October 16

Mr. Valeriani: The Carter Administration has made the reconvening of the Geneva conference on the Middle East this fall one of its major goals of foreign policy. How close are you to achieving that goal?

Secretary Vance: I think we have made good progress toward that. There are still a number of obstacles along the way that have to be overcome, but I really do believe that the parties want to go to a reconvened Geneva conference and before the end of this year. They have all said so, and I think in the recent discussions which we have been having in New York with the foreign ministers, the actions, and what they have to say would confirm that fact.

Mr. Valeriani: Can you get to Geneva without applying tremendous pressure on Israel—to use Foreign Minister Dayan's word, "brutal" pressure?

Secretary Vance: Well, first let me say that I don't believe that is an accurate word to describe our conversations, and Mr. Dayan has said that it was not.

We have had our discussions with Mr. Dayan and have agreed on a working paper which we have transmitted to all of the Arab countries, and we are awaiting their views with respect to that working paper. We will then discuss among all of the parties whatever

differences remain and see if we can't work these out.

Mr. Valeriani: Does the working paper rule out the participation of the Palestine Liberation Organization (PLO) in the Geneva conference?

Secretary Vance: It does not deal with that question at all. What it says is that there shall be a unified Arab delegation and that within the unified Arab delegation there will be Palestinians.

Mr. Valeriani: How will those Palestinians be selected?

Secretary Vance: That is a subject still to be worked out among the parties.

Mr. Valeriani: Have you asked Israel to accept low-level members of the PLO in that kind of delegation?

Secretary Vance: I am not going to go into the details of what we have or have not discussed with Israel at this point. What we want to do is to work together and see if we can't find agreement among all the parties, and at that time we will announce what the results are.

Let me say that the two principal remaining issues are the question of how one defines "Palestinian" within the unified Arab delegation and the question of the organization of the working groups which will come into being after the opening sessions of the Geneva conference.

Mr. Valeriani: As you know, there are some people in Washington who think that you are having a conference this year for the sake of having a conference and to have a foreign policy success before the end of the year, and therefore you are willing to go to Geneva without a great deal of the substance agreed on beforehand. Is that the case?

Secretary Vance: No, that is totally wrong, and I am awfully glad to have a chance to speak to that.

Before one goes to Geneva, one has to agree on the minimum essentials in terms of procedures and organization. Without that, you cannot get to a Geneva conference.

But the reason for going to Geneva is to get to the negotiating table so that people can deal with substance—to have serious negotiations. That is the only reason for getting to Geneva, and I think it would be tragic if we would let procedural and organizational matters preclude moving to the negotiating table so that we can get started on the serious negotiating issues.

One more word on that, if I might, please. We have been discussing not merely procedure with the foreign ministers; we have been discussing matters of substance as well, and we have covered a great deal of substance in these discussions which we have been having during the last several months.

Mr. Smith: Last spring one of the major elements of the arms control proposal you put before the Soviets in Moscow was a sharp limitation on their heavy missile, the SS-18. We understand that in the latest tentative agreement that you have been working out with the Soviets, you have dropped that limitation. Why has the Administration made that kind of a large concession to the Russians?

Secretary Vance: I am not going to go into detail, but I would very much like to answer your question in general terms.

Insofar as heavy missiles are concerned, they are a matter of concern. But the main matter of concern is the total number of missiles which contain multiple warheads—so-called MIRV [multiple independently-targetable reentry vehicle] missiles—and the important thing is to reduce the total number of the MIRV missiles.

For example, the so-called SS-19 missile—which is not the heaviest of the missiles—is a very dangerous missile because of its accuracy; in addition to the fact that it is quite a large missile although not quite as large as the SS-18—which is the largest of their missiles.

The most important thing, then, is to reduce the total number of MIRV missiles because they are the most dangerous thing in terms of a threat to the land-based systems in the United States.

What we are seeking is stability, and by reducing the total number of MIRV missiles, we seek and achieve that objective—namely, obtaining a more stable balance.

Mr. Smith: Are you going to be able to persuade Congress this is the case?

We understand, for example, that the Senate Armed Services Subcommittee [on Arms Control] headed by Senator Jackson is disturbed by the drift of the negotiations since last spring. Are you going to be consulting with them every couple of weeks on the progress of the negotiations? How are you going to hold their support?

Secretary Vance: Yes we are, indeed. I met just this last week with Senator Jackson and his subcommittee. We will be meeting next week again. I have offered to meet with them as often as they wish and suggested that we regularize it on a basis that would mean that we would meet at least once every 2 weeks. That has been agreed to, so we are starting off next week, and thereafter we will be meeting at least every 2 weeks to continue the discussion between us. I think it is absolutely essential that we do have a complete and full dialogue so that they can understand where we are going and can have their input into our thinking.

Mr. Keatley: I would like to go back to the Mideast, if I might. Israelis say they won't attend the Geneva conference if the PLO is present, and Arabs say they won't be there if the PLO is absent. That issue has been around for a long time. I am having difficulty in understanding where this good progress is that you have been talking about.

Secretary Vance: The progress is in the following areas:

—First, everyone has now agreed that the way of including a Palestinian voice—which is absolutely necessary in the Middle East negotiations if we are to have a just and lasting peace—is to have them represented at the

table. All parties have now agreed that this can be done by having Palestinians in a united Arab delegation. The question is now, which Palestinians? And that is the question which still has to be resolved.

—The second question with respect to getting to Geneva is, what should the form of organization be? We now have an increasing consensus that the way to organize it will be to have both bilateral and multilateral working groups. Before, there was substantial division, not only between Israel and the Arabs but among the Arabs themselves. We have made good progress in narrowing the differences between the parties in that area as well.

Mr. Keatley: Another aspect of the Palestinian issue is the "homeland" or "entity" or "state," whatever it is called. Do you have any reason to believe that the Begin government is willing to withdraw from any or all of the West Bank or Gaza Strip and turn it over to any kind of Arab control?

Secretary Vance: The Begin government has indicated that they go to Geneva without any preconditions and that everything is discussable.

Mr. Keatley: Haven't they said they would walk out if the subject of an Arab—a Palestinian state arose?

Secretary Vance: No, they have not. They have said that they would not discuss the question of an independent Palestinian state.

Mr. Kraft: How far away are you from a SALT [Strategic Arms Limitation Talks] agreement with the Russians?

Secretary Vance: We have made good progress in our recent talks when Mr. Gromyko [Soviet Foreign Minister Andrei Gromyko] was here. We still have a number of issues to be resolved, and they are difficult issues.

We have given those issues to our two delegations in Geneva to try and resolve, and I cannot put a precise date on when those negotiations can be completed. I think it's possible that they can be completed in the near future.

Mr. Kraft: Does that mean—by the near future, does that mean that possibly SALT can

replace the Panama Canal as the number one, first-in item of business with the Congress?

Secretary Vance: No, I wouldn't want to try and say that it would replace that, because I simply don't know.

We have a Panama Canal treaty. The Panama Canal treaty has been signed; hearings are going forward with respect to that. I would expect that would be the first item of business.

Mr. Kraft: Why wouldn't you want it the other way around? Isn't the SALT, first of all, more important? Isn't it an easier one to argue?

Secretary Vance: The SALT agreement is extremely important. There should be no doubt about that. But we already have a Panama Canal treaty, which has been signed; hearings are going on. We don't know when we are going to complete our discussions with respect to the SALT treaty, so I think we ought to deal with first things first.

Mr. Kraft: Do you have any expectation that Panama will be done before the end of this year?

Secretary Vance: No. But I think it can be done early next year.

Mr. Valeriani: To go back to the idea of the Palestinian entity—have you told the Israelis that the United States would support some kind of Palestinian entity on the occupied West Bank with an Arab civil government and an Israeli military presence that would be temporary?

Secretary Vance: I do not think it would be good to go into detail. Let me say that we have indicated, as you know, for a long time that we agree there should be a Palestinian homeland.

Mr. Valeriani: And on the Geneva conference, could you have a conference if, within that united Arab delegation, one of the confrontation states refused to participate? For example, if Syria refused to go, could you have a conference?

Secretary Vance: That's an iffy question, and I don't think we ought to deal with it.

Mr. Valeriani: Do you think you will have to go back to the Middle East before the Geneva conference is reconvened?

Secretary Vance: I don't know. I doubt it.

Mr. Smith: The President has scheduled a trip later this fall to eight countries in 11 days—the kind of scatter-shot diplomacy that Henry Wallace once called “globaloney,” it seems to me. Can you give us a plausible explanation for why the President should engage in such an exhausting trip to such disparate countries? ¹

Secretary Vance: I think you have to go back to the speech the President made at Notre Dame [on May 22], which sets a number of themes for our foreign policy. These themes include a number of global issues such as the question of arms transfers; such as the question of the so-called North-South dialogue, the economic issues that have been dividing the countries of the Northern Hemisphere and those of the South; the question of nonproliferation; and a number of these global issues.

In addition, a number of these countries have very close ties with the United States and in addition play very important roles in their respective areas. Take, for example, the countries which we are going to be visiting in Latin America. There we undoubtedly would be discussing not only areas of nonproliferation and arms transfers but also the question of North-South issues. In Africa, Nigeria is clearly one of the most important countries in Africa. We have given great emphasis in this Administration to the problems of Africa, and it's logical that we should be meeting with them.

Insofar as India is concerned, it is one of the important countries in that part of the world, and we have not yet had a chance to meet with them. It is important that we do so. Coming to Europe, we have stressed the importance of the relationship with our allies, and it is important, therefore, that we visit Europe and have a chance to talk with our allies.

As far as the visit to Poland is concerned,

¹ The White House announced on Sept. 23 that President Carter would visit Venezuela, Brazil, Nigeria, India, Iran, France, Poland, and Belgium beginning on Nov. 22.

we have also stressed the importance of trying to deal with countries that have not been close to us before, and that is an example of one place.

Mr. Smith: You have left out oil—I'm rather surprised. Looking at the list, there are three oil countries: Nigeria, Venezuela, and Iran. I wonder, if they are in that area, why the President doesn't go to Saudi Arabia? You've got the OPEC [Organization of Petroleum Exporting Countries] meeting in December.

Secretary Vance: Well, let me say first that the oil situation is a critical one, and I would just like to make a comment on that.

The oil problem is not simply a domestic problem in the United States; the oil problem is an international problem. Our allies are dependent upon oil, and therefore it is of fundamental importance that we, in the United States, take the necessary action as the leading consumer of oil to demonstrate our concern in this area.

Now, coming back to your specific question. We will be visiting Iran, as you know, and Iran is one of the major producers of oil in that area. Certainly oil is one of the most pressing problems that faces the whole world because of the impact that any oil price increase could have on the economies of the world, and we are doing everything within our power to see there is no oil increase because we think it would be very bad for the economies, not only of the industrialized countries but also the less developed countries.

Mr. Smith: To go back to my question, are you going to add Saudi Arabia?

Secretary Vance: I prefer to defer an answer on that.

Mr. Hartz: There are complaints—and many of them from Congress—that you are trying to do too much too soon in your foreign policy; specifically, that the Panama Canal treaty was signed knowing that you couldn't get ratification on it until next year, that Congress hasn't been consulted except your agreement this last Friday on SALT talks, that the Administration has changed its policy on the Middle East without proper consul-

tation. How do you respond to these criticisms and complaints from Congress?

Secretary Vance: First, I do not believe that we have been trying to do too much too fast. When we came into office, we were faced with a number of problems which were of critical importance and which affected the peace and security of the world. Let me give you some examples:

First, the question of the Middle East. Somebody had to come in and do what could be done to try and move that situation toward serious negotiation and thus head off the possibility of a further war in the Middle East.

Secondly, insofar as arms control is concerned, we were facing another twist of the arms spiral and, therefore, it was necessary to pick up and give high priority to our discussions with the Soviet Union.

Thirdly, in southern Africa, there we saw increasing violence with the possibility of racial war. This was a problem that had to be attacked. It couldn't be left to fester.

And, therefore, these problems had to be dealt with; they couldn't be pushed aside. And so I could go with a number of other issues we have had to deal with, such as the Panama Canal. Therefore, I would answer that these are problems that had to be dealt with and, although it would be nice to deal with fewer problems, we simply had the responsibility to go forward and seize these problems.

Mr. Hartz: Is there something wrong with the congressional mechanism, then, if you're right?

Secretary Vance: No, I don't think there is anything wrong with the congressional mechanism. Let me say that these problems are extremely complex problems. They require time and effort and patience to deal with them, and they have to be undertaken and work has to be started on them. One cannot lay out any precise time schedule as to how soon one can get a resolution of these problems, if ever; but they have to be attacked and if one tried to set up a schedule and deal only with a rigid schedule, then we would never deal adequately with these problems. So I think what we have to do is move forward with them to do what we can in the executive

branch, in consultation with the Congress, and if they require congressional action, to put them on the congressional calendar when the Congress can properly handle them.

Mr. Keatley: A few months ago, U.S. relations with the Soviets were pretty testy; now they seem improved. Some people explain this by saying this is the result of U.S. policy retreats, a less ambitious SALT program, many statements that seem to bring Russians into the act, not much talk about human rights any more. What is your explanation?

Secretary Vance: I would say that that is a wrong interpretation. First, just let's take a look at the President's speech in the United Nations [on October 4].

We have had primary emphasis on the question of SALT and of arms control, not only nuclear arms control, but the question of conventional arms transfers as well. In terms of human rights, I had almost 80 discussions with foreign ministers of other nations, and the President had many himself. I think in almost every case, one of the subjects of discussion between ourselves and the leaders of the other countries was the question of human rights. We are proceeding with human rights in the discussions in Belgrade, so we are clearly moving on with that.

Insofar as the Mideast statement was concerned, this was something that was not lightly done; it was very carefully thought out. We believe it was both necessary and useful to have the cochairmen making a statement of principles which reflected their view, and we hoped this would act as a stimulus to the parties to not only move forward to Geneva but to begin to deal seriously with issues that had to be dealt with once a Geneva conference was started. So, we are not trying to put aside these problems. They are very much in the forefront of our thinking and of our actions.

Mr. Kraft: The answers to the last three questions, it seems to me, confirm the general criticism that there is no sense of priority in this Administration, that you're trying to do everything all at once. Let me ask you, can you say with some briskness, what seems to you, and in what order, are the most impor-

tant things in foreign policy confronting this Administration?

Secretary Vance: I can say that the most important things that are facing us in foreign policy right now are: first, the Middle East; second, SALT; third, the question of southern Africa. Those, I would say, are the principal items, but there are others that are of importance too and that have to be dealt with also.

Mr. Kraft: I notice you put the Panama Canal not right on that list, so let me ask you—

Secretary Vance: But it is a very important issue. In addition, there is the question of our economic discussions on North-South issues, and you must continue with those discussions and plan for them.

Mr. Kraft: With respect to Panama, for example, what's the rush? It took 13 or 14 years to negotiate it, and I never heard of the Senate ratifying a treaty in a hurry. Why don't you do it slowly? What's the need, for example, to surface the elements of an agreement without even giving us the text?

Secretary Vance: With respect to Panama, this has been a long-festering issue; it's an issue that should be dealt with. And it is not being rushed, it is not being pushed through this year. It is going to be put on the calendar at the appropriate time that the Senate Majority Leader believes that it should go on. I have indicated that I think it will probably be the early part of next year, and it doesn't seem to me that that's a rush.

Mr. Kraft: You mentioned the North-South question, and I think at the North-South meeting, as I recollect, that you made a commitment to a sharp increase in American aid [May 30]. I know President Carter made the same commitment at the London summit meeting [May 7-8]. But you've got a lot of claim on resources, you—also in the presence of a Brookings Institution report saying that your aid mechanism isn't very good. Are you going to abide by this commitment for a sharp increase in aid?

Secretary Vance: What I said is, I believe there should be a substantial increase, and I

do believe there should be a substantial increase.

Mr. Kraft: Will there be one?

Secretary Vance: The decision on the exact level is going to be put before the President very shortly. We are going to make our recommendations to him, and there will be a determination by him at that time as to the exact size of that increase.

President Carter's News Conference of September 29

Following are excerpts relating to foreign policy from the transcript of a news conference held by President Carter on September 29.¹

Q. There have been a lot of confusing statements from the White House and from leaders who have seen you recently on where exactly the United States stands in terms of Palestinian—PLO [Palestine Liberation Organization] participation in a Geneva peace conference, if one comes about. Can you really clarify this point?

The President: I doubt it [laughter]—but I would be glad to try. What we are trying to do now is—as a first and immediate goal—is to bring all the parties in the Mideast dispute to Geneva for a conference. We are dealing with Israel directly. We are dealing directly with Lebanon, Syria, Jordan, and Egypt. We are trying to act as an intermediary between Israel and each one of those Arab countries that border their own country.

There are some differences among the Arab nations, which we are trying to resolve, concerning a unified Arab delegation or individual Arab delegations and the format which might be used to let the Palestinian views be represented.

At the same time, we have a further com-

¹ For the complete transcript, see Weekly Compilation of Presidential Documents dated Oct. 3, 1977, p. 1438.

plicating factor in that we are joint chairmen of the Geneva conference along with the Soviet Union. So, in the call for the conference, in the negotiations preceding the format of the conference, we have to deal with the Soviet Union as well. So, on top of all that, and perhaps preeminent in my own mind, is that we are not an idle observer or bystander, we are not just an intermediary or mediator. We have a vital national interest in the ultimate peace in the Middle East.

It's obvious to me that there can be no Middle Eastern peace settlement without adequate Palestinian representation. The Arab countries maintain that the PLO is the only legitimate representative of the Palestinian interests. The Israelis say that they won't deal with the Palestinians, or certainly not the well-known PLO members, because they have been identified in the past as committed to the destruction of the nation of Israel.

So, we are trying to get an agreement between the Israelis and the Arab countries, with widely divergent views, about the format of the meeting and, also, who would be welcomed to the conference to represent the Palestinians.

This is something that is still in the negotiating stage, and I cannot predict a final outcome. We have no national position on exactly who would represent the Palestinians or exactly what form the Arab group would take in which the Palestinians would be represented. I just can't answer that question yet because the question has not been answered in my mind.

Q. Does the United States recognize—"recognize" is the wrong word—but accept the PLO as a representative of the Palestinians?

The President: We have pledged to the Israelis in the past, and I have confirmed the pledge, that we will not negotiate with, nor deal directly with, the PLO until they adopt U.N. Resolution 242 as a basis for their involvement, which includes a recognition of the right of Israel to exist. We have let this be known to the PLO leaders through various intermediaries, through intermediaries through the United Nations, leaders in Saudi Arabia,

Syria, Egypt, Jordan, and so forth. They know our position.

If the PLO should go ahead and say, "We endorse U.N. Resolution 242; we don't think it adequately addresses the Palestinian issue because it only refers to refugees and we think we have a further interest in that," that would suit us okay.

We would then begin to meet with and to work with the PLO. Obviously, they don't represent a nation. It is a group that represents, certainly, a substantial part of the Palestinians. I certainly don't think they are the exclusive representatives of the Palestinians. Obviously, there are mayors, for instance, and local officials in the West Bank area who represent Palestinians. They may or may not be members of the PLO. So, we are not trying to define an exact formula that we would prescribe for others. We are trying to find some common ground on which the Israelis and Arabs might get together to meet in Geneva.

I think, by the way, that both the groups—the Arabs and the Israelis—have come a long way. They are genuinely searching for a formula by which they can meet. They want peace. And I think they are to be congratulated already, because in the past number of years they have made very strong and provocative statements against one another and now to move toward an accommodation is a difficult thing for them. And we are trying not to make it any more difficult.

Q. What are the assurances given to the PLO in the event of accepting 242?

The President: If they accept U.N. 242 and the right of Israel to exist, then we will begin discussions with the leaders of the PLO. We are not giving them any further assurance of that because we are not trying to prescribe, as I said, the status of the PLO itself in any Geneva conference. But it would give us a means to understand the special problems of the Palestinians. And as you know, many of the Israeli—some of the Israeli leaders have said that they recognize that the Palestinian question is one of the three major elements. But I can't and have no inclination to give the PLO any assurances other than we will begin

to meet with them and to search for some accommodation and some reasonable approach to the Palestinian question if they adopt 242 and recognize publicly the right of Israel to exist.

Q. It is said that we have modified our SALT [Strategic Arms Limitation Talks] position somewhat and, on the basis of that, we may be very near an agreement and, on the basis of that, you may be meeting with Mr. [Leonid] Brezhnev [Chairman of the Presidium of the Supreme Soviet of the U.S.S.R.] in a few weeks or months. Is any or all of that true? [Laughter.]

The President: I will resist the temptation to comment on the accuracy or veracity of past comments made in the news media—and by you [laughing]—I understand.

I think some of those statements are fairly accurate. We have been encouraged recently by the cooperative attitude of the Soviets. I have met several hours, on two occasions, with Foreign Minister Gromyko. And they have been fairly flexible in their attitude, and we have tried to match their cooperative stance.

There has been no decision made about a time or place for a meeting between me and Mr. Brezhnev. In fact, the meeting itself is certainly not a sure thing at all. It is, as a matter of record, his time to come to the United States—if and when a meeting does take place—and he has that permanent standing invitation which he can accept as he sees fit.

Our purpose in the SALT negotiations this year has been generally twofold: One is to reduce the overall level of nuclear armaments; and secondly, to have an assurance that there is an equivalent capability in the future to give a reasonable sense of security to both nations. And I think, at the same time, integrally with this is to let the Soviets know that we are negotiating in good faith, that we are not trying to pull a trick or to take unfair advantage over them.

At the same time, I recognize that progress on SALT leads to further progress on comprehensive test ban, on the matter of non-

proliferation, on general reductions in armament sales around the world. And I think it would lessen tensions between us and the Soviets that have existed historically.

So, we are making some progress. An immediate agreement is not in prospect. We have narrowed down the differences to a relatively small number which could take quite a long time to resolve. Our negotiators are now going back to Geneva to try to eliminate as many of the differences as possible. So, reasonable progress has been made.

I wouldn't be too optimistic about an early settlement. And there is no plan at this time for a meeting with Mr. Brezhnev.

President Carter Signs Covenants on Human Rights

Following are remarks made by President Carter upon signing the International Covenant on Economic, Social and Cultural Rights and the International Covenant on Civil and Political Rights at the Economic and Social Chamber of U.N. Headquarters on October 5.¹

I am honored to sign, on behalf of the United States of America, these two international covenants on human rights.

Of the many affinities between the United States and the United Nations, perhaps the most important is that both had their origins in a vision of the greatness of the human possibility. The American Declaration of Independence speaks of the idea that, and I quote: “. . . all Men are created equal . . . endowed by their Creator with certain unalienable Rights . . . Life, Liberty, and the Pursuit of Happiness. . . .” The Charter of the United Nations speaks of “. . . faith in fundamental human rights, in the dignity and worth of the human person, in the equal rights of men and women and of nations large and small. . . .”

¹For the texts of the covenants, see BULLETIN of January 16, 1967, p. 107; President Carter did not sign the Optional Protocol to the International Covenant on Civil and Political Rights (text from Weekly Compilation of Presidential Documents dated Oct. 10, 1977).

Though separated by a century and a half in time, these visions are identical in spirit. The covenants that I sign today are unusual in the world of international politics and diplomacy. They say absolutely nothing about powerful governments or military alliances or the privileges and immunities of statesmen and high officials. Instead, they are concerned about the rights of individual human beings and the duties of government to the people they are created to serve—the rights of human beings and the duties of government.

The [International] Covenant on Civil and Political Rights concerns what governments must not do to their people, and the [International] Covenant on Economic, Social and Cultural Rights concerns what governments must do for their people.

By ratifying the covenant on civil and political rights, our government pledges, as a matter of law, to refrain from subjecting its own people to arbitrary imprisonment or to cruel or degrading treatment. It recognizes the right of every person to freedom of thought, freedom of conscience, freedom of religion, freedom of opinion, freedom of expression, freedom of association, and the rights of peaceful assembly, and the right to emigrate from that country.

A government entering this covenant states explicitly that there are sharp limits on its own powers over the lives of its people. But as Thomas Jefferson once wrote about the Bill of Rights which became part of our own American Republic, and I quote again from Thomas Jefferson: "These are fetters against doing evil which no honest government should decline."

By ratifying the other covenant on economic, social, and cultural rights our government commits itself to its best efforts to secure for its citizens the basic standards of material existence, social justice, and cultural opportunity. This covenant recognizes that governments are the instruments and the servants of their people. Both of these covenants express values in which the people of my country have believed for a long time. I will seek ratification of these covenants by the Congress of the United States at the earliest possible date.

It would be idle to pretend that these two covenants themselves reflect the world as it is. But to those who believe that instruments of this kind are futile, I would suggest that there are powerful lessons to be learned in the history of my own country.

Our Declaration of Independence and the Bill of Rights expressed a lofty standard of liberty and equality. But in practice these rights were enjoyed only by a very small segment of our people.

In the years and decades that followed those who struggled for universal suffrage, those who struggled for the abolition of slavery, those who struggled for women's rights, those who struggled for racial equality—in spite of discouragement and personal danger—drew their own inspiration from these two great documents—the Declaration of Independence, the Bill of Rights—and our own Constitution because the beliefs expressed in these documents were at the heart of what we Americans most valued about ourselves, they created a momentum toward the realization of the hopes that they offered.

Some of these hopes were 200 years in being realized. But ultimately, because the basis was there and the documents signed at the origins of our country, people's discouragements and disappointments were overcome and ultimately these dreams have prevailed. My hope and my belief is that the international covenants that I sign today can play a similar role in the advancement and the ultimate realization of human rights in the world at large.

The last time I was here at the United Nations [March 17], shortly after I became President, I made an entire speech on the subject of human rights. Yesterday I made a speech on peace. Today I have taken tangible steps toward the realization both of peace among nations and the preservation of human rights for individual men and women throughout the world.

My hope and my prayer is that the high and noble expressions in these documents will be realized throughout all nations and the high and noble expressions of hope in our own Bill of Rights 200 years ago is being realized in our great country.

Approach to Latin American Policy: Creative Developments

Following is an address by Terence A. Todman, Assistant Secretary for Inter-American Affairs, before the Department of State Media Seminar on U.S.-Latin American Relations on July 21.

I am very pleased you could all be here. We in the Bureau of Inter-American Affairs are in the midst of a highly creative period of policy development. I welcome this opportunity to tell you what we are doing and why. I hope you will give us your reactions and your help.

My colleagues and I want and need to reflect your understanding of Hispanic culture and values in our dealings with Latin America. We need a feel for your deepest concerns and highest priorities when we formulate policy. We want to enlist your own efforts in helping the people of this country get to know Latin America and appreciate its importance. Finally—and perhaps most important—we want to draw more Hispanic-Americans directly into positions where they can affect U.S. foreign policy in all stages of its development and implementation.

The United States has changed its basic approach to Latin America and the Caribbean. The individual strands of our policy now include:

—Respect for the rights of individuals and for the sovereignty and independence of states;

—Recognition that our national interests require a strong global economy; and

—Awareness that the immense potential of modern technology imposes an obligation to halt destructive side effects like nuclear proliferation, the uncontrolled spread of armaments, or the sacrifice of the environment.

What has changed most of all is our awareness that the countries of Latin America and

the Caribbean are critical to the central issues of our times. President Carter summed it up at Notre Dame [on May 22] when he said we must widen our approach to encompass the problems and contributions of all countries, not just those of the industrialized Northern Hemisphere.

In Latin America, we have begun to do just that. We have discarded the outworn paternalism of a parochial special relationship that usually meant we took our relations for granted and as an afterthought. When President Carter spoke before the Permanent Council of the OAS [Organization of American States] in April, he did not just talk about Latin America; he outlined our overall global policy directions, and he pledged to consult closely with the nations of Latin America and the Caribbean in developing our policies.

Our efforts to make this approach a reality are barely 6 months old. This morning, I would like to highlight some of the dynamics briefly for you.

Movement on Basic Issues

We have moved decisively to make the United States a leader in the effort to promote human dignity and human rights in this hemisphere. President Carter has signed the American Convention on Human Rights [on June 1], and we are working to attract additional signatories. We are determined to strengthen the Inter-American Human Rights Commission. At the OAS General Assembly this June in Grenada, a resolution we cosponsored in support of the commission won majority support. After 6 months, it is fair to say that our human rights initiatives are set and set well. And they are attracting genuine and growing support.

The enhancement of human rights must, of course, be accomplished internally by the people and government of each country. But our leadership and our cooperation with other hemisphere states are essential to develop a climate that supports the hopes and aspirations felt by all peoples and acknowledged by all governments.

Evidence that the trend away from democratic government might be coming to an end is, I believe, quite encouraging. Ecuador has scheduled a return to constitutional government by next year; Honduras by 1979; Bolivia by 1980. Recently the Government of Chile also made a public commitment to a timetable. Peru's plan, "Tupac Amaru," also contemplates a return to elected government and stresses human rights.

Political progress is best assured in a climate where no nation feels threatened and where all nations see their own interests served by a reduction in armaments and peaceful resolution of disputes.

We have moved actively on three fronts to support regional peace and arms restraint:

—First, we have announced and put into effect a new policy on arms sales. We will not be the first to introduce new weapons systems into the area. We will respect and support local arms control initiatives. Beyond that, we will actively seek restraint from suppliers outside the hemisphere.

—Second, President Carter has signed Protocol I of the treaty of Tlatelolco [on May 26], which pledges us to ban nuclear weapons from the region. This is a major step but only a first one. We are discussing ways to prevent proliferation of nuclear weapons technology while preserving Latin American options for the peaceful use of the atom.

—Finally, we are working to prevent the escalation of local disputes into military confrontations. Secretary Vance has met with the parties to the Belize dispute in an effort to discourage resort to a military solution. In El Salvador and Honduras we are cooperating closely with the OAS peacekeeping team maintaining the cease-fire between them.

Our steps to support human rights and to reduce the risks of war reflect our fundamen-

tal concern for the well-being of the person. Individual well-being has yet another dimension—economic progress. Our most crucial policy decisions in Latin America are often economic ones. A central issue here is trade. Most nations of the region want export opportunities more than aid.

President Carter has firmly endorsed a liberal approach to trade policy. He has backed it up when facing individual decisions. His support of adjustment assistance rather than tariff quotas in response to resistance to shoe imports was good news for Brazil and Uruguay. His refusal to espouse a more protectionist course on sugar has prevented severe damage to economies in the Caribbean.

We are actively pursuing the multilateral trade negotiations and would support a common funding arrangement for stabilizing commodity prices in the context of individually negotiated agreements.

But trade alone is not enough. The President has indicated we will be responsive to human needs both in the poorest countries and in the majority of Latin American countries that no longer fall in the "poorest" category. We have done much this year to support the international financial institutions, including a \$525 million replenishment for the Inter-American Development Bank.

We are also committed to substantial future increases in bilateral aid. As you know, to achieve this objective will require active support in the country and on the Hill. I would appreciate your views on how this issue is seen by the American people in the light of other pressing needs.

Movement on Bilateral Issues

The Administration's first study on taking office—Presidential Review Memorandum No.1—led to renewed efforts to conclude a new Panama Canal treaty. You will hear this afternoon from Ambassadors Bunker and Linowitz about the very substantial progress made toward a treaty that will insure an open and secure canal. We look forward to your active analysis and counsel on this issue.

We have established direct contact with Cuba for the first time in 16 years. The suc-

cess of our limited talks last spring in establishing maritime boundary and fishery rights has led to agreement to open an Interest Section in a friendly embassy in each other's capital as of September 1. While many serious differences remain between the United States and Cuba, we believe that difficult problems can be dealt with more effectively—and perhaps only—by governments that are talking to each other.

The entire Caribbean basin has become a major focus of U.S. interest, something that never really happened before even during times of crisis. The Caribbean nations, though small in size, present challenging economic dilemmas as well as many flourishing examples of democracy and respect for human rights.

Jamaica's balance-of-payments difficulties illustrate the type of problems we must overcome. With other interested governments we are moving to help. A joint U.S.-Jamaican economic team met in Kingston in May. We expect to announce a package as soon as our consultations with Congress are completed.

Another major development in inter-American affairs has grown out of our close and rewarding relationship with our nearest Latin neighbor, Mexico. The very first head of state to be received by President Carter was President Lopez Portillo. This most successful visit has now led to the formation of government working groups to carry out continuing practical consultations. Secretary Vance and Foreign Minister Roel [Santiago Roel Garcia] met here in Washington last week, their fourth private meeting since February. At almost the same time, one of the economic subgroups met in Mexico. The social group—tackling such topics as narcotics, immigration, and migration problems—will meet in August.

High-Level Consultations

The intensified contacts between the U.S. and Mexican Governments are typical of the closer relations developing among hemisphere leaders.

President Carter received a state visit 2 weeks ago from President Pérez of Venezuela, one of the hemisphere's most important leaders who shares many of our goals. The two

Presidents discussed our mutual efforts in arms control and human rights and confirmed their conviction that free democratic institutions and concern for social welfare go hand in hand. Follow-up activities are planned on a wide range of global issues, including energy.

First Lady Rosalynn Carter visited seven countries in June. Her itinerary included Jamaica, Costa Rica, Ecuador, Peru, Brazil, Colombia, and Venezuela. Mrs. Carter was able to convey the deep concern of our people for human rights and arms control and to hear the concerns of her hosts, who knew her reports would have the personal and undivided attention of President Carter.

One of Mrs. Carter's most important stops was Brazil. Both she and Secretary Vance have confirmed the 1976 Memorandum of Understanding with Brazil that regularized consultations between our two nations. Brazil is a nation of immense importance in South America. We have a number of very sensitive issues to face together. Talks on the serious and overlapping issues of energy needs and nonproliferation concerns are continuing.

The Secretary of State is directly involved in the affairs of the hemisphere. Secretary Vance had very useful discussions with Latin American leaders on North-South issues in Paris and has met on separate occasions with several Foreign Ministers here in Washington. But it was the Secretary's intense participation in the OAS session in Grenada—where he met individually and privately with 18 Latin and Caribbean Foreign Ministers—that best indicates the importance he ascribes to the region.

Many other Administration officials are personally involved as well. Treasury Secretary Blumenthal participated in the meeting of the Inter-American Development Bank in Guatemala and has met with the Finance Ministers of hemisphere nations including Brazil and Argentina. Ambassador [to the United Nations Andrew] Young represented the United States at the ECLA [Economic Commission for Latin America] meeting in Guatemala and will shortly visit the Caribbean. Under Secretary of State [for Political Affairs] Philip Habib accompanied Vance to Grenada and then to Trinidad and sub-

sequently visited Barbados and Guyana as well. Presidential adviser Dr. Peter Bourne and Mr. Bensinger of the Drug Enforcement Administration are in Bogotá today meeting with Colombian officials as part of a new initiative on narcotics.

Finally, quite apart from my travels with Secretary Vance and Mrs. Carter, I have myself already visited several countries in the hemisphere since becoming Assistant Secretary. I have met with key leaders as well as university professors, businessmen, and people of all political persuasions.

These contacts—remarkably intensive for a half-year period—are not intended to convey token interest or surface good will. They are an important part of our policy approach. We cannot solve problems with American-made solutions; we will not reduce our relations with the hemisphere to a slogan. What we can hope for is to try to understand each other's perspectives and to work together on the many issues that face us.

As a result, the United States is beginning to respond to initiatives that began with the Latin nations themselves, like the Tlatelolco treaty and the American Convention on Human Rights. We feel that the major thrusts of our present policy—close consultation, economic cooperation, advancement of human rights, and arms control—will succeed because they are fundamentally in tune with the needs and values of all Americans, both North and South.

U.S. Citizen Involvement

This Administration considers increased citizen awareness and involvement in the policy process a key element of our approach to foreign affairs. By this I mean not just another way of explaining or seeking support for our policy, but seeking your views and your wisdom before policies are launched.

The Department of State, and particularly our Bureau, is actively seeking to build and strengthen such relationships. We now meet to exchange views with a variety of leadership groups, such as yourselves; we participate actively in academic and professional forums;

and we have launched "business and development" conferences in key U.S. cities.

This Administration is particularly anxious that we draw more upon the resources of the American Hispanic community, not only through wider public outreach programs but by drawing more and more Hispanic-Americans into the policy process and into the government itself.

The representation of Hispanic-Americans in our government when this Administration took office was grossly inadequate and—as I need not tell you—it still is. Here at State, the underrepresentation of Hispanics has been a serious problem for some time. At present there are only 36 Hispanic officers in the entire regular Foreign Service. Another 34 Hispanic officers serve under reserve appointments. In the history of the Republic we have had only 14 U.S. Ambassadors of Hispanic descent.

Secretary Vance convened an executive task force in March to find ways to reverse this record. Special recruiting teams were sent to universities in areas with high Hispanic student populations—in the Southwest, in Miami, and in Puerto Rico to name a few—and more efforts like that are now underway. In short we plan to make a concerted effort to bring Hispanic-Americans into the Department of State at all levels of responsibility. We are enlarging both our junior and mid-level entry programs to assure that progress will be made.

To have an immediate impact, we are also starting at the top. The President has already announced the appointment of two Hispanic-Americans—one of Mexican and one of Cuban descent—as Ambassadors. The top AID [Agency for International Development] administrator for Latin America [Abelardo D. Valdez]—who will speak right after me—and the Senior Advisor to the Secretary of State for International Narcotics Matters [K. Malthea Falco] are Hispanic-Americans.

In my Bureau I am proud to say that one of my first decisions was to convince Dick [Richard G.] Arellano to join me as Deputy Assistant Secretary for Inter-American Affairs, with special responsibilities across the board for economics, military, and other so-

called functional issues. I was also somewhat shocked to learn upon taking office that this Bureau, which has the basic responsibility for inter-American affairs, had barely a half-dozen Hispanic officers altogether. Given the personnel ceilings and budgetary restraints under which we operate, I expect progress to be slow. But I intend to use every possible opportunity to bring more Hispanic-Americans into the Bureau.

Our country needs the talents and insights of all its citizens. And in dealing with this hemisphere we need more than ever the insights, the talents, and the special wisdom of the American Hispanic community and its leaders.

Now I would like to hear your views—for I am sincere in saying that I want and need all the wisdom you can impart as we approach the task of trying to strengthen the ties which bind us together. As that distinguished Mexican writer and diplomat Luis Quintanilla said in describing this hemisphere: "From pole to pole, from ocean to ocean, we are all in the same boat; we were created to live together."

Department Testifies on Undocumented Aliens

Following is a statement by Richard G. Arellano, Deputy Assistant Secretary for Inter-American Affairs, made before the Subcommittee on International Development Institutions and Finance of the House Committee on Banking, Finance, and Urban Affairs on September 14.¹

At present the problem of undocumented aliens is the most important and the most serious which we have with Mexico. From the U.S. domestic point of view, it is charged that illegal immigration from Mexico exacerbates our own unemployment problem, depresses wages, puts a drain on our social welfare pro-

gram, and results in a considerable public expenditure for policing the border and apprehension of illegals and represents a drain of foreign exchange through remittances.

From the Mexican viewpoint illegal immigration is a safety valve for the Mexican economy which relieves the pressures created by its domestic unemployment and the lack of development in its rural areas. In this context the Mexicans view the problem of undocumented workers as a mutual one which must be solved through joint effort with the United States rather than merely through unilateral sanctions and regulations by the United States which would treat the illegals as criminals. Until we are able to solve this problem amicably and cooperatively with Mexico, it will be a festering sore which will adversely affect the totality of our bilateral relations with Mexico and less directly the other nations of Latin America which depend on emigration to the United States to relieve their unemployment pressure.

As the President said in his message to Congress August 4:

The economies of most of the source countries are still not sufficiently developed to produce, even with significant U.S. aid, enough jobs over the short term to match their rapidly growing workforce.

Over the longer term, however, I believe that marked improvements in source countries' economies are achievable by their own efforts with support from the United States. I welcome the economic development efforts now being made by the dynamic and competent leaders of Mexico. To further efforts such as those, the United States is committed to helping source countries' means of providing such assistance. In some cases, this will mean bilateral or multilateral economic assistance.²

In the short run, external assistance either from the United States or the international financial institutions is unlikely to have a major effect in reducing illegal immigration from Latin America—the level of which has not been accurately determined. In the long term, assistance directed toward increasing rural employment opportunities, particularly in Mexico, will have more positive effects in reducing the economic incentives to emigrate. The United States has encountered considerable difficulty in its efforts to reduce unemployment. The problems of reducing un-

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 full text, see BULLETIN of September 5, 1977, p. 315.

employment and raising the standard of living in Mexico are even more formidable.

Discussion of the character of migration across national frontiers in Latin America may shed some light on the complexity of this problem.

Over the last two decades, Latin America has become a region of net outward migration. Additionally, migration among countries within the region, previously very small, has increased considerably. The flow of migration from Latin America to the rest of the world and the currents from one country to another both are made up of very different types of migrants.

The most numerous category is that of unskilled workers. This group comes mainly from the rural poor of countries with high underemployment. These people move directly across land frontiers seeking work—mainly in agriculture, construction, and domestic service. The main movements within Latin America of this type are from Bolivia, Chile, and Paraguay into Argentina; from Colombia into Venezuela and Panama; and from El Salvador into Honduras. By far the largest movement of this category of migrants is from Mexico to the United States.

The main attraction of the United States for the unskilled migrant is the higher level of U.S. wages. A typical worker can earn more in 3 months in the United States than he can in a year in Mexico. Recent studies indicate that the vast majority of these unskilled migrants do not consider staying permanently in the United States. They come to work temporarily—usually for periods of 4–6 months—and then return to their home communities. Credence to this finding is given by an understanding of the nature of traditionally strong Mexican family ties.

A crucial factor in this migration is, of course, the general economic situation within Mexico. Historically, sharp increases in the rate of migration to the United States have resulted after severe drought, flooding, or other adverse conditions affecting agriculture in Mexico.

Mexico's high levels of unemployment and underemployment, as I have previously suggested, contribute to migrant flows; how-

ever, empirical research indicates that it is not just the lack of jobs but the lack of steady, relatively well-paid jobs which fuels migration. The consensus of scholarly opinion is that large wage differentials are more important than simply the level of unemployment in Mexico in promoting migration of temporary workers to the United States.

A different category of migrant are those skilled and semiskilled workers seeking various kinds of urban employment who move on a more limited scale to a wide variety of destinations; they are not concentrated in border areas as are most of the unskilled. These migrants are far more likely to become permanent residents of the United States than the unskilled workers. However, I should note that this group primarily is comprised of migrants from source nations other than Mexico.

Of course, substantial numbers of Mexican illegals do become permanent residents of the United States either by blending into predominantly Mexican-American neighborhoods or by eventually legalizing their status. But empirical research indicates that they are outnumbered—probably by a margin of about 10 to 1—by illegals who maintain a pattern of seasonal or shuttle border migration.

Migrants in the skilled category are much more likely to speak English, have more formal education, and hence are less likely to be detected by the Immigration and Naturalization Service.

The third and presumably smallest group of illegal migrants are those who come for sociopolitical reasons. This group originates mainly in the urban middle-class. Movements in this class include persons suffering from some degree of discrimination either because of lack of adequate educational opportunities, access to public or private employment, because of economic insecurity, or the incompatibility of their values with those dominant at home.

There are several myths which have grown up concerning the character of illegal aliens. David S. North of the Center for Labor and Migration Studies has examined some of these myths and has concluded the following: Illegal aliens are a more polyglot and sexually integrated population than is generally realized

(i.e., illegals are not primarily young men from Mexico); the principal impact of illegals on American life is to depress the labor market through acceptance of low paying jobs; and illegals are net contributors to the U.S. Treasury in that through automatic payroll deductions they pay taxes and make Social Security payments but they seldom take welfare payments due to a reluctance to become enmeshed in a bureaucratic structure which they fear could lead to detection by the authorities.

As can be seen from this short discussion, illegal migrants are not a monolithic group. They cross national borders to satisfy a wide variety of goals. They are impelled by many different motivations. The problem is too large, too complex, and has existed far too long to permit simple, painless solutions. The flow of illegal aliens is likely to continue in the foreseeable future no matter what measures are taken. However, the rate of this flow depends in part on whether adequate steps to create attractive alternatives to migration can be taken within Mexico and other source countries. Assistance from the United States and other donors, including the international financial institutions, can provide help to the efforts of source countries to deal with the factors which stimulate emigration.

For instance, the Mexican Government has requested the assistance of the World Bank to devise programs for channeling more credits and other forms of help to small and medium industries in that country. This is in an effort to reorient their development policies more toward small-scale, labor-intensive rural industrialization. A World Bank mission visited Mexico in October 1976 to survey the whole small- and medium-scale sector and analyze the operations of existing financial institutions. The mission has proposed a project for expanding credits to smaller industries linked to a program of technical assistance.

While programs like this are a step in the right direction, Mexico's demographic position may vitiate the benefits they can bring. About 700,000-800,000 new workers will enter the

labor force annually over the next 15-20 years. According to World Bank estimates, even if Mexico could quickly resume its historically high rate of economic growth (about 6 percent), the economy could absorb only about half the new entrants.

Recent economic literature has suggested that "intermediate" or "appropriate" technologies could be used to create more labor-intensive development. However, it is difficult for development banks to design projects using "appropriate" technologies when such alternatives are by no means obvious and usually do not exist in forms ready for immediate application. These technologies are new and innovative; therefore, they entail a higher level of risk than proven industrial designs and techniques. Experienced bankers are, properly, somewhat reluctant to place excessive reliance on these concepts.

In closing, I would like to reiterate that it is really the source countries who must take the lead in solving their basic structural problems—problems such as maldistribution of income, high population growth, and low rural productivity. However, we believe the international financial institutions can assist these efforts toward improving overall economic conditions and, by so doing, reduce the pressure for emigration.

Letters of Credence

On October 7, the following newly appointed Ambassadors presented their credentials to President Carter: ¹

Guinea—Ibrahima Camara
India—N. A. Palkhivala
Nigeria—Olujimi Jolaoso
Oman—Farid Mubarak Ali al-Hinai
Zaire—Kasongo Mutuale

¹ For texts of the Ambassadors' remarks and the President's replies, see Department of State press releases dated Oct. 7, 1977.

United States and ASEAN Hold Economic Consultations in Manila

Following is a statement by Richard N. Cooper, Under Secretary for Economic Affairs, made at the U.S.-Association of South East Asian Nations (ASEAN) economic consultations in Manila on September 8, 1977, together with the transcript of a joint news conference by Carlos P. Romulo, Philippine Secretary of Foreign Affairs, and Under Secretary Cooper on September 10 and the text of a joint press release issued that day.

STATEMENT BY UNDER SECRETARY COOPER

I and members of my delegation, on behalf of the U.S. Government, very much appreciate your kind words of welcome and take great pleasure in joining with you in this first meeting between the United States of America and the states of the Southeast Asian nations. Looking around the room, it is particularly gratifying to note that I and my colleagues are meeting today with many friends whom we have known before, representing nations with which the United States has had long and friendly relations. For the first time, we are meeting with you not as representatives of individual countries but of representatives of ASEAN as a collective institution.

Before going further, I wish to state that my delegation and I are most appreciative of the hospitality being extended by President Marcos and the Government of the Philippines in hosting these consultations. It is our common good fortune to partake of the warm friendship and support being provided by your government.

Looking back on ASEAN's first 10 years, the United States is struck by the steady growth in cohesion, self-reliance, and political and economic strength on the part of ASEAN's members. They have met and mas-

tered the immense challenge posed for Southeast Asia by the tragic events of Indochina and the major readjustment of U.S. military strength in this region. The success of ASEAN as an organization has paralleled and reinforced the economic growth and rising world importance of its individual members. We salute these developments and believe that they bode well for the peace and prosperity of all the nations of Asia.

We have long enjoyed with each ASEAN member country cooperative and fruitful relationships. These have become increasingly economic in emphasis involving trade, aid, investment, and issues of global interest. This meeting brings to these old relationships an important new dimension. It represents an experiment aimed at determining whether a regional approach to matters of mutual interest can bring additional advantages to existing relationships. This is the central question our nations will jointly attempt to begin to answer this week.

In that context, the United States believes that ASEAN has importance for global as well as for Asian economic development. We attach particular significance to ASEAN's present and prospective roles in four respects.

—First, ASEAN is a pragmatic force, intent on pursuing a constructive rather than a confrontational role in international economic forums. In consequence, ASEAN has achieved growing influence and leadership both among developing nations and in the overall North-South dialogue.

—Secondly, ASEAN is a source of numerous commodities important for industrializing and industrialized nations alike. ASEAN's workmanlike approach and its concern to be realistic in seeking improved international commodity arrangements should help achieve

mutual benefits for producing and consuming nations alike.

—Thirdly, ASEAN is an area with unusual growth potential—one which offers economic opportunities for itself and its economic partners within a world system of liberalized trade and investment.

—Finally, ASEAN is a group which has gained recognition for its emphasis on mutual cooperation for development.

In terms of development in Asia, it may further assist our discussions if I note that earlier this year Secretary of State Vance enunciated five basic principles which guide the policies of the United States toward the peoples and nations of Asia:¹

—First, the United States is and will remain an Asian and Pacific Power;

—Second, the United States will continue its important role in contributing to peace and stability in Asia and in the Pacific;

—Third, the United States seeks normal and friendly relations with countries in the area on the basis of reciprocity and mutual respect;

—Fourth, the United States will pursue mutual expansion of trade and investment across the Pacific, recognizing the growing interdependence of the economies of the United States and the region; and

—Fifth, we will use our influence to improve the human condition of the peoples of Asia.

Each of these principles has concrete meaning as we meet together in Manila.

Concerns have been expressed that the United States might withdraw from this part of the world or that we would abandon an active role in support of peace and stability in Southeast Asia. On the contrary, we are and will remain engaged with the nations of this region and with ASEAN. Our commitment comprises far more than our military presence—we are partners in trade, in multilateral development institutions, and in the continuing dialogue about the management of the world economy. Our current meeting is in itself an expression of our growing and fruit-

ful interdependence with our longstanding friends in Southeast Asia. Our interest in establishing an accommodation with other nations in this region will be pursued prudently with careful attention to priorities. I would also add that the recent visit of Secretary of State Vance to the People's Republic of China [August 20–26] reflects our belief that a constructive relationship with China is also important for global and regional equilibrium.

Our economic relations with the ASEAN are founded on a recognition of interdependence. Indeed, interdependence is the theme which harmonizes and gives the most meaning to our mutual objectives at these talks; our agenda of discussions reveals the wide range of this interdependence. So too do the data.

In 1976 the United States was ASEAN's second largest trading partner accounting for about 18 percent of ASEAN's two-way global trade. For our part, we are highly dependent on the ASEAN states for our imports of tin, vegetable oils and fats, and rubber. Significantly, the growth in U.S. trade with ASEAN between 1970 and 1976 was greater than the growth of overall U.S. trade—while our trade tripled, our trade with ASEAN more than quadrupled during this period of time. The book value of our investments in ASEAN tripled between 1970 and 1975.

Behind these statistics is a network of economic relationships involving not simply the exchange of goods and services but also the transfer of technology, growth in communications and travel, and the development of business ties. We approach ASEAN with a desire to complement and supplement our bilateral relations wherever we can in areas of our mutual interests. We can jointly advance many of these interests in our global efforts. But reflecting our recognition of the value and strength of regional cooperation, we are also exploring ways of enhancing our support of organizations, such as the Asian Development Bank, which have a special value and role in Southeast Asian nations.

Interdependence, which offers great benefits, also imposes responsibilities. The prosperity of the world economy is not guaranteed by any automatic or self-regulating process. The play of market forces must be

¹ For Secretary Vance's address before the Asia Society on June 29, see BULLETIN of Aug. 1, 1977, p. 141.

supplemented with thoughtful and deliberate economic management. At a national level, policies of full employment and price stability are necessary to assure that prosperity is widespread and enduring. Moreover, the major industrial nations of the world have a special responsibility toward their trading partners and toward each other. Inflation or unemployment in the industrial centers can create disturbances in the economic life of the entire world, just as instability, sharp price increases, or supply disruptions in raw materials or energy can disrupt the international economy.

In a world of interdependence, the guiding principles must be cooperation and mutual benefit. Only through a growing process of consultation and mutual concern can national economic policies be brought into harmony. And only through a search for measures of mutual benefit and rejection of measures which help one nation at the cost of another can the full potential of the world economy be realized.

These principles have direct application to today's economic problems. The recent period of uncertainty and disruption in the world economy has created a new impetus for protectionism in both developed and developing countries. To a great degree, this self-defeating impulse has been successfully resisted. The great benefits of an open, non-discriminatory trading system have been recognized and preserved. But all of us must continue to defend the principles of open trade and to expand their application in an orderly and reciprocal way. For our part, the United States pledges to give special attention to the means of improving market access for the products of interest to ASEAN. And we hope that the nations of ASEAN will be alert to the prospects of mutual benefits from a reduction in protection of your economies.

These measures of trade expansion should not be seen as concessions—as in the traditional language of trade negotiations—but rather as a means of improving economic efficiency to the gain of all concerned. A tariff reduction in one country is of benefit not simply to producers of another country but also to consumers at home and, in the long run, to the

ASSOCIATION OF SOUTH EAST ASIAN NATIONS (ASEAN)

ASEAN was established on August 8, 1967, by the Foreign Ministers of the member states (Indonesia, Malaysia, Philippines, Singapore, and Thailand) meeting at Bangkok. Its purpose is to accelerate the economic growth, social progress, and cultural development in the region; to promote active collaboration and mutual assistance on matters of common interest in the economic, social, cultural, technical, scientific, and administrative fields; to collaborate more effectively for the greater utilization of their agriculture and industries, the expansion of their trade—including the study of the problems of international commodity trade—the improvement of their transportation and communication facilities, and the raising of living standards. The Secretariat for this organization is in Djakarta, Indonesia.

vigor and competitiveness of domestic industry.

While an open trading system offers great benefits which go with interdependence, it also poses some characteristic problems. In the last year, there has been a growing consensus among the nations of the developed and developing world that wide fluctuations of commodity prices do not promote economic efficiency. We are now together engaged in a process of commodity discussions, and discussions of the formation of a common fund, which are designed to introduce greater order and stability into commodity markets. We in the United States see this effort as an opportunity to put into practice the principles of cooperation and mutual benefit. We particularly appreciate the constructive role which ASEAN and its members have pursued in the various forums where discussions are taking place.

Private investment also offers opportunities for mutual benefit. The United States believes that private investment can make a major contribution to economic development. But it is up to the host country to set the rules for investment. As a government, we have an interest that the rules, once set, be fairly applied; but we have no desire to foist any investment on a country which does not wish to receive it.

The goal of all these policies—sensible macroeconomic management, open trade, commodity stabilization, private investment—is economic growth and development. The United States is fully committed to the economic development of the nations of ASEAN and will continue its efforts toward this objective.

Development, however, is not an end in itself but a crucially important means of improving the human condition. The United States will continue to work toward the fulfillment of basic human needs, protection of the integrity of the individual, and promotion of popular participation in government. Our policies will be implemented with a careful regard for the situation in each country, having in mind the trend of governmental efforts as well as the nature of their problems.

Economic relations involve more than an exchange of money and products. The progress of ASEAN over the last decade reminds us of the intangible benefits of economic cooperation. In my view, these "invisibles"—to use an economic expression—reflect a new sense of community in this region which is manifested:

—By the strengthening links binding the members of this community together;

—By the growing importance of ASEAN's collective economic strength;

—By ASEAN's influence and contributions to international political and economic deliberations;

—By the high interest that ASEAN shows in constructive efforts to increase the benefits of economic interdependence, an interest reciprocated in your recent dialogues with Australia, Canada, Japan, New Zealand, and with the European Community; and

—By the growing determination of its members to sustain and strengthen the ASEAN community. In that regard, we have noted the willingness of members to put an end to territorial uncertainties.

I was impressed by the breadth of the subjects addressed at the recent second ASEAN summit in Kuala Lumpur as outlined in the communique issued by the heads of your government following these sessions. Its scope

reflects the many facets of interchange which concern the states of ASEAN.

Although they are not included in our agenda today, I wish to comment that two items included in the ASEAN communique have a special interest for the United States—the campaign to limit and control the production and spread of illicit narcotics and drugs which create human misery while sapping our most precious resource, human talent, and the need to provide humanitarian relief and assistance to refugees who, along with their torments and problems, also provide us with new human resources.

As you know the United States is actively engaged in both of these matters with the states of ASEAN in their individual capacities. We are impressed by the attitude of these states and the tangible progress they have made in dealing with these problems, often at great difficulty and cost to themselves. We are prepared to be of further assistance in ways that best suit the states most directly concerned.

In conclusion I wish to note that our meeting today, although historic in terms of being first, is in fact an extension of progressive cooperation between the United States and ASEAN in learning from each other how best to conduct our affairs for mutual benefit.

The meeting comes at a good time. While the general direction of President Carter's Administration has been firmed, numerous details have yet to be worked out. This means, on the one hand, that we cannot make definitive statements here on many issues of mutual interest. But it means also that what we learn here can have a bearing on the decisions actually taken. While I cannot assure that every decision will accord with the wishes of ASEAN countries, I can assure you that your voice will be heard in the deliberations. In that sense, these represent true consultations on our side, and I hope too that our views are taken into account in your deliberations on many issues of mutual interest.

I wish to emphasize that for my delegation the success of our discussions is not dependent upon the achievement of specific goals or specific agreements. While such results would be welcome, we believe that a signal benefit for

all of us at this time is the valuable process of consultation.

We thus join these talks in the same spirit that has brought such strength to the Association of South East Asian Nations—that of honest recognition of diverse interests, coupled with a determination to seek areas for cooperation and mutual benefit.

NEWS CONFERENCE BY SECRETARY ROMULO AND UNDER SECRETARY COOPER

Secretary Romulo: We discussed for about 3 days every single point of the 11 memoranda that the ASEAN nations submitted to the American delegation. They met every point four-square. They dodged no questions. They had every answer that we put up to them. It was really refreshing to discuss with men conversant with the subject.

It was an historic dialogue—the first time that the United States dealt with an Asian group. In the past the United States dealt with the nations here bilaterally. This is the first time that the U.S. Government discussed economic issues with the ASEAN as a group. And so I believe this was really an historic occasion.

The ASEAN, in its memoranda, did not expect any quantified amount. I want to begin by saying that; don't ask us any question about sums of money. The American delegation did not come out here as Santa Claus, nor did we expect them to be. They came here to discuss with us economic issues and prepare the ground for future discussions. Don't forget this is the first time that we have had face-to-face dialogue with competent American economists. We did not expect them to hand out anything, but we wanted to have a heart-to-heart, frank, dispassionate discussion on economic issues here in our region.

And certainly Under Secretary of State Cooper gave us a true picture, not only of the economic situation of the United States but of the world; and what is more important to us, the economic policies of the Carter Administration which we could not have had merely by reading newspapers. It was a frank, masterful discussion of issues of common concern

to the United States and to the Philippines and to the ASEAN nations, and we profited a lot from such discussions. It is different to deal with the United States across 10,000 miles or to read newspapers with their respective slants. It is quite different to deal with men who come fresh from Washington, who know the attitudes and the policies of President Carter, who are close advisers to the President of the United States, and whose opinions really carry weight.

And so after discussions for several days I find that there has been added a new dimension in the relationship of the United States with the member countries of the ASEAN.

The United States and ASEAN welcomed the addition of the United States to the expanding linkage of cooperative endeavor between ASEAN and the developed world. The United States and ASEAN agreed that all countries should reject protectionism. The United States declared its readiness to participate with ASEAN in developing cooperation supplementary to the assistance extended bilaterally to ASEAN member countries, primarily in areas which satisfy basic human needs such as agriculture, rural development, health and nutrition, and education and human resource development.

ASEAN accepted the invitation of the United States to meet in Washington, D.C., tentatively in June 1978 and in the interim period to carry on discussions on economic matters of special interest at technical levels as opportunities might warrant.

ASEAN announced its interest in establishing at ambassadorial level an ASEAN Washington committee in Washington, D.C., which shall serve as a channel of communication and follow-on activities related to ASEAN-United States.

Specific areas for follow-up and further discussions:

—On multilateral trade negotiations: Further discussions on the subject of this conference shall continue in Geneva between ASEAN and the United States.

—On the generalized system of preferences (GSP): The United States indicated that the U.S. Government would take into account

ASEAN's proposals in considering improvement of its GSP system.

—On commodity issues and policies: The United States and ASEAN agreed on continuing their consultations on the various issues raised on this subject, including international commodity stabilization agreements and on the negotiations of a common fund.

—On developmental cooperation: The setting up of a joint working group to define specific projects in a developmental cooperation group.

—On promotion of investment relations and business cooperation between ASEAN and the United States.

May I give the floor to our guest, Under Secretary Cooper.

Under Secretary Cooper: Thank you. I can be very brief. We found in these meetings that Gen. Romulo was a very effective spokesman for the ASEAN countries on all of the topics which we discussed, and I find this morning that he is also a very effective spokesman for the United States in characterizing the meetings that we have just concluded. And so I only add briefly to what he said; we attach great importance to these meetings.

The United States holds periodic consultations with other industrial countries—with the European Community and with Japan. But we felt that, given today's increasingly complex and interdependent world, we should broaden the base of those consultations and it is significant that in doing that, we have begun with ASEAN, which is a highly promising economic organization, both representative of and adding to the cohesion of this region—Southeast Asia—to which we attach great importance. The meetings have added considerably to our understanding of issues—of the same economic issues—that we observe from Washington with a very different perspective, and it seems to me the value of such meetings is precisely to get different focal points or vantage points on the same set of phenomena and compare notes from time to time.

It is very useful to have the different perspectives which we have gotten here in

Southeast Asia. I think the consultations were exceedingly useful, and we look forward very much to having them continue in Washington and beyond that from time to time, sharing views at the policy level. In the meantime, as Gen. Romulo has mentioned, we set up a series of consultative arrangements at the working-group level which will continue on a more or less continuous basis between now and the time for our next meeting. I think we should invite questions and comments.

Q. In the opening statement of Secretary Romulo the other day he made it clear that ASEAN wants U.S. cooperation in industrial projects of the region. In the highlights of the meeting, I don't see it here, is it part of this developmental cooperation that you have here?

Under Secretary Cooper: We took occasion to explain the new directions of our bilateral foreign assistance program mandated by Congress 3½ years ago and with which President Carter is, in fact, in strong sympathy, so it's not likely to be turned around. And these new directions call, in our bilateral aid program, for the emphasis to be predominantly, indeed overwhelmingly with few exceptions, in three areas—nutrition, considered very broadly, that is including improvements in rural development, improvements in the rural sector of economies; public health, also considered very broadly, including potable water, sanitation, and so forth; and education. And those are the major directions of our aid program.

And, as I say, while the aid program is subject to change from time to time, that emphasis happens to conform well with President Carter's own approach to economic development. And, therefore, we do not see scope in our bilateral aid program for direct support for industrialization projects that have been identified so far.

However, we view our own aid program as complementary to two other sources of funds which are suitable for the industrialization program. One is the private capital markets which countries of ASEAN have used increasingly in the recent years along with other developing countries; and second, and perhaps more important to the case at hand, the inter-

national lending institutions to which the United States is a major contributor. And it seems to me that the kind of projects which, without having gotten into the details of them—the kind of projects which ASEAN has identified as industrialization projects are a natural for the kind of large capital lending that the ADB [Asian Development Bank] and IBRD [International Bank for Reconstruction and Development] do, both for infrastructure and for productive processes in countries, and so that's how we approach those particular projects.

Q. [Inaudible—referred to U.S. role in Southeast Asia after Under Secretary Cooper's visit.]

Secretary Romulo: Well I must say that as explained by Under Secretary of State Cooper in our private sessions, I am fully satisfied that the United States is here in a manner that will be helpful and of assistance to the ASEAN nations.

Q. Could you explain U.S. reservations about the proposals from ASEAN for stabex-type commodity income stabilization arrangements? And secondly could you explain what you mean when the joint statement says that the United States believes that the objective of commodity export earning stabilization could be achieved by other means?

Under Secretary Cooper: Yes, I am afraid I cannot be completely brief, but if you are willing to tolerate an expansive answer, I am happy to give it.

Let me state at the outset that there is no disagreement at all on the objective of stabilizing export earnings; that we agreed fully was a shared objective. I see it as a major feature of a world economy. The question is how best to do it. The term "stabex" has to come to be associated with a particular arrangement between the European Community and a number of its former colonial territories, most new countries, most of them are very small, most of them monocultures—that is, relying heavily for their export earnings on a single product, for example sugar. Under those circumstances the stabex-type scheme makes considerable sense, I think. It corre-

sponds closely to dealing with the export earnings of the particular countries.

Here in Southeast Asia we find a somewhat different situation. All of the countries except for Singapore—and Singapore even indirectly—are highly dependent on the export of commodities, but they are also relatively diversified in their dependence on commodities; that is, no single commodity on which each economy is highly dependent. And under those circumstances it seems to me, to us, that an approach to export stabilization other than stabex is an appropriate one, that stabex is not an especially appropriate technique for dealing with the economic structure found in these countries. And, indeed, to fill out the general allusion to which you refer, we think that any kind of a scheme which focuses on the overall export earnings of the country is better suited to stabilization of export earnings than the stabex scheme which focuses commodity by commodity.

We have one such arrangement facility. I think that is a good facility. If it's not good enough, it should be improved, and we do not have a closed mind at looking to alternatives for that. But we do think that the commodity-by-commodity approach for highly diversified economies, as represented in stabex, is not the best approach. The situation in the world today is one in which prices of commodities like sugar are greatly depressed, while prices of other commodities like tin and coffee are at their all time highs, or near them. And diversification of economy means that one can be offset against another. That is not true for a single commodity country.

Q. [Inaudible—referred to human rights and U.S.-ASEAN economic relations.]

Under Secretary Cooper: Well I don't know how closely you've followed the President's statements on human rights and the elaboration of that by Secretary of State Vance in his Law Day speech [April 30]. But if you read those texts carefully, you'll discover that we have a broad definition of human rights which indeed is drawn from—similar to the broad definition of human rights expressed in the U.N. Universal Declaration on Human Rights. And we do not, therefore, see any

fundamental incomparability between an expressed concern by our government on the treatment by governments of persons, dissidents, physical abuse of persons on the one hand, and the policy which we support of improving the material well-being, the economic well-being of individuals.

We are in the process of articulating in more detail the exact relationship between economic assistance, which is concerned with the economic side of human rights, and other aspects of human rights. And so far we have not seen any deep conflict between them. And in our conversations in these last few days, we focused heavily on the economic aspects and have not, except for a brief reference in opening remarks, referred to more general questions of human rights.

Let me just add to that. I think there should be no doubt, and I would like to underline that here, in President Carter's firm personal commitment to the question of human rights everywhere in the world, he felt that his predecessors in Washington did not give adequate expression to that widely shared American sentiment. He is trying to correct that, but that is not to say that that becomes the be-all and end-all of all American policy.

Q. Please elaborate on the common fund. How much will each ASEAN member country contribute? How will each country avail itself of the fund and for what specific purpose?

Under Secretary Cooper: I can't really answer any of your questions at this stage because we have not negotiated a common fund yet, and the answer to your question depends very much on its specific character. We had brief discussions at these meetings of the common fund and its merits, its role—its possible role—but it would not have been appropriate for either the ASEAN countries or the United States to engage here in detailed negotiation of the common fund. That's being undertaken under the auspices of UNCTAD [U.N. Conference on Trade and Development] in a session that will start again in November. And really until we see the shape of the common fund as it emerges from those negotiations, we cannot answer in concrete detail your questions—what contribution it will be, what exact purposes it will serve,

and so forth. In general terms, the common fund is designed to support the program to improve the world economic situation as far as commodities are concerned, and the modalities whereby that will be done have yet to be worked out in negotiation among the some 140 countries.

Q. [Inaudible—referred to tax deferral proposals made by the ASEAN delegation.]

Under Secretary Cooper: For those of you who may not be conversant with the issue; under present U.S. tax law the earnings of American-owned equity corporations abroad are taxed by the United States only after they are remitted to the United States and, of course, allowing for taxes that have already been paid to other countries. As long as the corporations keep the income out of the United States, it's not taxable in the United States, and that is called tax deferral—that is where the name comes from.

President Carter campaigned last fall on a program of major tax reform in the United States—a comprehensive overhaul of the entire U.S. tax system. Tax deferral is one feature of that tax system—only one feature—but one feature and a feature that is important to the countries of ASEAN as was made amply clear to us during the discussions.

And what I said here was I could not give any assurances one way or the other. What I reported was that the comprehensive proposals for tax reform are being submitted to President Carter within this week—it could have been even today or early next week. The Treasury Department has been working on them. The President will review those proposals, make such changes that he wants to in them, and submit his proposals for tax reform to the Congress by the end of the month. At this stage I do not know what his position will be on the tax deferral questions, but what I did assure our colleagues was that the views of ASEAN would be put directly to the President on this question, so that he takes them into account in making his decision.

Q. [Inaudible.]

Under Secretary Cooper: I think that his was one of the most fruitful parts of our discussion these days. The ASEAN countries

were extremely concrete in their proposals to the United States for increasing the coverage of generalized tariff preferences and for other changes in our trade policies, and we established a working group on trade issues and, indeed, the working groups started to meet right during our meetings and reached substantial agreement on how to proceed both on the bilateral issues between ASEAN and the United States concerning the GSP and for generally how to proceed and cooperate together in the multilateral trade negotiations to which we both attach such importance over the next year. And that was a highly concrete result of these discussions.

Q. [Inaudible.]

Under Secretary Cooper: Yes, ASEAN presented a detailed list of commodities in which it expressed an interest in having liberalization under the U.S. generalized tariff preferences, and we promised to put that list into our process. We have a formal process for changes of that type which involve public hearings and so forth. We promised to put that list, subject to the provision of some additional information, into a formal process for consideration of changes. We don't know how that will come out, but at least we got this process started.

Q. Mention has been made several times of a working group. Is this one working group or several working groups?

Secretary Romulo: Well to begin with there will be a working group based in Washington composed of our ambassadors. Then possibly there may be other working groups, as circumstances may warrant, that will then be appointed from here, in communication with the United States. But the one permanently based will be in Washington—our ambassador there.

Under Secretary Cooper: I would not want to comment on internal U.S. Government positions on a question of this type, either the State Department or the Treasury's.

Q. Some American businessmen raised questions about the proposed ASEAN industrial complementation scheme. They don't seem to be sure whether or not outside firms will be allowed to participate, and if they are

whether or not this will be violation of U.S. antitrust law. Secretary Cooper, did you raise this point to your colleagues and I wonder if I could ask Secretary [of Finance] Virata or Secretary [of Trade] Quiason to respond to this?

Secretary Romulo: I think Secretary Cooper will answer the first and then Secretary Virata.

Under Secretary Cooper: Well I would suggest reversing it. I'll comment on the antitrust aspect.

Secretary Virata: Well, with reference to the ASEAN industrial projects, the guidelines that have been set by the committee of industry of ASEAN is that foreign investors could invest through the respective national organizations of the countries that will participate in these projects, and this means we will accept foreign investments. There have been guidelines saying that at least one-third of each national participation must be owned by the government and then the two-thirds could be owned either by the domestic investors of the respective countries or by foreigners. So this is the make-up of equity contributions in the respective industrial projects of ASEAN.

Under Secretary Cooper: We did touch on this question briefly in our discussions, and what I said with respect to the antitrust aspects was that the United States has a long tradition—going back to 1890—of wanting to maintain, preserve competition in the U.S. market; and, therefore, that any arrangement, either for price-fixing or market-sharing, which tended to diminish competition in the U.S. market would be subject to penalty for the participants by the U.S. authorities. And that will certainly apply to American firms.

The legal injunction under which we operate, however, does apply to the U.S. market and not to the world market, and from time to time it is true that in their proselytizing fervor American antitrust people reached out beyond national boundaries. As long as the U.S. market is not influenced by these arrangements, there will be no special problem in American-owned firms participating in them as I understand them. Obviously, therefore, each thing will have to be looked at on a

case-by-case basis and the importance of foreign trade—in particular, trade with the United States—becomes a factor.

Q. [Inaudible.]

Under Secretary Cooper: We did not discuss either political or human rights questions in the dialogue beyond the references in the statement which you have already seen.

JOINT PRESS RELEASE

The first meeting of the ASEAN-United States dialogue was held in Manila on 8-10 September 1977.

Gen. Carlos P. Romulo, Secretary of Foreign Affairs of the Philippines, was the ASEAN spokesman. The ASEAN delegations were led by: for Indonesia, H.E. Radius Prawiro, Minister of Trade; for Malaysia, H.E. Datuk Haji Hamzah Bin Datuk Abu Samah, Minister of Trade and Industry, and H.E. Datuk Musa Hitam, Minister for Primary Industries; for Singapore, H.E. Goh Chok Tong, Senior Minister of State for Finance; for Thailand H.E. Vicharn Nivatvongs Under Secretary for Commerce; for the Philippines, H.E. Gen. Carlos P. Romulo, Secretary of Foreign Affairs, H.E. Dr. Cesar E.A. Virata, Secretary of Finance, H.E. Dr. Gerardo P. Sicat, Secretary of Economic Planning and Director General, National Economic and Development Authority, H.E. Mr. Troadio T. Quizon, Jr., Secretary of Trade, H.E. Mr. Vincente T. Paterno, Secretary of Industry, H.E. Mr. Jose Leido, Jr., Secretary of Natural Resources. The United States delegation was led by H.E. Richard N. Cooper, United States Under Secretary of State for Economic Affairs. The ASEAN Secretariat was represented by the Director of the Economic Bureau, Dr. Amado A. Castro.

The first meeting between the countries of the Association of South East Asian Nations and the United States of America was an important occasion which added a new dimension to a long experience of friendly cooperation and fruitful bilateral relationships. Both sides welcomed the addition of the United States to the expanding linkage of cooperative endeavors between ASEAN and the developed world.

The United States welcomed the success of ASEAN as a regional organization which has paralleled and reinforced the rising world importance of its members. In that regard, the meeting noted the importance of ASEAN as a positive force for peace, development and prosperity in the region.

The discussions were held with the common goal of facilitating mutual interests and relationships through a regional approach. The meeting agreed that a successful beginning had been made in initiating the all-important process of continuing consultation and cooperation.

The meeting emphasized the interdependence of the world economy including ASEAN and the United States. The meeting recognized the benefits and concomitant

responsibilities of dynamic economic interdependence which would be conducive to the prosperity of national, regional and world economies.

The meeting exchanged detailed views on a wide range of economic issues. The discussions were based on eleven memoranda presented by ASEAN and which dealt with general issues in the North-South dialogue, commodity issues and policies, trade questions, investments and development cooperation.

Under Secretary Cooper presented a U.S. overview of the world economic situation as well as an outline of U.S. foreign economic policies. He stressed the importance of promoting world economic recovery and resisting the threat of protectionism.

The ASEAN spokesman on North-South issues stated that one of the main problems confronting the international community was how to ensure sustained growth of the world economy on the basis of equitable sharing by all countries, developed and developing. There was general agreement on the objectives of a new international economic order and on the need for constructive measures to effect necessary changes and adjustments.

The meeting agreed that the discussions on commodity stabilization agreements should be continued and intensified. The meeting discussed the conditions necessary for meaningful negotiations at the forthcoming reconvened negotiating conference on a common fund so as to ensure its successful conclusion.

In addition, ASEAN urged the establishment of a stabex-type commodity earnings stabilization program. The U.S., while fully in support of the desirability of export earning stabilization in general, believed that the objective of commodity export earning stabilization could be achieved by other means.

The meeting agreed that all countries should reject protectionism. The U.S. recognized ASEAN's need to seek improved access to the U.S. market. Both sides underscored the importance of the multilateral trade negotiations (MTN). The meeting also agreed that substantial progress should be made in tropical products and looked forward to intensified negotiations in Geneva. The meeting stressed the necessity on both sides of using maximum efforts to fulfill the aims and objectives of the Tokyo declaration, particularly to secure more meaningful benefits than at present for international trade of developing countries.

ASEAN made a number of proposals for the improvement of GSP. The U.S. outlined the new procedures for receiving applications for expansion of GSP coverage and indicated that ASEAN views would be taken into account in United States Government consideration in improving its GSP system.

ASEAN outlined the agreement on ASEAN preferential trading arrangements and informed the U.S. that ASEAN has submitted its notification to GATT [General Agreement on Tariffs and Trade]. The U.S. delegation welcomed the objective of trade liberalization with ASEAN and, while it reserved its rights under the GATT, recognized the ASEAN preferential trading arrangement as a useful step in that direction and for strengthening intra-ASEAN economic cohesion. It ex-

pressed the hope that ASEAN, in pursuing this goal, would not be creating trade barriers vis-a-vis third countries.

The United States declared its readiness to participate with ASEAN in regional development cooperation supplementary to the assistance extended bilaterally to ASEAN member countries, primarily in areas which satisfy basic human needs such as agriculture, rural development, health and nutrition and education and human resource development.

The United States assured ASEAN of its continuing strong support of the international financial institutions and specifically of the Asian Development Bank.

The United States delegation indicated that the U.S. Government recognizes the important role of private foreign investment in contributing to development and is willing, within the framework of its general policies, to facilitate investments which contribute to ASEAN member countries' development objectives. However, the United States believes that investment decisions would be made by the private investor primarily in response to the existing investment opportunities and climate.

In response to ASEAN concern that the removal or limitation of tax deferral provisions of the U.S. tax law would discourage overseas investment flows, the U.S. delegation indicated that a tax reform package is now being reviewed by the President before submitting it to the Congress for ultimate decision. Regarding ASEAN's concern for the continued operation of OPIC [Overseas Private Investment Corporation], the U.S. delegation informed ASEAN that the U.S. Administration favors the extension of OPIC's mandate with a greater development focus.

The meeting agreed that the process of consultation which had now begun should be pursued on a periodic basis. The ASEAN states accordingly accepted the invitation of the United States to meet in Washington, D.C., tentatively set for June 1978. In the interim, discussions on economic matters of specific interest would be carried out at technical levels as opportunities might warrant. ASEAN announced its intention to establish an ASEAN Washington committee in Washington, D.C., which shall serve as a channel of communication and follow-on activities related to ASEAN-United States matters.

Specific areas designated for follow-up discussions were:

—Multilateral trade negotiations: The meeting agreed that discussions on this subject had contributed to a better understanding of the views of all participating countries on pending trade and MTN questions. The meeting agreed that consultations between ASEAN and the U.S. on the MTN should continue in Geneva.

—Commodity issues: Acknowledging ASEAN's importance as a major supplier of many key commodities essential to industrial and developing nations alike, the United States and ASEAN agreed on continuing their consultations on the various issues raised, including international commodity stabilization agreements, and on the negotiation of a common fund.

—Developmental cooperation: Recognizing the continu-

ing need of ASEAN countries for concessional developmental assistance and the additional dimension and strength which regionally based projects can bring to national development efforts, ASEAN and the United States agreed to a joint working group to be set up to define specific projects within mutually agreed program areas, so that project proposals could be developed and funding preparations made. The working group will also consult on how international financial institutions, specifically the ADB, can best meet the development requirements of ASEAN.

—Private investment and business cooperation: Both sides agreed on the importance of contributions by foreign investment to development in the region. At the request of ASEAN, the U.S. agreed to consult on the facilitation of private investment flows from the United States to the ASEAN region. The delegates agreed to form a working group to explore specific ways in which investment relations and business cooperation could be promoted.

The ASEAN and United States delegations expressed their sincere appreciation to the Government and people of the Philippines for the cordial and warm hospitality extended to them during their stay in the Philippines.

Dealing With International Terrorism

Following is a statement by John E. Karkashian, Acting Director of the Office for Combating Terrorism, made before the Subcommittee on Foreign Assistance of the Senate Committee on Foreign Relations on September 14.¹

I appreciate the opportunity to appear before this committee today to discuss the problem of international terrorism and our efforts to protect our citizens at home and abroad and the citizens of other countries in the United States from this threat.

I should point out that in addition to my Department of State responsibilities, I am also the chairman of the interagency Working Group for Combating Terrorism. That body is responsible for developing and coordinating effective working relationships among the Federal agencies which have operational re-

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.

sponsibilities for dealing with terrorist incidents.

My office in the Department of State is responsible for developing and refining the policy and operational guidelines for dealing with terrorist threats to American citizens and interests abroad. In operational terms, this means that my office provides the leadership and the core personnel for the crisis management task forces which are organized whenever an international terrorist incident involving the United States takes place. Whenever necessary, we immediately mobilize the regional and functional specialists available to us in the Department and in other Federal agencies and carry on our task force activities on a 24-hour basis until the incident is either resolved or under control.

Our objective is to protect American citizens and interests by preventing or controlling terrorist attacks. Our methods include intelligence on terrorist movements and plans, physical security measures for our people and installations, effective crisis management procedures during an incident, and cooperation with other governments—including the apprehension and prosecution of those who carry out terrorist acts.

Terrorism is neither a new nor an easily defined phenomenon. But modern society is particularly vulnerable to such violent acts due to several factors, including:

—The political fragmentation which is taking place around the world;

—Disaffected national groups which have grievances against the established order;

—Modern weapons which enhance the striking power of the few;

—Commercial aircraft which not only provide readymade hostages but also the place to confine them and the means to transport them and their captors anywhere in the world;

—Additionally, there are states which finance, arm, and train terrorists and also give them sanctuary; and

—Finally, there is worldwide media coverage which attends every major terrorist incident thus satisfying a principal terrorist objective, world attention for their cause.

Terrorism has been defined in various ways and yet there is no universally accepted definition. One man's terrorist is often another's "freedom fighter." It is precisely for that reason that we have been frustrated in various efforts to achieve comprehensive multilateral agreement on effective international proscription of terrorist acts and appropriate sanctions. And yet we know the degree of fear and human tragedy that is caused by terrorist attacks, kidnappings, and the indiscriminate murder of innocent victims whose only fault was to have been in the wrong place at the wrong time.

Despite the definitional problem, the consequences of terrorism are clearly incompatible with a humane world order. Such acts, whatever their motivation, are criminal and intolerable. Thus, it is the firm policy of the United States to take all lawful measures to prevent acts of terrorism and to bring to justice those who commit them.

Terrorism today clearly transcends national boundaries and is a matter of international concern. What then are the dimensions of the problem? Between January 1968 and December 1976, there were approximately 1,150 separate international terrorist incidents. While the progression has not been even, the overall trend in the annual totals of these incidents is increasing; 1976 saw a record of 239 separate incidents.

I referred earlier to various means which are being used in our efforts to deal with the terrorist threat. I would like to expand on those comments. We have greatly improved on the physical security measures now available against terrorist attacks both at home and abroad. For example, civil aviation security in the United States has been strengthened to the point that there has been only one successful hijacking of a regularly scheduled commercial flight in the United States in the past 5 years. Unfortunately, the situation is not as favorable elsewhere in the world. The downward trend in worldwide hijackings which was experienced in 1976 has been reversed in 1977.

We have also greatly improved our ability

to safeguard our Foreign Service personnel and our diplomatic and consular installations overseas. I would like to express on behalf of all Foreign Service personnel and their dependents our sincere appreciation to the Congress for the funds appropriated in recent years to make those safeguards possible.

We are vitally interested in the safety and welfare of all American citizens abroad—tourists, businessmen, students, and resident Americans. In recent years, American businessmen working abroad have increasingly become targets of terrorist attacks. To counteract that threat, we have developed a close working relationship with the Department of Commerce and with other Federal agencies to counsel and provide information to businessmen and corporate interests which will assist them to protect themselves against terrorist attacks. This is done both here in the United States and through our Embassies and consulates abroad.

Multilateral Efforts

Since the nature of the threat transcends national boundaries, it must be dealt with on the international as well as the national level. In the field of antihijacking, the United States played a major role in negotiating three conventions on the hijacking and sabotage of commercial aircraft—the 1963 Tokyo convention, the 1970 Hague convention, and the 1971 Montreal convention. These agreements, now ratified or adhered to by more than 70 countries, play an important role in our efforts to deter aircraft sabotage and hijackings by providing for the apprehension, prosecution, or extradition of those who commit such crimes.

The United States was also instrumental in having the International Civil Aviation Organization (ICAO) adopt technical security standards for use by its 140 member countries in preventing aviation crimes. We support and seek adoption by ICAO of even stronger security standards and recommended practices. Also, we will continue bilateral programs to provide technical assistance to, and to exchange information with, foreign nations to

improve security at foreign airports having a direct impact on the safety of U.S. citizens abroad.

Unfortunately, there are some basic obstacles to our efforts to expand other areas of multilateral cooperation against terrorism. Too many governments are predisposed to accept the arguments advanced by terrorist groups that the weak and the oppressed have no effective alternative to using terrorist methods as a means of seeking justice or of publicizing and advancing their cause.

Other more developed countries are sometimes inhibited by political or economic considerations from taking actions which might offend governments which support or condone specific terrorist organizations. Some governments appear to be fearful that the apprehension or prosecution of terrorists will provoke new terrorist incidents in order to obtain the release of jailed comrades.

Because of differing attitudes on the nature of terrorism, a U.S. proposal for a convention to prevent the export of terrorism from one country to another was not even considered by the 1972 U.N. General Assembly. However, a narrower Convention on the Prevention and Punishment of Crimes Against Internationally Protected Persons, Including Diplomatic Agents was approved at the 1973 General Assembly session and has since been implemented by the United States and other governments.

At present, the United States is actively supporting a West German initiative in the United Nations to draft a convention against the taking of hostages. We had hoped that this initiative would be considered in the forthcoming United Nations General Assembly. However, the 35-member drafting committee has been unable to reach agreement and will ask for a renewal of its mandate from the General Assembly.

There have been two regional efforts to deal with the threat of terrorism. In February 1971, the Organization of American States (OAS) adopted a convention to prevent and punish acts of terrorism against persons entitled to special protection under international

law, *i.e.*, diplomats and international civil servants. We ratified this convention in October 1976. The OAS convention preceded the U.N. initiative on internationally protected persons and contains similar provisions.

In November 1976, the Council of Europe adopted a Convention on the Suppression of Terrorism. This convention is a positive effort to deal comprehensively with terrorism under international law. It has been signed by every member of the Council of Europe, save Ireland and Malta, and is now in the ratification process. The convention addresses a broad spectrum of terrorist acts, including such offenses as the use of letter bombs, automatic weapons, and the taking of hostages. The convention seeks to depoliticize such designated acts of terrorism and will facilitate extradition of terrorists within the European Community. It can serve as an important precedent for similar regional agreements in other parts of the world.

Further on the multilateral level, the American Society of International Law (ASIL) is completing a study for the Department of State on the application of international and domestic law to the terrorist phenomenon. The study indicates that most countries have done little to enact legislation dealing specifically with acts of terrorism. Some countries which have assumed international obligations have not, as yet, undertaken to implement those obligations by enacting domestic legislation. In this regard, I would like to call attention to the fact that while the United States ratified the Montreal convention in 1972, we have not yet implemented the convention by enacting enabling legislation. We sincerely hope that such legislation will be approved by the Congress at the earliest opportunity.

Other initiatives which the ASIL study suggests are needed if we are to develop the legal bases for circumscribing terrorist activity include conventions to deal with terrorism affecting airports, ocean vessels, and offshore structures.

Bilateral Efforts

In addition to regional and international efforts, we have undertaken to develop effective

bilateral relationships with other governments to improve our respective efforts to prevent and control international terrorist activities. These include the review of respective crisis management techniques and the sharing of practical "lessons-learned" from past terrorist incidents; the exchange of research data; improved channels of communication; and closer cooperation on legal measures for controlling, apprehending, and prosecuting those who commit acts of international terrorism.

State support for terrorists spans a wide spectrum of activities and is subject to change with the passage of time. It ranges from governments which ignore the presence within their territory of known terrorists to governments which actively finance, arm, train, and give sanctuary to terrorist organizations.

As the subcommittee is aware, there are provisions of the Foreign Assistance Act and the Arms Export Control Act which prohibit or limit economic and security assistance to countries which grant sanctuary to terrorists. However, those countries which are most active in this regard are not generally recipients of such assistance. Thus, we must review our overall relations with such countries to determine what effective actions can be taken to reduce the safe havens now available to terrorists.

In addition to diplomatic suasion, there are a variety of economic and commercial measures which conceivably could be taken against governments which support terrorist groups. However, the latter represent imperfect instruments at best which may not produce the desired results and, in fact, could provoke undesired consequences. The application of economic or commercial sanctions, for example, could prove counterproductive in economic terms and might increase rather than diminish the threat of terrorist incidents directed against American citizens.

Whatever course of action we choose, it should be carefully tailored to the circumstances and designed to achieve specific objectives. Moreover, our efforts are more likely to succeed if done without fanfare. Finally, such measures cannot be considered in a vacuum; they must conform to the totality and the overall priorities of our foreign policy objec-

tives in a given country or geographic area of the world. These caveats necessarily require a degree of patience and restraint which is frustrating but necessary if we are to maximize the chances of achieving our purpose.

Recent Trends

Let me give a brief assessment of some recent trends in international terrorists incidents. The past year and a half have seen:

—A higher number of incidents worldwide than for any previous corresponding period;

—A reversal of the downward trend in the hijacking of foreign commercial aircraft outside the United States;

—A decline in the more complicated and risky hostage-barricade type of operation and a marked increase in simpler but more lethal attacks such as bombings, assassinations, and armed assaults; and

—A decline in the proportion of international terrorist incidents directed against U.S. citizens or interests from one-third to one-fourth of the total incidents. However, there has been a shift from targetting U.S. Government officials and facilities abroad to American businessmen and corporate facilities or to the foreign managers of these facilities.

International terrorist activity and governments which support it are in constant flux. Thus, any predictions about the future dimension or nature of the threat are speculative at best. It seems quite likely, however, that the problem will be with us for some years to come.

So far, we have been fortunate in the United States for having experienced few major international terrorist incidents within our borders. The targetting of American citizens for terrorist attack has occurred largely in other countries. That situation could change.

Terrorism is incompatible with our conception of human worth. Thus, regardless of the motivations which terrorists advance to justify their actions, we cannot accept or condone the taking of lives or the threat to do so in the name of some political or other cause. Such actions are criminal and represent the ultimate violation of human rights. Therefore, the

U.S. Government is totally opposed to all forms of terrorism, regardless of the source or purpose, and we will take all appropriate measures to deal with this threat.

U.S.-Canada Agreement on Natural Gas Pipeline

Following are a joint statement by President Carter and Canadian Prime Minister Pierre-Elliott Trudeau, a message to Congress from President Carter, and a summary fact sheet concerning the Alaska Natural Gas Transportation System.

JOINT STATEMENT, SEPTEMBER 8¹

Today, we have agreed in principle on the elements of a joint proposal to construct the Alcan-Foothills [Alcan Pipeline Co.-Foothills Pipe Lines Ltd.] pipeline along the Alaska Highway to transport Alaskan natural gas through Canada to the lower 48 States and, at a later time, Canadian gas to Canadian markets.

This joint undertaking will be the largest single private energy project in history. The detailed agreement we hope to sign next week is an example of how both countries can work together to meet their energy needs. After the agreement is signed, each of us intends to submit our decisions to our respective legislative bodies for the appropriate authorizations and assurances. We are both hopeful the project will be approved.

Major benefits from this project will accrue to both countries. When the pipeline is built, Canada will have a much greater ability to develop its own gas reserves, particularly in the frontier regions of the Mackenzie Delta. The United States, in turn, will have the enormous benefit of new natural gas supplies from the North Slope of Alaska at a significantly lower cost-of-service price than could have been achieved through an all-U.S. route.

¹ Text from Weekly Compilation of Presidential Documents dated Sept. 12, 1977 (for remarks by President Carter and Prime Minister Trudeau announcing the agreement, see p. 1301).

This agreement serves the mutual interest of both countries and the national interest of each. Its underlying rationale is that both countries, working together, can move more energy, more efficiently, than either country working by itself. Under the expected cost estimates, this agreement improves the 20-year cost-of-service average price in 1975 dollars to the American consumer by at least \$.08 per thousand cubic feet over the price that would have resulted from the route through Dawson and \$.12 per thousand cubic feet for the Canadian consumer. At the expected volumes, the project will result in a \$6-billion savings for American consumers over the life of the project when compared to the proposal to liquefy and ship the gas from Alaska.

While providing Canada the opportunity to accelerate development of its gas reserves and providing for billions of dollars of additional investment in the Canadian economy, this pipeline will stimulate the gas industry in Canada and, together with the early prospect of connecting new sources of supply, will generally enhance the availability of gas to meet market needs.

The potential to secure increased Canadian as well as Alaskan supplies and the magnitude of consumer savings that can be achieved by an all-pipeline route guarantee the superiority of this proposal. We have decided to embark together on this historic project which holds the promise of great benefits to both countries and which confirms anew the strength of the ties that link us.

MESSAGE TO THE CONGRESS ²

To the Congress of the United States:

Natural gas has become the Nation's scarcest and most desired fuel. It is in our interest to bring the reserves in Alaska to market at the lowest possible price. Consequently, I am today sending the Congress my decision and report on an Alaska Natural Gas Transportation System.

² Transmitted on Sept. 22, 1977 (text from Weekly Compilation of Presidential Documents dated Sept. 26; message, together with accompanying papers, also printed as H. Doc. 95-225 dated Sept. 23).

The selection of the Alcan project was made after an exhaustive review required by the Alaska Natural Gas Transportation Act of 1976 determined that the Alcan Pipeline System will deliver more natural gas at less cost to a greater number of Americans than any other proposed transportation system.

The Alcan proposal, taken together with the recently signed Agreement on Principles with Canada, demonstrates that our two countries working together can transport more energy more efficiently than either of us could transport alone.

Unnecessary delay would greatly increase the total cost of the pipeline system. I urge the Congress to act expeditiously to approve this important project.

JIMMY CARTER.

THE WHITE HOUSE, *September 22, 1977.*

FACT SHEET

General Description

The United States and Canada have reached agreement in principle on the Alcan joint pipeline project to transport natural gas from Alaska and from the Canadian Arctic to U.S. and Canadian markets. The main pipeline from Alaska will cover 3,594 miles, plus 1,198 miles for the Western Leg. A Western Leg directly serving West Coast gas markets will be authorized by the President's decision, but its exact capacity will be determined at a later date consistent with an operational Western Leg at the time the main line comes on stream.

The main pipeline, including both Eastern and Western Legs, is currently estimated by the applicant to cost \$9.6 billion in current dollars. The lateral pipeline to the Mackenzie Delta would be approximately 740 miles long and is estimated by the applicant to cost \$1.4 billion; another \$0.4 billion will be required for additional compression on the main line at the time the lateral is connected.

Elements of the Agreement

The basic components of the agreement in principle include:

Routing

The main gas pipeline from Alaska will follow the original Alaska Highway route with no diversion of the route to Dawson. When the Dempster Highway lateral pipeline is built to connect Canada's Mackenzie Delta gas reserves, this line will be extended from Dawson, Yukon Territory, to connect with the Alaska Highway line at Whitehorse, in the Yukon Territory.

System Efficiency

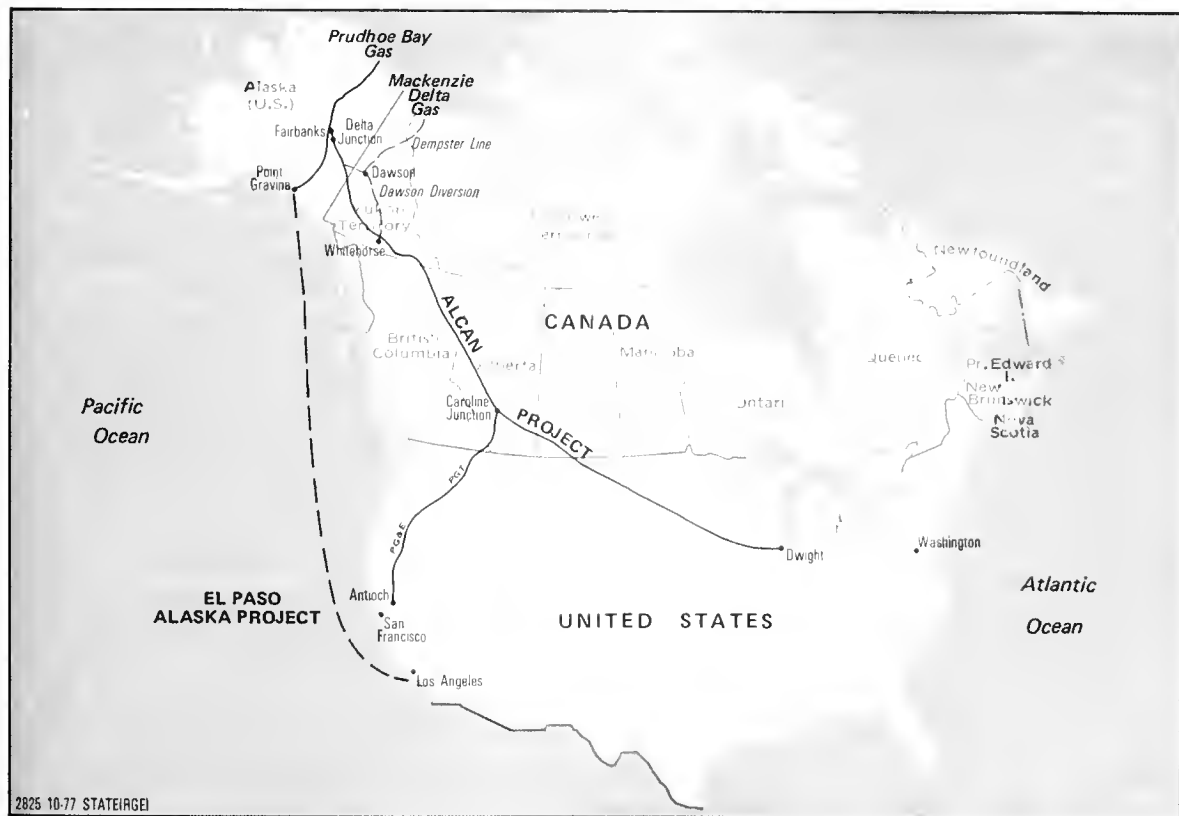
A higher capacity pipeline system than was proposed by the applicant will be installed south of Whitehorse, the interconnection point for the two lines, to carry higher volumes of both U.S. and Canadian gas until the line bifurcates at Caroline in Alberta. A joint testing program would evaluate the technical feasibility, safety, and reliability of the two alternatives to the proposed 1,260 psi [pounds per square inch], 48-inch pipeline design: a design for higher system pressure (1,680 psi in a 48-inch diameter pipe) or a design for a larger diameter pipe (54-inch pipe at 1,120 psi system pressure).

Cost-Sharing

For that part of the pipeline in Canada through which both U.S. and Canadian gas will flow, cost of service will be allocated in proportion to the volumes of gas transported for each country.

The proposal provides for construction of the original prime route through Alaska and Canada, without the route diversion required by the Canadian National Energy Board (NEB) in its July 4, 1977, decision. In exchange for not building the diversion to Dawson, the United States has agreed to pay between two-thirds and 100 percent of the Dempster Highway lateral from Dawson to Whitehorse in the Yukon Territory, which will connect at that point with the main line and transport additional volumes of Canadian gas from the Mackenzie Delta.

The exact share of the U.S. cost for the extension will be determined by the percent of cost overruns on construction of the main line in Canada. From 0 to 35 percent cost overruns, the United States would pay 100 percent of the Whitehorse to Dawson section. At the expected 40 percent case, the United States



would pay 83½ percent or the ratio of U.S. to Canadian volumes at Whitehorse, whichever is higher. At 45 percent and over the United States would pay 66½ percent or the ratio of U.S. to Canadian volumes at Whitehorse, whichever is higher.

In the cost overrun range of 35–45 percent, the U.S. share would vary linearly from 100 percent to 66½ percent, unless the actual volumes of U.S. gas in the line commit the United States to provide a greater share.

In the lower cost overrun case of 35 percent or below, under which the United States would be required to pay the entire cost, the cost of service reduction from such overrun savings on the main line would more than offset any increase in cost of service resulting from increasing to 100 percent the U.S. share of the Dawson to Whitehorse segment. For example, with an overrun of 25 percent in Canada, the United States pays 100 percent. In this example, the average U.S. cost of service over a 20-year period would be approximately \$1.00 per mcf [thousand cubic feet] (1975 dollars). This is over \$.20 below the El Paso cost estimate. With a 35 percent overrun, it is just about \$1.04. With the expected case of 40 percent, it is slightly above \$1.04.

The agreement also imposes a ceiling on U.S. liability for the Dawson spur of 35 percent above filed costs. The Canadians, in turn, can credit any savings they achieve on the main line system against their cost overruns on the Dawson to Whitehorse section.

This agreement creates new incentives—on a portion of the project within Canada's jurisdiction and not otherwise subject to our control—which could significantly lower the cost of service to the United States and at the same time enhance the project's financibility.

Taxation

Under the Transit Pipeline Treaty, recently approved by the Senate, taxation of the pipeline in Canada would be limited to the levels charged against similar pipelines in the respective provinces.³ Ad valorem (property) taxation in the Yukon Territory is to be gov-

³ The United States and Canada exchanged ratifications of the treaty on Sept. 15, and it entered into force on Oct. 1, 1977.

erned by a new agreement because there are no similar pipelines there. The agreement provides for a fixed maximum amount after the pipeline begins operation—\$30 million Canadian annually—that will be adjusted for inflation. The Yukon property tax would be levied at the same rate as the property tax in Alaska.

Other Charges

Other charges will include only those direct costs normally paid by pipelines, such as highway maintenance caused by moving of heavy equipment.

Financing and Tariffs

Both governments agree that the joint project can be privately financed without the aid of an "all-events" tariff which would require gas consumers to pay for the pipeline regardless of whether or not gas is ever shipped. Both governments also agree that a variable rate of return on pipeline company equity capital should be used to provide incentives to avoid cost overruns. The U.S. Federal Power Commission (FPC) and the Canadian National Energy Board (NEB) will structure the tariffs in the two countries to incorporate this feature.

These provisions have been incorporated into an Agreement on Principles for a northern natural gas transportation system to be signed by representatives of both countries. The agreement provides that both governments will seek whatever legislative authorities are necessary and appropriate to insure timely and efficient construction of a joint project. The agreement also provides a mechanism for periodic consultations on the implementation of the agreed principles.

The joint project has a number of advantages over the alternatives being considered by each country.

Project Advantages for United States

1. *Lower cost*—The expected 20-year average cost-of-service price for the gas to the U.S. consumer for the Alcan proposal is \$1.03–\$1.05 per million Btu's [British thermal unit] (thousand cubic feet), while the cost-

of-service price for El Paso is estimated to be \$1.19–\$1.21 per million Btu's.

2. *Higher efficiency*—When both Canadian and U.S. gas are flowing, the Alcan system will deliver 92.1 percent of the Alaska gas entering the system, while El Paso will deliver only 89.1 percent. The difference is 600 trillion Btu's (600 billion cubic feet) over the first 20 years or the energy equivalent of almost 5 billion gallons of gasoline.

3. *Security of supply*—The all-pipeline system is inherently more reliable than El Paso's combined pipeline-and-marine route.

4. *Length of service*—The all-pipeline system has a substantial advantage over El Paso's LNG [liquefied natural gas] tankers and facilities in having a useful life in excess of 40 years.

5. *Delivery to markets*—The Alcan project will deliver gas directly to both Midwestern and West Coast markets—rather than to the western U.S. market only—to be delivered further by displacement.

6. *Environmental considerations*—Almost all Federal agencies and private parties have found the Alcan route environmentally superior to El Paso.

7. *Other charges*—A limitation is placed on extra charges which can be assessed to the project. Additionally, the Canadian Government has made it clear to the United States that it regards the settlement of native claims in the Yukon as an exclusive Canadian responsibility and that no charges against the pipeline related to the settlement of such claims will be levied.

Project Advantages for Canada

1. *Lower cost*—The joint project will lower the transportation cost for Canada's current proven Mackenzie Delta reserves by \$.12/million Btu's in 1975 dollars from the cost of the rerouted Alcan project approved by the NEB.

2. *Further exploration*—By postponing the decision to connect the Mackenzie Delta reserves, selection of the joint project will allow additional exploration prior to a final decision on the design and routing of that connection.

3. *Phased development*—The construction

of the Mackenzie Delta line will benefit from construction experience on the main line. Furthermore, the sequential construction of the main line and lateral line projects will facilitate financing and extend the economic stimulus created by the construction.

4. *Social impact*—The Mackenzie Delta region will have additional time to prepare for the social impact of pipeline access to the Mackenzie Delta gas fields. Under the joint project, early pipeline construction is confined to the more developed areas of the Yukon along the Alcan Highway.

5. *Socioeconomic impact assistance*—Arrangements have been made for advance payment of Yukon Territory property taxes by the pipeline company. These loans can be repaid with interest from future tax liabilities with no U.S. cost-of-service effect.

General Analysis

In return for routing the main line along the original Alcan route, the United States agreed to share the costs of extending the Dempster Highway lateral from Dawson to Whitehorse. Whitehorse will be the point at which the lateral pipeline from the Mackenzie Delta gas fields connects to the main line.

Both Canadian and U.S. cost of service will be lower in the agreed upon project than either would have been under the NEB decision. The U.S. commitment to share in the cost of service of the Dawson-to-Whitehorse extension of the Dempster Highway lateral would require actual outlays if, and only if, that lateral was built. The NEB decision would have required Alcan to reroute the main line through Dawson at considerable extra expense even if the Dempster Highway lateral was never built. Furthermore, under the new agreement, the cost of extending the Dempster lateral from Dawson to Whitehorse is estimated to be about \$100 million lower than the cost of the NEB rerouting.

The proposed Agreement on Principles provides assurances on routes, taxation levels, project delays, and other critical matters. This new agreement, along with the Transit Pipeline Treaty, protects the project from unfair or discriminatory charges that would

otherwise threaten the savings to U.S. consumers.

In addition to lower cost of service, there are a number of other joint benefits for both countries from the Alcan proposal. These include:

—The large and positive net national economic benefit from the project for both countries;

—Substantial stimulus from the project to the economies of both countries;

—Access for Canada to its frontier gas reserves will place Canada in a better position to fully meet existing export commitments to the United States;

—The opportunity through early project construction to increase export levels to the United States over the next few years to alleviate critical natural gas shortages in the United States, provide additional incentives for western Canadian gas producers, and improve the long-run availability of Canadian gas;

—Possible increased cooperation on other energy issues, such as oil swaps, pipelines, and strategic reserves; and

—The opportunity to develop a new era of mutually beneficial collaboration between the two countries on a broader range of concerns.

Current Treaty Actions

MULTILATERAL

Aviation

Protocol on the authentic trilingual text of the convention on international civil aviation, Chicago, 1944 (TIAS 1591), with annex. Done at Buenos Aires September 24, 1968. Entered into force October 24, 1968. TIAS 6605.

Acceptance deposited: Jamaica, October 5, 1977.
Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591). Done at Montreal October 16, 1974.¹

Ratification signed by the President: October 6, 1977.

Inter-American Development Bank

Agreement establishing the Inter-American Development Bank, with annexes. Done at Washington April 8, 1959. Entered into force December 30, 1959. TIAS 4397.

Signature and acceptance deposited: Sweden, September 19, 1977.

Wheat

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement) 1971. Done at Washington March 17, 1976. Entered into force June 19, 1976, with respect to certain provisions and July 1, 1976, with respect to other provisions.

Accession deposited: Belgium, October 4, 1977.

Protocol modifying and further extending the food aid convention (part of the international wheat agreement) 1971. Done at Washington March 17, 1976. Entered into force June 19, 1976, with respect to certain provisions and July 1, 1976, with respect to other provisions.

Accession deposited: Belgium, October 4, 1977.

BILATERAL

Canada

Agreement relating to the addition of Annex IV concerning the Beaufort Sea to the joint marine pollution contingency plan promulgated pursuant to the agreement of June 19, 1974 (TIAS 7861). Effected by exchange of notes at Ottawa July 28 and August 30, 1977. Entered into force August 30, 1977.

Portugal

Agreement extending the loan agreement of January 19, 1977, relating to T-38 aircraft, spare engines, and flight support equipment. Signed at Washington September 29, 1977. Entered into force September 29, 1977.

Agreement extending the loan agreement of June 11, 1976, relating to M48A5 tanks and M113A1 armored personnel carriers. Signed at Washington September 29, 1977. Entered into force September 29, 1977.

¹ Not in force.

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| 460 | 10/11 | Advisory Committee on "Foreign Relations of the United States," Nov. 11. |
| 461 | 10/12 | Deputy Assistant Secretary Arellano, in speech before the Illinois Federation of Hispanic Chambers of Commerce in Chicago, outlines safeguards new Panama Canal treaties provide American business in Latin America, Oct. 15. |
| 462 | 10/12 | U.S., India amend textile agreement, Sept. 28-29. |
| 463 | 10/14 | Organizing Conference on the International Nuclear Fuel Cycle Evaluation, Oct. 19-21. |
| 464 | 10/14 | Ambassador Popper to discuss Panama Canal treaties in address before the World Affairs Council, Philadelphia, Oct. 18. |
| 465 | 10/14 | Assistant Secretary Todman to discuss Panama Canal treaties in address in Brattleboro, Vt., Oct. 22. |
| 466 | 10/14 | U.S. airlifts tents to refugees in Djibouti. |
| 467 | 10/16 | Vance: interview on "Meet the Press." |

* Not printed.

† Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE BULLETIN

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November 7, 1977

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

Publications of the Department of State, United Nations documents, and legislative material in the field of international relations are also listed.

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Secretary Vance and Other Administration Officials Urge Ratification of Panama Canal Treaties

Following are statements made before the Senate Foreign Relations Committee by Secretary Vance on September 26; Secretary of Defense Harold Brown, Chairman of the Joint Chiefs of Staff Gen. George S. Brown (USAF), and Chief of Naval Operations Adm. James L. Holloway III on September 27; U.S. Ambassador to Panama William J. Jordan on September 29; and Under Secretary for Economic Affairs Richard N. Cooper on September 30.¹

SECRETARY VANCE, SEPTEMBER 26

Press Release 433 dated September 26

Today I seek your support for new treaties governing the Panama Canal.

—First, these treaties protect and advance the national interests of both the United States and Panama.

—Second, they provide for an open, neutral, secure, and efficiently operated canal for this hemisphere and for other nations throughout the world.

—Third, they will promote constructive and positive relationships between the United States and other nations in this hemisphere.

These treaties, in my judgment, will gain us respect among other nations of the world—both large and small—because of the responsible way they resolve complex and emotional issues which have been with us for most of this century.

The treaties are a culmination of 13 years' work by four American Presidents of both major political parties and their Secretaries of

State. They are the outcome of patient and skillful negotiations since 1964 by a number of dedicated political leaders, diplomats, and military men. They have been achieved because of valuable counsel and support offered by members of this committee, by representatives of American business and labor who have seen these new treaties as being in their own interest and in the larger national interest.

They are, above all, a triumph for the principle of peaceful and constructive settlement of disputes between nations. That is a principle we seek to apply in all aspects of American foreign policy.

It's quite proper that this committee, the Senate, the American people should consider carefully the content and implications of these treaties. For they should not at some later time be made the subject of partisan or divisive debate. In my opinion, they should be beyond partisanship. They should now be examined in detail by this committee and by the nation. Basic questions are being asked—and should be asked—about them. These questions express the same concerns and goals that have been on our minds during these negotiations.

—Do these treaties safeguard our national security interests in the canal?

—Do they establish a long-term basis for open and effective operation of the canal?

—Do they enhance our relationships with nations of the hemisphere?

—Do they place any new burden on the American taxpayer?

—Do American workers in the Canal Zone get a fair shake?

—And, without the treaties, what might happen?

I am satisfied in my own mind that these

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.

questions have been properly answered, thanks to the skilled and hard bargaining by our negotiators. I will discuss these questions briefly this morning.

Long-Term Operation of the Canal

The United States will control canal operations through a new U.S. Government agency—the Panama Canal Commission—to be supervised by a board composed of five Americans and four Panamanians. The commission will operate the canal until the end of this century. The present Panama Canal Company will be discontinued.

The United States will maintain responsibility for managing the canal, setting tolls, and enforcing rules of passage until the year 2000. Until the year 2000 the United States will also maintain primary responsibility for defense of the canal. After that, the United States will have responsibility to maintain the permanent neutrality of the canal to assure that it will remain open to our ships and those of all other nations on a nondiscriminatory basis.

The treaties further allow for modernization of the canal through construction of a third lane of locks and foresee the possibility of construction in Panama of a new sea-level canal. This would provide access for many modern supertankers and warships which are too large to pass through the present canal.

As to hemispheric relations, I believe the ratification and implementation of these treaties will be the single most positive action to be undertaken in recent years in our relations with Latin America. Only last month in Bogota, the democratic governments of Venezuela, Costa Rica, Colombia, Mexico, and Jamaica issued a joint communique urging the United States and Panama to conclude the new treaties rapidly. For years, Latin American peoples and governments have viewed our negotiations with Panama over the canal as a litmus test of our intentions toward their countries.

These treaties, as negotiated, represent a fair and balanced reconciliation of the interests of the United States and Panama. They create, as has been said already this morning, a partnership under which our two coun-

tries can join in the peaceful and efficient operation of the canal. They symbolize our intentions toward the hemisphere. And they prove, once and for all, the falsity of the tired charges that we are imperialistic exploiters bent only on extracting Latin American raw materials and using the continent for our own economic interests.

National Security Aspects

As to national security aspects, representatives of the Joint Chiefs of Staff worked closely with the treaty negotiators on the security provisions and played a major role in drafting the neutrality treaty. The United States will retain all military bases and facilities—all the lands and waters—that we require for the canal's defense until the year 2000. We may keep the same force levels which we now maintain in the zone—about 9,300—and can increase them if that is necessary.

After the year 2000, as I indicated earlier, the United States will have a permanent right to maintain the canal's neutrality, including the right to defend the canal if necessary. Our warships are given the right to use the canal expeditiously. Article IV of the neutrality treaty says:

The United States of America and the Republic of Panama agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral, notwithstanding the termination of any other treaties entered into by the two Contracting Parties.

This means that there is no limit under the treaty on the freedom of the United States to assure permanently the canal's neutrality.

Economic Aspects

Under the treaties, Panama will receive payments which more fairly reflect the fact that it is making available its major national resource—its territory. But the treaties require no new appropriations nor do they add to the burdens of the American taxpayer.

The treaties provide that Panama will receive 30¢ per canal ton for traffic transiting the canal; a fixed annuity of \$10 million per year; and an additional \$10 million per year

provided canal revenues permit. Panama would initially receive about \$60 million per year under this formula which will apply until the year 2000. All of these payments are to be made from canal revenues. Panama will thus have a strong interest in insuring unimpeded and efficient use of the canal.

We have agreed, outside the treaty, to certain arrangements which will assist the general economic development of Panama and enhance its stability. We have formally told the Panama Government that we are prepared to develop a program of loans, loan guarantees, and credits to Panama—including up to \$200 million in Export-Import Bank credits over a 5-year period; up to \$75 million in AID [Agency for International Development] housing investment guarantees over the same period; and a loan guarantee of up to \$20 million from the Overseas Private Investment Corporation. All these loans concerned require repayment. There are no grants. In addition, over a 10-year period, Panama will receive up to \$50 million in foreign military sales repayment guarantees so that its armed forces can be better prepared to help defend the canal. Most of this assistance will be used to purchase American equipment. These programs will be subject to all relevant U.S. legal requirements and program criteria.

U.S. Workers in the Zone

Turning to American workers in the Canal Zone, some 3,500 American employees of the canal enterprise and their dependents live in the Canal Zone. Some have spent all their working lives there; most of these American workers will continue to be employees of the U.S. Government until their retirement. The treaties protect their basic conditions of employment. If they remain they will be free to continue living in government housing and to use the American schools and hospitals in the areas. Until the year 2000, the treaties guarantee American employees and their dependents basic civil rights, similar to those that apply in the United States, in Panamanian courts and other benefits and protections similar to those enjoyed by other U.S. Government employees overseas. The

AFL-CIO, which represents both Panamanian and U.S. workers in the Canal Zone, supports these treaties.

What If the Treaties Are Rejected?

Now, what if the treaties are rejected? It would be all too easy for me to emphasize today that if 13 years of effort were lost, and these treaties were rejected, our relations with Panama would be shattered, our standing in Latin America damaged immeasurably, and the security of the canal itself placed in jeopardy.

Indeed, all of these things could and might happen if these treaties were not ratified. But that is not the major reason for supporting them. They deserve support because they are in our interest, as well as the interest of Panama.

For the people and the Government of Panama, there is the knowledge that they, eventually, will assume full jurisdiction of their own territory. There are also the economic benefits to be gained from canal revenues, from guarantees, loans, and credits—not grants—we have pledged to consider on their behalf. Panama, as a result, will be a more stable and more prosperous country.

For us, there is our knowledge that the canal will be open, neutral, secure, and efficiently operated for our benefit and for other nations in the world. We are not appropriating American taxpayers' money to accomplish this. And we will have gained the respect throughout Latin America and the world for addressing this issue peacefully and constructively. It is our interests, not foreign pressures, that led us to these treaties.

Other Questions

Let me address, very briefly, some doubts about the treaties that have been raised but can be dispelled as the facts become better known.

We are asked whether the new treaties may encourage Panama to nationalize the canal. But our new treaty rights would be no less binding than our rights under the existing treaty. Moreover, a Panama which is cooperating with us in canal management and will eventually exercise full management re-

sponsibility has no reason to seize or obstruct the canal. Any Panamanian Government will have an interest in preserving the treaties because the treaties are in the interest of Panama—as well as ourselves. These treaties, in my opinion, will reduce the chance of such an event.

It's been suggested that the new treaties could diminish our ability to maintain the neutrality of the canal. But, in fact, the Joint Chiefs of Staff are satisfied that the treaties enable us to keep the canal open indefinitely.

It has been suggested that we are paying the Panamanians to take the canal away from us. But payments to Panama will come from canal revenues, not from American taxpayers.

Finally, let me address briefly another question which has been raised—human rights in Panama. The Panamanian Government has in the past been charged with abusing civil and political rights of some of its citizens. And we have discussed this issue with that government. The closer relations between our two countries that will grow out of the new treaties will provide a more positive context in which to express such concerns, should it be necessary to do so in the future.

Already, there are encouraging signs. On September 13 Panama invited the Inter-American Human Rights Commission to send a team to investigate human rights conditions in Panama. In addition, it has invited the United Nations to send observers to its plebiscite which will be held on the new treaties next month [October 23]. At the same time, the Panamanian Government has made continuing and real commitments to the economic and social rights of its citizens. Its economic development plans give priority to upgrading the housing, nutrition, health care, and education of the ordinary Panamanian citizen.

How we respond to an issue such as these Panama Canal treaties will help set the tone for our relations with the rest of the world for some time to come. Both we, and others, are under considerable pressure in our domestic economies. There is a tendency toward economic protectionism. And there is a question about the most appropriate ways to use our power in a world grown so complex.

Panama is a small country. It would be all too easy for us to lash out, in impatience and frustration, to tell Panama and Latin America—and other countries around the world—that we intend both to speak loudly and to carry a big stick and to turn away from the treaties four Presidents have sought over so long a time.

But that, in my judgment, would not be conduct appropriate to a responsible world power or consonant with the character and ideals of the American people. Any nation's foreign policy is based, in the end, not just upon its interests—and, in Panama, our interests are clear and apparent—it is also based upon the nature and will of its people.

I believe the American people want to live in peace with their neighbors; want to be strong, but to use their strength with restraint; want all peoples, everywhere, to have their own chance to better themselves and to live in self-respect. That is all part of our American tradition. That is why I am convinced that after the national debate they deserve, these treaties will be approved without reservations by the Senate with the strong support of the American people.

SECRETARY BROWN, SEPTEMBER 27

Just over 63 years ago the first U.S. vessel crossed through the Panama Canal from one to the other of the two great oceans which border our country.

Let us strip the matter to its essentials. Your deliberations in this committee room today are vital. As much as any other factor, they will determine whether we can be confident that our ships of war and vessels of commerce will continue to use that important, but fragile, waterway during and beyond the last quarter of the 20th century as they did in the first.

We have always been a practical people—proud of our history but not sentimental; remembering where we have been but oriented toward the future. You all are practical men or you would not hold the offices you do. In my judgment, the issues before you are practical ones and it is in practical terms that I shall address them.

On September 7, 1977, the President signed two treaties affecting the operation and control of the Panama Canal. I am pleased to appear before you this morning with Gen. George Brown, Chairman of the Joint Chiefs of Staff, to state that the Department of Defense wholeheartedly and fully supports these treaties and to explain why I believe they deserve our—and your—full support.

Quite properly, the focus of your deliberations must be on whether these treaties promote the national interest—and specifically the national security interest—of the United States. To help in answering that question, there are three points that I consider critical.

—Use of the canal is more important than ownership.

—Efficient operation of the canal in the years ahead is more important than nostalgia for a simpler past.

—Ability to defend and control access to the canal is essential. But the issue is how that ability can best be assured—by a cooperative effort with a friendly Panama or by a garrison amid hostile surroundings.

I have examined these issues personally and in detail. So have the Joint Chiefs of Staff. The Department of Defense has been fully involved in all stages of the drafting and negotiation of these treaties. I believe personally, and in the light of my responsibilities as Secretary of Defense, that these treaties fully serve and greatly promote our national security interests. The Joint Chiefs of Staff, as General Brown will tell you, share that assessment. These treaties deal with today's realities. They provide the security which we need for the future.

I see three elements which together make up our national security concerns relating to the canal. These are:

- First, unimpeded use;
- Second, effective operation; and
- Finally, physical security of the canal.

These are our paramount objectives. The first requirement includes free and unimpeded use of the canal both by our Navy and by our merchant ships. Free use of the canal is essential to assure optimum ability to shift our forces and materiel rapidly between the At-

lantic and Pacific Oceans. That capability enhances our defense posture in both the European and Pacific regions.

The neutrality treaty—more formally, the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal—provides that the canal shall be open permanently to all vessels of all nations. Moreover, it contains an important additional provision. The United States is given a preferred position with respect to use of the canal, a position which no other country except Panama will enjoy: U.S. vessels of war and the U.S. auxiliary fleet (important examples of which are oilers and supply ships) are guaranteed rapid transit through the canal. This is so irrespective of the cargo they carry. These provisions assure us that the United States will remain able to use the canal in timely fashion whenever military necessity dictates, just as we can today.

Our second national security requirement is that the canal operate effectively. The Panama Canal Treaty provides that during its term the United States will operate the canal with increasing participation of Panamanian managers and workers operating under the treaty terms according to U.S. laws and regulations. Thus, the United States can continue the present efficient operation of the canal for many years to come and the Panamanians will be in a position to operate it successfully when the treaty expires.

Our third national security requirement is that we must be able to defend the canal from hostile acts. Our armed forces now control—and they will continue to control with overwhelming forces—the sea approaches to the canal on both the Pacific and Caribbean ends. This is not affected by the treaty.

The treaty goes even further, however. It states unequivocally that during the life of the treaty, the U.S. Armed Forces shall enjoy the right and the primary responsibility to defend the canal itself. It further provides that during that period the United States may station, train, and support units of our armed forces in Panama and that the United States will decide unilaterally whether and how to modify the force levels we maintain there. All key military bases and training areas which we now operate in the Canal Zone will remain under U.S. control.

When the Panama Canal Treaty expires, as the year 2000 dawns, the neutrality treaty provides that the United States and Panama are to maintain jointly the permanent neutrality of the canal and that no troops other than Panamanian may be stationed in Panama. The United States is also made a guarantor of the neutrality of the canal. In that capacity, we have the right to take appropriate measures to enforce this guarantee. In my judgment, these provisions insure that the U.S. ability and unilateral right to defend the canal against any external threat remain unimpaired.

There is another aspect of the third national security requirement—ability to defend the canal from hostile acts—which cannot be ignored. Such hostile acts might not be external. If Panama and other Latin American countries, or major elements of the Panamanian population, became hostile to the United States, then protecting the canal against internal threats, terrorism, and guerrilla actions would become much more difficult. Such occurrences are far less likely under the new treaty than they would be if the long unsettled status quo were to continue.

The treaty is a gauge of our good faith toward Panama and all of Latin America. It also provides Panama with a tangible stake in the continued effective operation of the canal. Further, the treaty contemplates a combined defense agreement between the United States and Panama as a result of which Panama's Armed Forces will be able to protect the canal against threats from within Panama more effectively than they can at present. Nothing in life, and still less in international life, is certain. But all these elements should add to the real security of the canal and make its availability for U.S. use much more sure than any alternative course of action.

As I see it—and I do not think anyone with national security responsibilities disagrees—the Panama Canal will, for the foreseeable future, be an important defense artery for the United States. The treaties which you are examining provide real security, not paper claims. They offer the firmest and most practical guarantees obtainable that the canal will remain operational, secure, and available to the United States.

The canal was built for shipping, not slo-gans. We seek to guarantee transit of vessels, not theoretical claims of title. These goals we have sought, as I said at the beginning, are practical. The issues before you are practical ones. Our negotiations have obtained instruments which—more certainly than thousands of forces and their armaments on the spot—will assure those practical objectives for generations to come. I am convinced that approval of these treaties will best provide for our national security.

GENERAL BROWN, SEPTEMBER 27

I am here to discuss the security aspects of the proposed Panama Canal Treaty.

The Joint Chiefs of Staff recognize the Panama Canal as a major defense asset, the use of which enhances U.S. capability for timely reinforcement of U.S. Forces. The strategic military value of the canal is reflected in our ability to accelerate the shift of military forces and logistic support by sea between the Atlantic and Pacific Oceans. The strategic value of the canal is not expected to change substantially throughout the life of the new Panama Canal Treaty and beyond, so long as the canal provides the sole means of transiting ships across the American Continent.

U.S. military interests in the Panama Canal are in its use, not its ownership. Therefore, any new treaty must assure that access to and security of the Panama Canal are protected in times of war and peace. This assurance is provided by a permanent regime of neutrality to be maintained by the United States and Panama which specifies that the canal will remain open to all world shipping at reasonable tolls, without discrimination, in accordance with specific rules of neutrality and that it will always be operated efficiently under rules that are just, equitable, and reasonable and necessary for safe navigation and efficient, sanitary operation.

Defense of the Panama Canal has two components: internal security and external defense. Both are presently the responsibility of the U.S. Government.

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control. It is primarily concerned with countering sabotage and terrorist activities. Currently the Canal Zone's police and security forces are responsible for internal security. When required, reinforcement is provided by the U.S. military units assigned to U.S. Southern Command. Under the new Panama Canal Treaty there will no longer be a Canal Zone, and police functions will become the responsibility of the Government of Panama. However, the Canal Commission will continue to provide security for canal installations. The military units of U.S. Southern Command will be available to augment the Panamanian forces and Commission guards.

External defense is concerned with defense against armed attack by hostile forces using guerrilla or conventional tactics. Our current plans will be described by General McAuliffe [Dennis P. McAuliffe, Commander in Chief, U.S. Southern Command]. Under the new Panama Canal Treaty, the United States will have primary responsibility for the defense of the canal during the balance of this century. Under the new Panama Canal Treaty, the Panamanian *Guardia Nacional* and appropriate U.S. Forces commander will develop plans in concert to provide for mutual defense. The Joint Chiefs of Staff will continue to plan for rapid reinforcement of U.S. Southern Command in the event of emergency need.

Our capability to defend the Panama Canal will be enhanced through cooperation with the Government of Panama. The new treaty provides a basis for such cooperation between the United States and Panama. The alliance relationship should develop and strengthen during the life of the Panama Canal Treaty and be further enhanced by the neutrality treaty. The regime of neutrality provided in the neutrality treaty calls for a canal open to all ships of all nations in times of peace or war. It specifically provides that U.S. and Panamanian naval ships shall transit expeditiously without impediments or preconditions. Since both the United States and Panama agree to this regime, our right to take the measures that we may deem to be necessary to maintain the canal's neutrality is assured.

For these reasons, the Joint Chiefs of Staff support the treaty as being protective of the military interests of the United States and as

providing an effective basis for defense of the canal.

ADMIRAL HOLLOWAY, SEPTEMBER 27

I have gone on record with the other members of the Joint Chiefs of Staff in supporting the Panama Canal treaties.

The Joint Chiefs of Staff are unanimous in their position supporting the Panama Canal Treaty and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal, although each of us may have reached this conclusion on the basis of our individual line of reasoning. I would like to provide the committee, in this statement, with my own rationale.

The Panama Canal is and will remain of major importance to the United States. Its use is a key factor in the Navy's ability to accomplish its responsibilities in connection with essential war plans and other contingencies involving our national security. While I cannot state that loss of the canal would result in the failure of these plans or in the inability of the Navy to carry out these responsibilities, it would certainly make these tasks enormously more difficult. We would be much better off with the use of the canal than without it.

The importance of the canal to the Navy for defense purposes lies in its assured use, not in its ownership. There are two threats to the continued use of the canal by our naval forces and essential shipping: the external threat and the internal threat.

The external threat is represented by a general war situation. In a conventional conflict, our capabilities to defend the approaches of the canal are adequate to provide me with reasonable confidence that defense of the canal against an external threat is practicable. In the case of a nuclear conflict, defense of the canal would be virtually impossible as would be defense of almost any other major installation of importance to the United States. However, in a strategic nuclear war, the importance of the canal in relative priorities diminishes to an inconsequential position.

The second threat to our continued use of

the canal is the internal threat from subversive, clandestine, or local guerrilla activities. The defense against such a threat in the formidable jungle terrain of the canal area would be extremely difficult, particularly in view of the vulnerability of the lock system to disruption as the result of relatively minor damage to critical mechanical components. Defense against a persistent and continuing internal threat would be particularly difficult.

Therefore, defending against this internal threat is significantly enhanced if the cooperation of the local interests, the Panamanians and Central Americans, can be maximized. On the other hand, our ability to defend and protect the canal so as to insure its continued operation would become extremely difficult in the face of an adversary relationship with our Latin neighbors or an active hostility on the part of the local population. Our adherence to these treaties, which make the Panamanians our direct partners in the defense of the canal, will substantially contribute to a friendly and cooperative attitude among all Latin Americans toward the United States on the Panama Canal issue.

The specific provisions in the Panama Canal Treaty providing for the defense of the canal by the United States until the year 2000, and in the treaty of neutrality which will guarantee our use of the canal after the turn of the century, are considered by the unified commander, Commander in Chief Southern Command, to be adequate. That view is shared by the Joint Chiefs of Staff, based upon the analysis of the Services and the unified commander.

It is my judgment that the favorable effect which I believe the treaties will have on the attitudes of the Panamanians and Central Americans toward our continued use of the canal for national and hemispheric security purposes will substantially assist the United States to defend the canal against the internal threat. On this basis, it is my view that the continued use of the Panama Canal for military purposes in our national defense plans is best assured through the provisions of the new treaties.

A few brief biographic notes might be in order. I have been the U.S. Ambassador in Panama since April 1974. Before that, I was a senior member of the staff of the National Security Council dealing with Latin American affairs in general. Before that, I was a special assistant to former President Lyndon Johnson helping him to organize his presidential library and write his memoirs. I have been in the foreign affairs area of government for 16 years—in the Department of State and the White House. Before that I was a newspaperman for 14 years, almost wholly in the foreign policy area—first for the Associated Press and then for the New York Times.

Let me say at the outset that I have followed the course of the treaty negotiations fairly closely over recent years. I am also generally familiar with the history of our relations with Panama over the years since the 1903 treaty was adopted. Based on my own observations of the situation in Panama and my awareness of our deep interest in the canal, I wish to say that I am wholeheartedly in favor of the proposed treaty and the related Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. I believe they represent the best, the wisest, the most statesmanlike course we can follow at this juncture of history.

When I was invited to appear before this committee, I asked myself what I could provide that would be most useful. I knew you would have heard from the Secretary of State regarding the foreign policy implications of the new treaties. You would have heard a detailed report on the treaties themselves from my two distinguished colleagues who negotiated the agreements, Ambassadors Bunker and Linowitz. You have explored the security and military implications of the treaties with the Secretary of Defense and the Chairman of the Joint Chiefs of Staff. As for the technical operations of the canal itself, now and in the future, my colleagues at this session, Secretary [of the Army Clifford L.] Alexander

and Governor [of the Canal Zone Harold R.] Parfitt, can provide more detailed information than I can.

What I would like to do is to look at this matter from the vantage point of the Isthmus of Panama. How did we get where we are? Where do we go from here? What course best serves our fundamental interests? How do Panamanians look at all this? What are the prospects for a reasonable working relationship between our countries? These are some of the questions I would like to address with you.

I am sure the members of this committee are familiar with the dubious history of the treaty of 1903 which the present agreements would replace. That treaty, written and signed in unseemly haste, is what Panamanians call "the treaty no Panamanian ever signed." As you know, it was developed and approved by a Frenchman who—it is fair to say—had little interest in the future of Panama but a great interest in salvaging what he could of the financial interests of the defunct French Canal Company. It gave the United States rights it would have "if it were the sovereign of the territory"—and it gave us those rights "in perpetuity." We agreed to pay Panama \$10 million and the munificent sum of \$250,000 a year and, in the debate in the Senate which followed, one member of this august body said: "We have never had such a concession so extraordinary in its character as this. In fact, it sounds very much as if we wrote it ourselves." Incidentally, the payment to the French Company was \$40 million—four times what we paid Panama.

It was an arrangement greatly advantageous to the United States and vastly profitable to the French Canal Company. But it was not much of a deal for Panama. It was an arrangement which—as the Secretary of State admitted at the time—was "we must confess, with what face we can muster, not so advantageous to Panama."

"You and I know too well," he wrote his senatorial friend, "how many points there are in this treaty to which a Panamanian patriot could object." And object they did. There is a notion widespread among our fel-

low Americans that Panamanian resistance to the 1903 treaty is something of recent origin, a development of the last few years. And some have portrayed opposition to the 1903 treaty as merely a product of "leftists" and "extremists." That is the wildest kind of distortion of history. If one takes the trouble to go back to the files of the Panamanian press of the period, you quickly find that resistance to the 1903 treaty began in 1903. And it has never ceased since.

This is an issue—probably the only issue—which brings Panamanians together in a kind of national unanimity that is rare in history. Some members of this committee have been in Panama; I urge those who have not to make the trip. Talk with Panamanians. You will find that whether they are rich or poor, city men or campesinos, university graduates or day laborers, they are as one in their dream of a Panama that is unified and sovereign, a country that is no longer divided in half by a foreign enclave.

And this brings me to one of the central points I wish to make today. For us Americans the key goal in this situation—it seems to me—is to assure that the Panama Canal is open and efficient, available to us and to world commerce, and that it be properly protected against external attack. I believe the treaties before you give us that assurance.

Opponents of those treaties would have you believe that Panama's key goal is to take over the canal. That, I submit, misses the whole point, the whole explanation of Panamanian attitudes. They want a canal that works well as much as we do. They have pride in it; they benefit from it. The issue, as seen through Panamanian eyes, is not the canal at all. Rather it is the presence in a friendly country of a zone governed by the United States. It is an area over which Panama—the country in which it is located—has absolutely no control of any kind. If a Panamanian is caught speeding or is involved in an accident, he gets a ticket from a foreign policeman. If the offense is serious enough, he is tried in a foreign court under a foreign code of laws.

You and I can well imagine what the reac-

tion would be of Americans faced with such a situation. Suppose, for example, that history had dictated that the Mississippi River and a strip of territory on each side were controlled by a foreign power. Suppose that in going from Illinois to Missouri or from Louisiana to Texas you had to cross that strip. And imagine, if you will, that you broke the law in some fashion—by speeding or having a tail light out or whatever—and you were arrested by a French gendarme or a Mexican policeman. It does not take great imagination to know what our reactions would be. Yet that is the situation that our Panamanian friends have found themselves in for the past 70 years. That is what they have for so long wished to see changed. That is what the treaty now before you will change. And I for one say that it is high time for such change.

What is our central interest in Panama? I submit that it has not changed essentially since President Theodore Roosevelt's day. It is to maintain between the two great oceans a passageway that is open, efficient, safe, and neutral. Our commercial interest in that waterway continues to be significant—though in a world of changing trade patterns and changing technology, it is less than it once was. Our military interest, too, continues—though, again, it is not what it once was. I think that all of us are agreed that the maintenance of the canal in an efficient and open way is a great advantage to us and to the other nations of the world.

How do we best achieve that end? Not, I think, by being inflexible and bullheaded. Not by simplistic formulas like "it's ours and we're going to keep it." No waterway or road, no military base or business can long remain open and efficient if it is surrounded by a sea of public hostility and resentment. But, you may well ask, don't the Panamanians realize that the canal is a major resource that produces great benefits for them? Of course they do. They want to have the canal open and operating well just as much as we do, perhaps more. They know better than we do what it means to them and their country.

Their feeling—and I share it—is that the

best guarantee of a canal that is working well and serving us all is one in which the American people and the Panamanian people are working as partners. And that is precisely the goal of the treaty that is before you. There can be no better security for the Panama Canal than to have the people who live around it, who work on it feel that it is part of them and that any effort to attack it or disrupt its operation is an attack on them and on their best interests.

I am sometimes asked whether we can "do business" with Panama? My answer is yes—at least if in dealing with this small country we try to understand what it is really like and if we treat it as a powerful yet fair nation must treat a neighbor. I believe it is fair to say that Panama has deeper and closer ties with the United States than has any other country in Latin America. In large part that is because of the presence of the canal and because of the many ties that have developed between us stemming from that fact of geography.

Thousands of Panamanians have attended our colleges and technical schools. They have come to know us well and to develop a respect for our way of life, for its freedom, and its fairness. And if they feel some bitterness over the historical record, it is, in part, because they see such a gap between what we have sometimes done and what we have professed.

Despite some rhetorical outbursts and occasional incidents and demonstrations, there is remarkably little anti-Americanism in Panama. The vast majority of Panamanians harbor warm and friendly feelings toward our country and our citizens. They want us as friends, not enemies.

Nonetheless, I realize that some Americans living in the Canal Zone feel otherwise. They are nervous and concerned. I think we can all understand that. For they see in a new treaty an end to the very special and protected way of life they have enjoyed. They have gone through a very trying period in which they felt their future was being changed and they were not at all sure in what direction. In the absence of hard information, many of them imagined the

worst. They became vulnerable to every rumor and exaggerated prediction. And there has been no shortage of rumors and exaggerations.

Now, I think, the situation is changing drastically. With the publication of the text of the treaties, Americans in the Canal Zone realize they have not been sold down the river. They understand that their basic employment rights, job security, and the like are preserved. Thanks to the efforts of Governor Parfitt and Secretary Alexander there is a vastly better perspective as to what a new treaty means and will not mean.

One thing that has greatly bothered many people in the zone is the prospect of being subject to Panamanian laws and jurisdiction. To meet this concern, the treaty negotiators reached agreement on certain procedural guarantees—set forth in an annex to the treaty—that assure certain special protections to any American who, in the future, may face prosecution. Those protections include the right to a speedy trial, to a lawyer of choice, to full disclosure of charges, to have a representative of the U.S. Government present at any trial, etc., etc., down a very long list.

I believe the Government of Panama has every intention of living up to these guarantees. I am sure they would not have agreed to these special features at all if they had no intention of abiding by them. Moreover, it is clear that the Panamanians want as many Americans as possible to remain in their country for some time—to provide the skills needed to keep the canal operative and to train Panamanians to do those jobs.

My clear impression is that, as these various features of the new treaty have become known, the outlook among Americans in the zone has moderated. I believe that the vast majority—while still harboring reservations about the future—are ready to see how such a treaty works in practice, to give it a fair chance.

In this connection, I should point out to this committee that there are some 3,000 American employees of the Canal Company who will be affected by a change in their lifestyle and in the rules of the game. At the

same time there are some 6,000 Americans living and working peacefully in Panama in banks and businesses, selling and buying, teaching and preaching; in short doing all the things that Americans are doing in most other countries around the world day in and day out—without special privileges or special rules. With time—and with good will on both sides—I think our citizens now in the zone will find that it is not that difficult to live and work in another country.

I have been asked by friends here and in Panama how the various joint boards and committees provided for in the treaty will work out. As you know, there is provision for a consultative committee to act as a kind of policy advisory board to the Panama Canal Commission. There will also be a coordinating committee of both Americans and Panamanians to help see that the provisions of the treaty are carried out in an orderly and reasonable fashion. Similarly, on the military side, there will be a combined board of senior military representatives as well as a joint committee to help carry out the military provisions of the treaty. I cannot say, of course, how these various bodies will conduct their business. They will be breaking new ground and carrying out functions that have not previously existed.

What is clear, of course, is that the working of any body of men and women depends on the quality of people selected to do the job and on the spirit in which they undertake their tasks. I have been assured by the highest levels of the Panamanian Government that they want these various groups to be efficient and to work in harmony. For that purpose, they have told me, they intend to pick the best possible and most highly qualified people available. Given that spirit, I see no reason why these joint groups should not work in harmony and in the best interest of both countries.

A related question is whether the Panamanians will ever be able to run the canal. There is a kind of arrogance in the very question that I do not like. It reminds me of the way some people used to talk of the impossibility of Egyptians ever running Suez. In an earlier period, you will recall

how unthinkable it was in London that a bunch of ragtag colonists could ever run their own affairs. The short answer is that of course Panama will be able to run the canal. Seventy percent of the work force now operating the canal is Panamanian. They could doubtless fill many of the administrative and technical jobs tomorrow. As for some of the more highly developed skills, there is no reason why Panamanians cannot acquire them in a reasonable time. And we can help greatly in providing the necessary technical training.

One final question that is frequently asked: In giving the canal to Panama, wouldn't we be turning it over to a leftwing military dictatorship? My answer to that loaded question is, first, to note that under the treaty we are discussing, the United States retains the responsibility for operating and the primary responsibility for defending the canal for the remainder of this century. The government that finally will take control of canal operations will not be the present government. And we cannot know precisely what form of government that will be any more than we know what our own condition will be in the year 2000.

But more than that, I would say that the American people have been given a quite distorted picture of the present Government of Panama. It is not a full-blown democracy as you and I understand that term. Frankly, there are things I would like to see changed in the system. But I am not a Panamanian and it is not for me to prescribe what is good or bad for others. That is a judgment only the Panamanian people can make—as they will over time. We can perhaps explore these matters more fully if you like.

One thing I do know if we wish to encourage change in what we regard as a positive and constructive direction—in Panama or in any other country—we can only do so in an atmosphere of friendship and trust, of cooperation and mutual advantage. We cannot hope to see our values flourish, we cannot expect to have our suggestions heeded, we cannot work effectively with others toward the goals we cherish if we try to do so in an atmosphere of bitterness and frustration.

It is to the goal of eliminating the bitterness of the past and the frustrations of the present that the treaty now before you is so largely aimed. I hope it will receive your thoughtful and favorable consideration.

UNDER SECRETARY COOPER, SEPTEMBER 30

I appreciate the opportunity to discuss with the committee the plans for improved economic cooperation between the United States and Panama which will complement the process of implementing the new canal arrangements. The programs that Under Secretary Solomon [Anthony M. Solomon, Under Secretary of the Treasury for Monetary Affairs] and I will discuss today are entirely separate and independent from the new treaty, although the idea of having this associated package arose during the last few weeks of the treaty negotiations.

Secretary Vance and Ambassadors Bunker and Linowitz have already described for the committee the provisions within the treaty which will provide for Panamanian participation in canal revenues. The arrangements we discuss today are not directly related to the canal but, rather, are an expression of our friendship and cooperation with the people of the Republic of Panama and reflect our interest in the economic well-being of that country.

As this committee is aware, the discussion of economic arrangements associated with the treaty were among the most difficult issues encountered in the negotiations. Panama's negotiators proposed that the United States pay Panama a large initial lump-sum payment and a very sizable annuity, either of which far exceeded the most optimistic estimates of gross canal revenues. The Panamanian negotiators sought to justify these proposals by assigning high economic value to the economic and security benefits derived by the United States from the canal without comparable benefits to Panama.

They further suggested that, as a counterpart to U.S. investment in the Panama Canal, Panama had provided its unique geographic location, much of its prime land and

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water resources, as well as the labor of its people to the canal effort. Panama also cited the low remuneration received by Panama under the present treaties and the value to our security interests of the military bases and the new neutrality arrangements. In a more compelling argument, Panama's negotiators maintained that Panama's national priority lies in the rapid social and economic development of its people with wide distribution of the benefits.

Both the economic provisions within the treaty and the economic arrangements outside it are based on our shared recognition of the special relationship created by the interest in the canal. Panama's development would serve the interests of the United States by fostering the stability which is the underpinning for an open, safe, efficient, and accessible canal before and after the expiration of the treaty which you are now considering.

Giving the Panamanians a stake in the operation of the canal makes political and economic sense—it will insure Panamanian cooperation in the efficient running of the canal operation while also building broad political support for the enterprise in Panama. The broader program for improved economic cooperation with Panama rests on a similar assumption—that improving the welfare of an increasing number of Panamanians will result in a stable political climate in which the sound administration of the canal can continue.

As was covered in earlier testimony, for the purposes of the annuity payments in the treaty, the economic provisions in the treaty reflect the U.S. position that the canal operating revenues would be the source of financing. The purpose of this formula is to give Panama an equitable share of canal benefits and assure a vital Panamanian interest in the efficient operation of the canal.

The arrangements outside the treaty also reflect the perception that Panama and the United States have mutual interests—specifically, in fostering economic development and the well-being of the Panamanian people. Since we believe that Panamanian

development during the new treaty period could serve as a means of promoting an environment helpful in the operation of the canal during and after the new treaty period, the U.S. negotiators arranged for the Panamanian negotiators to meet with representatives of the Departments of State and Treasury, AID [Agency for International Development], and the Export-Import Bank to discuss Panama's development needs.

Out of these discussions emerged a program which will be undertaken outside the treaty, which will introduce no special assistance devices, and which is subject to all applicable procedures under existing programs. Its contents were outlined to the Panamanian Government in the form of a diplomatic note [Note Regarding Economic and Military Cooperation] signed by Secretary Vance on September 7, the date of the signing of the two treaties concerning the Panama Canal. I understand that a copy of this diplomatic note has already been provided the committee.²

The note outlines a program, to be undertaken on a best efforts basis, which seeks to enhance Panamanian development with the participation of the private sector in the United States as well as Panama. It is composed of the following elements:

- Up to \$200 million in Export-Import Bank loans, loan guarantees, or insurance over a 5-year period subject to approval by the bank;

- Up to \$75 million in AID housing guarantees over a 5-year period; and

- A guarantee by the Overseas Private Investment Corporation of \$20 million in U.S. private capital to the Panamanian National Finance Corporation (COFINA) for use in productive projects in the Panamanian private sector.

The Secretary's note of September 7 also proposes issuance of repayment guarantees under our foreign military sales program not

²A copy of the note is included in State Department publication Selected Documents No. 6B available from Public Correspondence Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

to exceed \$50 million over a 10-year period. This aspect of the program is to assist Panama in assuming its increased responsibility for canal defense during the new treaty period. It too is designed to further the spirit of cooperation between the two countries. Like the other parts of the program outside the treaty, the military sales program is not a grant to be financed by the American taxpayer. The only appropriations required would be to cover 10 percent of the annual program in the form of deposits in a special reserve account.

Under Secretary Solomon will discuss the Overseas Private Investment [Corporation] guarantee and the Ex-Im Bank program. I would like to expand on the rationale for the AID housing guarantee program proposed in the Secretary's note.

The purpose of the AID housing program is to provide housing to lower-to-medium income groups in less developed countries. The program provides a full faith and credit U.S. Government guaranty to private U.S. lenders who make loans for housing projects in less developed countries. The program demonstrates the valuable contribution of private capital and foreign investment to the social and economic development of such countries.

The 5-year program proposed for Panama in the economic cooperation proposal would—as other elements of the package—fit within existing statutory authorization. The guarantee program was proposed in the early 1960's and is designed to be self-sufficient and has not required congressional appropriations. Total current housing guarantee authority is \$1.055 billion. The proposed Panama program would conform to the statutory limitations of \$25 million per year to any one country and an average annual face value of \$15 million. In other words, we are using existing programs—which are proven tools for furthering U.S. interests in many overseas economic areas—to strengthen Panamanian development and the cooperative relationship between the two countries.

Panama has had several successful AID housing guarantee projects. To date, AID

has guaranteed a face amount of approximately \$26 million in loans. Another \$15 million project is now under consideration. This represents an 11-year course of activity involving eight projects.

Moreover, the proposed housing guarantee program addresses an area of social and economic development in which Panama has placed a high priority within its development plan. This priority is felt because of the astonishing urban growth in Panama. Much of the poor population in Panama City and Colon dwell in decrepit, unsafe, barrack-type buildings which were actually used by the workforce of the French Canal Company almost a century ago.

The housing guarantees are an example of the kind of program that is in the mutual interest of both countries. The economic cooperation program as a whole is designed to assist Panama's social and economic development and improve prospects for stability with the participation of the private sector. Moreover, the economic cooperation program does not represent a grant to be financed by the American taxpayers.

Before closing my testimony, I would like to add brief comments on two other areas of interest to the committee—the new Panama Canal Commission and the provisions on the sea-level canal.

Under Secretary Solomon and I were both recently appointed directors of the Panama Canal Company. In this respect, we have an interest in the structure of the new Panama Canal Commission which will replace the company as the canal operator. Under Secretary Solomon will express his views on some financial aspects of the new commission and I would like to share a few observations on its methods of operation.

The United States and Panama have agreed that the canal should continue to be operated in an efficient manner and every effort should be made to insure that the commission is designed to run in a business-like fashion. This is an important shared interest since the economic provisions of the new treaty as well as the operating costs of the canal are to be sustained from canal revenues. The commission should be structured

as a self-sustaining business which would finance the payments to Panama under the treaty as operating expenditures. The executive branch will submit to the Congress implementing legislation to the treaty which will execute these requirements.

Finally, I would like to say a few words about the treaty provisions concerning the sea-level canal. Both Panama and the United States are committed to study jointly the feasibility of such a canal. Any arrangement for the construction of a sea-level canal must be agreeable to both countries. Panama agreed that no third country be permitted to build a sea-level canal in Panama except with our consent. In exchange, Panama asked the United States to agree to limit any sea-level canal construction to Panama. This was an acceptable stipulation—as the committee is aware—in light of the 1970 study by the [Atlantic-Pacific] Interoceanic Canal [Study] Commission which concluded that the two preferred routes for a sea-level canal excavated by conventional means are both in Panama. Again, it appears to us that the interests of both countries are secured by the outcome of the negotiation.

Panama—Clarification of Current Talks

*Department Statement*¹

Yesterday's meeting of Ambassadors Linowitz and Bunker with Panamanian Ambassador Gabriel Lewis was the second in a series which is likely to continue during the next week or two.

The purpose of these meetings is to review matters which have been of concern to Members of Congress during the Senate Foreign Relations Committee hearings.

Issues being reviewed cover the full range of those which have come up during the hearings. The talks at this stage are exploratory. It is premature to speculate as to the results of these meetings. We would, of

course, be in touch with Congress regarding the results. I would note that the most recent statement of our view on the neutrality of the canal and passage of warships was expressed by Acting Secretary [of State Warren] Christopher in a letter to the Chairman of the Senate Foreign Relations Committee [John J. Sparkman] dated October 5.

On the matter of the expeditious passage of warships we have interpreted the language of the treaty to mean that our ships go to the head of the line.

LETTER TO THE SENATE

DEAR MR. CHAIRMAN:

The explanation of the Panama Canal Treaties offered by Administration witnesses before your Committee last week is accurate.

Under the new Treaties, and particularly the Neutrality Treaty, Panama and the United States have the responsibility to assure that the Panama Canal will always remain open, secure and accessible to ships of all nations. Accordingly, Panama and the United States each will have the right to take any appropriate measures to defend the Canal against any threat to the regime of neutrality established in the Treaty.

The Treaty does not give the United States any right to intervene in the internal affairs of Panama, nor has it been our intention to seek or to exercise such a right.

We firmly believe that the Treaty arrangements amply protect the Panama Canal as an international waterway, serve the interests of both countries, and form the basis of a new partnership based on mutual respect between Panama and the United States.

We are, of course, in continuing contact with the Panamanian Government to clarify any points of interpretation regarding the Treaties which may arise in either country.

Sincerely,

Warren Christopher.

DEPARTMENT OF STATE, *October 5, 1977*

¹Read to news correspondents on Oct. 7, 1977, by acting Department spokesman Kenneth Brown.

President Carter's News Conference of October 13

Following are excerpts relating to foreign policy from the transcript of a news conference held by President Carter on October 13.¹

Q. Panama's General Torrijos will come to this country late this week in an atmosphere in which a lot of confusion has been generated over the language of the treaty and how that will be used.

How are you going to use his visit? What is he going to do here? And will you perhaps get into the language of the treaty itself in terms of trying to clarify what he thinks?

President Carter: I think the language of the treaty is adequate. I've had a chance to meet with General Torrijos at length on his other visit here and also to meet on one occasion with both the negotiators from Panama and our own country when the negotiations were at a crucial stage. Both General Torrijos and I are faced with a difficult political problem—as he described it accurately—to sell the same product in two different markets.

We are determined that the canal will be open, neutral, and free for use as long as it is there beyond the end of this century. We do not have an inclination to intervene in the internal affairs of Panama. And when we say in this country, "We reserve the right to take action to keep the canal open," when they say in their country, "We do not intend to permit the United States to intervene in the internal affairs of Panama," we are both right. But the language didn't go into that much detail.

We agreed for expeditious passage of American and Panamanian ships through the Panama Canal when necessary. That language to me is adequate. But that particular phrase, "expeditious passage," has been in-

terpreted differently here than it has in Panama.

I want to be sure that the American people, when the Senate votes ratification, and the Panamanian people, when they have a plebiscite or referendum on the same treaty the 23d day of this month, both understand the terms of the treaty very clearly.

So, General Torrijos and I will be meeting tomorrow to make sure that we have a common agreement on what the treaty means and we may or may not issue some clarifying statement. But it's a constructive proposal, because both of us want to be sure that our people don't labor under any misapprehensions about the intentions or interpretation of the other country.

Q. Back on the canal issue, if you cannot come to some mutually agreeable statement with General Torrijos tomorrow, aren't the canal treaties doomed?

President Carter: Well, I think it would be very difficult to get ratification of the treaties if there is any doubt that General Torrijos and I, the Panamanian people, and the U.S. citizens agree on what the canal treaties mean.

I don't believe there's any need to amend the treaty language. To me it's clear because I've been involved in the discussions with the negotiators and also with General Torrijos. But it may be necessary, after he and I discuss the situation, to issue some clarifying statement. I've not talked to him personally the last few days. I did extend an invitation by letter. He has been in the Middle East, the Scandinavian countries, Europe, and he's coming back here tonight, I think.

But I did extend a written letter to him asking him to meet with me. He was eager to do so. And we will be meeting tomorrow. But I think the clarification is crucial. A written agreement or modification to the treaty may or may not be necessary. I don't think we need to modify the treaty itself.

¹For the complete transcript, see Weekly Compilation of Presidential Documents dated Oct. 17, 1977, p. 1537.

U.S.-Panama Statement of Understanding

Following is a transcript of a briefing held by Sol M. Linowitz, consultant for the Panama Canal treaty negotiations, on October 14 which includes the statement of understanding between the United States and Panama on the Panama Canal treaties.

White House press release dated October 14

Ambassador Linowitz: President Carter and General Torrijos of Panama agreed on a statement of understanding with respect to several provisions in the permanent neutrality treaty which was signed by them on September 7th.

Let me say at the outset that there has never been any misunderstanding between President Carter and General Torrijos as to the exact meaning of the language of the treaties. But as you know, some questions were raised in the Senate and it was felt desirable that this statement be issued to put to rest any question with respect to what was actually intended.

Within a couple of hours, I believe, the same statement will be released in Panama by General Torrijos. This is the statement [of understanding]:

Under the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal (the Neutrality Treaty), Panama and the United States have the responsibility to assure that the Panama Canal will remain open and secure to ships of all nations. The correct interpretation of this principle is that each of the two countries shall, in accordance with their respective constitutional processes, defend the Canal against any threat to the regime of neutrality and consequently shall have the right to act against any aggression or threat directed against the Canal or against the peaceful transit of vessels through the Canal.

This does not mean, nor shall it be interpreted as the right of intervention of the United States in the internal affairs of Panama. Any United States action will be directed at insuring that the Canal will remain open, secure and accessible, and it shall never be directed against the territorial integrity or political independence of Panama.

The Neutrality Treaty provides that the vessels of war and auxiliary vessels of the United States and

Panama will be entitled to transit the Canal expeditiously. This is intended, and it shall be so interpreted, to assure the transit of such vessels through the Canal as quickly as possible, without any impediment, with expedited treatment, and in the case of need or emergency, to go to the head of the line of vessels in order to transit the Canal rapidly.

That is the end of the statement. I will be glad to take your questions.

Q. Will it be a joint statement?

Ambassador Linowitz: It will be issued jointly by the United States and Panama.

Q. How was this negotiated?

Ambassador Linowitz: Ambassador Escobar Bethancourt, the chief Panamanian negotiator, and I worked out the terms of the arrangement which we then submitted to President Carter and General Torrijos.

Q. Has the Senate been informed or made any reaction?

Ambassador Linowitz: After the instrument was agreed to by the respective chiefs of state, I went to the Hill and met first with Senator Robert Byrd, the Majority Leader, and then with the members of the Senate Foreign Relations Committee who were able to attend. They had a chance to study the statement and I had an opportunity to discuss it with them.

Q. What was the reaction?

Ambassador Linowitz: The reaction was generally very favorable, I am pleased to say.

Q. Can you tell us more about the negotiations today? What was the mood of the other side, the Panamanians?

Ambassador Linowitz: Cooperative, sharing our feeling that these misconceptions had arisen which should be laid to rest. They were perfectly understanding of the fact that there were people in this country, in the Senate, and elsewhere who did not appreciate the fact that indeed we were agreed on what the treaty was supposed to say and therefore joined with us in feeling that this kind of clarifying statement would be mutually beneficial.

Q. General Torrijos, as he left Washington, said it was his understanding that the United States would be able to intervene only if Panama or the canal came under attack by a major power. Was that distinction made in your negotiations, and is that meant to be inferred in your statement?

Ambassador Linowitz: No. I am sure he didn't use the word "intervene" either. No, the fact is that as we have expressed it here, it is against any aggression or threat directed against the canal and that is precisely what we understood in the negotiation.

Q. What took so long for us to get it after—

Ambassador Linowitz: We were consulting on the Hill. Questions were raised about one or two things and we thought it best to clarify them. As a result, I am sorry to say, we didn't get it to you as early as we would have liked but we did have a later opportunity to consult with people in the Senate.

Q. Was it rewritten this afternoon to some extent?

Ambassador Linowitz: No, sir.

Q. Is this exactly what you presented this morning before the meeting?

Ambassador Linowitz: Yes, sir.

Q. Does this mean the Senate will approve or ratify this treaty?

Ambassador Linowitz: I hope so but obviously I can't judge. I was pleased when Senator Sparkman [John J. Sparkman of Alabama] said earlier that he felt that this would be helpful in connection with the ratification process.

Q. Did Mr. Escobar Bethancourt say this might jeopardize approval of the treaty in the plebiscite?

Ambassador Linowitz: No. They recognized this is going to be a factor which people will take into consideration but there was not the suggestion this would jeopardize the ratification of the treaty in plebiscite.

Q. As far as you are concerned, does this resolve all the questions that have been raised about the treaty?

Ambassador Linowitz: As far as I was concerned, there weren't any questions to be re-

solved before this. But to the extent they have now been raised, I would hope they now permit us to go ahead with the substance of the treaties rather than be involved in semantics. Certainly the reactions of the members of the Senate Foreign Relations Committee were very gratifying.

Q. Does that include the opponents?

Ambassador Linowitz: Well, we haven't talked to—

Q. I mean on the committee. Did they seem to be—

Ambassador Linowitz: I wouldn't want to characterize those who were there. Some of those who have been opponents might not end up being opponents. I would merely say the people who were there, some of whom had questions about the treaty, seemed to be in general satisfied about these questions.

Q. Senator Byrd said he couldn't support the treaties until these points were clarified. Did he say he would support the treaties now after hearing your statement?

Ambassador Linowitz: He didn't particularly—I didn't ask him specifically for that. But Senator Byrd was certainly pleased.

Perhaps it would be useful if I do indicate a little more precisely what it is we tried to get clarified after our discussions with the Members of the Senate. Questions were raised by several members of the Senate Foreign Relations Committee about the phrase "territorial integrity" which appears in the statement. And I was asked and indicated that that meant that Panama wanted to be assured that its territorial sovereignty and integrity would be respected and there would be no effort to do anything to take over or to occupy territory as such.

The question was, would that in any manner interfere with the U.S. right if circumstances should arise making it necessary to land troops or forces on Panamanian territory. I indicated to the members of the Senate Foreign Relations Committee that it would not affect such a right and I wanted to consult with Panamanian representatives to be certain that that interpretation was

shared. I ascertained that it was and therefore there was no need to do anything further with reference to the language.

Q. Who did you consult on that point?

Ambassador Linowitz: With the Panamanian Ambassador.

Q. What other reactions were there from the Senators? What did Senator Baker [Howard H. Baker of Tennessee] say about it?

Ambassador Linowitz: I think he will probably make his own statement. But I think it is fair to say he regarded this as a significant step forward.

Q. Did the members of the Foreign Relations Committee or the chairman say that they might be able to vote more quickly on it because of this?

Ambassador Linowitz: That didn't precisely arise but, as I say, the statement that Senator Sparkman made was certainly upbeat.

Q. Sparkman has never been against it, though, has he?

Ambassador Linowitz: No, not so far as I know, and I would hope not.

Q. Well, but aren't you really trying to assuage or calm the fears of the real Goldwaters and—

Ambassador Linowitz: I think he was trying to state what he perceived to be the feeling of the committee as a whole, those who were present.

Q. Do you expect that as a result of this agreement there will be no more objections raised about possible varied interpretations of the treaty?

Ambassador Linowitz: God and the Senate willing. [Laughter]

Q. Do you think this statement should be approved by any formal action of the Senate?

Ambassador Linowitz: I think it is clear enough that what we have said about the treaty is indeed the fact. When we said the language was intended to cover certain situations in a particular matter, that is precisely what we have here said in the statement of understanding and we are hoping it will lay to

rest the questions that have been raised so we can go forward in the approval of the treaties and I don't think personally that any further action ought to be required.

Q. Did this become an appendage to the treaty or any kind of legal document in the treaty sense?

Ambassador Linowitz: We are just thinking for the moment that it is a statement which says this is what we have both understood the treaties to mean on these two points.

Q. What would it state in the future when you deal with Presidents and so on. Would it have any standing?

Ambassador Linowitz: Part of the legislative history, part of the interpretation, clearly a part of the record so there can be no mistaking what both parties intended by the language that was used.

Q. What do you plan to do now or what does President Carter plan to do? Will you continue to meet with groups and explain the treaty?

Ambassador Linowitz: My status—as you know, I am now a private citizen trying to be helpful as a former co-negotiator. I will help in every way I can in the future. I would expect that President Carter, members of the Administration, Ambassador Bunker, and all the others involved will make every effort they can to assure, first, that there is an understanding of the treaty and, secondly, that people who understand what the treaties are all about would want to express their support for it.

Q. Is there somewhere a copy of this document with your signature and that of Mr. Bethancourt?

Ambassador Linowitz: No, sir. Actually, this was not our understanding. It is the understanding between President Carter and General Torrijos.

Q. Did they sign it?

Ambassador Linowitz: No, sir.

Q. Did the Panamanians sign anywhere on a dotted line?

Ambassador Linowitz: No.

Q. In other words, nobody signed this statement?

Ambassador Linowitz: The statement was not signed but the exact same statement will be made in both countries.

Q. They said before that the concept "head of the line" violates the spirit of the neutrality treaty. Did they change their position on that, the Panamanians?

Ambassador Linowitz: I will leave that for you to surmise. It is quite right, we do think that we have achieved what we have believed to be implicit and which has now become explicit.

Q. Will this hurt the chances for the plebiscite being approved?

Ambassador Linowitz: It is hard to conjecture but, as I said earlier, there was no indication that they believed that the treaties would not be approved by plebiscite, but I

guess no one yet can judge what the impact of this might be.

Q. One clarifying question, Mr. Ambassador. Did I understand you to say no changes of the language in this statement occurred as a result of your consultations on the Hill?

Ambassador Linowitz: Yes, sir.

Correction

The editor of the BULLETIN wishes to clarify an item which appeared in the Oct. 17 edition. On page 487 the "Message From the Mexican Observer" should have been printed as a footnote to the Declaration of Washington (p. 502). Foreign Secretary Roel wrote the message on the Declaration when he initialed the latter for Mexico.

President Carter Holds Meetings With Middle East Officials

President Carter held meetings with Israeli, Egyptian, Syrian, and Jordanian officials on September 19, 21, and 28 in Washington. Following are statements issued by the White House following those meetings.

Weekly Compilation of Presidential Documents dated September 26

ISRAEL, SEPTEMBER 19

President Carter and Israeli Foreign Minister Moshe Dayan met in the Cabinet Room for 1 hour, 35 minutes. The meeting was also attended by Vice President Walter Mondale; Secretary of State Cyrus Vance; Zbigniew Brzezinski, Assistant to the President for National Security Affairs; Hamilton Jordan, Assistant to the President; Robert J. Lipshutz, Counsel to the President; David Aaron, Deputy Assistant for National Security Affairs; Alfred L. Atherton, Jr., Assistant Secretary of State for Near Eastern and South Asian Affairs; Samuel Lewis, U.S. Ambassador to Israel; and William Quandt, National Security Council staff member, on

the American side; and His Excellency Simcha Dinitz, Ambassador of Israel to the United States; The Honorable Ephraim Evron, Director General, Ministry of Foreign Affairs; The Honorable Hanan Baron, Minister, Embassy of Israel; Mr. Meir Rosenne, Legal Advisor to the Foreign Minister; Mr. Naphtali Lavie, Foreign Ministry Spokesman and Advisor to the Foreign Minister; and Mr. Elyakim Rubinstein, Director, Foreign Minister's Bureau, and Advisor to the Foreign Minister, on the Israeli side.

The President began by expressing personal pleasure at his first opportunity to welcome Foreign Minister Dayan to the White House. He noted that his talks today inaugurate a series of detailed and concrete discussions with foreign ministers from the Middle East in the intensive search for a comprehensive peace settlement. The President repeated his determination to help the parties reach that settlement. He underlined his conviction that a just and lasting peace in this vital area of the world requires compromise and courageous leadership

from all the parties to the negotiations.

The President and Foreign Minister emphasized the importance of instituting negotiations between the parties through resuming the Geneva conference. The President and the Foreign Minister reviewed the substantive issues of a settlement and discussed questions related to organizing the conference. There was an exchange of views on the question of the Palestinian representation and the question of Israeli settlements. The Foreign Minister elaborated on the draft treaty of peace the Government of Israel had submitted to us for a comprehensive settlement. As a follow-on to this meeting, Secretary Vance will discuss the Israeli plan in depth with the Foreign Minister and will also discuss with him some specific American suggestions for reconciling the differences between the parties.

The talk between the President and the Foreign Minister will be useful in proceeding with the discussions the President, and later the Secretary of State, are having with the other foreign ministers.

Their talk was conducted in the open and friendly spirit of relations between our two countries which permits differences to be discussed candidly and in the knowledge that both the United States and Israel have a heavy stake in achieving their shared goal of peace in the Middle East. In this connection, the President reaffirmed the commitment of the United States to the security of Israel.

EGYPT, SEPTEMBER 21

President Carter and Egyptian Foreign Minister Ismail Fahmy met in the Cabinet Room for 1 hour, 5 minutes. The meeting was also attended by Vice President Walter Mondale; Secretary of State Cyrus Vance; Zbigniew Brzezinski, Assistant to the President for National Security Affairs; Hamilton Jordan, Assistant to the President; Robert Lipshutz, Counsel to the President; David Aaron, Deputy Assistant to the President for National Security Affairs; Alfred L. Atherton, Jr., Assistant Secretary of State for Near Eastern and South Asian Affairs; Herman Eilts, U.S. Ambassador to Egypt; and

William Quandt, National Security Council staff member, on the American side; and Ashraf Ghorbal, Egyptian Ambassador to the United States; Minister of Foreign Affairs, Under Secretary Osama al-Baz; First Secretary Dr. Mohammed Baradai, Executive Secretary of Foreign Minister's Cabinet; and Minister Counselor Mohammed Shaker, Egyptian Embassy, on the Egyptian side.

The President began by expressing his pleasure at welcoming Foreign Minister Fahmy to the White House in this latest round of his meetings with Middle Eastern foreign ministers. The President was gratified to receive a personal letter from President Sadat conveyed by the Foreign Minister. He repeated to the Foreign Minister his support for the key role Egypt continues to play in efforts to reach a negotiated peace settlement of the Middle East conflict. The President underlined his own conviction that a just and lasting peace in this vital area of the world requires compromise and courageous leadership from all the parties to the negotiations.

The President and Foreign Minister agreed on the importance of reconvening the Geneva conference by the end of this year, thus beginning the process of negotiations between the parties. To that end, they discussed the substantive issues of a settlement. Secretary Vance will pursue the discussion of these issues with the Foreign Minister, both to hear Egypt's concrete ideas on these issues and to explain some specific American suggestions on the elements of a peace treaty designed to help reconcile the differences between the parties. The President and the Foreign Minister also addressed the problem of Palestinian representation at Geneva, with a view to finding a solution during the course of these current talks. The President and Secretary Vance are holding with Middle East foreign ministers.

The President reaffirmed the importance he attaches to U.S. relations with Egypt and continued American support for Egyptian economic development efforts. Finally, the President asked the Foreign Minister to convey to President Sadat assurances that the United States remains committed to the search for a comprehensive peace settlement in the Middle East.

SYRIA, SEPTEMBER 28

The President and Syrian Deputy Prime Minister and Foreign Minister Abd al Halim Khaddam met in the Cabinet Room for 1 hour and 5 minutes. The meeting was also attended by Vice President Mondale; Secretary of State Cyrus Vance; Hamilton Jordan, Assistant to the President; David Aaron, Deputy Assistant to the President for National Security Affairs; Alfred L. Atherton, Jr., Assistant Secretary of State for Near Eastern and South Asian Affairs; Richard Murphy, U.S. Ambassador to Syria; and William Quandt, National Security Council staff member, on the American side; and His Excellency Dr. Sabah Kabbani, Ambassador of the Syrian Arab Republic to the United States; and Mr. Abd al-Salam Aqil, private secretary to the Deputy Prime Minister, on the Syrian side.

The President began by expressing his pleasure at this opportunity to meet again with Minister Khaddam, recalling their friendly talks at the White House last April and at the time of President Carter's meeting with President Asad in Geneva in May. The President underlined the importance he attributes to Syrian participation in the peace efforts underway in the Middle East and reaffirmed his determination to continue those efforts to reach a comprehensive settlement of the Arab-Israeli conflict. In this connection, the President repeated his own conviction that a just and lasting peace in this vital area of the world requires compromise and courageous leadership from all the parties to the negotiations.

The President and the Minister agreed on the importance of working to reconvene the Geneva conference by the end of this year. They discussed the substantive issues of a settlement and, while noting that differences exist between our respective views on some points, they agreed that these efforts at finding concrete solutions to the core issues of the conflict should continue. Secretary Vance will pursue the discussion with the Minister, listening to his ideas and explaining in detail American suggestions for reconciling differences between the parties on the key ele-

ments of a settlement. The President and the Minister also discussed the problem of Palestinian representation at Geneva, agreeing that this question must be resolved if the Geneva conference is to be reconvened.

The President concluded by expressing his gratification with the steady improvement in relations between Syria and the United States. He emphasized that these good relations aid the cause of reaching a just and lasting peace in the Middle East. The President asked the Minister to assure President Asad that he intends to carry on American efforts to that end.

The President and Jordanian representatives agreed on the importance of finding a formula to begin negotiations through reconvening the Geneva conference by the end of the year. They discussed procedural issues involved in resuming the conference and the substantive issues to be resolved in an overall settlement. The Jordanian representatives presented Jordan's ideas for a just settlement. The President responded that the Jordanian ideas will be useful in the continuing talks with Middle East foreign ministers. Secretary Vance, who had begun talks with the Jordanians here at an earlier meeting, will be pursuing the discussion both of their ideas and American suggestions for reconciling differences between the parties. The meeting today devoted some time to the specific problem of how the Palestinians should be represented at the Geneva conference. The President and Jordanian representatives agreed that this current round of talks should seek a solution to this question, so as to achieve the common goal of reconvening Geneva as soon as possible.

The President concluded by asking the Jordanian representatives to convey to King Hussein his assurances that he remains committed to doing all possible in continuing efforts toward a comprehensive settlement in the Middle East.

JORDAN, SEPTEMBER 28

The President and Chief of the Royal Court Sharif Abdul Hamid Sharaf and Jordanian Minister of State for Foreign Affairs

Hassan Ibrahim met in the Cabinet Room for 1 hour and 20 minutes. The meeting was also attended by Vice President Mondale; Secretary of State Cyrus Vance; David Aaron, Deputy Assistant to the President for National Security Affairs; Alfred L. Atherton, Jr., Assistant Secretary of State for Near Eastern and South Asian Affairs; Thomas Pickering, U.S. Ambassador to Jordan; and William Quandt, National Security Council staff member, on the American side; and by Jordanian Ambassador to the United States Abdullah Salah.

The President welcomed the two Jordanian representatives to the White House by reaffirming the longstanding friendship and support of the Government and people of the United States for His Majesty King Hussein and the people of the Hashemite Kingdom of Jordan. The President noted that these strong ties are a firm basis for our mutual search for a just and lasting peace in the Middle East. As he had in his earlier meetings here with foreign ministers from the area, the President underlined his own conviction that peace requires compromise and courageous leadership from all the parties to the negotiations.

Secretary Vance Reaffirms Factors for Mideast Conference

Following is an exchange of remarks by Secretary Vance and Mahmoud Riad, Secretary General of the Arab League, at a luncheon hosted by Secretary Vance at the U.S. Mission to the United Nations on October 6, with introductory comments by U.S. Ambassador to the U.N. Andrew Young.

Press release 455 dated October 7

AMBASSADOR YOUNG

Let me welcome you to the U.N. Mission to the United Nations and thank you for joining in this lunch with us. We've had a series of very good lunches in the last few days as a result of the President of the United States and the Secretary of State being with us.

And I think they've all gone very well because, as I said, it's been a long time since the United States had an Ambassador who had policies good enough to work with that made it possible for him to be popular at the United Nations. [Laughter.]

I think the man who in good measure is responsible for those policies is a man who was committed to the United Nations long before he became Secretary of State and who, as a practicing attorney in New York, was an active participant in U.N. affairs in the Economic Policy Group of the United Nations Association and who has actively concerned himself, both as private citizen as well as public servant, with peacemaking around the world.

And so we're very glad that we've been able to have our Secretary of State here with us for the past 2 weeks—and especially glad that he can be with us for this meeting. So I'd like to welcome Secretary of State Cyrus Vance to be with us at this time. [Applause.]

SECRETARY VANCE

Let me say what a pleasure it is for me to be here today at the United Nations and what a great pleasure it is for me and for the President to have an Ambassador to the United Nations such as Andy.

I also want to echo Andy's welcome to all of our Arab colleagues and friends who are with us today. It's a great pleasure to welcome you here at the U.S. Mission. And I extend the President's best wishes and welcome to you. He only wished that he could have been here himself.

This lunch has become an annual event, and I think a very useful annual event, to which all of us look forward. It's become an occasion for us to take stock of the past year and to take a very brief look at the year ahead.

Many uncertainties and many difficulties lie ahead of us as we look into the coming year. But when we look back at last autumn, I think that we can rightly feel that the situation and the outlook in the Middle East have improved.

A year ago, the conflict—the civil conflict—was raging in Lebanon, and Middle

East negotiations appeared a distant prospect. The statesmanship of the key Arab leaders at the Riyadh and Cairo conferences and the leadership of President Sarkis subsequently ended the conflict in Lebanon and made it possible for the Arab states to devote their attention and their energies in the search for peace.

Let me say that the new Administration has placed the highest priority on joining with others in the search for a just and lasting peace in the Middle East, and we shall continue to devote our efforts to that end.

We don't underestimate the depth of the roots of this conflict. Nevertheless, I think in the past 9 months steps have been taken which have helped to clear the air on some of the fundamental disputes that lie in these roots of the conflict. And today I can say that all of the parties are seeking ways to find solutions to these problems.

I'd like to mention just briefly three factors—and the fact that I mention only three should not be taken as any change in U.S. policy. [Laughter.] But there are three that I want to mention very briefly.

The first is that if we're to succeed in convening a Geneva conference, all the parties will have to subordinate their particular interests and concerns to a degree to this overriding goal. This means that there must be decisions as to what is most important and what is less important. And we must concentrate on those things which are essential and most important.

Second, it's important for all of us not to lose sight of the fact that the agreed basis for the Geneva conference is Resolution 242 and Resolution 338.

And thirdly, the Palestinians must be represented at the conference if we are to achieve a just and lasting peace.

I'm looking forward to continuing the intensive consultations which have been going on here in New York with the various foreign ministers, and we will be keeping in close touch in the weeks ahead.

Looking into the year ahead, I would not be so rash as to say that it will see the conclusion of peace treaties. But I am optimistic

enough to say that in my judgment it will see progress toward that goal.

Now, I have focused these remarks on the subject of the Middle East conflict and its resolution, but this does not mean that we have not a tremendous interest in all of the concerns of the Arab world. I want to say a word about how much the United States values its relations to each of your countries who are here, and we wish in every way to work with you to improve our bilateral relationships and to develop an ever-closer understanding and cooperation with you.

We take seriously the problems and concerns of the entire Arab world, and I personally look forward to working with your governments and with your foreign ministers to achieve these ends.

Thank you again very much for coming and for being with us here today. We appreciate it very much. [Applause.]

SECRETARY GENERAL RIAD

Mr. Secretary of State, it gives me pleasure to extend to you, on behalf of the Arab foreign ministers and for myself, our thanks for your kind invitation. It adds yet another opportunity for a meeting to exchange views and discuss the common issues that not only interest all of us but are closely related to the cause of peace and security in the world.

At the very moment we address our talks to peace, we get immediately attracted to the Middle East. This area, for the last 30 years, has witnessed several wars and destruction. Above all, it is still living the tragedy of the Palestinian people who have been expelled from their own land—this land which stands now under the Israeli occupation. It is a fact that the cause of peace and security in the Middle East has become demanding enough to bear any more delay. With the situation of no peace-no war dragging on in the Middle East, the region is only being prepared during this armed truce to face another explosion whose threat will not be only limited to the area.

Since 1947, in dealing with the situation in

the Middle East, the United Nations has set up the foundations on which peace can be built in this area.

On one hand stands the issues of restoration of the national inalienable rights of the Palestinian people, including its right to return compensation, self-determination, and establishing its own independent state in Palestine.

On the other hand stands the withdrawal by Israel from all Arab territories occupied since June 5th, 1967.

The United States surely is aware of the dimensions of the Middle East problem and will understand the need to uproot the reasons behind the situation to establish a just and solid peace in the area.

When President Carter said in his speech to the General Assembly on October 4th, 1977, "Negotiations cannot be successful if any of the parties harbor the deceitful view that peace is simply an interlude in which to prepare for war," he really took the crux of the present situation in the Middle East. His words precisely describe what happened in this area since the arms agreements of 1949.

That's why we hope that we shall have a clear basis for a just and peaceful settlement. We believe that this peace can never be attained while the Arab lands occupied since 1967 will remain, even in a fraction of it, under Israeli occupation. No peace could be attained as long as the Palestinian people will continue to live in exile without the full restoration of its national rights.

Mr. Secretary, I wish to express our appreciation for the sincere efforts President Carter and your good self maintain to achieve peace and make human rights a reality in the Middle East.

We are also confident that the good faith and the prominent role, coupled with the special responsibility of the United States as a superpower, will always stand as a great motivation to guide your efforts on the right path in order to achieve peace, security, and human rights for all the peoples of the area. No doubt this contribution will enhance our work for a better future for all our peoples and the peoples of the world.

U.S., U.S.S.R. Issue Statement on the Middle East

Joint U.S.-Soviet Statement¹

Having exchanged views regarding the unsafe situation which remains in the Middle East, U.S. Secretary of State Cyrus Vance and Member of the Politbureau of the Central Committee of the CPSU, Minister for Foreign Affairs of the U.S.S.R. A.A. Gromyko have the following statement to make on behalf of their countries, which are cochairmen of the Geneva Peace Conference on the Middle East:

1. Both governments are convinced that vital interests of the peoples of this area, as well as the interests of strengthening peace and international security in general, urgently dictate the necessity of achieving, as soon as possible, a just and lasting settlement of the Arab-Israeli conflict. This settlement should be comprehensive, incorporating all parties concerned and all questions.

The United States and the Soviet Union believe that, within the framework of a comprehensive settlement of the Middle East problem, all specific questions of the settlement should be resolved, including such key issues as withdrawal of Israeli Armed Forces from territories occupied in the 1967 conflict; the resolution of the Palestinian question, including insuring the legitimate rights of the Palestinian people; termination of the state of war and establishment of normal peaceful relations on the basis of mutual recognition of the principles of sovereignty, territorial integrity, and political independence.

The two governments believe that, in addition to such measures for insuring the security of the borders between Israel and the neighboring Arab states as the establishment of demilitarized zones and the agreed stationing in them of U.N. troops or observers, international guarantees of such borders as well as of the observance of the terms of the settlement can also be estab-

¹ Issued on Oct. 1, 1977, in New York.

lished should the contracting parties so desire. The United States and the Soviet Union are ready to participate in these guarantees, subject to their constitutional processes.

2. The United States and the Soviet Union believe that the only right and effective way for achieving a fundamental solution to all aspects of the Middle East problem in its entirety is negotiations within the framework of the Geneva peace conference, specially convened for these purposes, with participation in its work of the representatives of all the parties involved in the conflict including those of the Palestinian people, and legal and contractual formalization of the decisions reached at the conference.

In their capacity as cochairmen of the Geneva conference, the United States and the U.S.S.R. affirm their intention, through joint efforts and in their contacts with the parties concerned, to facilitate in every way the resumption of the work of the conference not later than December 1977. The cochairmen note that there still exist several questions of a procedural and organizational nature which remain to be agreed upon by the participants to the conference.

3. Guided by the goal of achieving a just political settlement in the Middle East and of eliminating the explosive situation in this area of the world, the United States and the U.S.S.R. appeal to all the parties in the conflict to understand the necessity for careful consideration of each other's legitimate rights and interests and to demonstrate mutual readiness to act accordingly.

Middle East Peace Conference

*Joint U.S.-Israel Statement*¹

The United States and Israel agree that Security Council Resolutions 242 and 338 remain the agreed basis for the resumption

¹Issued on Oct. 5, 1977, in New York following a meeting between President Carter and Foreign Minister Dayan (text from Weekly Compilation of Presidential Documents dated Oct. 10).

of the Geneva peace conference and that all the understandings and agreements between them on this subject remain in force.

Proposals for removing remaining obstacles to reconvening the Geneva conference were developed. Foreign Minister Dayan will consult his government on the results of these discussions. Secretary Vance will discuss these proposals with the other parties to the Geneva conference.

Acceptance of the Joint U.S.-U.S.S.R. Statement of October 1, 1977, by the parties is not a prerequisite for the reconvening and conduct of the Geneva conference.

Secretary Vance's Activities at the United Nations

*Department Statement*¹

During the past 2 weeks [September 26-October 8] of intensive diplomacy in New York, Secretary of State Vance has had a unique opportunity to deal in a short period of time with representatives from all over the world. The setting, at the opening of the U.N. General Assembly, was particularly suited for concentrating on the major issues of U.S. foreign policy. There has been no important bilateral or multilateral issue which has not been discussed in some fashion. Our attention has been devoted to such regional issues as the Middle East, Africa, and Cyprus, as well as to broader questions such as the Strategic Arms Limitation Talks (SALT), North-South economic relations, arms control, nuclear nonproliferation, and human rights. In addition Mr. Vance met many foreign leaders for the first time and strengthened his relationship with others with whom he has dealt in the past. Through these meetings attention was focused on decisions and endeavors which the United States and other nations face around the world.

President Carter's presence in the city for

¹Released to the press on Oct. 8, 1977, by acting Department spokesman John H. Trattner.

2 days, of course, brought a particular dynamic to U.S. diplomatic activity. It provided an unparalleled opportunity for the United States to demonstrate our faith in the United Nations and to expound our views on the many issues that confront us.

PRESIDENT CARTER'S MEETINGS AT THE UNITED NATIONS

During President Carter's visit to the United Nations, October 4-5, he held working lunches and dinners for officials from Africa, Western and Eastern Europe, and Asia. For the texts of his remarks on those occasions, as well as those made to members of the U.S. delegation and U.S. officials of the U.N. Secretariat, see Weekly Compilation of Presidential Documents dated October 10, 1977.

The Secretary spent a substantial amount of time on the Middle East problem, as did the President during his stay. Through intensive negotiations with all the parties we have pursued our task of narrowing differences and seeking consensus and understanding. Our efforts in this regard will continue. We believe we are closer today than we were 2 weeks ago to bringing the parties to the conference table. In our joint statement with the Soviet Union, resulting from Mr. Vance's meetings with the Soviet Cochairman of the Geneva conference, we set forth common views concerning peace in the Middle East. This, in addition to our discussions with the parties concerned, helps to sustain the momentum to bring us to Geneva.

The Secretary's meetings here and in Washington with the Soviet Foreign Minister brought us closer to our common objective of a new SALT agreement. Our representatives are at work in Geneva as a result of the understandings we reached, and we believe we can say that a new SALT agreement is within sight.

The Secretary devoted substantial effort to other regional problems as well.

While much time was devoted to furtherance of our efforts to secure independence and majority rule for Zimbabwe and

Namibia, equally serious attention was directed to our bilateral relations with individual governments throughout Africa.

The British proposal on Zimbabwe was endorsed by the African states and approved by the Security Council. It names a U.N. representative who, together with the British Resident Commissioner-designate, will negotiate military arrangements for the proposed transition to majority rule in Zimbabwe. Our consultations with the frontline states included a review of further progress realized by the Western contact group in its most recent discussions with the South African Government on Namibia. Mr. Vance came away from these meetings with a sense that the momentum of our policies in southern Africa is being maintained and that independence and majority rule for Zimbabwe and Namibia are within our reach.

Regarding the conflict in the Ogaden region of Ethiopia, he emphasized to the African leaders the solid support of the United States for their efforts through the Organization of African Unity to end this tragic episode.

The Secretary was gratified by the repeated assurances he received that African governments are coming to understand the Carter Administration's concern and respect for the various paths which they have chosen in the pursuit of their national goals.

In his conversations with Latin American and Caribbean Ministers, the Secretary further developed some of the themes President Carter discussed last month with their Presidents and Prime Ministers. These particularly included our efforts to reduce regional tensions, to make more effective our future discussion of North-South economic issues, and to deepen our consultations within the hemisphere.

In meetings with foreign ministers and heads of governments from Asia and the Pacific, Mr. Vance outlined our evolving policy in that region. He found a growing appreciation among these leaders that we will sustain our interest in this vast and important area. There was general acceptance of our Korea policy. We explained our commitment to seek normalization of relations

with the People's Republic of China within the framework of the Shanghai communique. The Secretary found a new sense of purpose and regional cooperation, which he strongly supported, among leaders of the Association of South East Asian Nations.

To sum up there is no question that these 2 weeks, by the very intensity and concentration of the diplomatic activity with such a broad range of foreign governments, have brought returns to American policy and to our own understanding of issues throughout the world that could not have been duplicated in any other way.

U.S. Intent With Regard to SALT I Interim Agreement

Following is a statement by Paul C. Warnke, Director of the Arms Control and Disarmament Agency and Chairman of the U.S. delegation to the Strategic Arms Limitation Talks (SALT), made before the Senate Foreign Relations Committee on September 26.¹

I appreciate the opportunity to appear before the committee today to discuss the expiration of the SALT I Interim Agreement on Certain Measures With Respect to the Limitation of Strategic Offensive Arms. The 1972 Interim Agreement expires on October 3, and it is clear that a SALT II agreement to replace it cannot be concluded by that date.

In recent days, there has been much discussion in the press about the Administration's plans with respect to this matter. On September 23, Secretary Vance issued a statement to the effect that, in order to maintain a stable situation while the SALT II negotiations are being completed, the

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.

United States intends not to take any action inconsistent with the Interim Agreement or the goals of the ongoing negotiations, provided that the Soviet Union exercises similar restraint. The Soviets have now issued a policy statement along the lines of our statement.

STATEMENT BY SECRETARY VANCE, SEPTEMBER 23

In order to maintain the status quo while SALT II negotiations are being completed, the United States declares its intention not to take any action inconsistent with the provisions of the Interim Agreement on Certain Measures With Respect to the Limitation of Strategic Offensive Arms which expires October 3, 1977, and with the goals of these ongoing negotiations provided that the Soviet Union exercises similar restraint.

It should be noted that U.S. defense plans would not cause us to exceed any of the Interim Agreement limits in the near future, while the Soviets are in a position to do so because of their active ongoing SLBM [submarine-launched ballistic missiles] construction program.

We carefully considered what action should be taken in view of the fact that the October 3 date would pass before the completion of negotiations on a new agreement. In our deliberations, we concluded, after consultation with a number of Members of both the Senate and House, that an extension of the Interim Agreement would be inappropriate for two reasons:

—First, it would have reduced the pressure on the Soviets and on us to pursue a SALT II agreement based on equal aggregates of strategic offensive arms and

—Second, it would formally reaffirm acceptance of the disparity in numbers of strategic weapons established in the Interim Agreement.

Our policy statement is exactly what it says—a declaration of present intent. It is

nonbinding and nonobligatory. The Interim Agreement will expire on October 3 and will not be extended; no agreement limiting strategic offensive arms will be in force after next Monday. The United States will be free to change the policy announced in its statement of September 23 at any time.

Because our nonbinding statement is not part of an international agreement and does not impose any obligation on the United States, we have not requested congressional approval for it. We will carefully and continually monitor Soviet activities.

If these activities or any other circumstances warrant, we will be free to take whatever actions are appropriate, irrespective of the provisions set forth in the Interim Agreement.

We will, of course, continue to consult closely with members of this committee and other Members of Congress on the progress of SALT. We hope you will support our efforts in this regard.

Soviet Foreign Minister Gromyko Visits Washington

Press release 432 dated September 24

COMMUNIQUE

On September 22 and 23, 1977, talks were held in Washington between Jimmy Carter, President of the United States of America, and Cyrus Vance, Secretary of State of the United States of America, and Andrei A. Gromyko, Member of the Politburo of the Central Committee of the Communist Party of the Soviet Union and Minister of Foreign Affairs of the USSR.

A useful exchange of views took place on key questions of US-Soviet relations and on several international issues of interest to both sides.

Both sides expressed their desire for a constructive and stable development of relations between the United States and the

Soviet Union, building on existing treaties and agreements. To this end, both sides consider it necessary to intensify their efforts to find mutually acceptable solutions to existing problems. Both sides agreed that such efforts, which can assure progress in various spheres of US-Soviet relations, serve the interests of their peoples as well as contributing to the strengthening of peace and the lessening of international tensions.

Both sides attach particular importance to the development and implementation of further measures aimed at the effective prevention of nuclear war and the limitation of armaments, thereby contributing to progress toward real disarmament.

In their discussions, the two sides focused on issues relating to the limitation of strategic arms, particularly those pertaining to the preparation of a new agreement on the limitation of strategic offensive arms. Progress was achieved in bringing closer together the positions of the two sides. However, there are still issues requiring agreement. They have issued additional statements on this subject.

Other specific arms limitations issues which are the subject of negotiations between the US and the USSR were also discussed: negotiations for a comprehensive ban on nuclear testing; the non-proliferation of nuclear weapons; the prohibition of chemical weapons; the prohibition of radiological and other new types and systems of mass destruction weapons; and questions relating to the Indian Ocean. The two sides noted the utility of the negotiations on these issues that have so far taken place and expressed their intention of continuing their active efforts to achieve practical results.

Both sides emphasized the great importance they attach to achieving real progress in the negotiations on the mutual reduction of forces and armaments in Central Europe in accordance with the agreed principle of undiminished security for all parties. They expressed their intention to continue efforts to achieve agreement.

The two sides also expressed their intention to work for a successful and constructive Belgrade meeting of representatives of states parties to the Conference on Security and Cooperation in Europe.

Pursuant to their previous discussions, the two sides reviewed the situation in the Middle East. The US and the USSR affirmed that they will continue their determined efforts to convene the Geneva Conference by the end of this year at the latest.

JOINT STATEMENT

In discussions between Secretary Vance and Minister Gromyko on the questions related to strategic arms, both sides—the Soviet Union and the United States of America—have reaffirmed their determination to conclude a new agreement limiting strategic offensive arms and have declared their intention to continue active negotiations with a view to completing within the near future the work on that agreement.

The United States and the Soviet Union agree that the Treaty on the Limitation of Anti-Ballistic Missile Systems, signed in Moscow in 1972 and amended in 1974, serves the security interests of both countries. They share the view that this treaty decreases the risk of nuclear war and facilitates progress in the further limitation and reduction of strategic offensive arms. Both sides also agree that the ABM treaty has operated effectively, thus demonstrating the mutual commitment of the U.S.S.R. and the U.S.A. to the goal of nuclear arms limitations and to the principle of equal security.

Accordingly, in connection with the 5-year review of the ABM treaty, the two sides reaffirm their commitment to the treaty. It is agreed that this review will be conducted in the Standing Consultative Committee after its regular fall meeting.

U.S. Joins U.N. Fund For Agricultural Development

Following is a statement by Andrew Young, U.S. Ambassador to the United Nations, made on October 4 in New York upon the deposit of the U.S. instrument of acceptance of the agreement establishing the International Fund for Agricultural Development.

USUN press release 69 dated October 4

I am pleased to be able to deposit with you the U.S. instrument of acceptance of the agreement establishing the International Fund for Agricultural Development (IFAD). This instrument, in addition to signaling U.S. willingness to accept the responsibilities of membership in the Fund, provides for the U.S. subscription of \$200 million as its contribution to \$1 billion pledged for IFAD. We are pleased to be participating in the Fund and look forward to assisting it in its efforts to improve agricultural production and help meet the nutritional needs of the world's people.

IFAD is an exciting new concept of international cooperation. We have all said in many fora that meeting critical world problems is a joint responsibility, and effective action will require full cooperation between developed and developing countries. That has been one of the principal themes of the North-South dialogue. IFAD demonstrates that constructive ways can be found for industrialized, oil-exporting, and developing nations to work together as partners to speed agricultural development and improve the conditions of life of the world's poor.

We believe IFAD, which soon will be the U.N.'s newest specialized agency, can make a valuable contribution to the work of the whole system. We are pleased to be able to join with the other countries who already have ratified and hope enough other ratifications will be forthcoming shortly so that IFAD can commence its operations by the end of this year.

Administration Urges U.S. Participation in the IMF Supplementary Financing Facility

*Statement by Richard N. Cooper
Under Secretary for Economic Affairs¹*

I am pleased to have this opportunity to appear before this subcommittee today to discuss legislation which will authorize the United States to participate in the supplementary financing facility of the International Monetary Fund (IMF). I consider the success of this initiative of major foreign policy significance as a demonstration of our commitment to foster greater international cooperation. It is an important manifestation of our willingness to collaborate with other countries to assure international economic recovery.

I would like to take this opportunity to make some observations on recent developments in the world economy, most particularly, the unprecedented imbalance in external payments. I will discuss the ways these imbalances have been financed and examine the outlook for the period ahead. This analysis leads to conclusions on the importance of the supplementary financing facility in meeting the financial needs of countries which are still adjusting to the economic shocks of the recent past and, equally as important, in demonstrating our commitment to international cooperation to resolve the problems which face the world.

¹ Made before the Subcommittee on International Trade, Investment, and Monetary Policy of the House Committee on Banking, Finance, and Urban Affairs on Sept. 20, 1977. 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.

World Economy and Balance of Payments

The world economy has experienced turbulent times during the last several years. To overcome the widespread recession of 1970-71, most of the major countries adopted expansionist economic policies in 1972. These policies contributed to a worldwide economic boom, which continued into 1973. This boom produced excessive inflation as a companion to increased economic growth. In the face of this inflation, many countries reversed their economic policies. The simultaneous adoption of contractionary policies and the concomitant OPEC [Organization of Petroleum Exporting Countries] oil embargo and abrupt fourfold increase in oil prices combined to provoke the worst economic recession since the 1930's. In 1975 the real GNP in the OECD [Organization for Economic Cooperation and Development] area declined by 1.3 percent, unemployment in the OECD countries exceeded 15 million people, and inflation rates soared to above 10 percent in almost every country.

Despite the magnitude of these problems, and in contrast to the 1930's, the 1970's saw a cooperative response by countries to solve their mutual problems rather than attempts to pass these problems onto others. All of the major countries cooperated to maintain our liberal trade and payments system by avoiding import restrictions and competitive devaluations. They took steps to adjust their economies to the new situation and to finance their payments deficits while their ad-

justment policies were taking hold. To finance their deficits, developed countries and less developed countries alike borrowed from international capital markets and from official financial institutions.

By such borrowings, individual countries were able to sustain larger imports of goods and services than would otherwise have been possible and thereby softened the impact of the recession on the world economy. In doing so, they buoyed export demand in other countries and thus prevented the world slump from deepening further.

The world economy is on the recovery path from the depths of the 1974-75 recession, but progress has been slower than was hoped. The foreign payments problems which countries have experienced since 1973 have, on an aggregate basis, become more manageable as OPEC surpluses have declined from the peak reached immediately after the 1973-74 oil price jumps. Individual countries, however, still confront large payments deficits, slow growth and high unemployment, and continued high inflation rates. The magnitude and duration of these problems reflect the seriousness of the shocks the world economy has suffered. At the same time, our ability to adjust to these shocks and to finance foreign payments deficits in the interim reflects the resilience of the world economic system.

During the past several years, the international financial system has had to cope with the financing of the large payments deficits of countries which previously had manageable deficits. The table, which is repeated in the National Advisory Council's Special Report submitted to the Congress with the proposed legislation, shows clearly the impact large oil price increases and world recession have had on world payments, and hence on the need for external financing.

Financing the Deficits

It would have been impossible for governments to eliminate these deficits quickly without incurring massive dislocations in their economies and major hardships for their citizens. Instead policymakers rightly

WORLD PAYMENTS PATTERNS

Balances on Goods, Services, and Private and Governmental Transfers

(\$billions)

| | Average 1971-73 | Average 1974-76 |
|--------------------------|--------------------|--------------------|
| Surplus Countries | | |
| OPEC | 2.8 | 49.0 |
| OECD | <u>12.3</u> | <u>15.3</u> |
| | 15.1 | 64.3 |
| Deficit Countries | | |
| OPEC | - 1.4 | - 2.0 |
| OECD | - 6.7 | -37.3 |
| Non-OPEC LDCs | - 4.1 | -23.0 |
| Other* | <u>- 2.7</u> | <u>-12.3</u> |
| | -14.9 | -74.6 |

* Israel, South Africa, and nonmarket economies of U.S.S.R., China, and Eastern Europe.

chose to finance the deficits in order to spread out the adjustment process over a period consistent with maintaining a liberal economic system internationally and maintaining political and social stability domestically.

Reliance on external finance has long been the means of supplementing domestic savings for investment and thus increasing economic growth. The oil price rise, coupled with world recession, added a strikingly new dimension to the external financing needs. Given the alternatives, borrowing abroad to avert what would have been a disastrous economic contraction can be judged to be prudent. This is true even though a substantial portion of the borrowing was of necessity utilized for consumption rather than investment.

From the rough data which are available, we can see how countries carried out this financing. During the 1974-76 period, the total current account deficits financed were about \$225 billion. Fully three-fourths of this amount—some \$170 billion—plus about \$40 billion for the repayment of outstanding external debt, was obtained through borrowing from private banks and securities markets. An additional \$40 billion, or about 18

percent of the total, was obtained primarily by less developed nations from official sources—such as government loans—and loans by the IBRD [International Bank for Reconstruction and Development, or World Bank], regional development banks, and other sources. The remaining \$15 billion, or about 7 percent of the total financing, was obtained through the International Monetary Fund, principally from the IMF's Oil Facility and Compensatory Financing Facility.

As these data demonstrate, the international financial system has performed remarkably well under severe strains. Without adequate financing, the efforts of the deficit countries to adjust would have necessitated curtailing economic growth so abruptly that recovery of the world economy as a whole would have been completely aborted. Without extensive external borrowing, the world economy would have fragmented into a series of national "siege economies," a situation reminiscent of the 1930's, with even greater economic dislocation than we experienced.

The data also demonstrate that the use of official financing, particularly financing from the International Monetary Fund, has met only a small part of the total need during this period. Against a backdrop of some increase in the availability of official financing over the past few years, deficit countries have turned primarily to private markets to help meet the major portion of their increased financial requirements. For example, in 1975 and 1976, private markets supplied approximately one-half of the new credit to oil-importing developing countries. The share of financial needs of developed countries which private markets satisfied was, of course, much higher as these countries are not candidates for official development assistance.

In the wake of unprecedented lending, the question has arisen whether the increased international lending of private banks has left them overextended and prone to crisis. The evidence is to the contrary. In general, the lending standards of banks have been high. Most lending has gone to countries which will have little difficulty meeting their

obligations. Bank loans to countries with limited ability to service external debt have been modest in total. On a country-by-country basis, the amount of lending to these countries with limited debt-servicing capacity has been generally prudent, although there have been isolated exceptions. In fact loan losses from foreign loans have been considerably less than losses from domestic loans in recent years. Foreign loans cannot, therefore, be considered as jeopardizing bank stability. The Acting Comptroller confirmed this judgment in his testimony this April before a House committee. He reported that his agency's examinations of banks with extensive international lending did not uncover cause for serious concern.

A close look at the international portfolios of private banks reveals that a high percentage of loans represent self-liquidating trade credits with maturities of less than 1 year. This, plus the fact that some loans are guaranteed either by a government agency or by a multinational corporation headquartered in the lending country, further alleviates cause for concern about financial markets.

In fact, bank capital-to-loan ratios have increased, indicating that the current situation has improved since the very active period of a few years ago. For example, the ratio of equity capital to loans for the 25 largest U.S. banks for the first quarter of 1977 was 7.6 percent, an improvement over the 7.4 percent of the same quarter of 1976 and the 7.1 percent for the full year 1975. It is a significant increase over the 6.2 percent average ratio for 1974.

There has also been a notable decrease in write-offs as a percentage of total loans. The figure for the first quarter of 1977 for the 25 largest U.S. banks, which together account for the vast bulk of foreign lending from the United States, was 0.4 percent, which compares very favorably with the 0.6 percent for the same period in 1976 and with the 0.63 percent average for all of 1975.

I hasten to add, however, that we cannot be complacent, for this is an area which will require continual watchfulness. While there

is little evidence to support predictions of doom and imminent collapse, the international financial system continues to warrant attention. There are continuing problems which can be resolved only through international cooperation—cooperation such as this joint effort to increase the financial resources of the International Monetary Fund.

The Period Ahead

It has long been apparent to American foreign policy makers that the accomplishment of our foreign objectives depends in large measure on the existence of a strong and healthy world economy, which in turn depends on a viable international monetary system. The most important relations we have with most countries are in the economic sphere—trade, investment, tourism, finance. These relations in turn have an extremely important impact on the U.S. economy, the strength of which is itself an essential ingredient of our ability to carry out an effective foreign policy.

Many people at present have a feeling that the international economic system does not work very well. I think this feeling is due, to a large extent, to a failure to realize just how rocky the path of adjustment has been over the past several years. For example, the increase in oil prices in early 1974 represented a major redirection of payments for world trade, to the OPEC countries, to the extent of 15 percent of the value of world trade. Moreover major divergences have developed in national rates of inflation, even among industrial countries, ranging in 1976 from a low of 1 percent for Switzerland to a high of 20 percent for Italy.

With data like these, I do not deny that serious problems remain, but I am impressed how well the system has responded. In the face of the severe shocks of recent years, which had to be handled at the same time as negotiations continued on the basic reforms which resulted in the pending amendment of the IMF charter, the international financial system has performed remarkably well. We managed the sudden

strains which were imposed on the system by the current account surpluses of the OPEC nations because the oil-importing countries' external financing needs could be met on adequate terms. External borrowing, in effect, has cushioned the economic adjustments by enabling the necessary reduction in consumption to be distributed over a number of years.

However, the potential for serious disruption of the world economy is still great. Many countries have adopted policies which are bringing their balance of payments into a sustainable pattern. In other countries, however, stabilization programs have achieved only limited progress to date, and additional time is necessary to restore equilibrium. There are other countries which still face large payments deficits but have only begun to develop adjustment policies.

The large current account surpluses which the OPEC oil exporters have had since 1973, while already diminished, will persist at least through the rest of this decade. This means that oil-importing countries as a group will continue to have large deficits. Some countries, such as the United States, can autonomously attract sufficient funds to finance their deficits, but most governments will have to seek external financing. If adequate financing is not available to the countries which need it, they may still be forced to adopt restrictive trade and capital policies, a temptation to which few countries have succumbed up to now. In today's interdependent world, the adoption of such policies, particularly because it could lead to emulation by other countries, would have worldwide repercussions which would affect all countries.

While no general financing crisis is predicted, there is no justification for complacency about the future of the international financial system. Some countries appear fully capable of sustaining increased private borrowing to cushion further adjustment. But there are other countries which already have difficulty attracting sufficient private funds or are expected to have difficulty in the next few years. These countries will

have to adopt appropriate adjustment policies. They will also require significant external financing to facilitate internal adjustments in an orderly fashion.

Private capital markets have provided the bulk of balance-of-payments financing to deficit countries. We fully expect this trend to continue in the period ahead. But because some individual countries may have only limited access to private financing while they implement effective adjustment policies, there is also a critical need for adequate official financing to support adjustment programs.

Role for the Supplementary Financing Facility

The International Monetary Fund is the principal source of official balance-of-payments financing for its members. This financing provides members with an opportunity to correct maladjustments in their external sector and to do so without resort to protectionist measures. Since 1973 extensive use of IMF credit has greatly eased adjustment problems. At the same time, the IMF's greatly increased activity has caused a depletion of its available resources. As we have seen, there will be a continuing need in the period ahead for IMF lending because large payments imbalances will continue.

Since 1973 the IMF has supplied about \$15 billion of balance-of-payments financing to member countries. Most of the financing was obtained from the IMF's Oil Facility and Compensatory Financing Facility. The Oil Facility provided funds largely on the basis of a country's need for financing due to the first-round impact of oil price increases; the Compensatory Financing Facility provides funds on the basis of a country's need for financing for a cyclical downturn in its exports earnings. Properly these facilities placed relatively less emphasis on the prolonged adjustment process. The supplementary financing facility is a sensible next stage in our response and will place greater emphasis on appropriate adjustment policies, rather than simply financing existing deficits. The new facility, with its

phased drawings and longer pay-back period, offers the flexibility to take account of the difficult adjustment process which countries will have to go through. Financing from the supplementary facility is likely to be particularly critical for a small number of countries that face unusually large balance-of-payments deficits which can be reduced to sustainable levels only over a period of several years.

As we have just seen in the case of Portugal, we and a large number of other countries recognized the clear need to provide extraordinary balance-of-payments support far exceeding that country's quota in the International Monetary Fund. Over a dozen countries put together an exceptional multilateral effort to provide Portugal medium-term balance-of-payments support to meet just the kind of requirement that the supplementary IMF facility is designed to meet on a more institutionalized basis in the future. The House and Senate approved authorization and appropriation of a \$300 million U.S. contribution to this multilateral effort for Portugal. In the coming years, the supplementary financing facility should be able to deal with this kind of situation on a systematic basis, assuring burden sharing among donors and negotiation of effective economic adjustment policies between the IMF and borrowing countries.

The supplementary financing facility will also meet a less tangible but no less important need of the international economic system. It will increase confidence in the system by providing a signal to other countries and to private financial markets that public policy and institutions of the countries participating in the facility are not attempting to shift responsibility for financial stability to weaker countries or to the private marketplace.

More generally, it is a concrete manifestation of the willingness of financially strong countries to cooperate on the strengthening of the present system for the benefit of all members. It is significant that all of the industrial countries which are financially able to do so will participate with the United

States in the facility. The participation of the OPEC nations is also noteworthy. By channeling a portion of their financing surplus through the International Monetary Fund they also demonstrate their commitment to a viable international financial system.

By showing that the major countries, both industrial nations and OPEC members, are not neglecting the well-being of other countries and of the international economic system, the new facility will make an important and positive contribution to the international atmosphere as a whole. If financial problems can be resolved amicably, the spirit of cooperation can impart a sense of hopefulness to other economic negotiations and to the political sphere as well.

I would like to emphasize this point by noting again that official financing of balance-of-payments deficits is limited relative to the total financing of these deficits and very small relative to all international financial transactions. Yet official financing is an extremely important psychological factor. There is a perceived need for official backstopping of the financial system. This means the supplementary financing facility is necessary not only to augment the capacity of the International Monetary Fund to meet the financial needs of member nations but also to assure that a source of official finance exists on a scale which is sufficient to cope with whatever financial turbulence we are likely to encounter.

It is, in short, as important to our foreign policy in its backstopping role and the spirit of cooperation it instills as in its role as a source of funds to be used. The prompt enactment of legislation authorizing the United States to participate in the supplementary financing facility will demonstrate our commitment to international cooperation and will be a major contribution to the maintenance of a strong and healthy economy. For these reasons, the Administration strongly urges the Congress to authorize the United States to join with other strong industrial nations and major oil-exporting nations to establish the supplementary financing facility.

Proposed Sales of Military Equipment to Egypt

Following is a statement by Alfred L. Atherton, Jr., Assistant Secretary for Near Eastern and South Asian Affairs, before the Subcommittee on Europe and the Middle East of the House Committee on International Relations on September 15.¹

I am pleased to appear before you this afternoon to discuss the Administration's proposal to sell certain items of military equipment to Egypt.

In early August, following a number of informal consultations with Members, the Department of Defense sent letters of prenotification to the Congress outlining the Administration's intention to sell to Egypt C-130 transport aircraft and pilotless reconnaissance drones. On September 7, formal notification pursuant to section 36(b) of the Arms Control and Export Act was sent to the Congress relative to the proposed sales.

Although this formal notification pertains only to the sale of transport aircraft and reconnaissance drones, these items are part of a package which also includes camera equipment for reconnaissance use, a hydrographic survey of the approaches to the Suez Canal, and a program of military training for Egyptian officers. I will address my remarks to those items requiring section 36(b) consideration, but I will be glad to answer questions you may have concerning the rest of the package.

Before discussing some of the specifics of the items proposed for sale to Egypt, I would like to say a few words about the historical and political background of this program.

Egypt, under President Sadat, and the United States have cooperated closely in the peace process initiated in the Middle East

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.

almost 4 years ago. Egypt continues to play a key role in the efforts currently under way to make significant progress in the near future to move the area toward peace. Egyptian policy serves the interests not only of Egypt but of the Arab world, reflecting Egypt's historical leadership role in the region.

In this context President Sadat and his government are seeking to provide a better life for the Egyptian people, and economic development is at the very top of the Egyptian agenda for action. During the past few years, Egypt's contacts with the United States and Western Europe have expanded as various friendly countries have responded to the opportunity dramatically to improve relations with Egypt on all levels, including economic and commercial relations. A centerpiece of President Sadat's commitment to the future of his people, and the response of Egypt's friends, is the Consultative Group which, under the leadership of the World Bank, is coordinating the international response in support of Egypt's development plans.

This dramatic shift in Egyptian policy has opened new prospects for peace in the Middle East as well as new hope for future generations of Egyptians and for the Arab world generally. This policy, however, has had its cost, particularly in the field of military supply. In this respect, the Soviet Union has ceased its role as a supplier of major equipment and, to a large degree, has also ceased its maintenance support for the equipment which was previously provided. In these circumstances, the Government of Egypt has sought to diversify its sources of supply for certain military equipment, as it seeks to meet perceived requirements for its own security. We believe that the proposals currently before you represent a measured response to some of these requirements and are also a sign of confidence in Egypt's peace policies.

We firmly believe these sales are in the national interests of the United States. If we did not believe that, we would not be

proposing them. The reasons are clear. Egypt, since 1973, has opted for a negotiated peace in the Middle East and, as part of this policy, for improved relations with the United States. In doing so, it has sacrificed an assured source of military supply and assumed a risk to its immediate national security for the longer term gains of permanent peace. This is not a tenable position for any protracted period for any government.

In the absence of demonstrable alternative sources of military supply, Egypt will be faced with the difficult choice of permitting the deterioration of its defense posture, diversifying its sources of supply, or returning to the Soviets as its sole source of supply. It has opted for seeking alternative sources. Given American interest in supporting Egypt's cooperation in our search for a genuine peace in the Middle East, we clearly have a major interest in helping Egypt meet its legitimate defense needs.

Now I would like to turn to a more detailed review of the items which are the subject of today's proceedings.

The Administration proposes to sell 14 C-130 aircraft to Egypt. The approximate value of this sale would be \$184.4 million. Together with the six C-130 aircraft sold to Egypt in early 1976, this will provide the Egyptian Air Force with two 10-aircraft squadrons of modern transport aircraft; it may permit the retirement of some older Soviet-supplied transports that are known to be uneconomical to maintain and operate. The additional C-130 aircraft for Egypt would support the logistical and scheduling flexibility of the Egyptian armed forces—an important consideration given Egypt's strategic position as an African as well as a Middle Eastern power. It is anticipated that the first aircraft can be delivered in December 1978 with delivery to be completed in mid-1979.

The Egyptian Air Force has the ability to absorb the additional transport aircraft. The recommended program provides for training, adequate ground support equipment, and

spare parts for the first 2 years of operation. Accordingly we anticipate no significant operational or maintenance problems in increasing the Egyptian Air Force level of this aircraft to 20.

With respect to the sale of remotely-piloted vehicles (RPV's), this proposed sale is valued at approximately \$66.5 million. President Sadat requested RPV's as a generic system rather than identifying his preference for a specific model. Therefore, we are not certain which system the Egyptians eventually will select, nor have we discussed this with them pending congressional consideration of the proposed sale. However, in order to provide you with representative data, we have developed information for a program consisting of 12 Teledyne Ryan model 124-R (Firebee) remotely-piloted drones. Such drones would enable Egypt to meet requirements for an unmanned airborne camera platform for reconnaissance to the midline of the Sinai buffer zone as authorized in the Sinai II accords, as well as to carry out reconnaissance missions along other frontiers.

The Firebee is a subsonic, radio-command controlled, single engine vehicle. The first of 12 such RPV's could be delivered approximately 14 months after agreement to a letter of offer and acceptance, and the remaining 11 vehicles would be ready within the following 4 months.

The program envisaged includes maintenance, training, and spares support sufficient to permit introduction of the system into the Egyptian Air Force inventory.

None of the equipment proposed for sale to Egypt materially will affect the regional balance of power. Rather, by improving Egypt's capability for collection of information and for movement of troops and supply, the items should enhance regional stability. The Arms Control and Disarmament Agency has examined the proposed sales and interposes no objections.

Both of the items I have discussed with you today will be sold to the Egyptians on a foreign-military-sales cash basis.

Human Rights in Panama

Following is a statement by William P. Stedman, Deputy Assistant Secretary for Inter-American Affairs, made before the House Committee on International Relations on October 11.¹

President Carter has stated that human rights is a central component of our foreign policy. We have an interest in the observance of basic human rights in all countries of the world. If we are to be true to the best and most deeply held traditions and beliefs of our nation, expressed in our Declaration of Independence and Constitution, then we must infuse our foreign policy with our convictions. We believe that the human rights situation in Panama should be viewed in this context and for these reasons the Department of State has followed the human rights situation in Panama closely.

I would like to state at the beginning that one of the tests of a commitment to human rights which can be applied to any government is its receptivity and willingness to receive outside observers genuinely concerned about human rights. It is therefore gratifying that on September 13, 1977, the Panamanian Government invited the Inter-American Human Rights Commission to visit Panama to investigate the various charges of human rights violations which have been made and to report its findings. [General] Torrijos promised that if any political prisoners were found, they would be released.

Another positive indication of the government's attitude toward human rights in Panama is that in May 1977 in response to criticism from a Venezuelan youth group, Copei Juventud, General Torrijos personally invited the group to visit Panama to see for themselves what the state of human rights is in Panama. The group has not yet acted on

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.

that invitation. The government has also invited the Secretary General of the United Nations and several Latin American and U.S. universities to observe the national plebiscite on October 23 on whether to ratify the proposed Panama Canal treaties.

We welcome these invitations because of the charges that have arisen and expect that these visits and the resultant studies and observations will provide an objective standard against which to test the accusations regarding conditions there. We further welcome it as an indication that Panama takes its obligations seriously.

Our own assessment at the present time is that Panama is neither a model open society, a traditional liberal democracy, nor a repressive totalitarian government. I should say candidly that this assessment differs with those of some other reports.

At this time Panama is ruled by an authoritarian government but its control of Panama is by no means total or heavy handed. Amnesty International's international report for 1975-1976 did not have a section on Panama. Occasional police brutality does arise as a problem as it does in many countries.

There is a reasonable guarantee of a fair public trial. In certain cases involving state security when the government does not desire a trial, the accused may be interrogated, judged, and sentenced without due process as we understand it. Instead the procedure is administrative. The government does not take this kind of action often.

Exile has been the most commonly used measure to deal with certain dissent that the government did not wish to tolerate, despite the fact that expatriation is prohibited under Article 29 of the 1972 Panamanian Constitution. In 1976 there was a case of multiple exilings. It involved 14 men who were exiled by the government in January after public antigovernment activity. After a short detention—in all cases a matter of a few hours—they were sent to Ecuador without any trial. Many of these men were conservatives; some were leftists. The government

charged at the time that most of them had been engaged in an active conspiracy with exiled opponents of [General] Torrijos to overthrow the regime.

In addition, during the student demonstrations and riots of September 1976 in Panama City, three more people left Panama under duress. We know of no incidents of forced exile in 1977. To the best of our knowledge, the government has not expropriated any property belonging to these men. Nor has it stripped them of their Panamanian citizenship.

The Panamanian Government has allowed 5 of the 14 people exiled in January 1976 to return to their country. In addition, it has published a list of 82 exiles—mostly lesser known individuals from the politically turbulent period of 1968-1972—who are now permitted to return if they choose to do so.

Worship, internal movement, foreign travel, emigration, and the import and export of currency are entirely free. Freedom of assembly is limited and rallies or open meetings of those opposed to the government have not generally been permitted. However, it is noteworthy that for the debate on the proposed treaties in Panama many of these controls have been relaxed.

Political parties are banned although this is not strictly enforced. They have maintained their organizational identities and structures and operate informally as "movements" or under the camouflage of business, labor, or trade groups. The Panamanian Communist party, the Partido del Pueblo (PdP), may operate semi-openly but only on the condition that it support the government. The government monitors the party's activities and harasses them from time to time to the extent necessary to keep the PdP in line.

Students are permitted more leeway and on many occasions the student demonstrators have criticized government policies and officials sharply. Such public criticism of specific government policies often occurs at public meetings of interest groups such as business or labor.

In the past several weeks, controls over political activity have been significantly reduced in order to allow free debate of the proposed Panama Canal treaties. The Liberal and Panamenista Parties have held public meetings which have been reported freely in the press. There have also been calls for full restoration of political and civil rights and a return to full democracy.

Regardless of the context or the speaker, however, sharp, direct criticism of General Torrijos or public attack on the legitimacy of his government is not accepted.

The press and broadcast news media, while not subject to prior government censorship, practice self-censorship. Periodically, the government cautions them. The media avoid direct criticism of the top-level officers of the National Guard and sensitive topics which might tend to disturb public order. Despite an overall caution, on occasion the media—particularly radio and television—do discuss controversial issues. The most celebrated recent example was a television panel discussion, in unusually frank terms, of human rights in Panama on May 26 of this year. Following this, there was a fair amount of discussion in the press regarding the existence of racial prejudice in Panama, in which existence of such prejudice in Panamanian society was discussed with considerable frankness. The country's present economic slump has been frequently discussed.

The Torrijos government has made major strides in extending economic and social benefits to its people. It is expanding economic development to those areas of the country previously outside the nation's economic life. The government is also expanding educational benefits, medical facilities and services, and economic development projects to wide sectors of the population which had been previously ignored.

Panama is governed by the Constitution of 1972. Under that charter, there is a National Assembly of Community Representatives whose 505 members were elected by popular vote in 1972 for 6-year terms. The

executive and legislative organs of the government, which hold the real power in Panama—Presidency, Cabinet, Judiciary, and National Legislative Commission—are either elected indirectly or appointed. Under the terms of the Constitution, General Torrijos holds special temporary powers as Supreme Chief of the Revolution for a 6-year period which will end in 1978.

General Torrijos is clearly the leader of the Panamanian Government. When he chooses to make decisions, his will prevails. However, he does not involve himself in all areas of the government, and the President and cabinet exercise considerable influence of their own. Only one member of the cabinet is a military man. The rest are civilians—many educated in the United States.

The National Assembly of Community Representatives was intended to foment greater grass-roots participation in national political life. The assembly does not reflect the one man, one vote philosophy, but is skewed to favor the rural population whose interests were poorly represented in the past. The assembly serves and is intended to serve primarily as a consultative mechanism; its affirmative powers are limited to election of the President and Vice President, approval of treaties and international agreements, and passing nonbinding resolutions on the activities of the government.

The government also normally consults with a broad range of sectoral groups and associations during the formulation of policy initiatives. These groups are more or less analogous to our National Association of Manufacturers, Chambers of Commerce, and AFL-CIO, but they also play a limited political role partially comparable to political parties.

In terms of democratic participation, therefore, the results are mixed. There are elected representatives but with little influence on major national policy formulation. There is broad consultation and major opportunities for participation on political issues at a local level for a broad segment of

the populace previously uninvolved in politics of any sort.

I would be remiss if I did not comment on the effect of the Administration's human rights policy. We believe that our policy has reaped benefits in Panama. In 1976 in the aftermath of the January and September exilings, we indicated our concern to the government about its actions. Since September 1976 there have been no further cases of exile. Our policy has also set a tone internationally which individual Panamanians have assured us has led to a mild general relaxation politically in Panama. Specifically, many Panamanians have credited our human rights policy for the May 26 televised discussion of human rights to which I referred earlier. We believe our influence has been positive. We feel that Panama's human rights situation has improved during the past year and hope it will continue to do so.

I have given you the Department of State's evaluation of the human rights situation in Panama at this time in broad terms. As I have pointed out, the Panamanian Government has offered to open the country to the Inter-American Human Rights Commission which has the ability to make a thorough, impartial study in the country. We believe this to be an important step forward in demonstrating Panama's own interest and, in fact, openness in receiving an objective and impartial report on the human rights situation in that country.

TREATY INFORMATION

Current Actions

MULTILATERAL

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques,

with annex. Done at Geneva May 18, 1977.¹
Signature: Cyprus, October 7, 1977.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976.¹

Signatures: Chad, October 13, 1977; New Zealand, October 10, 1977; United Arab Emirates, October 5, 1977.

Ratifications deposited: Egypt, October 11, 1977; Federal Republic of Germany, Ireland, Sierra Leone, October 14, 1977; New Zealand, October 10, 1977; Venezuela, October 13, 1977; Zaire, October 12, 1977.

Accession deposited: Cape Verde, October 12, 1977.

Health

Amendments to Articles 24 and 25 of the Constitution of the World Health Organization of July 22, 1946, as amended (TIAS 1808, 4643, 8086). Adopted at Geneva May 17, 1976.¹

Acceptance deposited: Maldives, September 20, 1977.

Narcotic Drugs

Convention on psychotropic substances. Done at Vienna, February 21, 1971. Entered into force August 16, 1976.²

Accession deposited: Zaire, October 12, 1977.

Women

Convention on the political rights of women. Done at New York March 31, 1953. Entered into force July 7, 1954; for the United States July 7, 1976.

Accession deposited: Zaire, October 12, 1977.

BILATERAL

Australia

Agreement relating to the establishment of an OMEGA navigation facility in southeastern Australia, with annex. Effected by exchange of notes at Canberra June 8 and September 20, 1977. Entered into force September 20, 1977.

Canada

Agreement concerning transit pipelines. Signed at Washington January 28, 1977. Entered into force October 1, 1977.

Proclaimed by the President: September 30, 1977.

Philippines

Project grant agreement relating to population planning. Signed at Manila August 31, 1977. Entered into force August 31, 1977.

Tuvalu

Agreement relating to the establishment of a Peace Corps program in Tuvalu. Effected by exchange of notes at Suva August 25, 1977. Entered into force August 25, 1977.

¹ Not in force.

² Not in force for the United States.

PUBLICATIONS

Published and Projected "Foreign Relations" Volumes

The Department of State recently published several volumes in the series "Foreign Relations of the United States" and plans to publish more in the future. The "Foreign Relations" series has been published continuously since 1861 as the official record of American foreign policy. Following are some of the recent and projected volumes.¹

Published Volumes

All volumes of the series through 1949 have now been published except volume VIII, part 2. Recent volumes include:

| Yr. | Vol. | Title |
|------|------|--|
| 1948 | V | "The Near East, South Asia, and Africa," part 2 (presents documentation on the creation of the State of Israel and the Palestine question) |
| 1949 | V | "Eastern Europe: The Soviet Union" |
| 1949 | VI | "The Near East, South Asia, and Africa" |
| 1949 | VII | "The Far East and Australasia," part 2 (includes documentation on Japan, Korea, and general policy toward East Asia and the Pacific) |
| 1950 | I | "National Security Affairs; Foreign Economic Policy" (includes National Security Council 68 and related documentation) |
| 1950 | II | "The United Nations: The Western Hemisphere" |
| 1950 | III | "Western Europe" |
| 1950 | VI | "East Asia and the Pacific" (contains documentation on China, Japan, and Indochina) |
| 1950 | VII | "Korea" (includes documentation on the Korean War) |

¹ The Office of the Historian welcomes comments concerning the content and format of the published and projected volumes. To submit comments or to receive announcements of the publication of new volumes, send your name and address to David F. Trask, The Historian, Bureau of Public Affairs, Department of State, Washington, D.C. 20520. Address inquiries concerning cost and availability of published volumes to the U.S. Government Printing Office, Washington, D.C. 20402.

Projected Volumes

| Yr. | Vol. | Title/Subject |
|-------|-------------|--|
| 1949 | VIII | "China," part 2 (in clearance) |
| 1950 | IV | "Central and Eastern Europe; Soviet Union" (late 1977) |
| 1950 | V | "The Near East, South Asia, and Africa" (1978) |
| 1951 | VI | "Asia and the Pacific" (1978) |
| 1951 | I-V, VII | National security affairs and foreign economic policy |
| | | United Nations and the Western Hemisphere |
| | | European security and the German question |
| | | European political and economic developments |
| | | Near East and Africa |
| | | Korea and China (all in clearance) |
| 1952- | I-XVI | National security affairs (1 vol.) |
| 1954 | | Foreign economic policy (1) |
| | | United Nations (1) |
| | | American Republics (1) |
| | | European affairs (4) |
| | | Middle East (3) |
| | | Far East (5 vols. including 1 each on Indochina, Korea, and the Geneva Conference of 1954) |
| 1955- | I-XII | National security affairs (1 vol.) |
| 1957 | | Foreign economic policy and the United Nations (1) |
| | | American republics (1) |
| | | European affairs (3) |
| | | Middle East (3) |
| | | Far East (3) |

Congressional Documents Relating to Foreign Policy

- Treaty with Mexico on the Execution of Penal Sentences and Treaty with Canada on the Execution of Penal Sentences. Report of the Senate Committee on Foreign Relations, together with individual views, to accompany Ex. D., 95-1 and Ex. H., 95-1. S. Ex. Rept. 95-10. July 15, 1977. 21 pp.
- International Security Assistance Act of 1977. Report of the committee of conference to accompany H.R. 6884. H. Rept. 95-503. July 15, 1977. 33 pp.
- Convention With the Union of Soviet Socialist Republics on the Conservation of Migratory Birds and Their Environment. Message from the President of the United States transmitting the convention, signed at Moscow on November 19, 1976. S. Ex. K. July 18, 1977. 11 pp.
- Waiver of Section 402(a) of the Congressional Budget Act With Respect to Consideration of H.R. 6550. Report of the Senate Committee on the Budget to ac-

company S. Res. 217. S. Rept. 95-358. July 22, 1977. 2 pp.

Military Sales to Turkey. Communication from the President of the United States transmitting his determination (77-16—supplemental to 77-8) that the sale and financing of certain defense articles to Turkey during fiscal year 1977 is necessary to enable her to fill her obligations as a member of NATO. H. Doc. 95-192. July 22, 1977. 3 pp.

United States-Japan Cooperative Medical Science Program. Message from the President of the United States transmitting the tenth annual report of the U.S.-Japan cooperative medical science program, pursuant to Section 5(b) of the International Health Research Act of 1960. H. Doc. 95-193. July 25, 1977. 18 pp.

Diplomatic Relations Act. Report of the House Committee on International Relations to accompany H.R. 7819. H. Rept. 95-526. July 25, 1977. 13 pp.

Foreign Relations Authorization Act, Fiscal Year 1978. Report of the House committee of conference to accompany H.R. 6689. H. Rept. 95-537. July 26, 1977. 42 pp.

International Financial Institutions. Report of the House committee of conference to accompany H.R. 5262. H. Rept. 95-544. July 28, 1977. 13 pp.

Adjustment of Status for Indochina Refugees. Report of the House Committee on the Judiciary together with additional views to accompany H.R. 7769. H. Rept. 95-547. July 29, 1977. 16 pp.

Amendment to the Fiscal Year 1978 Budget for Foreign Assistance (EC 1767). Communication from the President of the United States transmitting an amendment to the budget for fiscal year 1978 in the amount of \$2,500,000 for foreign assistance. S. Doc. 95-60. August 2, 1977. 1 p.

Drug Abuse. Message from the President of the United States concerning his goals to discourage drug abuse. H. Doc. 95-200. August 2, 1977. 7 pp.

Report with a Recommendation of the Committee on Foreign Relations on Foreign Travel Paid for by Foreign Governments (pursuant to Sec. 305 of S. Res. 110, 95th Cong., agreed to April 1, 1977). S. Rept. 95-391. August 3, 1977. 21 pp.

GPO Sales Publications

Publications may be ordered by catalog or stock number from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders. Prices shown below, which include domestic postage, are subject to change.

Background Notes: Short, factual summaries which describe the people, history, government, economy, and foreign relations of each country. Each contains a map, a list of principal government officials and U.S. diplomatic and consular officers, and a reading list. (A complete set of all Background Notes currently in stock—at least 140—\$21.80; 1-year subscription service for approximately 77 updated or new Notes—\$24; plastic binder—\$1.50.) Single copies of those listed below are available at 50¢ each.

| | | | |
|--------------------------|-----------------------|-----------|-------|
| Algeria | Cat. No. S1.123:AL 3 | Pub. 7821 | 7 pp. |
| Argentina | Cat. No. S1.123:AR3 | Pub. 7836 | 7 pp. |
| Bostwana | Cat. No. S1.123:B65 | Pub. 8046 | 4 pp. |
| Chile | Cat. No. S1.123:C43 | Pub. 7998 | 7 pp. |
| Jordan | Cat. No. S1.123:J76 | Pub. 7956 | 6 pp. |
| Lebanon | Cat. No. S1.123:L49 | Pub. 7816 | 6 pp. |
| Monaco | Cat. No. S1.123:M74/2 | Pub. 8670 | 4 pp. |
| Nigeria | Cat. No. S1.123:N56/2 | Pub. 7853 | 7 pp. |
| North Yemen | Cat. No. S1.123:Y3 | Pub. 8170 | 4 pp. |

Friendship and Cooperation. Treaty and supplementary agreements with Spain. TIAS 8360. 89 pp. \$1.90. (Cat. No. S9.10:8360).

Aerial Photographic Coverage. Arrangement with Colombia. TIAS 8493. 40 pp. \$1.50. (Cat. No. S9.10:8493).

Atomic Energy—Application of Safeguards by the IAEA to the United States-Israel Cooperation Agreement. Protocol with Israel and the International Atomic Energy Agency prolonging the agreement of April 4, 1975. TIAS 8554. 2 pp. 50¢. (Cat. No. S9.10:8554).

Atomic Energy—Application of Safeguards by the IAEA to the United States-Colombia Cooperation Agreement. Protocol with Colombia and the International Atomic Energy Agency prolonging the agreement of December 9, 1970. TIAS 8556. 3 pp. 60¢. (Cat. No. S9.10:8556).

Atomic Energy—Continuation of Safeguards and Guarantee Provisions of the Agreement of July 12, 1955, as Amended and Extended. Agreement with Israel. TIAS 8557. 2 pp. 50¢. (Cat. No. S9.10:8557).

Military Training Mission. Agreement with Saudi Arabia. TIAS 8558. 16 pp. \$1.00. (Cat. No. S9.10:8558).

Fisheries—Shrimp. Agreement with Brazil, modifying and extending the agreement of March 14, 1975, as extended. TIAS 8559. 6 pp. 60¢. (Cat. No. S9.10:8559).

Telecommunications—Embassy Facilities. Agreement with Tunisia. TIAS 8561. 5 pp. 60¢. (Cat. No. S9.10:8561).

Air Transport Services. Agreement with Uruguay. TIAS 8562. 4 pp. 60¢. (Cat. No. S9.10:8562).

Long Range Aid to Navigation (Loran-C) Stations Near St. Marys River, Michigan-Ontario. Agreement with Canada. TIAS 8560. 6 pp. 60¢. (Cat. No. S9.10:8560).

Certificates of Airworthiness for Imported Aircraft. Agreement with Switzerland amending the agreement of October 13, 1961. TIAS 8563. 3 pp. 60¢. (Cat. No. S9.10:8563).

Agricultural Commodities. Agreement with Egypt, amending the agreement of October 26, 1976. TIAS 8564. 6 pp. 60¢. (Cat. No. S9.10:8564).

Reimbursement of Income Taxes. Agreement with the World Tourism Organization. TIAS 8565. 5 pp. 60¢. (Cat. No. S9.10:8565).

Reimbursement of Income Taxes. Agreement with the International Civil Aviation Organization. TIAS 8566. 3 pp. 60¢. (Cat. No. S9.10:8566).

Criminal Investigations. Agreement with Canada. TIAS 8567. 5 pp. 60¢. (Cat. No. S9.10:8567).

Military Assistance—Eligibility Requirements Pursuant to the International Security Assistance and Arms Export Control Act of 1976. Agreement with Kenya. TIAS 8568. 4 pp. 60¢. (Cat. No. S9.10:8568).

Double Taxation—Taxes on Aircraft Earnings. Agreement with India. TIAS 8569. 5 pp. 60¢. (Cat. No. S9.10:8569).

Copyright License. Agreement with the U.S.S.R. TIAS 8570. 6 pp. 60¢. (Cat. No. S9.10:8570).

Atomic Energy—Technical Information Exchange in Reactor Safety Research and Development. Implementing Agreement with other governments. TIAS 8571. 11 pp. 80¢. (Cat. No. S9.10:8571).

Agricultural Sector Support (Rural Works). Agreement with Cape Verde. TIAS 8573. 21 pp. \$1. (Cat. No. S9.10:8573).

Narcotic Drugs—Additional Assistance to Curb Illegal Production and Traffic. Agreement with Costa Rica. TIAS 8574. 6 pp. 60¢. (Cat. No. S9.10:8574).

Facilities at Tribhuvan University, Institute of Medicine. Agreement with Nepal. TIAS 8576. 22 pp. \$1. (Cat. No. S9.10:8576).

Commodity Import Program. Agreement with Egypt. TIAS 8577. 15 pp. \$1. (Cat. No. S9.10:8577).

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Economic and Political Stability. Agreement with Israel. TIAS 8581. 11 pp. 80¢. (Cat. No. S9.10:8581).

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| *469 | 10/18 | Ambassador to Costa Rica Weissman to make speech at Nashville, Oct. 27. |
| *470 | 10/18 | Ambassador to Organization of American States McGee to make speech at Kansas City, Oct. 25. |
| *471 | 10/18 | Frank J. Devine sworn in as U.S. Ambassador to El Salvador (biographic data). |
| *472 | 10/19 | Sports and physical education experts from 15 countries to meet at State Department, Oct. 24-28. |
| *473 | 10/19 | Overseas Schools Advisory Council, Dec. 6. |
| *474 | 10/19 | Secretary of State's Advisory Committee on Private International Law, Nov. 18. |
| *475 | 10/20 | Study Group 1 of the U.S. National Committee of the International Telegraph and Telephone Consultative Committee (CCITT), Nov. 16. |
| *476 | 10/20 | Raul H. Castro sworn in as U.S. Ambassador to Argentina (biographic data). |
| †477 | 10/20 | Statement on bowhead whales. |
| †478 | 10/21 | Canada-U.S. boundary and resource negotiations. |
| *479 | 10/21 | Women leaders from 22 countries to meet with counterparts in U.S. |
| *480 | 10/21 | Leaders in legal field from 21 countries to discuss problems in world law. |
| *481 | 10/21 | U.S., Romania amend bilateral textile agreements, July 29, Aug. 22, Oct. 13 and 19. |
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THE DEPARTMENT OF STATE BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

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November 14, 1977

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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Organizing Conference of the International Nuclear Fuel Cycle Evaluation Meets in Washington

The Organizing Conference of the International Nuclear Fuel Cycle Evaluation (INFCE) was held in Washington, D.C., October 19-21. Following are a press release announcing the meeting, President Carter's remarks before the first plenary session of the conference on October 19, and the text of the final communique issued on October 21.

Press release 463 dated October 14

The United States will be host on October 19-21 to a major international meeting, the Organizing Conference of the International Nuclear Fuel Cycle Evaluation. The President referred to this conference in his recent address to the U.N. General Assembly.¹ The conference will be the first step in a new joint international effort to find better ways of reducing the danger of the spread of nuclear weapons while permitting all countries to meet their peaceful nuclear energy needs. The conference will set in motion an evaluation of all aspects of the nuclear fuel cycle to explore practical means of attaining these goals, including alternative technical approaches and ways to improve safeguards. We expect over 30 countries and 4 international organizations will attend the conference and take part in the subsequent evaluation.

The President first called for an international nuclear fuel cycle evaluation in his April 7 nuclear policy statement.² Since then we have discussed the matter with more than 30 countries which have a major interest in nuclear energy, including the six other

London summit countries. We have received broad indications of interest in taking part in such an evaluation, including expressions of interest from all of the London summit countries.

REMARKS BY PRESIDENT CARTER

Weekly Compilation of Presidential Documents dated October 24

About 25 years ago I was a student doing graduate work in nuclear physics and reactor technology, not too many years after the first atomic weapons had been used to destroy human beings. My study was the peaceful use of this tremendous force, working under Admiral [Hyman] Rickover in the development of atomic submarine powerplants.

And now we have come to a time when we can look back with a clear historic perspective at what has transpired during this quarter century. It is a great honor for us to have you leaders come from, I believe, 40 nations and 4 international organizations to think back to 1945, to remember our own President Eisenhower's proposal called Atoms for Peace, part of which was adopted; the later establishment of an International Atomic Energy Agency (IAEA) which has provided for us so far a very effective mechanism by which explosions could be reduced and power could be produced. We then went into a time of at least embryonic discussions of nuclear test bans, and now we have one that still permits the testing of weapons which have the equivalent of 150,000 tons of TNT. Even this has been recognized as an achievement.

¹ For text of address, see BULLETIN of October 24, 1977, p. 547.

² For text of statement, see BULLETIN of May 2, 1977, p. 429.

And, of course, we are discussing with the Soviet Union means by which we can eliminate sometime in the future our dependence upon atomic weapons altogether. We have lived under the threat which so far has not been realized, and I pray that it never shall.

In the last 32 years there have been no people killed by the use of atomic weapons. But with the rapidly increasing price of oil and the scarcity of fuel which we have taken for granted in years gone by, there is an increasing pressure for expanding atomic power use. And commensurate with that use is also the threat of the proliferation of nuclear explosives among nations that have foregone voluntarily that opportunity up until now.

We have seen regional actions taken in the southern part of this hemisphere. The treaty of Tlatelolco [Treaty for the Prohibition of Nuclear Weapons in Latin America] is now being ratified by the last nations, we hope, to prevent the deployment of any atomic explosions or explosives in that part of the world. We hope that this will prevail in many other parts of the world.

We have also seen progress made recently between ourselves and the Soviet Union. We are eager to see drastic reductions in the deployment of nuclear weapons. And we are now negotiating with the Soviet Union and with Great Britain for a complete elimination of the testing of atomic explosions.

At the same time, the challenge presents itself to this group and to me, as one of the world leaders, to find a means by which the consuming nations who need atomic power to produce electricity and to serve peaceful purposes, to draw a distinction between that need which is legitimate and the threat of the development of atomic explosions themselves.

I have a feeling that the need for atomic power itself for peaceful uses has perhaps been greatly exaggerated and I hope that all the nations represented here and others will assess alternatives to turning to this source of power, if for no other reasons than because of economic considerations.

Recent studies that I have read show that we can gain the equivalent of a barrel of oil per day by conservation measures at very

little or any cost, often zero cost or up to \$3,500. North Sea oil costs capital investment about \$10,000 for every barrel of oil per day derived from that source. Our own Alaskan oil will cost \$20,000 in capital investment for every barrel of oil per day or its equivalent derived at the ultimate site of use. And for the equivalent of a barrel of oil per day at the end-use site of atomic power, the capital investment is between \$200,000 and \$300,000. So there is a tremendous cost even for the potential peaceful use of atomic power. Even so, we recognize that there will be a need, and we are eager to cooperate.

It is important that we understand your problems; that those nations that supply enriched uranium—ourselves, the Canadians, others—those who have major deposits of uranium ore that have presently not been exploited, like Australia, understand the need of nations that are not well blessed with uranium fuel supplies. It is important that you understand from those of us who unfortunately are nuclear-weapon nations our special commitment to reducing this threat.

I believe that in this brief session that you will have this week, followed by weeks and months of tedious, I am sure, argumentative but productive discussions and debates, that common knowledge will benefit us all. It is important that we combine our ingenuity, our foresight, our own experience, our research and development efforts, so that we don't duplicate the very expensive efforts to use atomic power in a useful way. And this exchange of ideas among us will be very helpful.

It is important that we know what potential nuclear fuel cycles are available to us, the quantity and the location of uranium and thorium and other nuclear fuels, the methods used for extraction, the methods used and the costs for enrichment, possible distribution systems, the proper design and use, standardization of powerplants, safety of people who live near them, proper siting considerations, the political objections to atomic powerplants themselves, the possible need for breeder reactors, the handling of spent fuel, the need or absence of a need for reprocessing the spent fuel, and interna-

tional safeguards that will prevent the development of explosives.

We are eager to cooperate as a nation which is a consumer and also a supplier. We want to be sure that where there is a legitimate need and where there is a mutually agreed upon proliferation restraint, that there be an adequate supply of nuclear fuel. I think an international fuel bank should be established so that if there is a temporary breakdown in the bilateral supply of nuclear fuel, that there might be a reservoir of fuel to be supplied under those circumstances. And we will certainly contribute our own technical ability and our own portion of the enriched uranium supplies for that purpose.

We are very eager also to help solve the problem of the disposal of spent nuclear fuel itself. We cannot provide storage for the major portion of the world's spent fuel but we are willing to cooperate. And when a nation demonstrates to us your need for spent nuclear fuel storage, we hope to be prepared to accept that responsibility working closely with you. All the costs of the nuclear fuel cycle should be accurately known, as well as possible. And there should be an open-minded approach to this very controversial and very difficult subject.

I hope, as the President of our country, to learn from you and I will welcome your advice and your counsel. I welcome your caution and, on occasion, your criticism about American policies. And I believe that we will find a common ground on which we can work together in harmony to make sure that our people do have a better quality of life, that alternate fuel supplies are evolved in an effective and adequate way, that energy is conserved to an optimum degree, and that the threat of nuclear destruction is minimized.

I want to congratulate all of you on being willing to come here to meet together, because there has been an inclination to avoid controversy. This question is inherently controversial. The interests on occasion are highly divergent, and many of these matters have not been discussed adequately in the past.

I am very grateful that the International Atomic Energy Agency is here because

there is no conflict between this effort and the tremendous contribution that that Agency has been making and will make in the future. We want to do everything we can to strengthen the safeguard system already established. And if there is a recommendation from this group that the functions of the International Atomic Energy Agency should be expanded, we will certainly be willing to contribute our own financial and other support to make that possible.

In closing, let me thank you for being willing to participate in this international discussion. I am very eager to study your own debates and derive information from you. We will cooperate in every possible way that we can to give our people of the world adequate power sources and at the same time to keep their lives from being endangered.

TEXT OF FINAL COMMUNIQUE, OCTOBER 21

The participants in the Organizing Conference of the International Nuclear Fuel Cycle Evaluation are conscious of the urgent need to meet the world's energy requirements and that nuclear energy for peaceful purposes should be made widely available to that end. They are also convinced that effective measures can and should be taken at the national level and through international agreements to minimize the danger of the proliferation of nuclear weapons without jeopardizing energy supplies or the development of nuclear energy for peaceful purposes.

The following countries which participated in the Organizing Conference have therefore agreed that an International Nuclear Fuel Cycle Evaluation (INFCE) will be conducted to explore the best means of advancing these objectives:

| | |
|--------------------------------|-------------|
| Algeria | India |
| Argentina | Indonesia |
| Australia | Iran |
| Austria | Ireland |
| Belgium | Israel |
| Brazil | Italy |
| Canada | Japan |
| Czechoslovakia | Korea |
| Denmark | Mexico |
| Egypt | Netherlands |
| Finland | Nigeria |
| France | Norway |
| German Democratic Republic | Pakistan |
| Federal Republic of Germany | Philippines |
| | Poland |
| | Portugal |

Romania
Spain
Sweden
Switzerland
Turkey

U.S.S.R.
United Kingdom
United States
Venezuela
Yugoslavia

The Organizing Conference was also attended by representatives of the International Atomic Energy Agency (IAEA), the Commission of the European Communities, the International Energy Agency, and the Nuclear Energy Agency, who expressed their willingness to participate in INFCE.

The participants agreed that all interested states and relevant international bodies may participate in the future work of INFCE. It was also agreed that all participants will have an equal opportunity to contribute to that work.

They are aware of the vital importance of preventing proliferation and, moreover, of effective and urgent measures to stop and reverse the nuclear arms race among the nuclear weapons states.

The evaluation will be conducted along lines set out in the document entitled "International Nuclear Fuel Cycle Evaluation: Technical and Economic Scope and Methods of Work." The participants recognized that special consideration should also be given to the specific needs of and conditions in developing countries.

The participants agreed that INFCE was to be a technical and analytical study and not a negotiation. The results will be transmitted to governments for their consideration in developing their nuclear energy policies and in international discussions concerning nuclear energy cooperation and related controls and safeguards. Participants would not be committed to INFCE's results.

The evaluation will be carried out in a spirit of objectivity, with mutual respect for each country's choices and decisions in this field, without jeopardizing their respective fuel cycle policies or international cooperation, agreements, and contracts for the peaceful use of nuclear energy, provided that agreed safeguards measures are applied.

The participants welcomed the decision, in principle, of the International Atomic Energy Agency to support INFCE by providing appropriate technical and secretariat assistance. They expressed the hope that the extent and scope of such support will be considered by the appropriate bodies of IAEA. At the same time, they also expressed their hope that the IAEA will play an active role in the conduct of INFCE at all levels and particularly in the area of technical coordination. The participants acknowledge in this connection the dual responsibility of the IAEA in promoting and safeguarding nuclear activities.

The texts of the documents comprising the substantive work of the evaluation will be made available to all governments and international bodies which express an interest in them.

Scope and Methods of Work

A. Technical and Economic Scope

1) *Fuel and Heavy Water Availability*

a) Estimated needs for nuclear energy, and correlated needs for uranium and heavy water, according to different fuel cycle strategies.

b) Uranium availability:

- assessment of resources and production capacities;
- policies and incentives for encouraging exploration and production, including joint ventures;
- marketing policies and/or guarantees of sales for companies invested in exploration and production;
- marketing policies and/or guarantees of supply for utilities;
- technical development of exploration, mining, and milling methods.

c) Heavy water availability.

d) Thorium availability.

e) Special needs of developing countries.

2) *Enrichment Availability*

a) Enrichment needs and availability according to various fuel cycle strategies:

- joint planning of future capacities;
- opportunities for cross-investment;
- freedom of choice for customers in an open market.

b) Technical and economic assessment of the different enrichment technologies.

c) Assessment and comparison of the proliferation risks of the various enrichment techniques.

d) Safeguards aspects specific to enrichment.

e) Multinational or regional fuel cycle centers or similar arrangements.

f) Special needs of developing countries.

3) *Assurances of Long-Term Supply of Technology, Fuel and Heavy Water and Services in the Interest of National Needs Consistent with Non-Proliferation*

a) Incentives for long-term commercial contracts between suppliers and consumers, including factors affecting market stability, e.g., supply, demand, and prices.

b) Guarantees of assured supply in the context of national import, export, and non-proliferation policies.

c) Multinational or international mechanisms guaranteeing timely deliveries in case of delays or cut-off of supplies.

d) Possible exchange or credit of plutonium for other nuclear fuels.

e) Special needs of developing countries.

4) *Reprocessing, Plutonium Handling, Recycle*

a) Reprocessing:

—study of the technological, economic, environmental, and energy aspects of reprocessing on a full industrial scale;

- safeguards aspects specific to reprocessing;
- multinational or regional fuel cycle centers or similar arrangements;
- alternative reprocessing methods;
- influence of reprocessing schemes on waste conditioning and disposal strategies and economics.

b) Plutonium handling:

- possible conditions and restrictions for adequate storage, transport, and use of highly concentrated plutonium;
- international control of separated plutonium (including storage under the auspices of the IAEA and related availability criteria);
- alternative handling methods including spiking or delivery of plutonium in the form of mixed oxide or fuel elements, possibly pre-irradiated.

c) Recycle in thermal reactors:

- study of the technological, economic, environmental, and energy aspects of the concept on an industrial scale;

- safeguards aspects specific to recycling;
- possible uranium-only recycle.

d) Special needs of developing countries.

4) *Fast Breeders*

- a) Study of the technological, economic, environmental, and energy aspects of the concept on an industrial scale.

b) Safeguards aspects specific to fast breeders.

c) Reprocessing modes, including:

- study of the technological, economic, environmental, and energy aspects of reprocessing on a full industrial scale;

- safeguards aspects specific to fast breeder reprocessing;

- multinational or regional fuel cycle centers or similar arrangements;

—alternate reprocessing methods.

d) Special needs of the developing countries.

5) *Spent Fuel Management*

a) Storage strategies and costs:

- for light-water reactors;
- for heavy-water reactors;
- for gas-cooled reactors;
- for fast breeder reactors.

b) Short-term/intermediate storage:

- assessment of current storage capabilities;
- ways of increasing spent fuel storage;
- siting and transportation problems;
- more efficient utilization of existing spent fuel capacity;

- institutional, environmental, safeguards, and safety aspects including fuel integrity problems and associated risks;

—costs;

—legal matters.

c) Special needs of the developing countries.

7) *Waste Management and Disposal*

a) Technology for handling and disposal:

- spent fuel;
- separated waste products.

b) Repositories (permanent or retrievable):

- siting problems;
- possibilities or risks of further recovery;
- institutional, environmental, and safety aspects including repository integrity problems and geologic risks and protection against possible dissemination of fission products;

—costs;

—legal matters.

c) Special needs of the developing countries.

8) *Advanced Fuel Cycle and Reactor Concepts*

a) Once-through fuel utilization for present thermal reactors:

—methods to increase once-through fuel utilization:

- i) optimized fuel and loading designs;
- ii) tandem cycle;
- iii) spectral shift.

- energy balance and economic safeguarding and environmental aspects of once-through utilization:

- i) for light-water reactors;
- ii) for heavy-water reactors;
- iii) gas-cooled reactors.

b) Other reactors and fuel cycle concepts:

- production utilization and safeguards of highly-enriched uranium for power reactors;

- research reactors (use of highly-enriched uranium and possible alternatives);

—thorium-U-233 cycle;

—light-water and thorium breeder concepts;

—high temperature reactors;

- additional advanced reactor concepts including fusion and spallation breeder reactors with, when relevant, in each case:

- i) identification of the fuel cycle stages at which nuclear weapons usable material may be separated, and the possible means of minimizing proliferation risks;

ii) economic, environmental, and energy aspects;

iii) commercialization lead-times;

iv) safety problems.

c) Special needs of developing countries.

B. Organization

- 1) One international working group is created for each of the aforementioned chapters, composed of all states desiring to make a contribution to their work. Designated co-chairmen of these eight working groups are as follows:

| Group | Co-Chairmen |
|-------|---|
| 1 | Canada Egypt India |
| 2 | France Federal Republic of Germany Iran |
| 3 | Australia Philippines Switzerland |
| 4 | Japan United Kingdom |
| 5 | Belgium Italy U.S.S.R. |
| 6 | Argentina Spain |
| 7 | Finland Netherlands Sweden |
| 8 | Republic of Korea Romania United States |

2) Each group will decide, after consultation as appropriate with the chairmen of other related groups, whether or not sub-groups, which would report to the group, should be created. There would not be common funding of the studies, each participating country, including those providing chairmen, being responsible for the expenses of its own participation. Each group or sub-group would distribute its work among its members. Cooperative studies among national organizations or industries of participating countries would be organized to the extent possible. Contributions by a participating country would be welcome.

3) In order to enable the various groups to gather complete and realistic information in their respective fields, all participants will facilitate the exchange of the data necessary for the completion of the evaluation program.

4) The various groups will report to a plenary conference of the participants which will meet at least once a year. The next plenary conference should convene in Vienna in approximately one year. The studies should be completed in two years or less. These reports and these studies will be primarily technical and analytical. Where agreed positions are reached, a consensus will be expressed, but each participant would be entitled to a dissenting or separate opinion if it so wished, which would be included in the report of the working group. The final plenary conference of the participating countries will be held approximately two years from now.

5) A Technical Coordinating Committee composed of the co-chairmen of the working groups will be convened every six months, or as otherwise agreed, to coordinate the work of the various groups from the

technical point of view. Other participating parties may attend as observers. The first meeting of the Technical Coordinating Committee will be held in Vienna beginning December 12, 1977 at the facilities of the IAEA. The Technical Coordinating Committee will report to the Plenary Conference.

6) The work of the evaluation will make use of the capabilities of the IAEA. The IAEA may be represented in all groups and sub-groups participating in the program, and in the Technical Coordinating Committee. The agency may be asked, in particular, to provide secretariat services. Other relevant international and intergovernmental bodies are invited to participate in the working groups.

Ambassador Smith Briefs Press on INFCE Conference

Following is an excerpt of remarks by Ambassador Gerard C. Smith, U.S. Special Representative for Nonproliferation Matters, from an edited transcript of a special news briefing on the International Nuclear Fuel Cycle Evaluation (INFCE) on October 21.

INFCE is an international effort to analyze nuclear fuel cycles—present and prospective—from a nonproliferation point of view. We are also in INFCE going to be studying possible institutional arrangements and international conventions to help cope with proliferation dangers.

The organizational meeting of 40 nations and 4 international organizations went off well and was completed on schedule. This general accomplishment reflects the degree of commitment to INFCE of all the nations participating and bodes well for a successful completion of this evaluation in the 2-year scheduled time. This was a very serious and businesslike enterprise.

A joint international technical analysis involving so many countries is a challenge without precedent, and I believe that passing this first milestone is a political event worth notice.

It should not escape attention that included in the participants in this nonproliferation effort are a substantial number of

nations which have not yet seen their way clear to ratify the Nonproliferation Treaty. I take it to be of some significance that a number of these countries that are not parties to the Nonproliferation Treaty actively participated in this venture.

The conference did not deal in generalities or abstractions which are the subject of many international talks. A highly specific set of terms of reference for an eight-part evaluation program was agreed upon without dissent. A method of work was also agreed.

The eight working groups which have been established will address questions including prospects for the availability of nuclear fuel; enrichment services; assurances of a long-term fuel supply; implications of reprocessing and recycle; fast breeders; spent-fuel storage, waste management and disposal; and alternative fuel cycle concepts. Each working group will be composed of representatives of countries desiring to take part and cochaired by representatives of a number of delegations agreed on by the conference.

A technical coordinating committee, composed of cochairmen of these working groups, will meet at least every 6 months and the original group of participants in this conference will meet at least once a year.

As I noted in my opening presentation on Wednesday, we do not expect this study to reach precise solutions to the many problems it is addressing or to reconcile completely the many divergent views of the participants as to what should be done. We think INFCE should have a more modest goal of identifying the choices that are available, the technical and institutional possibilities, and the relevant facts and considerations. We do not expect the evaluation to provide definitive judgments on major and complex technical concepts and issues nor, of course, do we believe that any participant

feels bound to be committed to any results that may come from INFCE.

It is important, in conclusion, to keep in mind that INFCE is not a negotiation but a technical analysis; and I would say that judging from the attitudes expressed during the last 3 days at this meeting, we can well expect to see fruitful results coming from this evaluation.

Spent Nuclear Fuels Policy

*Department Statement*¹

The Department of Energy released on October 18 a statement outlining a new U.S. spent nuclear fuels policy under which the Federal Government will accept and take title to used or spent nuclear reactor fuel from domestic utilities on payment of a one-time storage fee. As the announcement noted, in addition to encouraging other nations to expand their own storage capacity and supporting the study of regional and international storage sites, we will also be extending this offer to foreign nations on a limited basis.

We expect the international dimension will represent a small fraction of the overall storage program, as the criterion for acceptance of limited foreign spent fuel will be that it contributes to our nonproliferation objectives, such as helping to alleviate storage problems other countries may be facing as a result of U.S. policy decisions related to reprocessing. The specifics of the arrangements for accepting foreign spent fuel remain to be developed, but we expect that they will be much the same as those that will apply to domestic fuel.

¹ Read to news correspondents on October 18, 1977, by Department spokesman Hodding Carter III.

Nuclear Power Without Nuclear Proliferation

Address by Joseph S. Nye, Jr.

*Deputy to the Under Secretary for Security Assistance, Science, and Technology*¹

I am pleased to have this opportunity to speak to you today about a matter that is of vital concern to us all—how to make nuclear power available to meet world energy needs without simultaneously accelerating the spread of nuclear-weapons capabilities. This is not an American problem or a German problem. It is a global problem. Nuclear technology is no longer the monopoly of one nation, nor of a small group of nations. If we are to achieve our common goal of safe nuclear energy, we must develop a broad consensus among all nations with a major interest in nuclear energy.

We have witnessed in the past several years a growing concern on the part of the general public—both in the United States and here in Western Europe—over the environmental, safety, and security implications of nuclear power. After studying these concerns for more than a year, a group of 21 private citizens gathered by the Ford Foundation in the United States recently concluded that most problems associated with the commercial use of nuclear energy were manageable but that the proliferation risks associated with commerce in plutonium would pose an enormous international challenge.

Does this mean that we should forego the benefits of the atom, concluding that the

risks are too great? The United States does not believe so. The Carter Administration has made it clear that we continue to foresee an important role for the peaceful use of nuclear energy at home and abroad. We believe that the world community can rise to the challenge.

Obviously, however, if we are to continue to use nuclear energy, we must not only secure the acceptance of the public at large but also satisfy ourselves that we have done everything possible to minimize the dangers of nuclear proliferation. That is why we have given such a high priority to nonproliferation and believe that broad cooperation is necessary.

President Carter's nonproliferation initiatives often have been misunderstood or misrepresented. For example, a reputable European newspaper recently reported that President Carter had softened his position after European criticism of his appeal for an international moratorium on fast breeder development last April. Yet the fact is that the President made no such appeal. The United States has never made representations about other countries' breeder programs. Similarly, President Carter has been accused of nuclear isolationism because his views on plutonium fail to take into account the difference in the abundance of natural resources in the United States and their relative absence in Europe and Japan.

Yet the fact is that the President's April 7 policy statement on plutonium called for an international study and explicitly recognized the need to take into account the concerns of

¹ Made at Bonn, Germany, on Oct. 3, 1977, before the Friedrich Ebert Conference on Problems of Nuclear Energy Supply sponsored by the Friedrich Ebert Foundation (a German political foundation affiliated with the Social Democratic Party). (See also Mr. Nye's address on May 2 in Salzburg in the BULLETIN dated May 30, 1977.)

uranium-poor countries that had already constructed reprocessing plants. Moreover, in the nonproliferation legislation which he submitted to the Congress, President Carter clearly resisted provisions that might have led to an export moratorium. On the contrary, the President's strategy is to work closely with other countries to develop a consensus on a commercial nuclear fuel cycle that is as proliferation resistant as possible in the face of technological change.

Obviously a consensus on a safe fuel cycle will not be achieved quickly. But if we are to move toward our mutual goal of nuclear power without nuclear proliferation, our international discussions should concentrate on how to solve our objective and factual differences. We must avoid putting mythical obstacles in our path. One way we can avoid myths and misconceptions is to steer clear of posing false alternatives. Let me give five examples of the types of arguments we should avoid if we are to build a consensus on nuclear energy and nonproliferation policies.

Energy Security Versus Proliferation Risk

We are told that we must choose between energy security and the risk of proliferation; that we must renounce nuclear energy in order to preserve our national security. To be sure, there are security implications associated with all aspects of the nuclear fuel cycle—even with spent fuel. In fact, however, there are risks—environmental and otherwise—associated with all energy sources. The issue is basically one of degree. The Carter Administration believes that renouncing nuclear energy at this stage in history would reduce rather than enhance our national security. The important security issue is to choose among alternative nuclear-based technologies those that are the most proliferation resistant.

Thus far we have managed the proliferation risks associated with the current commercial nuclear fuel cycle. But a plutonium economy based on the spread of national Purex reprocessing plants would challenge the very essence of the international

safeguards system that has served us thus far. The timely warning function of the present safeguards system would all but vanish in the event of diversion of nuclear materials from peaceful to military purposes. Therefore, as we move into the next generation of nuclear technology, our task is to minimize to the greatest extent possible the security risks.

This is true particularly of breeder reactors. It is too soon to be certain whether this technology will live up to the expectations projected for it as the most economic long-term answer to our energy needs. But before that day comes, we must, together, work toward developing a breeder fuel cycle that is more proliferation resistant than one with Purex reprocessing. Interestingly, it seems probable that because of fuel cooling times associated with fast reactors, the Purex process may be less desirable than alternatives from both an economic and security point of view.

Full Stop Versus Fatalism

It is sometimes argued that because further proliferation is inevitable, we should resign ourselves to the facts of life and not let nonproliferation concerns place undue strains on our nuclear energy policies. Indeed it may be likely that more states will explode nuclear devices before the end of the century. But just because we may not be able to bring proliferation to a full stop, it does not follow that our policy should be fatalistic.

Proliferation is a question of degree. It is a mistake to speak of the "horse being out of the barn" because it makes a difference to world politics how many horses and which horses are out of the nuclear barn. A multi-proliferated world will be a far less secure world.

Our nonproliferation policies should aim at managing political and technical processes in the light of possible effects on both global and regional security and peace and the potential disruption of our societies by terrorist nuclear threats. If there are further explosions, there will be all the more need

for nonproliferation policies. In this domain, fatalism would be fatal.

Political Versus Technical Measures

Another false distinction is the assertion that nuclear proliferation is a political problem, not a technical one. This premise is used to reach the policy conclusion that technical measures to deal with the proliferation risks are largely irrelevant. Of course proliferation is political in nature. Of the 20 or so nations that have a commercial nuclear capability, two-thirds have chosen not to manufacture nuclear explosive devices. Their decision to forego nuclear explosives relates directly to their political instruments such as NATO and the Nonproliferation Treaty. We must continue to strengthen measures which provide assurances with respect to the peaceful intention of one's international neighbors.

But the importance of the political dimension of the proliferation problem does not mean that we should ignore the role of technology. We must shape technical choices to reinforce, rather than erode, our international system of political controls. The existing IAEA [International Atomic Energy Agency] safeguards system bears directly on political decisions nations might take to seek or not to seek the bomb. It also provides time for diplomacy to work in the event of a detected diversion to military purposes.

This is the problem with conventional Purex reprocessing—technical safeguards are ineffective. To the extent reprocessing is necessary we must seek alternative forms of reprocessing in future nuclear fuel cycles that are safeguardable. To the extent we succeed in developing more proliferation-resistant technologies, the more difficult will be future political decisions to misuse commercial facilities and develop a nuclear explosive capability. As we choose among technologies, we must consider their effects on future political choices.

Controls Versus Denials

Another misconception relates to what should be the components of a nonprolifera-

tion policy. European critics have often characterized American policy as a futile effort at denials while European policy is one of technology transfer with controls. By controls, they mean applying safeguards to nuclear materials and facilities. Realistically, of course, the term controls is a misnomer. What we are talking about is international monitoring of the possible misuse of transferred technology.

Since we are concerned about whether monitoring is sufficient as a means of controlling the weapons-usable materials that come from the current types of reprocessing plants, the United States, the Federal Republic [of Germany], and France have all announced their intention to exercise restraint on future transfers of reprocessing technology and facilities. Thus it is inaccurate to characterize European and American differences as controls versus denials. Both monitoring and export restraints are necessary but not sufficient elements of nonproliferation policy.

Technology transfers cannot be delayed indefinitely, but they can be postponed until we have time to develop more proliferation-resistant technology and more effective international institutions. In the interim, the question arises whether restraints on the transfer of sensitive technology are fully consistent with our undertakings in article IV of the Nonproliferation Treaty. Clearly there is a degree of tension but we believe it is temporary and that restraint is consistent with the fact that article IV of the treaty must be read in the light of articles I and II, where states undertake to avoid steps which would lead to the spread of nuclear weapons.

The long-run solution to these differences must be an international consensus on the nature and management of the nuclear fuel cycle. That is why the Carter Administration has adopted a four-pronged nonproliferation strategy which goes beyond simply monitoring and denials. It includes:

—Making safeguards more effective by insisting upon comprehensive safeguards;

—Self-restraint in the transfer of sensitive technologies until we have learned to make them more safeguardable;

—Creation of nonproliferation incentives through fuel assurances and assistance in the management of spent fuel for countries that forego a full fuel cycle; and

—Building consensus about the future structure and management of the nuclear fuel cycle.

This fourth component, that of building a consensus, is represented by the International Nuclear Fuel Cycle Evaluation that President Carter announced last April and about which I will have more to say in a moment. The important point is that our nonproliferation policies must go beyond the sterile debate of controls versus denials. We need not merely vigilance and denials, but positive incentives and consensus in this age when nuclear power will spread to some 40 countries over the next 2 decades.

Breeders Versus No Breeders

A false dichotomy is posed by those who address the fast breeder in the stark terms of pursuing our current breeder fuel cycle designs or none at all. Many have misinterpreted the position of the United States on the breeder. We are not antibreeder. We believe that a breeder research program is an important energy insurance policy. Indeed, even without the Clinch River breeder, President Carter proposed to spend some \$450 million in this fiscal year on breeder research. What we do oppose is premature movement toward a breeder economy where the presence of directly weapons-usable material would be widespread. This was the basis for President Carter's position on the Clinch River project.

We believe that we have time to explore on an international basis more proliferation-resistant breeder fuel cycles—ones that would minimize the presence of directly weapons-usable material. This, of course, is one of the major objectives of the International Nuclear Fuel Cycle Evaluation to which I just referred. We envision that it will examine all the factors that impinge on various fuel cycle alternatives—timing, cost, technical feasibility, and the like. In the end, we hope to separate myth from reality

about the breeder and develop an international consensus based on agreed facts.

International Evaluation

I would like now to discuss more specifically this International Nuclear Fuel Cycle Evaluation program. The organizing meeting will be held, as you know in Washington, October 19 through 21. Countries with a major interest in nuclear energy have been invited to attend. We have deliberately included both consumers and suppliers, rich and poor, East and West. The purpose is to evaluate scientifically various aspects of the fuel cycle and lay an agreed factual basis upon which a future consensus might be built. Participation in the program does not commit a country to anything. There will be no votes. The draft terms of reference consist of eight chapters or work areas, each of which is an important element in our efforts to strike a balance between the benefits of nuclear energy and its proliferation risks.

The first two chapters deal with natural resources and enrichment capacity. If the facts support our view that uranium and thorium resources are more plentiful than is commonly believed, we can extend the lifetime of the current generation nuclear reactor. To the extent adequate uranium and enrichment capacity are available to consumers to meet legitimate energy needs, the less the time pressure there will be to move to next generation fuel cycles before we have solved their proliferation risks. At the same time, we realize that it is not enough merely to prove the existence of sufficient uranium, thorium, and enrichment. We must also establish an international system of assured fuel supply. That is why the third chapter specifically addresses ways to assure supplies for resource-poor countries.

The fourth chapter, reprocessing, will examine the economic and proliferation implications attendant to various reprocessing alternatives. We in the United States are especially interested in reprocessing techniques that would avoid producing pure plutonium. At the same time, however, the evaluation will also explore the feasibility of

technical and international institutional means of increasing the safeguardability of conventional fuel reprocessing.

Similarly, the fifth chapter, which will deal with breeder alternatives, will focus on whether there may be systems which are economical and which would minimize the presence of weapons-usable material.

The sixth chapter and work area will examine problems associated with spent fuel and waste disposal. Clearly the degree to which we can alleviate current storage problems will directly affect the lifetime of current generation reactors. These storage problems are one of the driving forces toward reprocessing and plutonium recycle. We also believe that scientific evidence can be brought to bear on the conflicting claims that reprocessing enhances or worsens the environmental risks involved in nuclear waste management. For our part, we are studying both domestic solutions and ways in which we can be of help to other nations in dealing with this problem.

The seventh chapter will look at ways to increase the fuel utilization in present thermal reactors. There is credible evidence that we may be able to double the utilization rate through various techniques. Obviously, this would be like discovering twice as many uranium mines. Again, the longer the lifetime of the current fuel cycle, the more time we have to design more proliferation-resistant future fuel cycles.

Finally, the eighth chapter will look at advanced converter reactors and other reactor and fuel cycle concepts, which could increase fuel resources without providing access to weapons-grade material. We will look at alternative concepts not adequately studied in the past, although in many cases fairly substantially developed.

Let me stress that this international evaluation is not an American enterprise. It will be a truly international effort without results prejudged in advance. The objective of the United States, as I have indicated before, is to build an international consensus on all the views confronting us. We fully appreciate that we cannot dictate a nonproliferation policy to the rest of the world. We

believe that facts will show that recycling plutonium in thermal reactors is a mistake from economic, security, and ecological points of view but we accept that our views should be subject to international scientific scrutiny.

Proliferation-Resistant Alternatives

We believe that the facts support our view that there is time to examine more proliferation-resistant alternatives to conventional reprocessing. For example, technical people have suggested that it may be possible to develop, within a matter of years, an economical pyrochemical reprocessing technology with the following characteristics:

—Its process stream or "new" fuel would not be significantly easier to divert or convert into pure plutonium than is cooled light water reactor fuel;

—The plant equipment would not be capable of producing pure plutonium and no simple process adjustment would be able to produce pure plutonium; and

—The individual steps of the process would have either been demonstrated or be close enough to existing experience so that credibility of the process is high and the reliability of the method is assured.

Obviously such a more proliferation-resistant reprocessing technology is not a panacea and the claims of its feasibility need careful international scientific study. But this is an example of the type of alternative we believe deserves our careful collective attention. Most important, if we are to develop and coordinate effective policies to reach our mutual goal of nuclear power without nuclear proliferation, we must avoid assuming that there are no alternatives to the technological path upon which we are now embarked. At the very least, we owe to future generations the assurance that we examined real alternatives and were not simply carried along by the momentum of the past.

Of course, our efforts to develop a consensus about a more proliferation-resistant and safeguardable commercial fuel cycle cannot be achieved overnight. Our efforts will re-

quire patience and close cooperation among all interested countries. Nuclear technology has diffused to the point that it is too late for any one nation to dictate; but it is not too late to cooperate. The United States, for its part, stands ready to work with others in this spirit.

Proposed Modifications to Nonproliferation Legislation

Following is a statement by Spurgeon M. Keeny, Jr., Deputy Director of the Arms Control and Disarmament Agency (ACDA), made before the Subcommittee on Energy Research and Development of the Senate Committee on Energy and Natural Resources on September 13.¹

I am pleased to appear here today to comment on the nonproliferation policy bills that have been referred to your committee. Such legislation, when enacted, will be a critical component of our nonproliferation policy. In this connection, the Administration appreciates the interest of many Members of the Senate on this subject and their active participation in the development of this legislation.

S.897 [the Nuclear Nonproliferation Act of 1977] has now been amended to adopt in several important respects some of the language of S.1432, the original Administration proposal [submitted on April 27]. It now represents a clarification of our nonproliferation policy that strengthens that policy while making more predictable the terms of our nuclear exports. This bill contains a number of desirable reforms, and it is important that such legislation—with the modifications requested by the Administration—be enacted in the current session of the Congress. If such action is delayed, the uncertainties that have hung over our nuclear export policies in the past few years would continue. This could have a major ad-

verse impact on our nonproliferation policy.

My agency agrees with the statements of the other Administration witnesses today and those which Secretary Vance recently sent this committee. I would, however, like to comment briefly on four differences between the language of S.897, as amended, and the Administration position.

Subsequent Arrangements

The first of these differences relates to subsequent arrangements. S.897 seeks to regulate, among other things, those provisions in our agreements for cooperation that cover retransfer and reprocessing of nuclear material exported by the United States or produced by use of U.S. exports. We are in agreement with the requirements in subsection (b)(1) of section 303 which require advance notification to the Congress of certain proposed subsequent arrangements.

We do, however, have serious problems with subsection (b)(2) of that section. This section prohibits any consent to reprocessing—or to a subsequent transfer to a non-nuclear-weapon state of recovered plutonium—unless, in the view of the decision-maker, such transaction will take place under conditions designed to provide to the United States timely warning of diversion “. . . well in advance of the time at which the non-nuclear state could transform the diverted material into a nuclear explosive device.”

Timely warning is clearly an important aspect of effective safeguards. However, this provision, as now written, could present serious problems. This Administration considers that the spread of plutonium reprocessing is very undesirable, and I am confident that it will be extremely circumspect in considering consents for such reprocessing. Nevertheless, a legislative provision that can be construed as a flat, permanent prohibition on such consents has several serious disadvantages.

—First, it would almost certainly make impossible the task, mandated by another section of the bill, of persuading the European Communities to give us a legal right of

¹ 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.

consent over the reprocessing of U.S.-origin fuel. They would know that when a U.S. consent was required, we would be compelled to withhold it.

—Second, it could provide the basis for lawsuits, thus adding materially to the delays and uncertainties other recipient countries would have to suffer as the price of doing business with us.

—Third, it could decrease our ability to persuade others that the International Nuclear Fuel Cycle Evaluation program is an objective study, since, by appearing to prejudge the outcome, it could encourage other participants to prejudge the outcome their own way.

—Fourth, it would elevate one of the factors that should clearly be taken into account in an assessment of proliferation risk, to be the controlling factor in each case, whereas in some cases it may not be the most important one.

—Finally, unless a clear exception is made before enactment, it could jeopardize the arrangement with Japan with respect to the Tokai facility.² If this settlement were invalidated by legislation, or by litigation based thereon, it would adversely affect our nonproliferation policy. It would foreclose an arrangement that, as Mr. Fri [Robert Fri, Acting Administrator of the Energy Research and Development Administration] has reported, contains many elements in support of our nonproliferation policy and would have serious consequences for our relations with Japan, whose cooperation on our nonproliferation efforts is indispensable.

For these reasons, the Administration strongly opposes retention of subsection 303(b)(2) in its present form. If this is not acceptable, we think that this provision should be modified along the lines described in Secretary Vance's comments. This modification would insure the "grandfathering" of the Tokai settlement and would prescribe timely warning as only one of the considerations that must be taken into account in making decisions on subsequent arrangements regarding reprocessing.

² For text of the joint communique and joint determination concerning the Tokai reprocessing facility, see BULLETIN of Oct. 10, 1977, p. 460.

If we hope to influence the rest of the world in our nonproliferation policies, other countries must have confidence that we will honor our agreements and be a reliable supplier. Our trading partners must have confidence in our agreements for nuclear export once they have been made. This confidence will not be bolstered by the provisions in S.897 for expedited procedures and for congressional override by a one-House resolution.

These provisions would inject an undue degree of uncertainty into the export process. Lack of confidence may drive recipient nations to alternatives—such as indigenous enrichment and reprocessing facilities—that we are trying to discourage. I want to emphasize that we are not opposed to appropriate congressional review or expedited consideration of Administration actions. However, as presently drafted in S.897, these provisions would, we believe, contribute to uncertainty as to the prospects of dealing with the United States.

Proliferation Assessment Statements

The Administration believes that the Nuclear Proliferation Assessment Statements to be prepared by the Director of ACDA will be a useful tool for the executive branch and the Congress in considering subsequent arrangements and agreements for cooperation. At the same time, I am sure that the Congress shares the view of the Administration that Nuclear Proliferation Assessment Statements should not be utilized in unintended legal interventions in export licensing proceedings. The threat of such actions would add to the uncertainties faced by countries wishing to deal with the United States.

Section 406 of S.897, as amended, is intended to avoid this risk, but it is not as comprehensive as we would like it to be. We believe that the more encompassing language found in S.1432 should be adopted. This language would preclude legal actions with respect to whether an assessment statement is required in a particular case, or, if so, whether this requirement has been met.

U.S. Storage and Alteration Approvals

We should not burden our agreements with foreign countries with unnecessary requirements. In this regard, there is not a persuasive reason why the United States should require others to obtain our advance approval for the storage of low enriched uranium and spent fuel. This is also true for alterations of low enriched uranium, such as fuel fabrication. We believe that the language of S.897, as amended, contains overly broad requirements for prior U.S. approval of storage facilities and alteration. Under the present language of S.897, we would be required to seek a constraint in the renegotiation of our agreements for cooperation which would undoubtedly be criticized as unreasonable and as demanding unnecessary veto rights on foreign programs. Accordingly, we believe the language of S.897, as amended, should be modified to require prior approval for storage facilities only for weapons-usable nuclear material and reprocessing or other alteration only of weapons usable or irradiated nuclear material.

In summary, we think that this legislation is a major contribution to our nonproliferation policy and that it is important that the legislation be enacted promptly with the modifications that the other witnesses and I have discussed.

U.S. Airlifts Tents to Refugees in Djibouti

Press release 466 dated October 14

The Department of State announced on October 14 that the U.S. Government has financed an airlift of 170 tents to provide emergency shelter for some 2,000 refugees in Djibouti, a newly-independent country in northeast Africa. The airlift follows a request from the President of Djibouti, Hassan Gouled, to President Carter and Vice President Mondale for assistance with the growing refugee problem in Djibouti stemming from the fighting in the Ogaden region of Ethiopia.

The request was made during a meeting in Washington on September 27.

A U.S. Air Force C-141 cargo plane delivered the tents on October 14 from stockpiles in Germany and Italy. The emergency shelters consist of 150 family-size tents and 20 large tents. The value of the tents and transportation is about \$140,000. The tents were given to personnel of the U.N. High Commissioner for Refugees in Djibouti for distribution to refugee camps.

U.S., Portugal Extend Defense Agreement

*Department Statement*¹

At the request of the Government of the United States of America, the Portuguese Government agrees to conclude negotiations at the earliest possible date with the purpose of extending the agreement entitled "Defense Agreement Regarding Use of Facilities in the Azores," signed on September 6, 1951, by means of which the United States is granted facilities at the Lajes Base, in the interest of mutual security. The Portuguese Government states that it will not call into question the continued use of the base by the Government of the United States.

It is understood that the extension of the life of this agreement can be effected by means of an exchange of letters or diplomatic notes extending the agreement of 1951. The necessary technical details are the subject of informal conversations.

Both governments also wish to see concluded as promptly as possible the conversations concerning economic and military assistance to be provided by the United States of America to Portugal in the general context of relations between the two countries and taking into account extending the validity of the agreement.

¹ Released to the press in New York on Sept. 27, 1977, following Secretary Vance's meeting with the Portuguese Foreign Minister.

Review Meeting of the CSCE Opens at Belgrade

*Statement by Arthur J. Goldberg
Chairman of the U.S. Delegation*¹

On behalf of the American delegation, permit me to express our sincere thanks to our hosts, the Government of Yugoslavia. We are more than grateful for the facilities and support they have so generously provided for the conduct of our work. It is particularly symbolic that this conference is held in a nation which has done so much for so long to promote security and cooperation in Europe.

Two years and two months ago the leaders of our 35 nations assembled in Helsinki to conclude—with their solemn approval—the Final Act of the Conference on Security and Cooperation in Europe (CSCE).²

This week we are beginning in Belgrade a new phase of the process they initiated. We are embarking on a mutual examination of our experiences in implementing the Final Act. We are also seeking together new means of solidifying and building from the foundations laid in Helsinki.

Our task is part of a great and ancient enterprise: the search for security, the advance of cooperation in Europe. This conference is one more step toward that high goal, one part of the broader process of reducing risks of confrontation in Europe and of replacing them with opportunities for cooperation.

This meeting is both an expression and a result of considerable improvements in East-West relations. In turn, what we accomplish here in the coming months can

have a direct impact on the further development of détente.

I have been designated by President Carter to speak here as the representative of the U.S. Secretary of State. I carry with me the President's deep, personal commitment to advance the goals of the Final Act and the work of which it is such an important element. He is dedicated to working constructively with all nations represented here to help fulfill the Final Act's commitment to improved European security and cooperation.

Two corollary principles make the Helsinki approach unique. One is our rule of consensus, the recognition that every nation should take part on an equal footing in decisions which affect the future of Europe. The second is also crucial: the tie, formalized by the Final Act, between the freedom and welfare of each of our nations and the freedom and welfare of each of our individual citizens.

Let me reaffirm in the most positive terms the wholehearted commitment of the U.S. Government to the pursuit of détente. Let me also restate our view that a deepening of détente, a healing of the divisions in Europe, cannot be divorced from progress in humanitarian matters and human rights. Rather, it can strengthen détente and provide a firmer basis for both security and cooperation.

The United States wants to build upon and enlarge the scope of East-West understanding, for my government is convinced that this conference in Belgrade must not be the end of the CSCE process. Rather, it must be an occasion to inject fresh momen-

¹ Made at the opening plenary session on Oct. 6, 1977 (text as prepared for delivery).

² For full text of the CSCE Final Act, see BULLETIN of Sept. 1, 1975, p. 323; for an outline of the act, see BULLETIN of Sept. 26, 1977, p. 404.

tum into that process. The true test of the work we do together lies not only in the conclusions we reach, it lies also in the higher goals we set and in the energy with which we set about meeting them.

My government will do its best to provide new impetus to the CSCE process, both here in Belgrade and in our overall policies toward Europe and the world.

—We will conduct the review of implementation on the basis of unity of all sections of the Final Act and the equal value of all the principles.

—We will make clear our intention to honor the political commitments in this document and to utilize fully the practical opportunities which it opens.

—We will discuss concrete problems of both past and future implementation.

—And we will conduct our policies in Europe fully aware of the fact that CSCE can only bear part of the burden for guarding the peace. There must also be progress in other efforts at détente; and the benefits of our efforts must be applied throughout Europe. Berlin, for example, remains a basic testing place of détente. This divided city must continue to receive the benefits of the Final Act. Berlin must prosper under the Quadripartite Agreement, free from crisis, if détente and CSCE are to succeed.

Just as the U.S. goal for Europe is one of peace, so at this conference we see no confrontation. We have no desire to trade debating points. Instead, we want to exchange ideas on how better to implement the Final Act. We seek a thorough, nonpolemical, straightforward, and detailed review of implementation. And through that review, we seek to help formulate new measures which can give added concrete expression and momentum to the basic commitments of the Final Act.

General Assessment

The first obligation we all share is to conduct a candid review of the promises each of us has made, the promises we have kept, and the promises we have yet to fulfill.

The assessment my country has made of

the overall record of participating states over the last 26 months shows encouraging evidence of progress. But the progress displayed is not progress enough. It still falls short of the goals of the Final Act and, just as important, of the high expectations the Final Act aroused. Those expectations remain valid, and we must all be frank in judging that many of them remain unmet.

Let me comment first on what my own country has done to implement the Final Act. In general, the act codified standards which reflect American policy in dealing with other nations and with our own citizens. Nevertheless, in response to the Final Act, we have looked closely at our own behavior and—where we have the need and the means—have acted to improve our conduct. In particular, we took two steps regarding the Final Act pledge to “facilitate freer movement and contacts.” First, President Carter this year removed all restrictions on travel abroad by American citizens. Second, with President Carter’s support, Congress recently relaxed our visa requirements so that people wishing to visit the United States will not be excluded because of political affiliation or belief.

Moreover, in the field of human rights, President Carter on October 5 redeemed a pledge he gave last spring by signing the international covenants on human rights at the United Nations. American adherence to those pacts has been a matter of personal concern to me and to many others for a decade.

The President is pledged to pursue ratification of the covenants. Meanwhile, his action yesterday is an earnest of our good faith and a proof of the positive impact the Final Act is having in the United States.

In the spheres of commercial, cultural, educational, and scientific exchanges, we have done much and have much yet to do. For example, the U.S. Government has made a special effort to inform our businessmen about provisions of the Final Act affecting their opportunities to enter and work in markets with which they have not always been sufficiently familiar. This year, we signed our first cultural, educational, and

scientific cooperation agreements with Hungary and Bulgaria; and we concluded negotiations on a similar agreement with Czechoslovakia. With the Soviet Union, we renewed several scientific cooperation arrangements.

Meanwhile, in some other signatory nations, we have seen a well-intentioned and productive effort to implement the principles and provisions of the Final Act. In some nations in the East, advances have been only modest and are still far below the Final Act's standards. And there are individual cases under the Final Act where forward motion has been stalled or even reversed.

Under the stimulus of the Final Act, some progress has been made in bettering relations among the participating states. The exchange of goods, knowledge, people, and ideas has expanded in some measure. Substantial obstacles do remain to travel and the flow of information between one part of Europe and another, but these have already diminished somewhat. This improvement can be seen simply in the numbers of people who have been able to leave old homes for the new ones in Europe, America, and Israel. These results mean real individual happiness, and we here must reaffirm our resolve to speed that development.

Likewise, in translating our shared political undertakings to the area of military security, the Final Act has brought another kind of exchange—promising but incomplete. Confidence-building measures, involving advance notification of maneuvers and exchange of observers, have made openness a virtue in a field where secrecy was once instinctive. We have laid a foundation on which this meeting can productively build. Thus we can see some progress.

We can see it in terms of individuals and families reunited after being separated by war, accident, and history. But we must recall the many who remain apart.

We can see progress in business contacts that become business contracts. But we cannot overlook the still inadequate supply of relevant economic data on which the growth of business confidence depends.

We can see progress in books translated, performers applauded, students instructed,

and scientific theories tested. But here, too, the openness and ease of contact promised at Helsinki has been only partly realized.

Thus, we cannot be satisfied with the record of implementation. The standard we have set together should be even higher, if the goals of the Final Act are to be realized.

Let me illustrate some area in which we in the United States feel old practices have not been changed sufficiently to meet the new imperatives of the Helsinki spirit.

In educational programs, it is not enough to increase the number of scholars involved; rather, a prerequisite for such an increase is improved freedom for scholars and their research. What value is there, for example, in financing a student's work abroad when for months he is denied admission to an essential archives and, when having finally been admitted one day, he is not permitted back the next—even to collect his notes?

Also, in seeking "to facilitate the freer and wider dissemination of information of all kinds," we cannot point convincingly to progress while international broadcasts are subjected to continuing interference.

Similarly, while steps have been taken to ease travel and working conditions for journalists, those advances are jeopardized when visas are made conditional on a correspondent's agreeing not to contact certain sources of information and opinion.

Finally, while real progress has been made in reuniting divided families and concluding binational marriages, satisfaction with those developments must be balanced by regret that many longstanding cases remain unresolved; that the resolution of routine cases is too often arbitrary and capricious; and that new bureaucratic obstacles are imposed on people seeking to join relatives abroad. This runs counter to the Helsinki promise "gradually to simplify" exit procedures. It is also hard to see the workings of the "positive and humanitarian spirit" when an ill and aged husband is denied, after long years of separation, the company of his nearly blind wife and their daughter.

Equally difficult to understand are broader restrictions on the right of individu-

als to travel or emigrate. That right is established in Article 13 of the Universal Declaration of Human Rights: "Everyone has the right to leave any country, including his own, and to return to his country." All of us have pledged in the Final Act to "act in conformity" with that Universal Declaration, and we have given specific emphasis to that promise in the Final Act's provisions on family reunification.

Human Rights and Détente

The 2 years since the Helsinki summit are particularly short when we set them against the historic divisions we are trying, through the Final Act, to bridge. Some of the deepest differences among the participating states lie in views on the status of the individual in relation to the state. The issue of human rights represents the widest gap between the ideals and practices of East and West. It is a sensitive subject on the international agenda, but one which *can* be dealt with in an understanding manner and one which *must* be discussed in order to facilitate further progress under the Final Act.

Precisely because the distance between our views on human rights is so great, we must all work to narrow the divide. This is not a simple process. In my own country, a mere 15 years ago, many Americans were denied the right to vote. But through commitment to an ideal and constant efforts to reach that ideal, this blemish on the American record was removed. Other serious blemishes remain and our efforts to remove them also remain constant. The process is inevitably a gradual one, but efforts like ours are what make progress in human rights possible under the Final Act.

In the United States, we also realize that human rights encompass economic and social rights, as well as political and civil liberties. It is our view that one set of values cannot be stressed at the expense of the other. Rather, it is the combination of these rights and the respect in which governments hold them all which offer the best promise that all can be attained.

Concern for these rights is not new either to Americans or to the other states taking

part in this conference. It is enshrined in Article 1 of the Charter of the United Nations. It is enshrined in the Universal Declaration of Human Rights. And the Final Act, in Principle VII, binds all the participating states to "... recognize the universal significance of human rights and fundamental freedoms, respect for which is an essential factor for the peace, justice and well-being necessary to ensure the development of friendly relations and co-operation among themselves as among all States."

American policy—evolving from a history of political development with deep roots here in Europe and nurtured by the efforts of other nations—has long pursued that vision. It is explicit in our Bill of Rights. It animated the four freedoms proclaimed by President Franklin Roosevelt—freedom from want and fear, freedom of speech and religion—for which Americans last fought on this continent in the war against Fascism. It was also part of the heritage of President Kennedy when, 14 years ago [in an address at American University on June 10, 1963], he launched a fresh initiative for world peace. He asked: "... is not peace, in the last analysis ... a matter of human rights ... ?" And he proposed [in an address before the U.N. General Assembly on September 20, 1963] an "... agreement on a freer flow of information and people from East to West and West to East."

When such an agreement was concluded in Helsinki [on August 1, 1975] as part of the Final Act, President Ford echoed his predecessor's words. He said: "The founders of my country did not merely say that all Americans should have these rights, but all men everywhere should have these rights."

On many occasions this year, President Carter has set forth his own commitment to the continuity of American policy in the area of human rights—whether political, economic, social, or cultural. At the United Nations last March, he stressed that:

... the search for peace also means the search for justice ... (and) the search for peace and justice means also respect for human dignity ... I know perhaps as well as anyone that our own ideals in the area of human rights have not always been attained in the United States. But the American people have an

abiding commitment to the full realization of these ideals. And we are determined, therefore, to deal with our deficiencies quickly and openly.

It is in that same spirit that the U.S. delegation will speak about human rights and basic freedoms here in Belgrade. We have much to learn from that exchange of views.

Let me illustrate some of our concerns. The Principle VII guarantee of religion and belief means to us that expression of faith must not be penalized by loss or reduction of educational or career opportunities. People should be free to worship without fear or state interference in their choice of ministers, literature, and houses of prayer.

Similarly, the "freedom of thought and conscience" we have all pledged to respect must have breathing space in which to flourish. Its expression should not be censored. Its exponents should not be imprisoned or exiled for making their thoughts known.

Moreover, the "legitimate interests" of "national minorities" in our 35 states require respect for unique cultural and linguistic heritages and active policies to preserve these traditions and achievements for future generations.

Our governments have assumed the responsibility to "promote and encourage the effective exercise" of these rights. And in Principle VII we subscribed to "the right of the individual to know and act upon his rights and duties" in the field of human rights. The response of citizens to that challenge, alone and in private or public groupings in many signatory states, has been heartening evidence of the Final Act's healthy impact on all of us. In my own country, we have benefitted by the dedication, candor, and commitment of our [joint congressional] Commission on Security and Cooperation Europe. Its valuable work will be reflected in what we do here in Belgrade; and we are honored by having its members as part of our delegation.

All the more, then, we are also obliged to register vigorous disapproval of repressive measures taken in any country against individuals and private groups whose activities relate solely to promoting the Final Act's goals and promises.

Any such repression is contrary to the spirit and the letter of our common pledge. Rather, at this meeting, we should all reaffirm the valuable role to be played by individuals and organizations, in their own countries and in international associations, to help make that pledge a reality.

Conclusion

In the coming weeks, the U.S. delegation will focus its efforts in a constructive manner on improving relations among the participating states. We are here to help to strengthen prospects for cooperation and to help move closer toward what should be the noblest common goal of this conference: to give the process of détente a human measure and a humanitarian face.

In that spirit, the U.S. delegation will consider and, as appropriate, support new measures to improve implementation of the Final Act. We see opportunities for improvement in the following areas:

- Promotion of human rights;
- Execution of confidence-building measures;
- Qualitative expansion of scientific, economic, and commercial data exchanges;
- Easing of travel for journalists and businessmen;
- Freer access to printed and broadcast information from other countries; and
- Fuller opportunities for scholars and scholarship.

This list by no means exhausts our agenda or the specific ideas the United States, with other interested states, will pursue in the coming months. There are also opportunities to promote the exchange of literature, television programs, and culture of all kinds. There are possibilities for exploring, in appropriate agencies, as the U.N. Economic Commission for Europe, the coordination of approaches to such pervasive problems as environmental pollution. And, there is great potential for expanding trade and for sharing the benefits of technology.

However, our success here will be measured not solely by words on paper but rather

by what we all do both here and at home after this meeting ends. Together we must give the process of implementation direction, higher goals, and fresh momentum to insure that—when we next meet in a similar assembly—we can record even greater progress.

In our work, we will need patience, perseverance, and perspective. This conference in Belgrade is one stage of a dynamic process and a continuing dialogue. And that Helsinki process is part of an even larger effort to build more secure and humane relations among our nations and peoples.

We are nearer the beginning than the end. This conference must give the people of the signatory countries and people throughout the world a first report of first progress. It must demonstrate to them our shared commitment to go further. We owe them our best efforts and results better than those so far achieved.

CSCE Review Conference

A Foreign Relations Outline¹

The Final Act of the Conference on Security and Cooperation in Europe (CSCE), signed in Helsinki on August 1, 1975, by 33 European states, the United States, and Canada, was an important step in détente. It called for improving East-West relations on a wide range of issues, including European security (basket 1); cooperation in the fields of economics, science and technology, and the environment (basket 2); and cooperation in humanitarian and other fields (basket 3).

The Final Act also called for periodic review meetings to insure that the provisions contained in it are being carried out. The first began on October 4 in Belgrade, Yugoslavia. Ambassador Arthur J. Goldberg

¹Based on a Department of State publication in the GIST series, released in October 1977. This outline is designed to be a quick reference aid on U.S. foreign relations. It is not intended as a comprehensive U.S. foreign policy statement.

CSCE PARTICIPANTS

| | |
|---------------------------------|--------------|
| AUSTRIA | LUXEMBOURG |
| BELGIUM | MALTA |
| BULGARIA | MONACO |
| CANADA | NETHERLANDS |
| CYPRUS | NORWAY |
| CZECHOSLOVAKIA | POLAND |
| DENMARK | PORTUGAL |
| FINLAND | ROMANIA |
| FRANCE | SAN MARINO |
| GERMAN DEMOCRATIC REPUBLIC | SPAIN |
| GERMANY, FEDERAL REPUBLIC OF | SWEDEN |
| GREECE | SWITZERLAND |
| HUNGARY | TURKEY |
| ICELAND | U.S.S.R. |
| IRELAND | U.K. |
| ITALY | U.S. |
| LIECHTENSTEIN | VATICAN CITY |
| | YUGOSLAVIA |

heads the U.S. delegation; the cochairman is Representative Dante Fascell of Florida.

Agenda

The agenda for the October meeting was established during preparatory discussions with all CSCE participants in Belgrade from June 15 to August 5, 1977. The delegates agreed that the main tasks at Belgrade will be to:

—Review the implementation of the Final Act;

—Consider new proposals to improve implementation (these should complement and strengthen existing Final Act provisions rather than expand into new areas);

—Decide on another Belgrade-style followup, possibly in 2–3 years; and

—Draft a concluding document.

Although the agenda provides for an open plenary session to exchange general views, much of the work will be done by working groups in closed sessions. The meeting will end after adopting a concluding document and setting the time and place for the next review. If work has not been completed by December 22, the meeting will reconvene in mid-January and close in mid-February 1978.

U.S. Objectives

Our basic goal at Belgrade is to promote genuine relaxation of tensions between states, greater respect for human rights, and practical improvements in the daily lives of people in East and West. We seek full implementation of all commitments made at Helsinki—political, economic, scientific, cultural, security, and humanitarian. Although basket 3's human rights provisions are the most innovative portions of the Final Act, the meeting does not concern human rights alone, and we view all three baskets as being of equal importance.

Every effort will be made to keep the meeting on a serious, businesslike level, and we hope to maintain a productive dialogue with all CSCE participants. The precise manner in which we present our views will be guided by our main objective—how to effect and improve implementation.

Allied Consultations

The United States has emphasized close and detailed consultations on CSCE with its NATO allies. These consultations, which will continue throughout Belgrade, have helped shape a unified allied approach, contributed to NATO solidarity, and heightened the West's perceptions of its common values.

Implementation

We believe that the provisions of the Final Act reflect the standards of most Western societies and that our own record on implementing those provisions is good. We recognize, however, that we could improve in some areas, and we welcome open, constructive criticism. The United States also intends to review thoroughly the performance of the U.S.S.R. and the Eastern European nations. So far their performance has not been fully satisfactory, especially in human rights. Nonetheless, several Warsaw Pact countries acted before Belgrade to resolve difficult, longstanding family reunification cases, and some cultural and scientific exchanges have increased. The U.S.S.R. and

its allies understand our determination to review implementation, and we believe that they are willing to engage in serious discussions of the Final Act.

East-West Relations

The United States views CSCE as a long-term process offering many possibilities for productive East-West contacts. Although numerous Final Act provisions have not been implemented in the 2 years since Helsinki, this is not a reason to end the dialogue. The United States hopes to make the Final Act a major focus of our relationship with the U.S.S.R. and to expand Soviet tolerance for dealing with the subjects covered in it. We do not expect to change Soviet practices overnight, however, and the basic differences between our systems will remain.

Concluding Document

The United States believes that the Final Act should not be renegotiated or amended. However, a document concluding the meeting will provide us with a vehicle for expressing our views on important issues and will guarantee the formal acknowledgment of followup agreements. While this document will not have the status or scope of the Final Act, it must nevertheless be accepted by consensus of the 35 participants.

United States-Spanish Council Holds Semiannual Meeting

*Joint Communique*¹

The Spanish-US Council, which was established by the Treaty of Friendship and Cooperation, with a broad mandate for overseeing the implementation of the Treaty and facilitating and improving Spanish-US cooperation, met in regular semi-annual ministe-

¹ Issued following the meeting in New York on Sept. 30, 1977.

rial session in New York on Friday, September 30, 1977.

The meeting was held under the joint chairmanship of Foreign Minister Marcelino Oreja Aguirre and Secretary of State Cyrus R. Vance. Participants included the Spanish Ambassador to the United States, Juan José Rovira; the US Ambassador to Spain, Wells Stabler; Admiral Cartos Buhigas and General Bernard W. Rogers, as representatives, respectively, of the Chief of the Joint Chiefs of Staff and High General Staff of Spain, the Spanish Director General of North American and Pacific Affairs, Juan Duran-Loriga; the Director General of the Cabinet of the Spanish Foreign Minister, Javier Ruperez; and Assistant Secretary of State for European Affairs, George S. Vest, among other senior officials.

Just prior to the meeting of the Council the Permanent Military Representatives on the Council, Lt. General Felipe Galarza and General George Brown, met in Madrid in their capacity as Chairmen of the Joint Military Committee of the Council. The Council considered a report on that meeting.

The Council used this opportunity presented by its second regular semi-annual meeting at ministerial level to review the accomplishments of the first year of the life of the Treaty of Friendship and Cooperation, which came into effect on September 21, 1976. Progress made in each of the six committees of the Council was thoroughly reviewed.

The Council took note with satisfaction of the cooperation and consultation which has taken place on bilateral economic issues and the launching of programs in Science and Technology, and in the field of Education and Culture. It also took note of the beginning of active work in the Combined Military Coordination and Planning Staff.

The Co-Chairmen agreed that the continuing close cooperation between their two countries under the Treaty contributes to the strengthening of European and Atlantic ties.

The Co-Chairmen also, as in the past, used the occasion of this meeting for an ex-

change of views on developments in various parts of the world.

The next semi-annual meeting of the Council will be convened at the call of the Co-Chairmen.

President Carter Interviewed by Newspaper Farm Editors

Following are excerpts relating to foreign policy from President Carter's opening remarks and a question-and-session from the transcript of an interview by members of the Newspaper Farm Editors of America on September 30.¹

In addition to that, we are trying to work on the international field and resolve some of the longstanding questions that confront us. The Middle East is difficult, southern Africa is difficult, the SALT [Strategic Arms Limitation Talks] negotiations are difficult, the strengthening of NATO is quite difficult.

We also are trying to enhance international trade, the export of our agricultural and industrial products. We have had, so far, good success.

The only very serious cloud is that we are importing too much oil. This is going to give us an adverse trade balance this year of about \$30 billion. If we didn't have the excessive oil imports, we would have a positive trade balance of about \$15-20 billion.

Agricultural products exports in the last 12-month period was about \$24 billion, which is as high or higher than it's ever been before.

I've met this week with a series of foreign leaders, which has been my custom, and I guess my predecessors'. I spent this morning meeting with the heir apparent to President Tito of Yugoslavia, Mr. Kardelj. Ear-

¹ For the complete transcript, see Weekly Compilation of Presidential Documents dated October 10, 1977, p. 1457.

lier this week. I met twice with Foreign Minister Gromyko, with the head of the Government of Malaysia, Prime Minister Hussein, and with leaders from Jordan and Syria, and another group last week.

Q. Several times this morning in our conversations with people on your staff, the question was raised about penetrating the Chinese market with American exports. And thus far, we've been effectively shut out. And I'm wondering if this is a concern of yours?

President Carter: It is. Nothing would please me more than to see our trade with all the nations in the world build up.

There's some question now about the result of the Russians' crop year. There's a possibility they might buy 5 million more tons of food grains, for instance. We don't know that yet. I would hope that we could provide the major part of that to the Soviet Union. As you know, we have a permanent contract now with them—a multiyear contract—for the sale of specified quantities of wheat.

Since Nixon went to China [in 1972], there has been, first of all, a brief flurry of trade with China—nothing earthshaking, but at least some—and there's been a steady decrease since then.

I think the Chinese have, this past 8 or 9 months, bought large quantities of wheat from some of the other countries—Canada, Argentina, and, perhaps, Australia. I would like to see us get our share of those Chinese purchases, and we are doing everything we can to meet that goal. This was one of the items on the agenda when Secretary Vance met with the new Chinese leaders [in August 1977].

Q. What are some of the roadblocks immediately to trading with China, as you said?

President Carter: It's a very complicated question. Let me give you one example.

We have an old claims question with China that has never yet been resolved. When the

Communist Chinese took over from Chiang Kai-shek 35 years ago or so, they confiscated some property that was owned by Americans. In retaliation for that, we impounded Chinese bank deposits and other financial resources in this country. The amount of money involved is in the neighborhood of \$200 million. We've never yet been able to work out with the Chinese an agreement of how to settle those counterclaims.

There are lawsuits involved on our part. For instance, if a Chinese ship should come into, say, New Orleans or to Los Angeles to load a cargo of wheat, that ship would be subject to impoundment by some American citizen who still claims they've got property in China and the Chinese owe it for them. I would guess that the American courts would uphold that American citizen's claim. That's one of the complicated obstacles to it.

Another one, of course, is the Chinese relationship with us. They refuse to send any of their major officials into the city of Washington because we have an ambassador here who represents the Republic of China in Taiwan. And I would guess that if the situation existed a hundred years that they would never deviate in that policy.

They will send top officials into New York to attend the United Nations, but as a matter of principle, they won't send their top persons like the foreign minister or one of their premiers into the city of Washington because they claim that we erroneously have relationships with Taipei. That's another question that arises.

And another one is that the Chinese insist upon being very independent. They're cautious about how they buy goods from any other country.

I think that my own judgment is that under the new government with Premier Hua and Deputy Premier Teng, that the Chinese are going to expand their interrelationship with other countries on a foreign trade basis, and perhaps we can benefit from that.

We are eager to meet them more than half

way in order to enhance American sales and, I think, through trade, to improve our relationships with the Mainland Chinese.

It's so complicated; it's hard to explain briefly.

New Communication Agency Proposed by President Carter

*Message from President Carter*¹

To the Congress of the United States:

I transmit herewith Reorganization Plan No. 2 of 1977 to consolidate certain international communication, educational and cultural, and broadcasting activities of the United States Government. I am acting under the authority vested in me by the Reorganization Act, chapter 9 of title 5 of the United States Code. I am also acting pursuant to section 501 of the Foreign Relations Authorization Act, Fiscal Year 1978 (Public Law 95-105), which provides that my recommendations for reorganizing these activities be transmitted by October 31, 1977.

This reorganization will consolidate into a new agency, to be known as the Agency for International Communication, the functions now exercised by the State Department's Bureau of Educational and Cultural Affairs and the United States Information Agency [USIA].

The principal aspects of this proposal are:

—The new agency will take over USIA's international communications programs (including the Voice of America) and the international educational and cultural exchange activities now conducted by the Bureau of Educational and Cultural Affairs.

—The agency's Director will be the prin-

cipal advisor on international information and exchange activities to the President, the National Security Council, and the Secretary of State. Under the direction of the Secretary of State, the Director will have primary responsibility within the Government for the conduct of such activities. The Director, the Deputy Director and the Associate Directors of the new agency will be confirmed by the Senate.

—The two commissions that now advise USIA and the Bureau of Educational and Cultural Affairs will be combined into a single seven-member commission. Members of this nonpartisan commission will be chosen from fields related to the agency's mission. The commissioners will be appointed by the President and confirmed by the Senate.

The purpose of this reorganization is to broaden our informational, educational and cultural intercourse with the world, since this is the major means by which our government can inform others about our country, and inform ourselves about the rest of the world.

The new Agency for International Communication will play a central role in building these two-way bridges of understanding between our people and the other peoples of the world. Only by knowing and understanding each other's experiences can we find common ground on which we can examine and resolve our differences.

The new agency will have two distinct but related goals:

—To tell the world about our society and policies—in particular our commitment to cultural diversity and individual liberty.

—To tell ourselves about the world, so as to enrich our own culture as well as to give us the understanding to deal effectively with problems among nations.

As the world becomes more and more interdependent, such mutual understanding becomes increasingly vital. The aim of this reorganization, therefore, is a more effective dialogue among peoples of the earth. Amer-

¹ Transmitted on October 11, 1977 (text from Weekly Compilation of Presidential Documents dated October 17, 1977, which included the Reorganization Plan No. 2 of 1977 for the Agency for International Communication; also printed as H. Doc. 95-243 dated Oct. 12).

icans—mostly immigrants of the descendants of immigrants—are particularly well suited to enter into such an undertaking. We have already learned much from those who have brought differing values, perspectives and experiences to our shores. And we must continue to learn.

Thus the new agency will lay heavy emphasis on listening to others, so as to learn something of their motivations and aspirations, their histories and cultures.

Several principles guided me in shaping this reorganization plan. Among the most important were:

—Maintaining the integrity of the educational and cultural exchange programs is imperative. To this end, the plan retains the Board of Foreign Scholarships, whose strong leadership has done so much to insure the high quality of the educational exchange program. In addition, I intend to nominate an Associate Director who will be responsible for the administration and supervision of educational and cultural functions consolidated in the new Agency. The responsibilities presently exercised by the Department of State in relation to the Center for Technical and Cultural Interchange Between East and West, Inc., will be transferred to the new agency without alteration.

—Keeping the Voice of America's news gathering and reporting functions independent and objective. The Voice's charter, enacted into law in 1976, provides that "VOA news will be accurate, objective, and comprehensive"; that VOA will "present a balanced and comprehensive projection of significant American thought and institutions"; and that VOA will present U.S. policies "clearly and effectively, and will also present responsible discussion and opinion on these policies." Under this Administration, VOA will be solely responsible for the content of news broadcasts—for there is no more valued coin than candor in the international marketplace of ideas. I also plan to nominate an Associate Director who will be responsible for the administration and supervision of the Voice of America.

—The new agency's activities must be straightforward, open, candid, balanced, and representative. They will not be given over to the advancement of the views of any one group, any one party or any one Administration. The agency must not operate in a covert, manipulative, or propagandistic way.

—Rights of U.S. Information Agency and State Department employees must be respected. In the new agency, their career achievements will be recognized and the best possible use made of their professional skills and abilities.

The Director of the new agency will assess and advise on the impact on worldwide public opinion of American foreign policy decisions. The Agency will coordinate the international information, educational, cultural and exchange programs conducted by the U.S. Government and will be a governmental focal point for private U.S. international exchange programs. It will also play a leading role within the U.S. Government in our efforts to remove barriers to the international exchange of ideas and information.

It is not practicable to specify all of the expenditure reductions and other economies that will result from the proposed reorganization, and therefore I do not do so. The reorganization will result in greater efficiency by unifying in Washington the management of programs which are already administered in a consolidated manner in the field. For example, field officers will no longer report to two separate sets of supervisors and headquarters at home.

This plan abolishes the functions of the Advisory Committee on the Arts authorized by section 106(c) of the Mutual Educational and Cultural Exchange Act of 1961, as amended (22 U.S.C. 2456(c)). Also abolished, as a result of the consolidation of certain functions of the United States Advisory Commission on Information and the United States Advisory Commission on International Educational and Cultural Affairs in the United States Advisory Commission on International Communication, Cultural and Educational Affairs, are the functions

authorized by section 603 of the United States Information and Educational Exchange Act of 1948, as amended (22 U.S.C. 1468) (requiring submission by the United States Advisory Commission on Information of a quarterly report to the Director of USIA and a semiannual report to the Congress). The new commission will report annually and at such other times as it deems appropriate (as does the existing Advisory Commission on International Educational and Cultural Affairs). Since appointments of all members of the new commission will be on a nonpartisan basis, as has been the case with the Advisory Commission on International Educational and Cultural Affairs, the requirement of section 602(a) of the U.S. Information and Educational Exchange Act (22 U.S.C. 1467(a)) that not more than three members of the Advisory Commission on Information shall be of the same political party is abolished.

Various obsolete or superseded functions under Reorganization Plan No. 8 of 1953 (22 U.S.C. 1461 note), which created the USIA, are superseded by this plan. Finally, the Plan abolishes a provision authorizing the Secretary of State to pay the expenses of transporting the bodies of participants in exchange programs who die away from home, since State no longer will conduct such programs (22 U.S.C. 2670(e)). All functions abolished by the reorganization are done so in compliance with section 903(b) of title 5 of the United States Code.

After investigation, I have found that this reorganization is necessary to carry out the policy set forth in section 901(a) of title 5 of the United States Code. The provisions in this Plan for the appointment and pay of the Director, Deputy Director, and Associate Directors of the Agency have been found by me to be necessary by reason of the reorganization made by the plan and are at a rate applicable to comparable officers in the executive branch.

In presenting this plan, I ask the support of Congress to strengthen and simplify the machinery by which we carry out these im-

portant functions of the United States Government.

Such action will make us better able to project the great variety and vitality of American life to those abroad, and to enrich our own lives with a fuller knowledge of the vitality and variety of our other societies.

The new Agency for International Communications will help us demonstrate "a decent respect for the opinions of mankind," and to deal intelligently with a world awakening to a new spirit of freedom.

JIMMY CARTER.

THE WHITE HOUSE, *October 11, 1977.*

Employment Practices in South Africa

Following are remarks by Secretary Vance made at a dinner organized by the Reverend Leon Sullivan, President of Opportunities Industrialization Centers, for the board chairmen of American firms which have agreed to adopt a statement of principles regarding employment practices in South Africa held in New York on October 5.

Press release 454 dated October 7

Let me say that I'm very proud and pleased to be here with you tonight. I have been following very, very closely the work which has been done by Leon in lighting a fire which is spreading around the world. I wish that I could be with you throughout the whole evening as you discuss the statement of principles, but unfortunately I have got to go back to the United Nations and struggle with some other problems that we have over there tonight. But, I did want to come and have a chance to talk with you very briefly about the work that Leon has started and in which you are engaged.

I think, as many of you know, the U.S. Government has, for a number of years, encouraged American firms in South Africa to initiate and to strengthen enlightened

employment practices. We firmly believe that the comprehensive application of progressive employment practices in South Africa will significantly assist the policy of the U.S. Government. The events in South Africa over the past weeks underscore the dangers which persist. The tragic death of Steve Biko [black South African critic of the apartheid policies of the South African Government who died in September in detention] reminds us again that the only effective prescription for long-term stability and peace and prosperity is for South Africa to open up its economy and its life to all South Africans. We hope that tangible progress toward this goal will soon become evident.

I think, as all of you recognize by your presence here tonight, the international business community operating in South Africa has an extremely important role to play by adopting progressive employment practices for your South African subsidiaries. You not only enhance the lives of those who work for you, you also demonstrate the promise of a society based on racial justice.

Your presence here is also a tribute to Leon Sullivan, whose drive, whose perseverance, and whose vision have been devoted to the task of seeking to better the working conditions and living conditions of black and colored and Asian workers and their families in South Africa. We applaud and encourage his efforts to persuade more companies, both in the United States and abroad, to support the statement of principles.

I think it is important to note that Leon's efforts have, as I said, lit a fire and have contributed greatly to the increased interest in other countries in the question of

employment practices in South Africa. As some of you probably know, some two weeks ago the foreign ministers of the European Common Market announced a code of conduct for employment standards for companies who are headquartered in the Common Market countries, and they will be encouraged to adopt this standard of conduct. This found its source and arose from the efforts which Leon has started here in this country.

In our view, the Common Market code has many commendable features. Moreover, in South Africa the Urban Foundation, which is a private, nonprofit organization which is pledged to improve the quality of life of South African urban communities, which is a local foundation, is presently drafting its own code of employment practices. And again, this relates back to the spark which Leon lighted.

Let me tell you from the standpoint of the State Department, we pledge our full cooperation and our support as you work to provide a better life and wider opportunities for your employees. We believe that your efforts will set an example which will hasten the day when all the people of South Africa will realize their full human and spiritual potential.

So Leon, the message that I want to bring to you tonight is that you can count on us in the government to support you in every way for this private effort—and I emphasize that it is a private effort as you said—but I want you to know that it has the full support of the U.S. Government, and at any time that we can do anything to help you in this most important effort we are there and just call on us.

America's Stake in the Developing World

Address by John J. Gilligan

Administrator, Agency for International Development¹

I propose to discuss a subject which is gaining new attention at the highest levels of government. It is perhaps the major topic at the World Bank meetings this week and at the 32d General Assembly of the United Nations which has also convened this week. Again we hear calls by the developing countries for a new international economic order. Again we hear calls by all nations for more growth and equity in the international system.

But we must pose our own question: What is the U.S. stake in the developing world? And what should be the role of American foreign assistance in helping to achieve that more prosperous and equitable international order which all nations want?

President Carter, several months ago, ordered a government-wide review of America's foreign aid program—including our contributions to international organizations, our Food-for-Peace efforts, and our posture in trade as well as in aid. And the President asked for recommendations and options for America's assistance efforts now and in the future. That review is now in its final stages, and I would like to share with you this evening certain themes that are beginning to emerge from this study.

First of all, we must recognize that the United States has major interests in the developing world. These can be described in terms of global issues, as well as in terms of more traditional national concerns.

If anything has been hammered home to us in recent years, it is that if present

trends—in population growth, in environmental degradation, in nuclear proliferation, and other global problems—continue unabated, the world by the end of this century will become an increasingly unpleasant and much more dangerous place in which to live. Close to 8 billion people will be crowded into it, compared to half that number today. Nuclear weapons could be mounted in many parts of the globe. Millions more people throughout the world could be malnourished and die early of hunger and disease. Political freedom and respect for individual rights, confined to only a corner of the Earth, could come under increasing attack. And political leaders would be likely to impose increasingly harsh regimes on their people or indulge in military ventures against their neighbors, for poverty and economic frustration have throughout history bred violence, domestically and internationally. And when we talk about these problems of population growth, nuclear proliferation, global hunger, and the like, we are talking about problems centered in or directly involving the developing world and problems whose impact we in the rich countries cannot avoid. Whether we can solve these problems or not will, in large measure, depend upon the course of development in the Third World. And our direct stake in that development will be enormous.

Consider for a moment, from a traditional economic perspective, that the developing world provides us not only with oil but 96 percent of our tin, 69 percent of our copper, 66 percent of our tungsten, 64 percent of our aluminum and bauxite, 55 percent of our lead, and other critical raw materials.

¹ Made before the Kennedy Political Union, American University, Washington, D.C., on Sept. 27, 1977.

The developing countries also provide a major market for our products. In 1975 we exported \$29 billion in goods to the non-oil developing countries; that's three times the export levels to those countries of 5 years ago, that's three times the level of our exports to Japan, that's \$3 billion more than our exports to all of industrialized Europe. In 1975 our exports to one less developed country—Mexico—equaled our exports to Germany, and our exports to another less developed country—Brazil—outstripped our exports to France.

In the area of private investment, in 1975, \$6.4 billion—45 percent of the U.S. direct investment abroad—was invested in the developing world.

While some in this room may be aware of those numbers and their significance, I am not at all certain that the general American public, or their elected representatives in the Congress, are even remotely acquainted with the realities of this rapidly changing economic picture.

But whether we describe our stake in the developing world in terms of the global problems which increasingly impact upon us or in more traditional economic and political terms, it is becoming increasingly clear that our interests, our very large interests, require new attention. To protect our interests, to help shape the more secure and prosperous international system that we all want, requires concerted use of a wide range of policy instruments.

Foreign aid is only one such instrument; but it is an important one. Serious economic assistance efforts can help countries to control their population growth, to wisely plan human settlements, to meet their growing demand for food, to protect their environment, and to develop their energy resources.

In energy, for example, we know that the less developed countries simply cannot afford the limited conventional energy sources that are necessary for their economic growth; and with the exception of a few oil-exporting countries in the Middle East and elsewhere, the developing countries cannot match the rich nations in the competition for

oil. Yet no program thus far has provided for alternative sources that would assure the needs of the developing countries in the energy crisis that is widely predicted in the next decades.

American assistance can, therefore, play an important role in stimulating energy development in the poor countries—and by doing so, we not only contribute to sound economic development abroad, but we help also to reduce overall price pressures in energy which affect our country as well. Moreover, we have a direct stake in providing alternatives to the kind of nuclear energy development that leads to the acquisition of atomic weapons.

Energy, population, food, health, environment—these are only a sample of the problems which the United States faces in the developing world and which U.S. support for economic development abroad can help solve. Now, against this backdrop of global concerns, let us consider for a moment the origins and how we got to where we are today in our foreign aid program, and where we must go from here.

Background of U.S. Foreign Assistance

We began with the Marshall plan in 1947—our first major effort in overseas development, a success story by all accounts, a program against which all that came afterward has been measured for better or for worse. Unlike its successors, the Marshall plan was directed at restoring highly developed, highly industrialized countries—countries that had skilled and sophisticated workforces, enormous and immediate needs to fill; countries that had access to low-cost raw materials and ready markets for virtually anything they could produce. In its success, it exceeded even the highest expectations of its originators.

But let us note, not only did we have unique development conditions in Europe at the time, but we spent some 3 percent of our gross national product on the Marshall plan—and this percentage was out of a much smaller economy than we have today. Today, with considerably larger resources available, we are spending, on all our eco-

conomic assistance efforts all over the world, only one quarter of one percent of our GNP—in other words, one-twelfth of what we spent 30 years ago.

After the Marshall plan, our efforts shifted to the growing number of nations just beginning to emerge from colonial rule—nations which did not possess the institutions or the trained personnel or the productive capacities to sustain immediate, rapid, full-scale development. And because these countries were different in social, economic, and political complexion and because the United States had various political and strategic priorities in the developing world, the objectives and uses of our foreign assistance program became increasingly more diverse.

When the Korean war ended in a stalemate and the United States faced the prospect of a continuing military commitment in Asia, American foreign aid backed our security policies in South Vietnam, South Korea, and Taiwan. During most of the 1950's, two-thirds of all U.S. economic assistance went to Asia—most of it closely aligned to our military objectives. The remaining recipients were primarily less developed European and Middle Eastern states along the periphery of the Soviet Union.

By the end of the decade, decolonization in Africa and anti-Americanism in Latin America created new candidates for aid. Now, not only Communist expansion but also general political discontent and economic instability were accepted as problems to be treated with foreign assistance. New recipients of aid were added in Latin America, Africa, and the Near East. And finally greater emphasis began to be given to the use of aid for economic development purposes.

In our development efforts we generally aimed at achieving rapid growth of GNP. Rapid growth, we believed, would mean more jobs, more money, more food, more education, better health, smaller families. Generally, we believed that the fastest and surest way the poor countries could develop their economies would be to emulate the American pattern of big farm, big factory, big machine production systems. We be-

lieved that massive economic transfusions, large-scale capital transfers—dams, airports, railroads, highways, steel mills—the sheer force of our dollars, could guarantee a so-called economic take-off. And, for the poorest people in the developing world, we believed that the rewards of rapid growth would automatically and inevitably “trickle down” to them.

In fact, this approach had certain notable successes. During the last quarter century, per capita GNP growth in developing countries has averaged 3 percent—nearly the same growth rate as the rich countries. Average life expectancy in developing countries has increased from 35 years to 50 years—the level attained in Western Europe only at the beginning of the 20th century. In education the number of pupils in primary schools has tripled; and the number of students at secondary and higher levels has increased six-fold. Some developing countries have achieved such high rates of growth that our grant aid to them has ended, and our principal form of economic interaction with them is now largely in trade and private investment.

These overall gains, however, have masked a crucial fact: that while some developing countries have achieved dramatic per capita GNP growth—some at rates of over 7 percent—many others have made very little progress. These averages also conceal wide differences in the extent to which various groups within the poor countries have benefited from development. For in most less developed countries, the so-called modern sector of urban areas and large farms have been the major beneficiaries of growth, while the urban and rural poor—whose numbers have been rapidly increasing and who form the majority in most developing countries—have generally been left behind.

Early, rapid industrialization in many countries often also created a host of new problems. Millions of people moved from their peasant farms and villages to cities which were economically and socially unprepared to receive them; and without jobs, homes, or food the newcomers became a

turbulent, uprooted, and increasingly desperate mass.

As for the "trickle down" theory, too often the wealth that accrued to the wealthiest members of some developing countries never escaped their grasp; and rather than become reinvested in their societies, it was too often sealed in a personal bank account in Geneva or Zurich or in an investment in New York. The fact of the matter is that while we sought to close the gap between the rich and poor countries, we often widened the gap between the rich and the poor within the poor countries. Thus despite our major economic assistance efforts during the postwar period, nearly 1 billion people—one quarter of today's world population—live in extreme and degrading poverty.

Although most of these people live in the poorest countries, substantial numbers also live in the so-called middle income developing countries, such as Brazil, Mexico, and Malaysia. For example, in the northeast region of Brazil—in a country which has one of the highest GNP growth rates in the world—some 30 million people still live on the very edge of subsistence. Their mortality rate is among the highest in the world—one out of seven dies before the age of one. And Brazil is no Bangladesh.

In fact, in all of Latin America—a continent which has a much higher standard of living than, say, Africa, it is estimated that less than half the entire population of the continent has access to an adequate, daily, subsistence-level diet.

For the world's poorest people, whether in the lowest income countries or in the middle-income countries, development assistance of the past two decades has just *not* trickled down. And, as we can all readily imagine, there are grave implications—for political stability and for solving some of the problems we have already noted—if living conditions of one quarter of mankind continue to deteriorate. Now, what can we do about that?

U.S. Objectives in Economic Assistance

First, we must recognize that true development cannot take place without the ac-

tive participation of all segments of the population, including the poorest people, and particularly the rural poor—the largest body of poor, those who will have to grow the food for the world's new billions of people, those who must find opportunities where they now live so that they will not abandon their communities and flock to the already congested cities. Instead of airports, dams, and other major capital intensive projects, we must increasingly use our foreign aid resources in support of meeting basic human needs—in nutrition, shelter, clothing, safe drinking water, in sanitation, health, and education—particularly for the rural poor.

In rural development, we must seek increased agricultural production, greater employment, greater equity in income distribution. For many countries, greater equity must involve significant changes in land tenure and greater access to agricultural resources, such as fertilizer, water, transportation, and credit.

In industrial development, we must place major emphasis on labor-intensive production.

In the areas of human resources, our objectives should be to insure greater access of the poor to primary education and health facilities, greater access to preventive medicine and to postnatal care, and, most of all, to adequate nutrition.

Now, let us be clear, when we talk about meeting basic human needs we are not talking about an international welfare program: we are talking about giving the poor a chance to improve their standard of living by their own efforts; we are talking about giving them a chance and the means to rise above those extreme poverty levels that stunt human development; we are talking about giving people a chance and the means to feed, clothe, and house themselves. Meeting basic needs will, to be sure, require accelerated economic growth, but it will require the kind of growth that puts money into the hands of poor people so that they themselves can provide the market for the goods and services they need.

Now, when we talk about the kind of growing economies which can meet basic

needs through more equitable growth patterns, we are talking about something quite challenging. In fact, we are talking about a way ultimately—perhaps by the end of this century—to eliminate the worst vestiges of world poverty. It will require, in many cases, certain reorientation of economic policies by the developing countries. It will require increased and carefully coordinated international assistance to those countries. And for the United States, it will require, in particular, a new leadership role; for according to virtually all authorities, a significant attack on world poverty will require a substantial expansion of U.S. concessional aid—both bilateral and multilateral—as well as strong new efforts to achieve the international cooperation which is required.

Let us note that, as a proportion of our gross national product, our aid over the past 10 years has fallen from one-half of 1 percent to one quarter of 1 percent; and we have dropped from fourth to twelfth place among donor nations. And this declining trend in our foreign assistance effort has had important political ramifications.

Decreasing U.S. foreign economic assistance, relative to our growing economic strength underscored by decreasing U.S. public and congressional support for foreign aid, has provided the backdrop against which the developing countries have pressed for a change in the entire global economic order. Formerly friendly or indifferent governments have turned into troublesome pillars of suspicion and resistance. It has become increasingly difficult to secure support for our positions on issues such as nuclear proliferation or energy or raw materials or terrorism or the proposed law of the sea.

This confrontational relationship with the Third World is what President Carter's Administration was faced with as it took office. And it cannot be remedied within a few months. But I believe the Administration has made a good beginning.

At the Conference on International Economic Cooperation this past May in Paris, the United States pledged support for a substantial increase in American foreign aid over the next 5 years. We said also that, in the multilateral trade negotiations, we

would give favorable consideration to developing country exports. In addition, we said that we would try to reach successful agreements on a common fund or other commodity arrangements and on a system of nationally held food reserves. Moreover, at various international meetings, we have set forth our basic human needs approach to development—and gained acceptance of that approach from the other donor nations.

But now, to overcome well-established and well-founded suspicions among the developing countries and to build the kind of world we have been talking about, we have to support our proposals with action.

In the area of foreign aid, we must seriously consider raising our economic assistance over the next 5 years from one quarter to one-half of 1 percent of our GNP. That would not only restore our level of commitment to that which we maintained from the end of World War II until 1968, but it would place us at today's average aid effort of the other donor nations.

This would, I believe, have strong symbolic, as well as economic, meaning for it would signal our reemergence from a period of aid withdrawal, and it would restore the leadership which others have come to expect of the United States.

But whatever the increase in our aid, our commitment to foreign economic assistance and the strategies we adopt must reflect our concern with the real global problems we face and the interests which we believe will be served by constructive relations with the developing world.

At the beginning of my remarks I mentioned certain interests we have in the future of the developing world. Perhaps most of all, our stake in development is a matter of human rights. Just as this Administration has spoken out forcefully for the protection of fundamental freedoms and political rights—and has thereby rekindled hope on the part of millions of people who aspire to live in freedom and independence—so too shall the Administration seek to assist that large part of the world's population for whom mere survival—an adequate diet, basic health care, and other necessities of life—is of overriding importance.

Nigeria—A Profile ¹

Geography

Located on the west coast of the African Continent and bounded on the south by the Gulf of Guinea and on the landward sides by Cameroon, Chad, Niger, Benin.

Area: 357,000 sq. mi. (about the size of California, Nevada, Arizona combined).

Capital: Lagos (pop. est. 1.5 million).

Other Cities: Ibadan (1.3 million), Kano (300,000).

People

Population: 79.8 million (unauthoritative 1973 census).

Annual Growth Rate: 2.4–3%.

Density: 224 per sq. mi.

Ethnic Groups: 250 tribal groups—Hausa-Fulani, Ibo, Yoruba are major groups.

Religions: Moslem 47%, Christian 19%, animist, other.

Languages: English (official), Hausa, Ibo, Yoruba.

Literacy: 25%.

Life Expectancy: 39 yrs.

Government

Official Name: Federal Republic of Nigeria.

Type: Federal Republic (military rule).

Independence: October 1, 1960.

Date of Constitution: October 1, 1963 (suspended and modified March 1967).

Branches: *Executive*—Supreme Commander of Armed Forces is Head of Federal Military Government comprising Supreme Military Council, Federal Executive Council, and National Council of States. *Legislative*—powers vested in Executive since 1966 coup. *Judicial*—Federal Supreme Court, State High Courts.

Political Parties: Banned since 1966.

Administrative Subdivisions: 19 States plus Federal Capital Territory (new capital).

Economy

GDP: \$27 billion (1976).

Annual Growth Rate: 10%.

Per Capita GDP: \$333.

Agriculture: Land—30% cultivated; labor—70%; products—cocoa, rubber, palm oil, yams, cassava, sorghum, millet, corn, rice, livestock, ground nuts, cotton.

Industry: Labor—10%; products—cotton, rubber, petroleum, textiles, cement, food products, footwear, metal products, lumber.

Mineral Resources: Petroleum, tin, columbite, iron ore, coal, limestone, lead, zinc.

Trade: *Exports*—\$10 billion (1976): petroleum (93%), tin, coal, columbite, cocoa, palm oil, rubber; partners—U.S., European Economic Community (EEC). *Imports*—\$7 billion (1976):

machinery and transport equipment, foodstuffs, manufactured goods; partners—EEC, U.S.

Official Exchange Rate: 1 naira=US\$1.60.

Economic Aid Received: \$1.5 billion. From U.S. only—\$456.1 million (cumulative through 1974):

Food for Peace, Export-Import Bank loans, Peace Corps; no U.S. loans or grants since 1974.

Membership in International Organizations

U.N. and several of its specialized agencies, Organization of African Unity (OAU), British Commonwealth of Nations, Organization of Petroleum Exporting Countries (OPEC), Economic Community of West African States (ECOWAS).

Principal Government Officials

Nigeria: Head of State—Chairman of the Supreme Military Council and Commander in Chief of the Armed Forces—Lt. Gen. Olusegun Obasanjo, Commissioner of External Affairs—Brig. Joseph N. Garba, Ambassador to the U.S.—Olujimi Jolaoso.

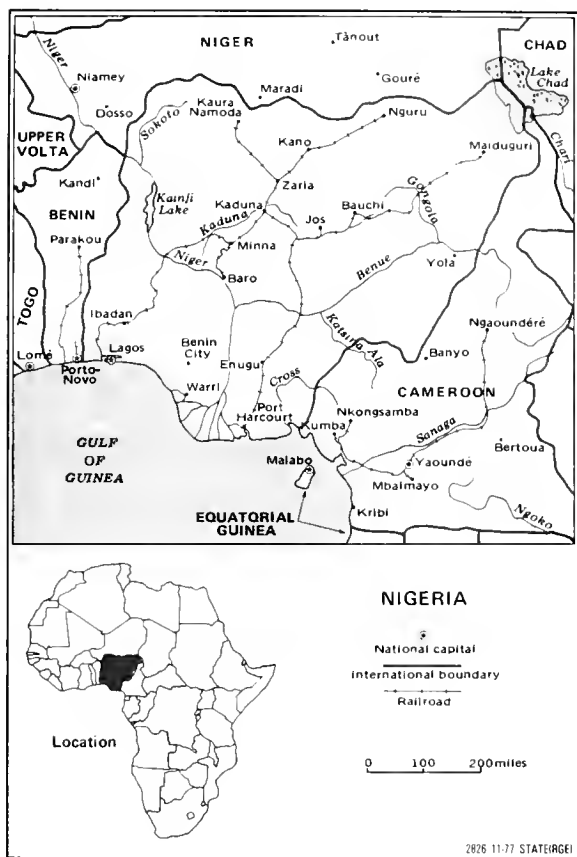
United States: Ambassador to Nigeria—Donald B. Easum.

U.S.-Nigeria Relations

Relations are based on a variety of cultural and economic ties. Nigeria has the largest number of persons of African descent among its citizens of any country in the world; the United States ranks second. At least 12,000 Nigerians are studying in the United States, and increasing numbers of Americans are living and touring in Nigeria. The United States is the major foreign market for Nigeria's crude oil, and Nigeria ranks second to Saudi Arabia as the most important foreign supplier of oil to the United States.

U.S. private investment in Nigeria approximates \$1 billion, largely in the joint production of petroleum with the Nigerian Government. U.S. investors are becoming increasingly interested in Nigeria's growing market of nearly 80 million people who had a GDP of \$27 billion in 1976 and foreign-exchange earnings of over \$10 billion (mostly from oil). Nigeria welcomes private U.S. investment as a means of obtaining managerial and technological talent and training. Trade between the two countries has steadily increased. In 1976 the United States exported about \$750 million of goods and services to Nigeria and imported goods worth \$4 billion, mostly oil.

¹ Taken from the Department of State's September 1977 edition of the BACKGROUND NOTES on Nigeria. Copies of the complete NOTE may be purchased for 50¢ from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (a 25% discount is allowed when ordering 100 or more NOTES mailed to the same address).



Lt. Gen. Obasanjo of Nigeria Visits the United States

Lt. Gen. Olusegun Obasanjo, Head of State and Commander in Chief of the Armed Forces of the Federal Republic of Nigeria, made a state visit to the United States October 10-15. He met with President Carter and other government officials October 11-12. Following is an exchange of remarks between President Carter and Lt. Gen. Obasanjo on the South Lawn of the White House on October 11.¹

Weekly Compilation of Presidential Documents dated October 17

PRESIDENT CARTER

This morning we're greatly pleased and honored to have as our guest General Obasanjo, the head of state of one of the great nations of Africa, indeed, one of the great nations of the world.

Historically, Nigeria has been a friend of our country. This is a nation with about 80 million people—a federation like ours of 19 states, a country fairly new in its own present government.

And our distinguished guest this morning was not only a courageous fighter for liberty and independence but in his first visit to our own nation, he came here as one seeking to reconstruct the economy and the people's lives of Nigeria. He's a distinguished military man in war and also has proven himself to be a distinguished military leader in peace.

Nigeria is a country of great importance to us. There is no doubt that this is a most important nation economically in Africa. We have great trade already between our country and Nigeria, a total of about \$6 billion per year. Nigeria is a nation making great social and political progress. A new constitution has already been drafted for this great country—substantially similar to our own—providing for a president, a bicameral legislature, and the continuation of a completely independent judiciary, which has always been a part of the political life of Nigeria.

Nigeria has also moved to establish universal primary education and to use the wealth that has come from their natural resources, as has our own country in the past and at present, to enrich the lives of the people who live there.

Nigeria is a nation of great pride and also a growing leadership, not only among the nations of Africa but throughout the developing world and, indeed, throughout all nations on Earth.

We are very proud of the presence of this great leader. Seventeen years ago President Eisenhower met with the Prime Minister of Nigeria. A year later President Kennedy met with the Prime Minister of Nigeria. And now we have the head of state of a new and independent Nigeria. It's a great honor for

¹ For an exchange of toasts between President Carter and Lt. Gen. Obasanjo at a dinner at the White House on Oct. 11 and for President Carter's remarks to reporters following the departure of Lt. Gen. Obasanjo on Oct. 12, see Weekly Compilation of Presidential Documents dated Oct. 17, 1977, pp. 1526 and 1535.

us to have General Obasanjo here with us, with his leading fellow executives and diplomats, to consult with me and my own Cabinet members.

We will be probing ways of increased mutual partnership in dealing with the troubled region of the world and seeking for ways to tie our countries even closer together in a mutual partnership involving politics and economics.

I'm very proud that General Obasanjo has been able to come to our country. And I will be visiting his country in about 6 weeks. This will be the first state visit of a President to the black nations of Africa, and it's no coincidence that my point of visit will be Lagos, the capital of Nigeria.

Let me say in closing that in addition to forming mutual positions and compatible positions on matters of great moment to us and to the rest of the world, I will be seeking General Obasanjo's advice in how best we can orient our own foreign policy to accommodate the special needs, the special problems, and the special hopes of the great continent of Africa.

So, in many ways this will be a fruitful meeting for us, for Nigeria, I believe, for the continent of Africa, and for the entire world.

General Obasanjo, we are very proud to have you here. And on behalf of 215 million Americans, I extend to you our heartiest welcome and our gratitude for your superb leadership and the greatness of your country.

LT. GEN. OBASANJO

I am delighted to be here in this great country and to have the opportunity of personally conveying to you, Mr. President, the Government and the people of the United States, greetings and good wishes of the Government and people of Nigeria.

My present visit to the United States marks a new and favorable tone in the efforts to foster cooperation and amity between our two countries.

Nigeria and the United States share many common experiences. Our two countries have behind them a history of colonial rule and political struggles for independence. Both have progressive, dynamic, and resourceful peoples deeply committed to freedom, equality, social justice, and the pursuit of international peace and security. Of equal importance is the element of ethnic affinity between our two countries. I have no doubt that this visit will afford both our governments the opportunity to build upon these and the many other bonds that unite us.

We also look forward to elaborating upon the initiatives and dialogue we have started regarding the many matters of crucial importance to Africa and the world. Indeed, it is only recently that the Western powers, as a whole, have come to realize that the quest for global peace and security also involves insuring the stability and rapid development of Africa.

We in Nigeria, particularly, welcome such a realization on the part of the U.S. Government and people. We hope that our discussions will contribute toward the progress of the African Continent, a process in which your government and people can make significant and welcome contributions. In this respect, I am sure that we shall pay appropriate attention to the specific issues of the highly volatile and potentially dangerous situation in southern Africa, a situation which threatens international peace and security.

Human degradation, oppression, and deprivation, as rationalized and perpetuated in southern Africa by the racist regimes there, is a crime against which not only Africa but all mankind as a whole must fight.

Needless to say, we also attach great importance to other elements of our bilateral relations, particularly in the economic and technical spheres. We in Nigeria have embarked upon a program of economic and industrial development for the period 1975-80. We are happy to note that the major industrialized countries are already actually participating in this program. It is our hope that the United States, with its enormous

economic and technological capabilities, will find ample opportunities in the program for fuller participation.

May I express the immense appreciation of myself and my delegation to you and the Government and people of the United States for inviting us to visit you. We look forward to a happy stay in your country.

U.S., Philippine Officials Hold Discussions in Manila

*Joint Press Release*¹

Concluding two days [September 22-23] of productive consultation in which President Marcos took a direct interest, Secretary of Foreign Affairs Carlos P. Romulo and Assistant Secretary Richard Holbrooke agreed that the principles of mutual respect and mutual benefit would guide all discussions of the Philippine-U.S. relationship. Both sides agreed that the consultations had resulted in a deep understanding of the perspectives of each country over a wide range of concern and issues of common interest. Assistant Secretary Holbrooke will convey the understanding to President Carter and Secretary Vance.

Secretary Romulo and Secretary Enrile [Juan Ponce Enrile, Secretary of National Defense] will meet with Secretary Vance in the United States later this month.

¹ Issued in Manila on Sept. 24, 1977 at the conclusion of a visit by Richard C. Holbrooke, Assistant Secretary for East Asian and Pacific Affairs.

The parties agreed to undertake immediately a vigorous mutual effort to resolve irritants related to the use of the military bases used by the U.S. A joint Republic of the Philippines-U.S. task force will initiate discussions next week on measures to be undertaken through existing mechanisms to resolve outstanding problems. Beginning with perimeter security, the task force will address a series of topics such as customs control and watershed management.

The task force will consist of Undersecretary of Foreign Affairs Jose D. Ingles, Undersecretary of Defense Isabelo Castro and Undersecretary of Justice Catalino Macaraig for the Philippines. Chargé d'affaires Lee T. Stull, Rear Admiral Thomas Kildine and Major General Freddie Poston will represent the United States.

Agreement was reached on various proposals including:

—Both governments will give serious consideration to the organization of a body for policy level management of the defense relationship;

—They will improve further procedures for the notification to Philippine authorities about the disposition of cases involving concurrent criminal jurisdiction;

—They will enhance the capability of the Philippine military liaison officers to foster communication between the base authorities and concerned Filipino citizens.

The Philippine and U.S. authorities agreed that high-level consultations will continue when a new American ambassador arrives next month.

U.S. Position on International Economic Relations

*Statement by Richard N. Cooper
Under Secretary for Economic Affairs¹*

At the founding of the United Nations, and for most of the following 25 years, the focus of the international community has been on the maintenance of a peaceful world. In the period ahead, we must intensify our search for broadly shared, sustained prosperity and development. A more peaceful world will enable us to turn more attention to this goal. And our economic success can contribute to a more enduring and meaningful peace.

On behalf of President Carter, let me state our nation's firm commitment to do our part to achieve global prosperity, to help developing countries meet the needs of their people, and to work toward an international economic order based on the principles of cooperation and mutual benefit.

We live in a world where the prosperity of each nation depends upon the well-being of others—a world of economic interdependence. The growth of markets and economic activity in the developing world is an essential and growing element of the prosperity of the industrialized nations. The economic strength of the developed world is even more important for the development goals of the developing nations. This interdependence offers great challenges and, potentially, great benefits. Today I would like to elaborate on the task of managing the world economy for the common good.

Four conditions, in our view, are critical to a well-functioning world economy.

—*Economic growth*—Sustained economic expansion is the best means for meeting the needs of both the developing and the developed world. Economic growth need not bring with it unmanageable pollution, inflation, or social disruption. Economic stagnation, on the other hand, will surely lead to privation and a rising risk of world disorder.

—*Efficiency*—At each point in time, the world's productive capacity is finite. Our needs and desires greatly exceed it. To satisfy them, we must use what we have with a maximum efficiency. We cannot afford waste.

—*Equity*—The purpose of an economic system is to satisfy human wants. The rules of economic life and the distribution of economic products must be fair, both among and within nations, if the system is to function durably and for the common good.

—*Adaptability*—The growth of interdependence brings with it ever more complex and demanding problems of adapting our economies to changes. Normal economic fluctuations in one country affect its trading partners. Extraordinary changes in either the developed or developing countries, or abrupt changes in raw material or energy prices, reverberate throughout the entire world economy. Long-term changes in relative costs, such as those that occur with development, require adaptation both within and between economies. We must find ways both to avoid unnecessary economic disturbances and to make an orderly adjustment to necessary or desirable changes.

¹Made before Committee II (Economic and Financial) of the U.N. General Assembly on Oct. 14, 1977 (text from USUN press release 75 dated Oct. 14).

The world's agenda for economic policy reflects these paramount concerns. We identify five elements: demand management, financial stability, the trading environment, flows of investment and technology, and actions to alleviate poverty.

The world is emerging from the worst recession of the last 40 years. For all nations, the first priority must be to continue that recovery. The major industrial countries bear a heavy responsibility for that recovery; the U.S. economy alone accounts for one-fourth of total world economic activity, and the five largest industrial nations account for half. Strong industrial economics, able to expand imports, are essential to realize the hopes of the developing world.

The other agenda items of the North-South dialogue, important as they are, cannot succeed without orderly industrial growth and an open trading environment. By the same token, the oil-producing countries have a special responsibility not to place new loads, via price increases, on what is at the present a fragile world recovery.

The United States is determined to see the world economy resume a high and stable growth rate. We expect to achieve nearly 6 percent real growth in 1977 and are committed to maintain strong growth in 1978.

Financial Stability

A stable but resilient financial framework is essential both for continued expansion and orderly development. The five-fold increase in oil prices since 1972 has created a unique balance-of-payments situation. The Organization of Petroleum Exporting Countries (OPEC) as a group, have been earning far more than their current expenditures. For the period 1974-76 this current account surplus approximated \$140 billion.

If one group of countries has a current account surplus, the rest of the world must, by definition, have a deficit. Oil-importing countries cannot, as a group, keep their imports in line with their exports so long as the large surplus persists. Thus most of the countries of the world have had to accept a sharp deterioration in their current accounts. This problem has been especially difficult

for developing countries, whose growth plans are heavily dependent on foreign exchange.

This novel problem has demanded new solutions, in both national policy and international institutions. If all the oil-importing countries were to try to avoid current account deficits, they would succeed only in restricting trade and deepening the world recession. Instead, responsible national policy calls for countries in strong financial positions to accept current account deficits for the time being while making a maximum effort to curb their oil imports.

As a result of its economic growth and rising oil prices, the United States is running a large current account deficit. In the economic circumstances of today, this deficit contributes significantly to sustaining world economic recovery. The full impact of our efforts, however, will be affected by the actions of other industrial economics and by pricing policies of the oil-exporting developing countries.

The international financial system has performed remarkably under the sudden strains that were imposed upon it by the current account surpluses of OPEC nations and by the world recession. Without adequate financing, the efforts of the oil-importing countries to adjust would have necessitated curtailing economic growth so abruptly that it would have caused severe hardships on their populations and might well have jeopardized the political stability of a number of countries in both the developed and developing worlds. An abrupt curtailment of economic growth in borrowing countries would also have completed recovery of the world system as a whole. Given the alternatives, the concept of borrowing to avert what would have been disastrous economic contradiction can be judged to be prudent. This is true even though a substantial portion of the borrowing was, of necessity, utilized for consumption rather than investment.

To insure that the international economic system functions effectively, deficit countries must continue to have the opportunity and incentive to devise policies that will adjust their economies at a pace consistent

with the realities of their social, political, and economic situations. In this context, we believe the new supplementary financing facility proposed for the International Monetary Fund (IMF) will make an important and positive contribution not only in augmenting the capacity of the IMF to lend to its member states but also in assuring the world that a source of official financing exists on a scale sufficient to cope with any financial turbulence we are likely to encounter. We believe that the very existence of such official finance has a multiplier effect—encouraging a desirable and necessary flow of private finance.

Nevertheless, the resulting debt situation requires our close attention. Debt servicing problems have occurred in the past and can be expected to do so in the future. It is important that the international community be prepared to deal efficiently and equitably with such problems. Particularly in today's circumstances, there is a global interest in avoiding economic retrenchment by countries for reasons beyond their control. For our part, the United States will continue to cooperate in multilateral efforts to work out solutions which alleviate the debt problems of individual countries.

The Trading Environment

An open world trading system is essential to meet the needs of development and to assure the prosperity of the world economy. Already for most of the world's developing countries, and ultimately for all, trade rather than official assistance is the chief source of foreign exchange and the primary external engine of economic progress. Trade meets the tests for fruitful economic relationships: It can offer mutual benefits under fair rules contributing to economic growth, to the efficient use of limited resources, and to equity.

U.S. trade with the developing world illustrates the magnitude and benefits of trade. Close to half of our \$120 billion in imports come from developing countries. Imports from non-oil developing countries have grown by \$18 billion, or 300 percent, in the

last 7 years. U.S. exports to the non-oil-exporting developing countries during the past 2 years totaled about 25 percent of total U.S. exports—approximately the same amount we sent to the European Community, Eastern Europe, the Soviet Union, and China combined.

We now have in the multilateral trade negotiations (MTN) the opportunity to take concrete and meaningful action in the trade field. We hope before the end of this year to table working texts for agreements regarding nontariff measures. And very early next year, participants in the MTN will be tabling their offers for tariff cuts. My government is determined to seize the opportunities offered us in the next few months to move toward substantial trade liberalization. We appeal to all participant countries, developed and developing, to contribute to the success of the Tokyo Round. Much is at stake for all of us.

Since developing countries in particular have much to gain from trade liberalization, we especially urge that they intensify their participation in the negotiations and contribute significantly to the final outcome. Benefits can be maximized if they are the product of shared contributions and obligations. Indeed, we believe that the gradual assumption by developing countries of greater obligations as their development progresses is important to the maintenance and growth of an open international trading system.

In a time of high unemployment it is hard to make decisions for future trade liberalization, but it is with the long-term goal in mind of economies joined together in an open international system that we should look at what we want from each other in the MTN and in reforming the trading system.

Many developing countries emphasize their need for preferential treatment. For our part, we will continue to support the generalized system of preferences for less developed countries, and we endorse special treatment for their exports wherever feasible and appropriate. We hope, however, that the developing countries will be imaginative and forthcoming in reducing their own

measures of trade protection. While we conventionally speak of trade liberalization measures as "concessions" by one country to another, they may benefit the liberalizing country as much or more than its trading partner. When tariffs are reduced, there is a gain not just to foreign producers but to consumers in the home country and to the vigor and competitiveness of its industries.

Commodities

The current commodity negotiations, including the discussion of a common fund, show the benefits of the North-South dialogue—benefits which are both intellectual and practical. Through the discussions, we have come to a better understanding of the workings of commodity markets and the real possibilities for improvement. We have identified raw materials markets where price fluctuations may be excessive, leading to a disruptive cycle for producing countries and to an inflationary bias for the world economy.

My government believes that commodity agreements, properly conceived and managed, could stabilize prices which now are subject to excessive fluctuations. Under the auspices of U.N. Conference on Trade and Development (UNCTAD), we are actively exploring the possibilities for commodities agreements. We welcome the recent achievement of consensus on an international sugar agreement. We are prepared to join any commodity agreement which would be efficient and fair, and we support a common fund to facilitate the financing of buffer stocks arising from these agreements.

For some commodities, buffer stocks or other price stabilization measures may not be practical. We will work, together with interested countries and the world and regional development banks, for other measures of assistance—productivity improvement, research into new and improved uses, and market development diversification.

Commodity agreements alone cannot meet the problem of instability of export earnings among developing countries. The Compensatory Financing Facility of the International

Monetary Fund is designed to help meet temporary balance-of-payments problems due to reduced return on exports. We believe this facility has played an important stabilizing role in the world economy, and we will join with other countries in reviewing proposals for any necessary improvements.

Energy

The world has begun a fundamental transition from an energy system relying on fossil fuels to one increasingly based on alternative energy supplies, including especially renewable energy sources. During this transition, we believe that cooperation between consumers and producers is essential on questions of conservation, supply, and research and development of new sources.

The Administration's energy program addresses our own domestic energy transition. With the program, the United States will reduce its dependency on oil imports and improve its balance of payments while contributing to price and payments stability in the world economy. The aim, through a combination of conservation and development of new supplies, is to reduce U.S. imports of oil to 6 million barrels a day by 1985 without impeding growth in our economy.

For the developing world, the price of oil is the key immediate question. While bringing higher revenues and accelerated development to the oil-producing states, the sharp increases in oil prices during the last few years have had devastating effects on the rest of the world, and especially on the other developing countries. Apart from the direct cost of oil imports, these countries have been hurt by the world recession aggravated by the oil price hikes. The oil-producing states, which also have ambitious development plans and in some cases large investments in the world economy, are themselves damaged by the inflation and recession which have resulted from abrupt price escalation.

Solving the energy problem will require measures of restraint and sacrifice by all the nations of the world; intense conservation efforts by oil consumers, especially the

United States with its extraordinarily high consumption; joint research and development efforts for renewable energy resources and for the peaceful use of nuclear energy; and restraint on the price of energy by producers.

We stand ready to help developing countries in energy development. The World Bank should be encouraged to devote some of its growing resources to the development of conventional sources of energy and to working out new modes of cooperation between host governments, private capital, and international lending institutions. Beyond that we are prepared to consider constructively any proposals for joint research on energy.

Food

The international trade in food provides the most telling instance of world interdependence. With a predictable range of prices and adequate reserves, the world agricultural economy can meet people's needs and adjust to the unpredictability of climate.

The United States is committed to reach an international agreement for wheat that will establish a system of nationally held reserves and will reduce extreme price fluctuation. We pledge our food abundance, through increasing quantities of food aid, to help food deficit countries in time of need.

The United States has ratified the agreement establishing the International Fund for Agricultural Development and has deposited its contribution [October 4, 1977]. We hope the institution can begin operations during this Assembly. We wish to encourage increased emphasis on agriculture by other development lending institutions, and we aim at an enhanced bilateral program, including a special and major effort to increase food production capabilities in the African Sahel.

Investment and Technology Transfer

Sustained growth in the developing world will require immense investment. The opportunities are abundant, both for the efficient use of international capital and for pri-

ate investment on terms satisfactory both to the host country and the investor.

—Private bank and nonbank lending has increased enormously in recent years. This development is praiseworthy, and we support further prudent expansion of the use of private capital markets.

—The work of the international lending institutions has been bold, efficient, and indispensable. They provide a useful bridge between private lenders and public borrowers. We support their expansion.

—Investors and host countries alike can benefit from discourse and consensus on the conditions of private investment and the rights and responsibilities of both parties. We support internationally agreed guidelines for private investment. The United States continues to participate actively in the work of the U.N. Center for Transnational Corporations regarding a code of conduct. Reduced uncertainty and risk will make investment more attractive to all concerned. We believe, however, the guidelines should be legally binding only in areas where there is broad international consensus on the standards to be applied and where the subject matter is amenable to such agreements. For example, we support an international convention against illicit payments which would involve binding agreements concerning criminal law.

—Technological improvements have been the last cornerstone of mankind's progress during the last two centuries. It will continue to be crucial to economic development. We strongly support the transfer of technology in furtherance of development.

Much technological information is publicly available and our joint task is to develop the human capital required to receive and apply it. We have over 150,000 students from developing countries in our universities as part of this process, and we welcome that.

Some technological knowledge is proprietary, the result of the application of effort by private individuals and firms. Protection of their rights of discovery is essential to the continuing process of innovation. We support the effort to develop a voluntary code

which would provide adequate protection of proprietary technology without creating anticompetitive conditions.

A code on technology transfer will serve no purpose, however, if its terms are so structured that the owners of technology have no incentive to engage in the costly process of producing new technology. We must all create a framework which reflects the mutual interest of owners and potential purchasers.

The ultimate objective should be the development of a self-sustaining, indigenous capacity for innovation and technological adaptation. This will require imaginative and flexible national policies and international endeavors. The 1979 U.N. Conference on Science and Technology for Development will provide an important focus for international cooperation. We offered to host the conference in the United States in order to give the conference the fullest benefit of American experience, including especially that of the private sector—universities, industry, research foundations, and the scientific and engineering communities.

Alleviation of Poverty

In addition to the concern of the United States for the effective management of the global economy, my country is deeply committed to the alleviation of poverty, at home and around the globe. President Carter is determined to see that poverty is substantially reduced in the United States and to see that the United States contributes significantly to improving the economic conditions of poor people everywhere.

The global problem of poverty must be attacked in two parallel ways: by accelerating growth in developing countries and by channeling more of that growth to meeting the basic human needs of the poorest people. Though domestic savings, private capital, and technology must play the key role in most countries, bilateral and multilateral concessional assistance will be critical to the development prospects of many countries.

The United States is committed to a substantial increase in official development as-

sistance and to improving its quality and effectiveness. Our foreign assistance appropriation bill currently in the Congress contains provision for substantial increases in our concessional assistance. We are committed to contributing \$2.4 billion, or 31 percent, to the fifth replenishment for the International Development Association. Along with other donor countries, we will support an increase in the capital of the World Bank to enable it to increase its lending in real terms. An increase in the capital structure of the International Finance Corporation has been approved. We will also continue to participate in providing resources for the regional banks.

But the effectiveness of the U.S. concessional assistance and that of other countries will depend on efforts by the recipient countries. These countries have the obligation to use these resources productively and to insure that the economic benefits derived from them flow to all segments of their population. For success in the longer run, moreover, high birthrates must be reduced as mortality declines and longevity increases.

In my government's view, the satisfaction of basic human needs in all countries must be an integral part of the international economic system. We should strive to help poor people everywhere to attain such basic amenities as food, health, and basic education. It is a strategy for development to enable the poor to engage in productive work, to contribute to and benefit from the growth of their country's economy, and to participate in decisions affecting their daily lives.

The needs of people are not restricted to economic ones. Basic human rights are as important as economic rights. The two are not separable. One without the other loses meaning.

Before the concept of basic human needs can be fully translated into reality, all countries must examine it in the light of their own experience. The United States will direct most of its bilateral assistance toward basic human needs, and we encourage other nations to do the same. We welcome the World Bank's new emphasis in this direc-

tion, although it still has an important role to play in traditional lending to improve infrastructure. We are pleased that in the U.N. General Assembly, several developing countries' spokesmen have endorsed the concept of basic human needs. In fact, the developing countries working through the U.N. system helped pioneer the concept of basic human needs. Clearly this is a shared goal and a shared responsibility—an aspiration and a program for men of good will in all nations.

Role of the United Nations

The United Nations has a distinctive and important role to play in the international economy. Negotiations on key economic issues are taking place in the functional bodies of the U.N. system. But the United Nations has acquired new importance in the economic field at a different level. Increasingly, the discussions in the General Assembly are focused on major economic questions. We all recognize that the fates and futures of all our countries are linked and that the solutions to economic problems must be seen as a whole.

Our efforts in the United Nations to devise a new global strategy should focus on a central problem; management of the complicated and integrated world economy is a joint responsibility of all nations. No one nation or group of nations can assume all of the obligations. No nation or group of nations can demand all the benefits. We all must do our share. Increasingly, each of us finds that attempts to pursue policies based on narrow self-interest can be thwarted by others.

Methods of making international economic decisions must change to reflect these new realities and to prepare for future changes in the international economic situation. We must find new ways to consult and coordinate our domestic and international economic policies. We must involve countries that were not meaningfully involved before. I hope that this General Assembly in its global economic dialogue can begin to build new means of economic policy consultation and coordination.

This General Assembly has three momentous tasks before it:

—To launch a new productive dialogue on world economic issues;

—To establish an approach to an international development strategy for the 1980's and perhaps beyond; and

—To consider the report of Chairman Dadzie [Kenneth K. S. Dadzie of Ghana] of the ECOSOC Ad Hoc Committee on the Restructuring of the Economic and Social Sectors of the United Nations System.

The manner in which this Assembly disposes of these issues will set a measure of effectiveness of the United Nations on economic matters.

The Paris Conference on International Economic Cooperation [December 1975-June 1977] was often described as the North-South dialogue—a process of negotiation between developed and developing countries. Let us now break with the past and take an important step beyond. Let the new dialogue not be between North and South but among all nations. Let us concentrate it on our mutual interests and concerns and on the management of a global economy whose progress affects us all and is the responsibility of us all.

Dialogue involves two distinct, though interrelated, tasks. The first is consultation—explaining to each other our ideas and positions. The second is negotiation—the process of arriving at concrete agreements. In both of these functions the U.N. system must play a key role. It is certainly the most fully representative forum for carrying on the global dialogue.

How should these two functions—consultation and negotiation—be divided among the various entities of the U.N. system? Clearly the General Assembly, the U.N. Economic and Social Council (ECOSOC), and other broad policy bodies are appropriate forums for airing and exchanging views. Clearly the more specialized bodies are appropriate for negotiations. But what is the bridge between the two?

Our delegations discussed these problems to some extent at the resumed 31st Session

of the General Assembly. The Charter of the United Nations empowers the Assembly—and the ECOSOC too—to “initiate studies” and “make recommendations” and “promote solutions” to international economic and social problems. In so doing it has sometimes generated useful activity in other forums and has encouraged governments to move. However, its role is not to negotiate precise agreements nor to place unreasonable restraints on the negotiations in other forums.

Success in specific negotiations comes when the participants themselves willingly agree in the forum in which they are negotiating. The role for the General Assembly must be carefully conceived within the Assembly's charter mandate. This role should be to stimulate, periodically review, and facilitate the negotiation process. The Assembly, whose decisions are recommendatory, can influence events and promote solutions if we strive harder to reach a genuine consensus on subsequent steps that governments are willing to undertake. It is these subsequent steps that will produce the changes we seek.

To place the overview role in a body representative of the entire membership is understandable and justifiable since every country has a major stake in the dialogue and the negotiation process. But here we face a dilemma. In these issues each of us has a stake and deserves a voice. At the same time, if we all speak, no one is heard. We have solved this problem in other areas and I believe we can solve it here. We might consider various possibilities, including formal or informal smaller bodies within the U.N. system to assist in performing the overview role. My delegation is open to suggestions others may have on this issue.

We have the task of designating appropriate machinery and processes to elaborate a new international development strategy for the Third U.N. Development Decade. The United States wants a truly constructive approach to the long-range questions of development and international economic cooperation that will give us positive guidelines and inspiration for the difficult road ahead.

The United States strongly supports the objectives of restructuring and reform of the U.N. economic and social sectors. Reforms of the United Nations will permit more active support and utilization of U.N. bodies. More effective management of institutions should be a worldwide cause. We must be able to make the most efficient use of the precious and increasing resources now being committed to development. With proper steps involving budget and program reform, consolidation, and effective internal and external evaluation, the United Nations can play a more important role. Without these steps, donors and recipients will select alternative approaches. This is a fundamental issue the membership must face in dealing with the restructuring role.

We need also to look carefully at salaries throughout the U.N. system. Increasingly, the organization's goals are helping the needy and the impoverished. We must consider the salary issue from that perspective. And we all must take greater care in the placement of personnel in the U.N. system. We need the best that the world has to offer. We already get some of the best. But we need more; and indeed we have the entire world to draw upon. New screening mechanisms should be explored to insure that the right person is placed in the appropriate job. This is another issue in which we welcome the views of others.

Most important of all, if the United Nations is to be effective, its member nations will have to adopt new attitudes toward it. I believe this has already begun to happen. But we must build on what has already been accomplished in the following ways.

—First, we all must make a commitment to use the United Nations in areas of substantive concern. We must send high-level officials and experts from capitals to become engaged in the U.N. policy process. We must improve the quality and substantive content of our involvement.

—Second, we must make the development of resolutions of the General Assembly and its Economic and Social Council a more careful and substantively useful process. The

currency of U.N. resolutions is debased when a consensus is achieved in this body only by means of deliberate ambiguity. We must all look harder at our national positions to see if, through extra effort, real consensus can be developed.

—Third, consensus in the United Nations should produce effects. This institution can pass many resolutions by simple majority rule. But often what we are seeking in the economic field is a long-term result that cannot be attained by majority votes. Our common approach to economic issues must reflect a mutual interest if it is to be effective. All of us, in seeking consensus on economic issues, need to aim to affect those major elements of the economic system—both in the developed and developing countries—that can help us attain our goals. Some of these cannot be forced but they can be encouraged. An economic result is what we seek. A consensus that means subsequent effective action is the kind of consensus the Administration will work for.

Let us take some important steps forward at this General Assembly to reach a better understanding of our economic and social problems and the means by which we might solve them. The United States is committed to this effort. We look forward to our involvement with others in this endeavor.

International Monetary System

Following is a statement by Paul H. Boeker, Acting Assistant Secretary for Economic and Business Affairs, made before the Subcommittee on Foreign Economic Policy of the Senate Foreign Relations Committee on September 23.¹

I appreciate the opportunity to appear before your subcommittee this morning to discuss issues related to the international monetary system. I would like to comment on re-

¹ 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.

cent developments in the world economy and on the large imbalances which now characterize international payments.

In viewing the international economic scene in 1977, the following conclusions appear warranted.

—The international monetary system has performed well under the sudden strains that were imposed upon it by the shocks of 1973–75, including a sharp upsurge in prices and costs generally, the most severe recession of the postwar era, and sharply higher oil prices. These shocks were contained in significant part because the international system enabled countries to obtain the borrowings necessary to cushion the economic adjustments, enabling their impact to be distributed over a number of years.

—Without adequate external financing, deficit countries would have been compelled to attempt an adjustment so abrupt that it would have imposed severe austerity on their populations and jeopardized the political stability of a number of countries.

—The impact of an abrupt slowdown of economic growth in deficit countries would quickly have spread to stronger economies, complicating recovery worldwide. Given the alternative of a severe economic contraction, large-scale borrowing, from the systemic standpoint, can be considered to have been prudent.

—Since it appears that large international payments imbalances will last at least through this decade, we face a period of prolonged economic adjustment and structural change. During this period, it will be important to insure a reasonable distribution of the payments deficits in accordance with the underlying productive potential of individual countries and their ability to sustain additional debt.

—Yet we cannot expect the current scale or distribution of borrowing to continue indefinitely. The current financial imbalance of the OPEC countries [Organization of Petroleum Exporting Countries] with the rest of the world must be reduced. Given the low absorptive capacity for imports of a few important OPEC countries, the reduction cannot be accomplished fully without restrain-

ing industrial countries' imports of oil. Thus the ultimate adjustment is an energy adjustment, not a financial one, and the President's proposal for a wide-ranging program to reduce dependency on imported oil remains the critical step toward preserving a stable international economy.

In broader perspective, the accomplishment of our foreign policy objectives depends in large measure on a strong and healthy world economy, underpinned by a viable international monetary system. The health of our own economy, which is increasingly influenced by international exchange, obviously bolsters an effective foreign policy.

While the international monetary system is still basically sound, this does not justify a policy of complacency. Care must be taken to insure individual problem situations are treated efficiently and in the context of global economic circumstances. In particular, we must recognize that the large payments imbalances have created a different world environment than in the past and that the task of backstopping the world financial system now entails greater responsibilities for many countries.

Many countries have adopted policies which are bringing their balance of payments into a sustainable pattern. In other countries, however, stabilization programs have achieved only limited progress to date and additional time is necessary to restore equilibrium. There are other countries which still face large payments deficits but have only begun to develop adjustment policies. Unless adjustments are made, countries may not be able to obtain the financing they need and thus could be forced into taking disruptive measures which would be harmful to their own economies and to the world in general.

Some of the most difficult adjustment problems are found in industrial democracies. Some larger OECD countries [Organization for Economic Cooperation and Development] have experienced large payments deficits over the past few years. Another prominent feature of the current payments situation is the large and persis-

tent current account deficit attributable to the smaller OECD economies.

Last year, the current deficit of 12 smaller OECD economies, which ran at about \$14 billion in 1974 and 1975, widened to over \$18 billion. Only a marginal improvement in the situation is expected during 1977.

While the collective deficit of these smaller OECD economies rose sharply with the onset of the global recession and the oil crisis, a major impact of the events of 1973-75 was to intensify fundamental weaknesses already inherent in individual country economies. While some countries attempted the necessary and often difficult steps to adjust, others discovered they were unable to do so mainly because of domestic economic and political factors.

Individual country efforts to maintain employment and social benefits led to a more rapid expansion of domestic demand than in the larger OECD countries, and rising production costs made exports less competitive. The cumulative deterioration of the terms of trade of the smaller OECD countries since 1973 has, moreover, been greater than that for any other major group of countries. Rapid political change in some countries also complicated the adjustment process and impelled some countries to seek a longer horizon for economic adjustment than might otherwise have been possible.

In general, I think, we have seen that rapid economic adjustment is a task in which young democracies face particular constraints that need to be recognized if the adjustment process is to achieve its political and social objectives as well as that of economic stability.

While there is great diversity among the economies of the smaller OECD countries, the Portuguese situation has been illustrative of the variety of factors, including—but by no means confined to—oil, which have defined the adjustment problem.

The 1974 revolution in Portugal destroyed old political structures but did not provide a firm political-economic base to cope with a rapidly changing situation. The resulting political instability exacerbated economic disruptions and further reduced output at a

time when demands were greatest. Capital flight in the year or so after the revolution was significant. The political-economic challenge was further increased by the return to Portugal of over half a million refugees from the colonies, a loss of all export markets in former territories, and a sharp drop in foreign tourism and emigrant remittances. As a result of these events—some of them linked to problems in the world economy, some of them linked to events peculiar to Portugal—Portugal had to embark on an economic adjustment strategy that could achieve its objectives only over a horizon of several years and with considerable external financing. In the absence of something like the proposed supplementary financing facility in the International Monetary Fund (IMF), the community of concerned countries readily agreed that extraordinary balance-of-payments financing was required despite significant economic adjustment by the Portuguese. This \$750 million multilateral financing program for Portugal has been concluded, including a \$300 million U.S. contribution approved by the House and the Senate. Yet this ad hoc approach obviously cannot be repeated in a number of countries. A systemic, multilateral approach, with appropriate burden sharing, is needed.

The financial condition of OECD countries is a pivotal element affecting a broad range of U.S. foreign policy objectives. Yet the situation of many industrial countries is now characterized by only moderate growth with varying combinations of high unemployment and inflation.

It is encouraging, however, that there is a unanimous consensus among OECD countries that a retreat into purely nationalistic economic policies would be self-defeating. The United States and other countries are, therefore, committed strongly to the maintenance of an open and cooperative economic system.

This entails specific responsibilities on all member states, particularly on the stronger economies. To insure our system is able to continue functioning effectively, deficit countries must be given an opportunity to adjust their economies at a pace consistent with the realities of their social, political,

and economic situations. Indeed, such adjustment measures are essential elements for any program geared to longer run economic growth and employment, and delays in dealing with them could be very costly.

The availability of external financing sufficient to cushion the necessary adjustment will be a critical element for the continued efficient operation of the monetary system. Private capital markets have provided the bulk of balance-of-payments financing to deficit countries. This trend is expected to continue in the period ahead. But because some individual countries may not be able to obtain all the financing required from the private market, there is also a critical need for adequate official financing to support and encourage adjustment programs.

An essential purpose of the International Monetary Fund is to provide members with an opportunity to correct maladjustments in their external sector—subject to adequate conditionality—and to help them do so without resort to protectionist measures. IMF borrowings in the 1974–76 period totaled about \$15 billion, or roughly 7 percent of total financing extended over the period.

Adjustment needs remain large. At the same time, the IMF's greatly increased activity has caused a depletion of its available resources. IMF usable resources are at present extremely low, at about \$5 billion. These usable resources will be increased by about \$6 or \$7 billion with the coming into effect of the sixth quota review. In addition, about \$3 billion remains uncommitted through the general arrangements to borrow.

In the period ahead, need for IMF lending may well be greater. For this reason, the Administration strongly has urged the Congress to authorize U.S. participation in the IMF's supplementary financing facility.² This facility is necessary to assure that the IMF has adequate resources to meet potential official financing needs, to encourage countries to adopt the corrective policies that are associated with IMF stand-by ar-

² For the text of a statement on U.S. participation in the facility by Richard N. Cooper, Under Secretary for Economic Affairs, on Sept. 20, 1977, see BULLETIN of Nov. 7, 1977, p. 645.

rangements, and to provide the confidence that is necessary for adequate functioning of private markets which should remain the principal source of financing.

By showing that the major countries, both industrial nations and OPEC members, are cooperating to enhance the well-being of other countries and of the international economic system, the new facility will make an important contribution to international stability and progress.

Multinational Corporations

*A Foreign Relations Outline*¹

Multinational corporations (MNC's) have been the focus of national and international attention. There has been criticism in the developed countries of certain aspects of MNC behavior; however, these countries have recognized the positive contributions of MNC's, and have continued their general support of the basic objective of preserving an international system in which trade and capital flows are largely market-determined.

In contrast, some developing countries assume the existence of an adversary relationship between MNC's and host countries, with the economic power of the former pitted against the allegedly weaker sovereign power of the latter. A number of developing countries thus maintain that the system needs to be changed to strengthen their bargaining power vis-a-vis MNC's and to increase their share of the benefits of international investment.

U.S. Policy

The United States has long held that a largely open international economic system without government intervention provides the most efficient allocation of resources. The fundamental U.S. policy on international investment, therefore, is neither to

promote nor discourage inward nor outward investment through government intervention. We respect the right of each country to determine the climate in which foreign investment takes place within its borders, even though a liberal and stable investment climate clearly facilitates international flows of capital and technology.

The United States supports the development of international guidelines or principles of behavior for governments and MNC's. Such guidelines can affirm standards of good practice for both enterprises and governments, contribute to improved relations between them, and limit unilateral government intervention in investment. They can reduce conflicts between governments over investment issues, thereby strengthening the liberal climate for international direct investment.

The United States can support guidelines or codes relating to MNC's which:

—Are voluntary;

—Do not discriminate against MNC's, as compared to purely national enterprises;

—Are balanced to include references to the responsibilities of governments as well as of MNC's; and

—Apply to all enterprises regardless of whether their ownership is private, government, or mixed.

International Action

A number of international organizations have MNC issues under review, but the most significant activities have taken place in the Organization for Economic Cooperation and Development (OECD), the United Nations, and the International Labor Organization (ILO).

The OECD has developed guidelines for MNC's as part of a broader understanding on investment issues. On June 21, 1974, the OECD Ministers signed a Declaration on International Investment and Multinational Enterprises, which includes several interrelated elements:

—A reaffirmation by OECD members that a liberal international investment climate is in the common interest of the industrial countries;

¹ Based on a Department of State publication in the GIST series, released in August 1977. This outline is designed to be a quick reference aid on U.S. foreign relations. It is not intended as a comprehensive U.S. foreign policy statement.

—An agreement that they should give equal treatment to foreign-controlled and national enterprises;

—A decision to cooperate to avoid “beggar-thy-neighbor” actions pulling or pushing particular investments in or out of their jurisdictions;

—A set of voluntary guidelines, defining standards for good business conduct, which the Ministers collectively recommended to MNC’s operating in their territories; and

—A consultative process under each of the above elements of the investment agreement.

The U.N. focus on MNC’s is in its Commission on Transnational Corporations and the related Center on Transnational Corporations. The Commission agreed in March 1976 to give top priority to the formulation of a code of conduct for MNC’s. Its inter-governmental working group accepted an outline at the second meeting, and the working group chairman submitted his own draft annotations although they were not accepted. Due to fundamental differences between developed and developing countries over the substance of the proposed code, there is some doubt as to whether the spring 1978 target date for a draft code will be met.

The ILO, like the OECD, has made significant progress for future relations between MNC’s and governments. A Tripartite Declaration of Principles Concerning Multinational Enterprises and Social Policy was completed in April 1977 and was approved by the Tripartite Advisory Committee the same month. It will be acted on by the ILO Governing Council in November. The Declaration is a constructive and balanced document, strongly supportive of such principles as freedom of association and equality of treatment in employment. It also embodies a number of principles contained in the OECD investment package.

Illicit Payments

Although a broader issue, the problem of illicit payments has added to the controversy

over the role of MNC’s. The United States has pressed for vigorous domestic and international action to correct this problem. As a result of a U.S. initiative, the U.N. Economic and Social Council (ECOSOC) decided in August 1976 to establish a group of experts to work on an international agreement to deter such payments.

In August 1977 ECOSOC agreed to continue and expand the working group. The working group is to report to the Council next August, and the Council recommended that the General Assembly decide, when appropriate, to convene a diplomatic conference to conclude an agreement.

TREATY INFORMATION

Reciprocal Fisheries Agreement With the United Kingdom

*Message from President Carter*¹

To the Senate of the United States:

I am pleased to transmit for the advice and consent of the Senate to ratification the Reciprocal Fisheries Agreement between the Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland. The Agreement was signed, and an accompanying Agreed Minute initialed, in Washington, D.C. on June 24, 1977.

The Agreement provides United States commercial fishermen access to the new 200 mile fishery zone of the British Virgin Islands and commercial fishermen of the British Virgin Islands access to the 200 mile

¹ Transmitted on Oct. 7, 1977 (text from Weekly Compilation of Presidential Documents dated Oct. 10); also printed as S. Ex. O, which includes the report from the Department of State.

United States fishery conservation zone. It secures the United States objective of providing for U.S. commercial fishermen the opportunity to continue fishing at traditional levels in areas which have recently become subject to the fishery jurisdiction of the British Virgin Islands. The Agreement reflects the close ties which exist in the Caribbean area between the United States and the British Virgin Islands.

I also transmit for the information of the Senate the report of the Department of State with respect to the Agreement.

I urge the Senate to consider the Agreement at an early date and to give its advice and consent to ratification.

JIMMY CARTER.

THE WHITE HOUSE, *October 7, 1977.*

Current Actions

MULTILATERAL

Aviation

Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591). Done at Montreal October 16, 1974.¹

Acceptance deposited: United States, October 19, 1977.

Health

Amendments to Articles 24 and 25 of the Constitution of the World Health Organization of July 22, 1946, as amended (TIAS 1808, 4643, 8086). Adopted at Geneva May 17, 1976.¹

Acceptance deposited: Netherlands, October 18, 1977.

Human Rights

American convention on human rights. ("Pact of San José, Costa Rica.") Done at San José November 22, 1969.¹

Adherence deposited: Haiti, September 27, 1977.

Marriage

Convention on consent to marriage, minimum age for marriage, and registration of marriages. Done at New York December 10, 1962. Entered into force December 9, 1964.²

Accession deposited: Iceland, October 18, 1977.

Satellite Communications System

Agreement relating to the International Telecommuni-

cations Satellite Organization (INTELSAT), with annex. Done at Washington August 20, 1971. Entered into force February 12, 1973. TIAS 7532.

Accessions deposited: Congo (Brazzaville), October 26, 1977; Upper Volta, October 27, 1977.

Operating agreement relating to the International Telecommunications Satellite Organization (INTELSAT), with annex. Done at Washington August 20, 1971. Entered into force February 12, 1973. TIAS 7532.

Signatures: Congo (Brazzaville), October 26, 1977; Office des Postes et Télécommunications de Haute-Volta of Upper Volta, October 27, 1977.

BILATERAL

France

General security of information agreement. Signed at Paris September 7, 1977. Entered into force September 7, 1977.

PUBLICATIONS

GPO Sales Publications

Publications may be ordered by catalog or stock number from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders. Prices shown below, which include domestic postage, are subject to change.

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Irrigation Systems and Land Development. Agreement with Indonesia. TIAS 8584. 41 pp. \$1.40. (Cat. No. S9.10:8584).

Technical Services. Agreement with Pakistan. TIAS 8588. 17 pp. \$1.00. (Cat. No. S9.10:8588).

Economic Stability. Agreement with Jordan. TIAS 8589. 3 pp. 60¢. (Cat. No. S9.10:8589).

Assistance to Kabul University. Agreement with Afghanistan. TIAS 8590. 11 pp. 80¢. (Cat. No. S9.10:8590).

Deep Sea Drilling Project. Memorandum of Understanding with Great Britain and Northern Ireland. TIAS 8591. 4 pp. 50¢. (Cat. No. S9.10:8591).

¹ Not in force.

² Not in force for the United States.

Deep Sea Drilling Project. Memorandum of Understanding with Japan. TIAS 8592. 4 pp. 50¢. (Cat. No. S9.10:8592).

Certain Aeronautical Facilities and Services in Greenland. Agreement with Denmark. TIAS 8593. 9 pp. 70¢. (Cat. No. S9.10:8593).

Technology Transfer and Manpower Development. Agreement with Egypt. TIAS 8595. 20 pp. \$1.00. (Cat. No. S9.10:8595).

Scientific and Technical Assistance. Memorandum of Understanding with the State of Sao Paulo, Brazil. TIAS 8596. 29 pp. \$1.20. (Cat. No. S9.10:8596).

Agricultural Commodities. Agreement with Haiti. TIAS 8601. 11 pp. 80¢. (Cat. No. S9.10:8601).

Furnishing of Defense Articles and Services. Agreement with Jordan. TIAS 8602. 3 pp. 50¢. (Cat. No. S9.10:8602).

Air Charter Services. Agreement with the United Kingdom of Great Britain and Northern Ireland. Renewing and Amending the Memorandum of Understanding of April 28, 1976. TIAS 8603. 4 pp. 60¢. (Cat. No. S9.10:8603).

Intergovernmental Maritime Consultative Organization (IMCO)—Amendments to the Convention of March 6, 1948 with other Governments. TIAS 8606. 12 pp. 80¢. (Cat. No. S9.10:8606).

Radio Communications Between Amateur Stations on Behalf of Third Parties. Arrangement with the International Telecommunication Union. TIAS 8608. 2 pp. 50¢. (Cat. No. S9.10:8608).

Development of Korea Standards Research Institute. Memorandum of Understanding with the Republic of Korea. TIAS 8609. 5 pp. 60¢. (Cat. No. S9.10:8609).

Checklist of Department of State Press Releases: October 24–30

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

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| *483 | 10/26 | Advisory Committee on International Intellectual Property, Nov. 9. |
| *484 | 10/26 | David D. Newsom sworn in as Ambassador to the Philippines (biographic data). |
| 485 | | (Cancelled) |
| *486 | 10/28 | George W. Landau sworn in as Ambassador to Chile (biographic data). |
| *487 | 10/27 | John D. Negroponte sworn in as Ambassador for Oceans and Fisheries Affairs (biographic data). |
| †488 | 10/28 | U.S., France Cooperative Program on Oceanography. |
| †489 | 10/28 | U.S. contributes \$450,000 to Oga-den relief appeal. |
| *490 | 10/28 | Renegotiation of the International Convention for the High Seas Fisheries of the North Pacific. |
| *491 | 10/28 | Sally Shelton to address the Gulf Coast Council, Galveston, Nov. 3. |

* Not printed.

† Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE BULLETIN

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November 21, 1977

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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Secretary Vance's News Conference of November 2

Following is the transcript of Secretary Vance's news conference at the Department of State on November 2.

Press release 497 dated November 2

Secretary Vance: Good morning. I have one brief statement I would like to make before we go into the question and answer part of our session.

I think, as most of you know, this morning President Brezhnev at the opening of the Soviet 60th anniversary made an important speech. We have not yet had time to study the full text of the speech, but we do share his view that there should be a downturn in the arms race.

We welcome President Brezhnev's statement on a moratorium on peaceful nuclear explosions. It will have a useful effect on the current negotiations toward a comprehensive test ban. The proposal which he made is in the direction of what we have been talking about for several months on the need to include all kinds of nuclear explosions, including so-called peaceful nuclear explosions, in a comprehensive test ban. We will, of course, want to take a look at the details of his proposals before I can comment further.

Q. I would like to follow that up. In his speech, he used the phrase, "a moratorium for a definite period." That seems to be a temporary suspension.

First, does that differ from the American position? And, second, in that same speech he said—and I am quoting him—"if attempts are made to lecture each other between the United States and the Soviet Union, the result will only be a buildup of distrust and hostility." Are we interceding with the Soviet Union in any form to help protect the dissidents?

Secretary Vance: All right, let me answer both of your questions, and I will take them in the order in which you put them.

First, my understanding of his proposal is that the moratorium would go into effect and would last through the period of the comprehensive test ban. The comprehensive test ban which we have been negotiating would be for a period of time. It would not be open ended. And I think that is what is meant by the language which he has used.

Secondly, you asked about the question, have we interceded with the Soviet Union with respect to individuals in the Soviet Union. The answer is: yes, we have. We have done so on a number of occasions, and we have done so recently, as well as a number of times in the past.

Q. Do you consider that statement then by President Brezhnev to be a response to your intercession?

Secretary Vance: I would have to study it more carefully. I simply don't know from the brief part that you have read to me.

Q. Has the Administration suggested that going ahead with these pending trials might endanger bilateral relations?

Secretary Vance: Let me say that we have discussed the question of the possibility of the trials with the Soviet Union. We have not—as has been suggested in stories which I have seen in the press—made any linkage between that and our discussions in SALT [Strategic Arms Limitation Talks]. But we have indicated that we view this question with great seriousness and have brought this formally to their attention.

Q. What did they reply?

Secretary Vance: I really do not wish to go into our discussion. I do not think it would be helpful.

Q. What period of time, how long, would be the comprehensive test ban? Can you give a range?

Secretary Vance: That is a question which is still under discussion between us. We would like to see it for a period of at least 4 or 5 years. The Soviets have suggested a shorter period of time, but this is something which has to be worked out.

Q. Could you bring us up to date on your discussions with the various parties on the likelihood of a Geneva peace conference this year?

Secretary Vance: Yes. Since we last met, I have had extensive discussions with the foreign ministers of all of the countries involved in the Middle East negotiations. In addition to that, there have been exchanges of cables between our countries and communications from the President to the chiefs of government of each of those countries.

The key questions which remain for resolution are, as I think most of you know, the question of how the composition of the Palestinian element of a united Arab delegation would be formed. The second is the final form of the working groups which would be needed to carry out the work of the Geneva conference after the opening sessions.

We have not completed our discussions with the parties on these two issues, and we are, as I have indicated, in almost constant and daily discussion through cables with them.

Q. I would like to come back, if I may, to the comment you made in answer to a question about the dissidents. A number of commentators some months ago have predicted that, once progress was made in the SALT talks, the Soviets would feel they would have a free hand in dealing with the dissidents and would in fact put some of these people on trial.

You have said that we have not made any linkage between that and the SALT negotiations. Is there, in your view, even though we haven't expressed this to them, any connection between the way they treat their own citizens or their own dissidents and improvement or progress in the overall area of U.S.-Soviet relations?

Secretary Vance: Let me say, as I have said before, that insofar as SALT and the treatment of the dissidents is concerned, I do not

think that there is any linkage. I do not think in the past that there was, and I do not think that there is now.

I think that the question of human rights has, as I have previously indicated, been a subject on which there was a difference of view, obviously, between ourselves and the Soviet Union. We have made clear our views to them on this subject, pointing out that we were not trying to single them out but, where we saw cases which we felt were important and must be dealt with, that we would not be hesitant to bring them to their attention or to speak out publicly on them, and we have done just that.

Q. Can you go beyond the question of getting Geneva convened and tell us where we stand on the prospects of what might come out of Geneva? Are we actually working on that next step, or are we just hoping to get them started talking and then hoping something will come out?

Secretary Vance: I would be delighted to, but let me just start back a little bit further and tell you what our objectives are here.

We are seeking a lasting peace. All of the leaders in the Middle East who are involved in these discussions agree that the only way to do this is to do it by seeking a comprehensive agreement or agreements.

Next, in order to get such comprehensive agreements, it is necessary to deal with three basic issues: the nature of peace; the question of withdrawals and borders; and, thirdly, the Palestinian question. All three of these issues have to be dealt with if one is to get a comprehensive and a lasting peace. It cannot be done if any one of these three is not dealt with.

Now, in order to get down to serious discussions on these various issues, one first has to get to the bargaining table. That is why it is essential to overcome the obstacles which we have been working so hard on in order to get us to the bargaining table where we could then deal with these fundamental, serious questions.

We have had discussions with each of the parties on the underlying substantive issues and how they might affect each of those coun-

tries in respect of peace treaties which would come out of a Geneva conference. We have had extensive discussions on these, and I can say in all candor that I think that a foundation is being laid that will be very helpful when we get to Geneva to move right on to a discussion of those questions.

Let me say one further thing, if I might. In all of this, I want to emphasize that we are committed to the security of Israel, and there has never been a moment of doubt upon this. I have seen comment in the press which has raised questions about this. And therefore I want to take this opportunity to lay this question to rest once and for all. There is no question at all that we are committed fully to the security of Israel.

Q. Given that commitment, as you say, to the security of Israel, how do you explain the anxiety on the part of the Israelis with certain steps taken by the United States?

Secretary Vance: I think as one moves forward toward negotiations which are going to deal with very complicated and fundamental questions, it means that one has to look into the future, and when one enters into a negotiation, it always means that there has to be a question of flexibility and a willingness to work out differences between the parties.

Therefore, there is the possibility of change, and whenever there is the possibility of change, I think that that obviously raises in the minds of all of the parties questions and concerns, so that I understand why these kinds of concerns arise. That is why I have been trying to talk to the people who are expressing these concerns and to explain to them what it is we are doing, what our fundamental principles are, and answer their questions on this. And I plan to do this not only with the people who have expressed concerns about Israel but those on the other side as well.

Q. Can you get us up to date on SALT, please, and in particular explain to us what the President meant the other day when he suggested that there might be some movement in the next few weeks, but it would be many more weeks beyond that before we would have any kind of an agreement?

Secretary Vance: In SALT, the discussions between our two nations are proceeding in Geneva. Our two delegations have been given the responsibility to resolve the remaining issues which exist between us. There are difficult issues yet to be resolved and they are the subject of daily discussion.

I cannot give you any date on which I believe there will be a resolution of these issues. They are too complicated for me to come up with any speculation which I would care to make. And I think it would be irresponsible of me to try and guess in such circumstances.

Let me say a word, however, about the importance of a SALT agreement. If we are to stop an upturn in the arms spiral, it is essential that we get a SALT agreement. I think if we can achieve the SALT agreement which we are working on now, we will do that. We will do it by the means of obtaining a reduction in the number of nuclear weapons. We will, at the end of the road, come out with a rough parity between the parties. We will come out, I hope, with a ban on the testing and the deployment of all new missile systems which, for the first time, will begin to give us control over qualitative improvements which is so essential if we are going to reduce the danger of nuclear war.

These principles, in essence, are what one would see in a new treaty. If we can accomplish this, this will be a major step forward. We will have a safer world in which there will be much less chance of nuclear war.

Q. Has this Administration found the Begin government more accommodating and more flexible than you had anticipated when they first came to power and also in comparison with the previous Israeli Government?

Secretary Vance: I don't want to make comparisons between Mr. Begin's government and any other government.

Let me say that I am pleased that we have reached agreement on the principle of a united Arab delegation with Palestinians in a united Arab delegation as a way of resolving that thorny question which has been on the table without resolution for the 10 months we have been in office.

Secondly, I think that we are making some

progress in moving toward an organizational arrangement which would permit us to deal in an effective way with the issues that have to be dealt with in Geneva, and I don't want to single out for praise or criticism at this point any country, whether it be on the Israeli side or the Arab side.

Q. On these two major subjects of SALT and the Middle East, it is evident that the Administration is encountering an increasing crossfire politically on both of these fundamental issues.

Senator Baker [Howard Baker of Tennessee] yesterday charged that the Administration is playing Russian roulette in its Middle East policy and its drive for a Geneva conference. How does the Administration propose to deal with the political opposition that is building up on both of these subjects?

Secretary Vance: Let me answer what I think are two questions that you put into one.

First, let me say we are not playing Russian roulette, as was suggested. What Senator Baker, I believe, is referring to is the fact that we issued a joint statement with the Soviet Union with respect to the convening of a Geneva conference.¹

I believe very deeply that that was a constructive step which has helped to move us toward the convening of a Geneva conference. I think within that there were principles stated which will be useful and constructive in connection with negotiations at Geneva. And furthermore, it emphasized the importance of an early Geneva conference so that we can get on to the serious business of negotiating peace agreements.

With respect to how we expect to deal with these issues, as you say, from a political standpoint, I have been meeting regularly with the committees on the Hill who are cognizant or seized with these problems. I will be meeting tomorrow with the Senate Foreign Relations Committee to discuss the question of SALT. I have been meeting regularly with Senator [Henry] Jackson's Subcommittee [on Arms Control] to also discuss the SALT ques-

tion. I have appeared before both the International Relations Committee in the House and the Senate Foreign Relations Committee to discuss the questions relating to the Middle East. And I have been engaged, along with my colleagues, in a very large number of meetings with one or more Congressmen or Senators to answer their questions and to discuss these issues with them. I would say that I spend the vast bulk of my time these days working upon these two main areas.

Q. You said before that you had found concern among the Arab countries as well as with Israel on the flexibility that might be required to have a Middle East settlement. Could you tell us about that concern? Is that concern toward the kind of Israel that would result, or are they concerned with the sort of radical Palestinian state that might be created? What are they concerned about, if you can share some of that with us?

Secretary Vance: I will only share it in the most general sort of a way because I don't, in my discussions, feel it would be appropriate to go into the kind of detail which would be, rather than helpful, unhelpful.

I think that on both sides, there are continuing misgivings as to the sincerity of the other side, and this is understandable because of the deep roots of the conflict in the Middle East. And one of the biggest problems that we have faced right from the outset is our attempt to overcome this mistrust which exists on both sides. And therefore, as one moves into negotiations, there is concern on both sides: Should we be prepared to take this or that step? Because, if I take it, am I going to get a fair and honest response, or am I going to move into a trap? And this is the kind of basic concern that I think is really at the heart of the worry that both have as they move toward negotiations.

Q. In connection with the Geneva conference, what do you now see as the prospects for having a conference by the end of the year? And, procedurally, how are you going to do it? Are you going to continue these exchanges by cable, or is it going to take another round of personal meetings with foreign ministers or chiefs of state?

¹Issued on Oct. 1, 1977; for text, see BULLETIN of Nov. 7, p. 639.

Secretary Vance: We are continuing to press for a Geneva conference before the end of the year. We still have difficult problems to overcome, but our objective remains a Geneva conference before the end of the year. No one, of course, can say for sure whether that can be accomplished or not, but that is our objective and that is the target that we and the parties are setting for ourselves.

I think, as you know, each of the parties has said they want to get to Geneva, they want to get to Geneva as soon as possible, and that therefore December is a target which they are willing to work toward.

Now, you had a second question—

Q. Are you going to continue in the same pattern—that is, can you get to Geneva—

Secretary Vance: I plan to continue in the same pattern that we are working in now; namely, to communicate through our normal diplomatic channels, our ambassadors in the various countries, and they doing the same with us here. And I do not see at this point the likelihood of the need for a trip to the Middle East.

Q. Do you have a plan to visit Communist China in the near future, or is there anybody named to take the place of [Ambassador] Huang Chen who already left? And you also said that it would be a great mistake for the United States to supply Communist China with weapons, but right now France and the United Kingdom are considering that move. What would you like to say on that?

Secretary Vance: I think you asked three questions: The first question, do I plan to visit Communist China—as you put it—the People's Republic of China again in the near future? The answer is no. The second question related to the replacement for Huang Chen. I do not know who the replacement for Ambassador Huang Chen will be. He has been a splendid ambassador and we will miss him here in the United States.

Thirdly, with respect to the question of arms sales, I stated very clearly and unequivocally that I believe deeply it would be a great mistake for the United States to provide arms to either the People's Republic of China

or to the Soviet Union. I was speaking about the United States and how it should act, and I reaffirm what I said before. I think it would be a great mistake for us to supply arms to either.

Q. Given your positive reaction to President Brezhnev's speech this morning, how close do you think we might be to a comprehensive test agreement between the two sides?

Secretary Vance: I think we, by what he announced today, have made a major step forward toward a comprehensive test ban. Again, I don't want to try and pin a date to it, but I think that this was an important step that was reflected in the announcement made today.

Q. Two questions for the countries down under, sir. First of all, would a change in government in Australia affect U.S. policy toward Australia in any way; and on New Zealand, next week the New Zealand Prime Minister comes here, and there have been reports that you tried to prevent Mr. [Robert D.] Muldoon's visit because of derogatory remarks about President Carter. Would you comment on those two questions?

Secretary Vance: The first question is a very, very iffy question, and I don't want to deal with that kind of speculation. Secondly, with respect to Mr. Muldoon's visit, we are looking forward very much to Mr. Muldoon's visit to Washington and his meetings with the President and with the President's advisors. Our relationships with New Zealand have been warm and close; they are important to us, and we welcome his visit to Washington.

Q. A question about South Africa: As you know, the actions last month were very, very serious and condemned by the United States. To many people, they seemed to show that South Africa has realized that it's finally really got its back against the wall and is hauling into laager. Do you think that the United States contributed to this in any way by the May meeting with Mr. Vorster [South African Prime Minister John Vorster] and Vice President Mondale in which the United

States presented a very hard line to South Africa?

Secretary Vance: I do not believe that the United States contributed to this. I think the seeds which have led to the incidents which have brought on the present crisis have been sown a long while ago and that we have seen this regrettable backward step as a result of the unfortunate flowering of those seeds.

Let me say a word about our policy with respect to South Africa. We have emphasized the importance of beginning progress toward the end of apartheid and full participation for all South Africans. We have offered no blueprint, we have offered no timetable. That is for the South Africans to determine. But we have indicated to the South Africans, in our numerous discussions with them, that our relations would improve if progress were made along these lines, and progress would not only be not made but the situation would deteriorate if progress did not come about.

Now, the regrettable steps which have been taken recently have been a major step backward. Therefore we, and indeed almost the whole world, have believed that it is necessary to take action as a result of those steps, and, therefore, at the United Nations we have supported a mandatory arms embargo to reflect the international consensus that the supply of arms threatens the peace. Consistent with this, we will prohibit all export of items for police and military in South Africa. In addition, there will be no more exports of spares and maintenance shipments for items whose exports would be prohibited. In addition, we are withdrawing our naval attaché from Pretoria, and in addition to that we are recalling the commercial officer in Johannesburg. The latter recall is being done in connection with our review of our economic relationships with South Africa.

These actions which I have indicated reflect our national concern in respect of the events in South Africa. The national concern with this, I think, is truly reflected in the Collins amendment which passed the House by such

²The Collins amendment, House Concurrent Resolution 388, expressed concern about the recent acts of repression by the South African Government and passed by a vote of 347 to 54 with 5 voting "present" on Oct. 31.

an overwhelming vote just recently—some 347 to, I believe, 46 or 47.² Let me say, however, that we continue to hope that South Africa will make progress and reverse the recent action which it has taken. In any case, we will welcome continuing to work with South Africa in our attempts, along with others, to resolve the problems in Rhodesia and Namibia.

Q. In connection with the last part of your answer, the Anglo-American initiative on Rhodesia seems to be stalled, and the designated British commissioner [Sir Michael Carrer] conferred only very briefly with the two leaders of the Patriotic Front. Where do we go from here on that problem?

Secretary Vance: He has started the first of many meetings he is going to have to have, he and General Prem Chand [U.N. Special Representative for Rhodesia], with the parties involved. He has met in his first meeting with Mr. Nkomo and Mr. Mugabe.³ Then he will be going on to meet with Mr. Smith and with the other nationalist leaders in Rhodesia, Mr. Muzorewa and Mr. Sithole.⁴ I would assume he will be meeting with others as well in his trips. I do not want to speak for his schedule at this point, but I would just point out that this is but the first of many meetings that will be taking place, and I don't think one ought to jump to any conclusions about any single meeting that's been had.

Q. I would like to follow up on a previous question concerning U.S.-China relations. Recently there have been indications or suggestions that the relationship between Washington and Peking since your visit to China last August has cooled off somewhat. So in the light of the situation, if the assessment is correct, are you still hopeful that this Administration can in the foreseeable future state that during the first term it achieved its dual objective of normalizing relations with mainland China and still maintaining ties with Taiwan without acceding to the preconditions set by Peking for normalization?

³Joshua Nkomo is President of the Zimbabwe African People's Union (ZAPU); Robert Mugabe is Secretary General of the Zimbabwe African National Union (ZANU).

⁴Ian Smith is Prime Minister of the white regime in Rhodesia; Bishop Abel Muzorewa is head of the African National Council; Rev. Ndabaningi Sithole is head of the African National Council/Sithole.

Secretary Vance: In respect of our relations with the People's Republic of China, our objective remains as we stated it at the outset of the Carter Administration—namely, our ultimate objective is normalization of relations in accordance with the principles of the Shanghai communique. That is, and that continues, our objective.

As to the manner and the timing of reaching that objective, that is a matter yet to be decided. We are continuing our conversations with the People's Republic of China. I met with the Foreign Minister when he was in New York, and there will be continuing consultations through our Ambassador in Peking.

Q. The United States opposed the idea of mandatory economic sanctions on South Africa this week. Was that basically on the grounds of enforceability or of the practical effect in South Africa? And how does it link in with this review of all your unilateral commercial relations with South Africa that you are now talking about?

Secretary Vance: There did not appear to be an international consensus at this point for such action; and in order for the United Nations to be effective, there has to be an international consensus for it to carry forward its work. There was not an international consensus on that, whereas there was basically an international consensus that a mandatory arms embargo could and should be put into effect.

Q. This is on the South African situation. You have announced a slight toughening of our measures we have taken toward the South Africans with the recall of the economic attaché. Would it, in your view, be a good idea for either yourself or for a top American official to have a meeting with South Africa's new leadership after their elections the end of this month?

And secondly, what, beyond the taking back of measures that they have taken—closing down the black newspapers and some of the arbitrary arrests—what kinds of steps do you think the South African Government should take in order to restore good relations with this country?

Secretary Vance: Well, I have indicated what our broad statement of policy is with re-

spect to what would lead to improved relations and what would bring about a deteriorated set of relations. So I think in a sense I have answered part of your question already.

With respect to the question of whether it would be a good idea to meet with their leaders in the postelection period, we have an excellent Ambassador in Mr. [William G.] Bowdler, who will be going back to South Africa before long. He has been called back here for consultations with us but it is important that before long he go back to his post there. We will be guided very much by his recommendations after talking with the South Africans as to the value of any meetings in addition to those which are carried on through the normal diplomatic channels.

Q. Could we talk a moment about the President's trip? There has been some discussion about your enthusiasm for that trip. Yesterday Mr. Carter [Department spokesman Hodding Carter III] told us that you thought it would be timely and useful. Two questions: If the President has to postpone it, do you think there will be any negative foreign policy implications? And just how useful will this trip be?

Secretary Vance: Well, first of all, let me repeat again what I had Hodding Carter say for me yesterday. There is no question at all but that I have supported this trip right from the outset. I was consulted at the birth of the idea and participated in those discussions. I support the trip fully and completely. I think it will be a very useful trip. It will be useful for a number of reasons.

First of all, I think the discussions which we will be able to conduct with the various countries are both timely and important. For example, in our visits in South America we will be able to discuss important issues which relate to a number of the global subjects which we have to deal with and which are of great importance, not only in the region but in the world as well.

We will be able also to discuss on this trip matters relating to the energy problem and the need for a freeze on energy prices. I think it would be catastrophic if there should be an increase at this point in energy prices. I do not think that economically it is justified in any way, and the results could be that this

would set us back very substantially because of the possibility of increased inflation and increased unemployment which could very well flow if there were to be an increase in prices.

I think, on our own part here, that it is very important that we demonstrate, by putting through a strong energy program here of conservation that we are prepared to play our part. By so doing, we indicate to the world that we are willing to take those necessary steps which will cut down on the amount of our oil consumption and thus reduce the pressures which could tend to drive up the price of oil. And therefore I hope we have the political will and the courage to go forward and do what has to be done in this area.

Q. When Prince Sa'ud [bin Faisal, Foreign Minister of Saudi Arabia] was here he said that he didn't see much point in going to a Geneva table unless the parties had basically agreed what they were going to come out with in the end. He said there was too much talk about who was going to sit where and who was going to be there and we should be agreeing beforehand what we are going to come up with. Could you react to that?

Secretary Vance: I think all of us really know quite clearly what would come out at the end of it. You have to deal with the basic issues which I have outlined to you, and that means then that you have to end up with treaties which will deal with the so-called geographical problems between the four nations—namely, Israel-Egypt, Israel-Jordan, Israel-Syria, Israel-Lebanon. And then you have to deal with the Palestinian question which involves the West Bank and Gaza. And then you also in addition to that have to deal with the refugee question.

All of these questions have to be dealt with. It is quite clear where you have to come out. You have to have dealt with all of these and not ignore any of those problems.

Q. In view of the statements by Brezhnev recently, including the latest one which seemed to be rather conciliatory and optimistic about relations with the United States, how do you explain their treatment of an American diplomat? And not only the treatment but the fact that they followed that up with a press campaign against us and so on?

Secretary Vance: Let me say that the relationships between ourselves and the Soviet Union are always a mixed set of factors. We have areas in which we may be making progress. There are other areas in which we may be standing still. And there are still other areas in which we may be retrogressing. And today is like any other time, in that there are all of these different kinds of currents and crosscurrents flowing in our relationships.

Let me say on the whole, though, that I think that there has been an improvement in relationships between ourselves and the Soviet Union in the last several weeks, and I think this is positive. I think it is positive not only for our bilateral relationships, but I think it is positive in terms of world attitudes.

I have met with a great many leaders from various continents, and each one of them has said that they welcome the fact that there seems to be an improvement of relations between our two countries.

President Carter's News Conference of October 27

Following are excerpts relating to foreign policy from the transcript of a news conference held by President Carter on October 27.¹

Q. On the subject of sanctions against South Africa, could you share your thinking of the course the United States should follow in the situation?

President Carter: Yes. Our hope has been and our goal has been to work harmoniously with South Africa in dealing with the threats to peace in Namibia and in Zimbabwe in particular and to encourage South Africa to move toward the elimination of some of those racial problems which they've had historically; to do away with apartheid; to give an equal opportunity for employment, job promotion, education, and the participation in the political and economic affairs of South Africa for all its citizens.

¹ For the complete transcript, see Weekly Compilation of Presidential Documents dated Oct. 31, 1977, p. 1662.

The crisis was engendered last week when South Africa took away the rights of the free press and eliminated many of the organizations themselves who had been working toward improved equality for the citizens of South Africa. I think it's important that we express in no uncertain terms our deep and legitimate concern about those actions of South Africa.

We are working in harmony with our Western alliance friends. We are working in harmony with leaders in Africa and throughout the rest of the world. My decision has been to support strong sanctions against the sale of weapons to South Africa. This will be carried out immediately by us.

My prediction is that the United Nations will adopt such a resolution, and it will be overwhelmingly supported by the nations of the world. This will be joined with a direction from me that this be carried out. It would include prohibition against the sale of spare parts to weapons. And we will also, of course, assess other actions that might be taken in the future.

We don't know yet what the negotiations might bring between us and the nations that I described to you. But this is an appropriate action, in my opinion, and we still hope that South Africa will not sever themselves from the rest of the world community, that they will cooperate with us in bringing peace, that they will move in a rapid but evolutionary way toward restoring—or granting for the first time—those human rights that we hold so dear.

Q. The other night in Los Angeles you said that for the first time the Soviet Union has agreed to cut back on or decrease the number of nuclear weapons. And you suggested that a new strategic arms agreement may be in sight, perhaps even in the next few weeks.

Can you tell us anything more about that? Can you tell us what kind of decreases may be in the works and any other specifics about the kind of thing that is shaping up?

President Carter: Well, the negotiations between us and the Soviet Union have been characterized in recent weeks by, I would say, constructive cooperation from both sides. My own comments have been mirrored by the

comments made by Foreign Secretary Gromyko and also by President Brezhnev.

I would guess that we have a fairly good prospect within the next few weeks of a description of the general terms for a settlement. The details—the exact procedures by which we might verify and so forth—would take a long and tedious negotiation.

As you know, the SALT I agreement [Strategic Arms Limitation Talks]—the so-called interim agreement—provides for a heavy disparity between us and the Soviets, with the Soviets having a right to have about one-third more launchers than we have and about one-third more submarines than we have, about one-third more submarine missiles than we have.

The Vladivostok agreement, which, as you know, has never been ratified, set a 2,400 limit on launchers, 1,320 limit on MIRV'd [multiple independently-targetable reentry vehicle] missiles. We hope to reduce those levels, and there's general agreement now that those levels will be reduced.

Also for the first time we have discussed in very strong terms and are close to an agreement on how many land-based ICBM [intercontinental ballistic missile] MIRV'd missiles will be permitted. This is a new development. But we've not yet reached final agreement between ourselves and the Soviet Union.

But I think, as I said in both Iowa and Los Angeles, that within a few weeks we'll have a demonstration of real progress. The detailed signing of a treaty will take longer than that.

Q. In addition to the mandatory arms embargo which you mentioned, what other unilateral steps do you think the United States will be taking outside the boundaries of a resolution, such as the Ex-Import Bank, commercial sales guarantees, things of this kind? And are you ruling out for now any trade embargo of a general nature or investment embargo?

President Carter: We are not deciding at this point on any sort of general trade embargo or investment embargo.

The additional steps that might be taken beyond an arms embargo that would be mandatory have not yet been decided.

Q. At a press conference earlier this year, you mentioned the Palestinians have a right to a homeland and to compensation for losses they have suffered. From your perspective, do the Palestinians have any other legitimate rights?

President Carter: Well, the Palestinians have rights, as I described in my United Nations speech [on October 4], as do all human beings. The Palestinians are one major group of refugees that have been created in the Mideast. Obviously, there are Jewish refugees also. But I think all human beings have the same basic yearning for freedom, for human self-respect, for a home in which they can live, for a right to raise a family, to have education, health care, food. So, I would say in that respect they have the same rights as others do.

Q. Is there any ground for criticism of your approach to the South African problem that you are meddling in internal affairs? Do you worry about getting to a point, responding to what's going on internally in South Africa, the United States is trying to dictate its internal policies?

President Carter: No. I don't believe—there are certainly grounds for criticism, but I don't think that this is a legitimate criticism of us. We have not tried to tell South Africa what to do about their internal affairs. We've never laid out any specific action they should take nor any time schedule that they should follow.

We have worked harmoniously with South Africa in some ways in trying to evolve a solution to the Namibian question—formerly Southwest Africa, over which South Africa still has control—and to try to get them to work with the Rhodesian Government in changing Zimbabwe to a majority rule government with predemocratic elections.

I do feel that it's proper for us to deplore, not only in South Africa but in other nations as well, blatant deprivation of basic human rights.

In my speech in Los Angeles [on October 22], I pointed out for instance in Czechoslovakia that recently there have been four people tried there as dissidents. Their only crime was that they dissented from what government action has been taken.

But I think it's proper for us to either enhance or reduce our trade with a country depending upon its own policies that are important to us and to the world. I think it's important for us to decide when we should and should not sell weapons to other countries, when we should and should not invest in another country, when we should and should not encourage government programs, loans, and grants to apply to another nation. I don't look upon that as an interference in the internal affairs of another country.

President Carter Discusses Panama Canal Treaties

Following are remarks by President Carter and a question-and-answer session with approximately 150 citizens from Arizona, Colorado, Idaho, Montana, Nevada, New Mexico, Utah, and Wyoming he held at a briefing in Denver on October 22.

Weekly Compilation of Presidential Documents dated October 31

REMARKS

I know that you've already had an excellent briefing from Ambassador Sol Linowitz [consultant for the Panama Canal treaty negotiations] and from my own national security adviser, from the Secretary of Defense and from our representative, the Chairman of the Joint Chiefs of Staff, about one of the most controversial and, perhaps, one of the most important issues that our country has to face, and that is the Panama Canal treaty—or treaties.¹

I'd like to take a few minutes to talk to you from the perspective of the presidency of our great country and from the perspective of the Commander in Chief of our Armed Forces.

President Eisenhower, President Kennedy, President Johnson, President Nixon, President Ford, and myself have all seen a need to modify or amend the present treaty with Panama concerning the Panama Canal. The

¹ For the texts of the treaties, see BULLETIN of Oct. 17, 1977, p. 483.

negotiations have been taking place for 14 years, and the treaty that we have evolved, after tough, now completely publicized negotiations, are very good for our country, for our defense, our nation's security, our nation's prosperity brought about by trade, the political alliance or friendship that must exist between ourselves and our neighbors in this hemisphere, and from the spirit, I believe, of the rest of the world that our country is large and strong and fair.

It would be a serious mistake for anyone to assume that the Panama Canal treaty is not important. It would also be a very serious mistake for anyone to assume that the Panama Canal is not important. It is important. It has been important to our country for the last 75 years; it will be important to our country for the next 75 years.

It would be a mistake for anyone to say that our country couldn't defend it if it were attacked by insurgents, by terrorists, or by well-meaning patriots of Panama in opposition to the stance of the Panama Government. We could defend the Panama Canal, and if it is attacked by any means, I will defend it, and our country will be able to defend the canal.

The Joint Chiefs of Staff have said, in a concerted effort even by nongovernmental forces against the wishes of the Panama Government, it might take 100,000 or 200,000 troops to defend the canal. But it can be done, and it will be done.

I believe that it's best not to face this prospect, not to take an action that would bring about an attack on the Panama Canal. We can do this with these treaties by forming a continuing partnership with Panama to help us keep the canal well operated, well maintained, open for our use, at the same time guaranteeing it to our country, which the treaties do, the absolute right to defend the canal as we see fit for the rest of this century.

The Joint Chiefs of Staff, the Secretary of Defense, the Secretary of State, and the President of our country has a right to choose, within the zone itself, the lands and waters necessary to be occupied by our own forces to keep the canal open.

We also have the right under the treaties—confirmed by a recent joint state-

ment between myself and [Chief of Government of Panama] Gen. Torrijos—after the year 2000, to take what action we see fit as a nation to defend the canal, to keep it open, and to keep it available for our ships.²

During the rest of this century and after the year 2000, we have the right of what is called expeditious passage. In time of emergency or in time of need, as judged by us, our ships have a right to go through the canal as quickly as possible and also, when needed, to move to the head of the line if our nation's security is at stake or if I or my successors in the White House think there is a need.

This is a common agreement between us and Panama. There is no doubt about it. And these two basic questions—do we have a right to defend the canal; do we have a right for our ships to have priority in using the canal—have been seriously distorted in the past, now clarified by precise English and Spanish language between myself and the leader of Panama.

I might say also that the Panamanian negotiators and Gen. Torrijos have acted in good faith. Throughout the last 14 years there have been no threats, no implied statements that if you don't approve the treaty, the Panama Canal might be damaged. They have never done this.

Although Panama does not have a democratic government like our own, Gen. Torrijos has gone a second mile in making sure that not only he as a leader approve the treaties, along with his own chosen Cabinet, but the Panamanian people had a right, in an unprecedented expression of democratic principles, to vote in an open and free referendum or plebiscite that will take place, as a matter of fact, tomorrow. He's invited the United Nations to come in and witness the procedures that are being used.

So, not only does Gen. Torrijos and I—do we approve the canal treaties but the Panamanian people will vote in a referendum, and as you well know, the U.S. Senate, under our own Constitution, must approve the treaties themselves.

² For the text of the statement of understanding issued on Oct. 14, 1977, see BULLETIN of Nov. 7, p. 631.

I'd like to add one other thing. We are not taking any taxpayers' money to pay the Panamanians. There will be a sharing of income from the canal use fees.

The second thing is we have never owned the Panama Canal Zone. We've never had title to it. We've never had sovereignty over it. There's always been recognized by Theodore Roosevelt originally, the Supreme Court has confirmed since then, that this is Panamanian territory. People born in the Panama Canal Zone are not American citizens. We've always paid them an annual fee, since the first year of the Panama Canal treaty that presently exists, for the use of their property.

This canal will also be operated jointly by us. There will be the rest of this century a nine-person board that will set the policy for and manage the canal itself. Five of those members will be American citizens. Four of them will be Panamanians. All nine of them will be appointed by the United States.

So, you can clearly see that in economic matters, defense matters, priority of use, fair action on the part of the Panamanians that our country comes out very well in this Panama Canal treaty arrangement.

Now, the original treaty that presently exists—I don't condemn my predecessors for having signed it. The fact is that no Panamanian has ever signed it. Before it was signed in 1903, no Panamanian ever saw it. But I'm proud of the fact that our nation was strong enough and able enough, no matter what the circumstances were about the arrangements with Panama—I'm proud that we had the will and the technical ability to build a canal, because it's been better for our country and it's also been better for Panama. It's been better for all the other maritime nations of the world. So, in balance, in every aspect of measuring the treaty terms, our nation comes out very well in the negotiations.

The Panamanians wanted very high monetary payments; they did not get them. Panama wanted immediate transfer to them of operating rights of the canal; they did not get them. Panama wanted an immediate withdrawal of our Armed Forces; they did not get them. But I think they've negotiated in good

faith, and our country has come out very well.

Assuming, which I think is completely accurate, that we have a good equal deal in the Panama Canal treaties, we also have tremendous advantages with other countries. Under Franklin Roosevelt, under John Kennedy, under Lyndon Johnson, there were massive efforts made by the President and the Congress to strengthen the ties of friendship and trade and common purpose between ourselves and our neighbors to the south.

To some degree, to some variable degree, these efforts were successful. But almost invariably their success depended upon financial payments or financial loans or monetary aid. It was kind of like a big brother giving hand-outs to smaller nations to the south to buy their friendship.

During the week that we signed the Panama Canal treaties in the ceremonies in Washington, I met with 19 leaders of countries to the south of us. There was a new spirit of friendship and cooperation and equality and partnership. There was no mention of this new feeling being based on economics. So, symbolically, the fair treatment of Panama, the end of what they look upon as colonialism by the United States, will be a tremendous boon to us.

Almost without exception, the business leaders of our country approve the Panama Canal treaties. They are outspoken in their support because they know that trade and jobs and exchange and exports of our agricultural products and so forth are heavily dependent upon this good will that ought to exist between ourselves and other nations of the hemisphere.

President Ford has endorsed the treaties. Secretary Kissinger has endorsed the treaties. Secretary William Rogers has endorsed the treaties. Secretary Dean Rusk has endorsed the treaties. Former Secretary of Defense Melvin Laird has endorsed the treaties. All five members of the Joint Chiefs of Staff have endorsed and support strongly the treaties as being in the best interest of our nation's defense.

There is almost unanimity among those who are responsible for our foreign affairs, our

trade, and the nation's defense to support the treaties. With all these advantages for it—and these statements are absolutely accurate—what is the political problem?

There's an emotional feeling about the Panama Canal. And there is a lot of distortion about the significance of the Panama Canal. People say we bought it; it's ours; we ought not to give it away. We've never bought it. It's not been ours. We are not giving it away. There is no semblance between the status of, say, the Panama Canal Zone and Texas or Alaska that were bought and paid for and over which we've always had sovereignty. There's no similarity at all.

What we're doing is continuing a partnership that has existed for a long time between ourselves and Panama. They will continue to have sovereignty over the canal. But we will continue to guarantee that the canal is open. And we have the absolute right, in this century and later, to defend the canal against any attack from Panamanian terrorists or from other countries. We have the right for our ships to use it.

So, I believe that when the American people know the facts about these treaties, that you will give us your support. It's very important that this be done. I think, had the canal negotiations not begun 14 years ago, we might very well withstand for a time being no action.

But there's been a tremendous expectation built up in Panama because of the negotiations that have taken place now under four Presidents. And the treaties have been signed with a great deal of ceremony. And they feel that we are treating them fairly. They feel that in the past we have not treated them fairly. And now to have the treaties rejected I think might very well arouse in them a feeling of resentment and deep animosity.

The last point I want to make is this: One reason that there is such a feeling about Panama is that we withdrew from Vietnam after we had committed major efforts of our country in that war and that our country was almost universally condemned by the rest of the world for our investment of military effort in Vietnam. Most of the people of our country

felt at the initial stages, and maybe even later on, that we should have been in Vietnam as we were in South Korea to defend democracy and freedom and let people have the right to choose their own government.

But I think you'll remember there was a slight difference. When we went into South Korea, we did not have the condemnation of the rest of the world, because we went in with a legitimate position. The United Nations voted—the Security Council—that South Korea should be defended. And we went in as part of the U.N. forces—the strongest force of all, of course, legally.

We went into Vietnam with the same good intentions and with the same commitment of forces, but we were looked on as being an illegal entity in South Vietnam.

With the passing of these two treaties, if we later have to go into Panama—and I don't believe we will—but if we should later have to go into Panama, it will be with the endorsement of the Panamanian Government, the Panamanian people. It will be with the endorsement of 30 or 40 or 50 other nations who will sign the neutrality treaty [Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal] going into effect after the year 2000, saying, we think that the treaty with Panama and the United States is a good one. We support it and we endorse the principle of either the United States or Panama having the right—not just the right but the duty—to defend the canal against any attack and to keep it open.

So, it gives us a legitimacy and an endorsement of the rest of the world to do what we want in the first place to keep the canal open, well managed, and to meet the security needs, the trade needs of our own country.

So, in every aspect of controversy, there's a good and responsible and truthful answer. But the distortions and the incorrect information that has been put out about these treaties is very, very damaging to the truth.

I'm very proud to have a chance to come here, and I think for the few minutes we have remaining I'd like to answer any questions that you might have on the treaties themselves. I've tried to cover as quickly as I could

some of the questions that I thought you might ask in the future.

QUESTIONS AND ANSWERS

Q. I'd like to ask that with the reasonable assumption that tomorrow's plebiscite in Panama will show the anticipated overwhelming support for the enactment of the treaty, what kind of a timetable do you see as necessary for the ratification by the U.S. Senate?

President Carter: I think there's a general feeling in Washington—I think the rest of the nation—that the most important single thing that the Congress can address this year is a comprehensive energy policy. And following that, I think the Congress will be ready to turn its attention to the ratification of the Panama Canal treaty. I was hoping we could do it this year. But the obstacles that have been placed in the way of rapid Senate consideration of the energy package I think has delayed it.

I have talked privately with Senator Robert Byrd, the majority leader, and his response is, "Whenever you get an assured vote of 67 votes in the Senate, why, I'll be willing to call it up." [Laughter] And that's why I need your help. I'm not asking you in particular to call your U.S. Senator and say please support the treaty. But I do hope that when you go back home, if you are convinced that the treaties are in the best interest of our country that you will let your own voice be heard.

It takes a great deal of courage on the part of a U.S. Senator to vote for the canal treaties if he has any doubts whatsoever if the people in his home State are overwhelmingly opposed to the treaties based upon incorrect information.

I think you've had a very good opportunity this afternoon to learn the facts about the treaties. And I hope that you will exhibit not only a knowledge of the treaties themselves when you go back home but some political courage and make speeches to the Lions Clubs or Rotary Clubs or Jaycees or be interviewed by your own local television or radio stations or your local editorial board and let your own voice be heard and say this is a difficult and

unpopular political question, but our country will be well-served by these treaties.

So, I think that the vote in the Senate might very well come early next year. I think there's been a great deal of alleviation of previous concern about the treaties with the recent exchange of clarifying language between myself and the Panamanian leaders.

Q. I was in favor of the treaty before I came, so, you know, I haven't changed my mind.

President Carter: Very good.

Q. But most people in Utah aren't in favor of the treaty, I believe. What specifically—somehow, if I could say respectfully without walking around this question—would be your position in case the Senate doesn't ratify the treaty?

President Carter: I would be reluctant to bring the treaties to the Senate for action unless I was reasonably sure the Senate would vote affirmatively, because I am afraid that even with the best-meaning intentions among the Panamanian governmental leaders, that a rejection of the treaty might have very serious consequences in our relationship with Panama—the ability to keep the canal open without armed conflict—and also would damage severely our relationship with countries in the southern part of this hemisphere.

So, my expectation is to try to secure enough votes in the Senate before I actually ask the Senate to vote on the subject.

Q. I don't know how to ask the President of the United States, but what if you don't get the votes?

President Carter: I think we've got a good chance to get them. But if I don't see that we're going to get the votes, then my own inclination would be to delay submission of the treaties for a vote.

Q. And would that create havoc for Panama?

President Carter: It would create a very difficult condition which we might very well use as time for me to let the Senators know how serious the question is. When the Senate does adjourn this year, a group of them—the

leaders—many of whom oppose the treaties at this point, will go to Panama on their own initiative to see what the circumstances are there and to see the advantages of ratification and the very serious disadvantages that might come with rejection.

So, I believe that time and education and knowledge about the treaties will lead to increasing support in the Senate. So, I have confidence that the Senate will ratify when the vote does come.

Q. As another supporter of the Panama treaties, I want to ask you a question that's asked of me often. Isn't the ratification—the potential ratification—of the Panama Canal treaties a symbolic step in what people perceive as the continuing process of withdrawal of the United States from the world, such as we've seen in Vietnam, Korea, and in other places in the world? People talk about withdrawing troops involved in NATO. It's more of a symbolic question than it is a pragmatic question.

President Carter: Yes, I think that's part of the emotional commitment to the canal, because we were, as a nation, embarrassed in Vietnam. I think there's a sense that we've got to show our strength and show our ability to stand firm no matter what the challenges to us might be.

I look on the ratification of the Panama Canal treaties as a show of strength and as a show of national will and as a show of fairness and as a show of confidence in ourselves now and in the future to act, if necessary, but not to have to show that we are strong just because we can run over a little country.

It's much better for us to show our strength and our ability by not being a bully and by saying to Panama, let's work in harmony, let's form a partnership. If the canal is challenged either by insurgents or terrorists from your own country or by outside forces we'll be there to work with you to defend the canal, but not to throw down a gauntlet and tell Panama, we dare you to do anything about the canal because we're strong enough to defeat any forces that you might put forward.

We don't have to show our strength as a nation by running over a small nation, because we're stronger than they are. So, I don't see

the treaties as a withdrawal. We are retaining permanent rights to defend the Panama Canal. We will operate it with a dominant position the rest of this century, and after the year 2000, and this century, of course, we'll have a complete right for our ships to use the Panama Canal on a priority basis in time of either need or emergency.

So, I don't believe we're giving up anything by showing that we can work in harmony with a small nation. We can suffer tremendously in our reputation among the small nations of the world, not just in Latin America but throughout the world, if we continue to try to run over Panama just because we're strong militarily.

I don't think anybody thinks that Panama is stronger than we are militarily, and I don't think we have to prove it by trying to push them around. I think they've been very fair in the negotiation period, which has lasted 14 years. They've been very patient. And their original, very extreme demands, which they thought were legitimate, have not been accepted by us, and I think General Torrijos has acted fairly with me. He's very concerned about the Senate action. He's gone out of his way to make it possible for the Senate to vote for the treaties.

And, of course, we've tried to help him as well. I think there'll be a new sense of partnership and commitment based on the strength of our country, not weakness, in the Panama Canal treaty effort.

Q. I understand that the board which governs the Panama Canal will change makeup after a period of time, and at some point—

President Carter: No.

Q. That is not true?

President Carter: No. Let me explain it to you.

The board will always consist of nine people for the rest of this century—five Americans, four Panamanians. The four Panamanians will come from a list submitted to us by Panama that the United States chooses and approves. The chairman of the board will be an American for the first part of the treaty. The administrator—the executive officer—who

can only carry out the board's policy, will be an American up through 1990 and for the last 10 years of this century will be a Panamanian. But that person will not set policy. He'll only carry out the policy of the board itself dominated by Americans.

And, of course, one of the things that board will do, which is very important, is to set fees for the use of the canal to decide which projects will take priority in repair or expansion of the canal. So, we'll keep complete control of that board for the rest of the century.

Q. At some point are we in jeopardy of coming under economic duress? In other words, we talked about 30¢, at the time, I believe, in terms of tonnage price. Is there some point in history under the terms of the treaties wherein—or whoever is running the canal could raise that to \$10, \$20, whatever would make it fiscally impossible, or—

President Carter: Yes. That's always a possibility that the board of directors would go wild and set a transit fee that would be extraordinarily high. If so, the ships just wouldn't use the canal. Some might even go around the southern coast of South America. Others might choose to offload on the east or west coast or the gulf coast and let rail shipment replace transit shipment.

But I think that even if the use of the canal doesn't increase in the future that the fees will be much less, for instance, than they are with the Suez Canal, and with any increase in the use of the canal, it's almost inevitable, in my opinion, as we start shipping more and more oil and natural gas from Alaska, down around the coast, through the canal up to the gulf coast that as you increase the volume of shipment through the canal, then the fees per ton will go down.

Q. I was wondering if I could have a comment on the current furor over disregard of the constitutional provision—and I'll have to read this—found in Article IV, Section 3, Clause 2, which says, "The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States." My question being, I think you're being accused by some people of having circumvented the House.

The second question that I had for you is, you'd mentioned that you'd like to keep the canal full. I guess the rumor that you were going to adhere to EPA standards, drain it, put your dirt back into it [inaudible] [laughter].

President Carter: That's all right. We'll keep the canal open and work it. We've got legal rulings on the constitutionality of my signing the treaties and the Senate advising and consenting toward the ratification of the treaties.

I might say that the House of Representatives will be involved in the process. For instance, a very crucial element of the treaties themselves will be the establishment of the nine-person board to which I just referred. Now the Panama Canal Corporation is a private nongovernmental entity. After the canal treaties are ratified then that will be replaced by a government agency which will consist of this nine-person board, and the House and Senate will have to approve the establishment of that board.

So, that's one of the necessary parts of the completion of the treaty process. So, the House will have an adequate chance to participate in that. Historically in our country, the President and the Senate, ratifying a treaty, has been able to take action as we are taking now.

Q. You told us that a number of Congressmen who are now against the treaty will eventually go over to Panama. And you are pretty sure that they will come back and have their minds changed. What will it be—what will they hear and see which will change their minds?

President Carter: Well, you know, I can't really predict the details, and it may be presumptuous of me to think that the Senators who go down there will all come back convinced that the treaties will be advantageous. I can't say that for sure. But my own experience so far has been that as people in a position of responsibility like you all and the other public leaders have studied the treaties and understand the provisions and the advantages to our country in carrying out the treaties, they've become convinced that it was good.

I've seen a shift among Senators who give

me their private commitments toward approval for the treaties themselves. One thing that has always been a consideration is how do the American citizens who live in the zone have their rights guaranteed.

Whenever we've discussed that point with the negotiators, we have had representatives of the citizens there in the meetings themselves and also labor leaders who in the past have opposed the treaties. But we have guaranteed the right in the treaties themselves for American citizens to have their jobs protected, to have promotion rights, to have all their retirement benefits protected.

So, that was one of the major obstacles in the past that did exist to the treaties being ratified. And now the UAW, the AFL-CIO, and others who represent those American workers in the canal for the first time have endorsed the treaties.

Q. This afternoon we have heard many things, and as I understand it, one of the goals of the treaty is to channel our relations to a more positive atmosphere, not only in the Western Hemisphere but in the larger world community, in the process to give a better status and self-respect and better opportunities to the Panamanians in the process.

President Carter: Yes.

Q. Now, based on your support for these treaties I would like to know—my people [Hopi Indians] would like to know I'm sure—does this then set a policy for your Administration and the administration of internal decisions made for the Indian people of this country with the same high goals as these two treaties seem to aspire to?

President Carter: The answer is yes, it does.

Q. I have the pleasure, of course, to address you now and explain the position of the American Legion in regard to the Panama Canal, the canal zone.

As you are aware, the American Legion held our national convention here in Denver on August 19 to the 26th. And the delegates at that time unanimously endorsed Resolution 445 concerning the rejection of the treaty to turn the canal zone back to the Panamanians.

We have been warned of this over a long

time and by many of the former high military naval personnel of our government that if this would happen and it would result in the greatest economic geographical and sovereignty loss that our country as a republic has endured in the last 200 years.

The American Legion will not stand still or wait for this to happen. We intend and we will use our influence to inform the U.S. Senate and the American people to reject this treaty, and, with the help of God and the wisdom of the American people, we will succeed because we dare to care about the future of America and the American people. Thank you.

President Carter: Thank you very much, sir. I understand how the American Legion felt back in those days, and perhaps you haven't changed your mind. Certainly, you haven't.

I think there has been some clarification, as I said a little earlier, about the two most important questions that were raised at your convention. One was a claim that our country did not have the right to defend the canal the rest of this century and into the next century. I believe that to the best of my ability that particular question has been answered.

And the other major question that was raised then and since by the American Legionnaires has been that we didn't have the right to use the canal in a time of emergency ahead of other ships in order to defend our country. I think that to the best of my ability that has also now been answered.

Very great military leaders, including our own Joint Chiefs of Staff, have endorsed the canal. In the last week, for instance, Admiral Zumwalt [former Chief of Naval Operations], who was a very forceful and very strong naval leader, has endorsed the canal itself. The Chief of Naval Operations of the Navy now strongly endorses the canal. Former commanding officer of our forces in South Korea, Mathew Ridgway, this past week came out, endorsed the canal. Melvin Laird, former Secretary of Defense under the Republican Administration, has endorsed the canal, and others who are deeply concerned about the defense of our nation.

As a fellow Legionnaire, though, I know

that there is a very strong and forceful desire on the part of Legionnaires to express your opinion openly and aggressively, and I'm very glad to have you do that this afternoon, sir.

Panama Canal Treaties

Following is a statement by Secretary Vance made before the House International Relations Committee on October 20.¹

Press release 482 dated October 22

I want to thank you for the opportunity to meet with you today to review the Panama Canal treaties and to answer your questions.

As the Members of Congress and the American people listen to the treaty arguments—pro and con—consider them, and reach a judgment, I believe they will conclude, as have four successive American Presidents, that a new treaty reflecting present-day realities serves our best interest and that the status quo does not.

—The treaties will make the canal easier to operate and easier to defend.

—They better assure for us continued access to the canal, for both military and commercial purposes.

—They advance our position throughout Latin America and, in important respects, throughout the world.

—And they fulfill the expectations of every American that this country will continue to act as a world leader should.

The status quo promises tension, instability, and growing animosity in Panama toward the United States.

Ambassadors Bunker and Linowitz [the U.S. co-negotiators of the treaties] have already presented to this committee the basic facts about the treaties.² I would like to address some of the questions raised in earlier stages of these and other hearings on the canal. They are the questions on the minds of the American people. There is a good answer to every one of them.

Some have asked if we are not surrender-

ing our sovereignty over the canal. After all, we built it, we paid for it, why shouldn't we keep it? The simple fact is that we didn't obtain sovereignty over the canal zone when we negotiated the existing treaty, and we don't have it now. In 1903 we acquired certain rights similar to those exercised by a sovereign, but nonetheless rights, not sovereignty. This principle has been recognized by our government since. We have never considered the canal zone as being like Alaska, which we bought from the Russians, or Louisiana, which we bought from the French.

Our interest today is the same as in 1903—not sovereignty over territory deep in Central America but use of the canal. These treaties do not prejudice that interest; they protect it by enhancing the shared interest of the United States and Panama in keeping the canal open and efficiently operated.

The Panamanian people want the right to call their country their own, and they want a fair share of the canal revenues. The time has come to recognize their legitimate interest in both. We want to use the canal—now and for the indefinite future—and to make sure it will stay open, secure, and neutral. The treaties give us those assurances. They reconcile our interests and Panama's interests and that is the best guarantee of the canal's future.

What about the security of the canal? Isn't it necessary for the United States to maintain control over the canal in order to protect it from attack? The fact is that our military interests are better protected under these treaties than under existing interests.

In the first instance, we must look to our Joint Chiefs of Staff for their judgment. They participated in these negotiations on a regular basis. The treaties reflect their judg-

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 the texts of their statements on Sept. 8, 1977, see BULLETIN of Oct. 17, p. 533, which also contains the texts of the Panama Canal treaties and other related material.

ment on what is needed to defend the canal. As a result these treaties have the full support of the Joint Chiefs. In their view—from the perspective of those who are initially charged with protecting our military interests—these treaties advance our defense. I share that view.

Until the end of this century, we will continue to control the operation of the canal. We will have primary responsibility for defending it. Our troops will remain there.

After the year 2000, the neutrality treaty affords us the rights we need to assure that the canal remains open to vessels of all nations at all times.

Our interpretation of those rights is the same as the Panamanians. The statement of understanding issued on October 14 makes clear that each of the two countries—the United States and Panama—will have the permanent right to act against any aggression or threat directed against the canal or against the peaceful transit of vessels through the canal. The statement also confirms that in case of need or emergency, American ships of war will go through the canal as quickly as possible—if necessary at the head of the line.³

The treaties do not give the United States, nor do we seek, the right to intervene in the internal affairs of Panama. The statement makes clear that U.S. action, solely for the purpose of insuring that the canal remains open, secure, and accessible, will not constitute action against the territorial integrity or the political independence of Panama.

There is a third objection raised by some also connected with security. Some have suggested that the treaties are a sign of withdrawal, of giving up our position as a great power in the world. Others have asked whether the treaties will create a power vacuum in the Caribbean which can be exploited by Cuba or the Soviet Union. In fact, the treaties have just the opposite effect. They will increase our influence in this hemi-

sphere. It is the status quo which could be exploited by others. The treaties lessen this danger by removing a major source of anti-American feeling throughout Latin America.

It is the unanimous conviction of the Latin American nations that the original treaty needs to be changed. Some of our closest friends in the hemisphere—the democratic governments of Venezuela, Costa Rica, Colombia, Mexico, and Jamaica—issued a joint communique in August urging the United States and Panama to conclude the new treaties. Through all the years of these negotiations, the people of Latin America have looked forward to the peaceful resolution of this troublesome issue.

The treaties do not settle the other important issues on the agendas of the United States and the nations of Latin America—issues involving trade and development, regional peace, and human rights. But they do enable us to approach these issues with a fresh spirit of cooperation, unencumbered by the suspicion and resentment that accompanied the existing canal arrangement.

To all nations in the world, the treaties demonstrate that we will use our power in a manner that takes full account not only of our own security interests but also our interest in reducing world tensions, dealing with other nations with mutual understanding, and helping all the peoples of the world to better themselves and to live in self-respect.

What about the commercial interests in the canal? Are we jeopardizing our interests? The fact is that the commercial importance of the canal has diminished as world trade patterns and shipping technology have changed. Today, only about 8 percent of our waterborne trade goes through the canal. Nonetheless, we must protect our commercial interests in the canal.

The most important objective for our commerce is that the canal remain open, secure, and efficiently operated. Until the year 2000, operation of the canal will remain our responsibility. The canal work force already is over 70 percent Panamanian, and Panama will take over after 20 years of increasing in-

³ For the text of the statement of understanding, see BULLETIN of Nov. 7, 1977, p. 631.

volvement in canal operations. Panamanians will have moved into all levels of those operations, and they will be fully capable of running it effectively.

We have a continuing basis, under the neutrality treaty, for assuring that the canal remains open to our trade as well as our warships after the year 2000. Beyond the legal rights afforded by the treaties, we are insured that the canal will remain open and efficiently operated because Panama's stake in the canal is enhanced. Panama derives approximately 12 percent of its gross domestic product and 18 percent of its foreign exchange earnings from canal-related activities, and this proportion of earnings will increase in the future. If trade were shut off by closing the canal, the biggest loser would be Panama.

Another concern is the alleged cost of these treaties. We are asked—why should we pay Panama to take it? The answer is that we are not.

We insisted during the negotiations that payments to Panama for its contribution to the canal enterprise be drawn entirely from canal revenues. Panama initially sought much larger payments which far exceeded what could be financed from the canal's earnings. Our view prevailed. Under the treaties, Panama will receive payments that more nearly reflect the fact that it is making available its major national resource—its territory. But the treaties should not require new appropriations of our taxpayers' money.

We have agreed, outside the treaty, to seek certain arrangements which will assist the general economic development of Panama and enhance its stability. These are loans, guarantees, and credits. All of these loans must be repaid; they are not grants. And they will be used largely to help Panama finance U.S. trade and U.S. investment. Of these only \$5 million of foreign military sales credits will require an appropriation, and this will ultimately be paid back and will help strengthen Panama's ability to defend the canal.

Another question asked is whether we are laying ourselves open to political instability in Panama. What—we are asked—will pre-

vent a future government, perhaps under Communist leadership, from seizing the canal and barring our ships?

The first point to remember is that there is little Communist influence in Panama today and that the most likely way to create an atmosphere in which such influence could grow would be continued disagreement with Panama over the canal. Throughout the negotiations, Panama's closest friends have been its democratic neighbors—Venezuela, Colombia, Mexico, and Costa Rica. We should also remember that for the next 23 years, we will retain control over the Panama Canal's operations and maintain our forces in Panama. Thereafter, we will be in a position to assure and protect the continuing openness, security, and neutrality of the canal. Moreover, the neutrality treaty insures that after we leave Panama at the end of the century, no foreign power may come in to operate the canal or garrison troops in Panama or to maintain bases there.

But there is a more important fact to keep in mind. The Panamanians have lived up to their basic commitments under the 1903 treaty, even though they have considered it onerous. By eliminating the causes for resentment and enhancing Panama's stake in the canal, we are creating an arrangement that reflects the aspirations of the Panamanian people. They will have their own firm interest in keeping the canal open.

These treaties are controversial. They arouse strong emotions. They call upon us to change with changing times, and that is never easy.

When all is said and done, however, I don't believe that an issue which we all agree is of great importance to this nation is going to be decided on the basis of emotion or partisanship or simple slogans. I believe that the Members of Congress and the American people are going to decide, based upon their judgment of what is best for America.

These treaties serve America's interests. They fully protect our ability to defend the canal, and they make it less likely that an American life will ever be lost defending it. They fully meet our commercial needs.

And there is another aspect as well. The Panama Canal has always had an important symbolic dimension, quite apart from its basic commercial and security value. When it was first built, it quickly came to symbolize the ingenuity and perseverance of a young and emerging America. In the years since, we have demonstrated those qualities time and time again. The monuments to our imagination and spirit surround us.

In the years since the original treaty was signed, the canal became a symbol of another kind. To Panama, it was a symbol of unfulfilled nationhood. With ratification and implementation of these treaties, the canal can take on a new symbolic meaning:

—A symbol of our continuing ability to recognize when it is time for change and to seize the opportunity—for the sake of our future interests as well as our current ones;

—A symbol of our desire to work with the other nations of this hemisphere on the basis of mutual trust and respect; and

—A symbol of our commitment to use our power, not to prove we are powerful but to lessen the dangers of violence and conflict throughout the world.

Fishery Agreement With Mexico Transmitted to the Congress

*Message from President Carter*¹

To the Congress of the United States:

In accordance with The Fishery Conservation and Management Act of 1976 (P.L. 94-265; 16 USC 1801), I transmit herewith a governing international fishery agreement between the United States and Mexico, signed at Washington on August 26, 1977.

This Agreement is significant because it is one of a series to be negotiated in accordance with that legislation. It is also significant in the context of the warm and close relationship which the United States has had with Mexico for many years. I, therefore, urge that the Congress give favorable consideration to this Agreement at an early date.

JIMMY CARTER.

THE WHITE HOUSE, *October 7, 1977.*

¹ Transmitted on Oct. 7, 1977 (text from Weekly Compilation of Presidential Documents dated Oct. 10); also printed as H. Doc. 95-240 dated Oct. 11.

Secretary Vance Interviewed for U.S. News and World Report

Following is the transcript of an interview with Secretary Vance which was published in the November 7 issue of U.S. News and World Report.

Press release 492 dated October 31

Q. How do you answer the widespread criticism that this Administration's foreign policy lacks consistency or direction?

Secretary Vance: I would strongly disagree. When we first came into office, we had done a good deal of thinking about our priorities and we had set a schedule of priorities for ourselves. In a sense, they were dictated by the problems of the world that were pressing upon us and had to be dealt with, such as the problems of the Middle East, southern Africa, strategic arms talks with the Soviet Union, the Panama Canal, and the like. These were problems that had been around for a long while and simply could not be allowed to continue to fester.

We set up a system to deal with the coordination of views within the government for doing the necessary preparation for the presentation of these issues to the President and for arriving at governmental decisions. There has been a collegiality of approach in this government which I have never seen before in dealing with foreign policy questions. I see a total lack of people jockeying for position and trying to protect their turf.

Q. Haven't you retreated from many of the dramatic initiatives that the Administration launched in the early months—for example, in Strategic Arms Limitation Talks (SALT) with Russia and human rights?

Secretary Vance: Let's start out with SALT. In SALT we decided at the outset that, even though it had not been done before, we ought to try and see whether or not

the Soviets were prepared to take a major step forward in substantial cuts and in a freeze on the development of new missiles and new technology.

We knew that this was a long shot. So we offered another alternative that was, in effect, to accept what had been agreed at Vladivostok [in November 1974] by President Ford and Mr. Brezhnev [Leonid L. Brezhnev, Chairman of the Presidium of the Supreme Soviet and General Secretary of the Central Committee of the Communist Party of the Soviet Union] and put off the tough issues that had not yet been resolved until SALT III. Both of these proposals were rejected by the Soviets.

We determined that the best way to move from there would be to set up a three-tiered structure. The first tier consisted of a treaty affirming what had been done at Vladivostok. The second tier was a protocol to take care of as many of the tough, unresolved issues as we could on a limited-time basis—namely, 3 years. The third tier involved guidelines for SALT III—the next round of negotiations—which cover the remaining items included in our original comprehensive proposal.

This now has been agreed to by the Soviets. This is the direction in which we're moving. We don't believe that this is falling back. We think it's the best that could be done under the circumstances.

We are on a course which I think is going to bring us ultimately to our original objective of substantial cuts and a freeze on the development of new missiles and new technology.

Q. What's your reading on Soviet objectives in the SALT negotiations? Are they seeking strategic superiority over the United States as a number of experts claim?

Secretary Vance: My reading is that they are seeking strategic parity, as we are. Both of us will do all that we can in these negotiations to end up with a treaty which we believe protects the position of our country and gives us the kind of rough equilibrium in terms of strategic strength that we require for our safety and security.

Q. Some people say that the Russians want parity for a while in order to take advantage of us later—

Secretary Vance: I don't think that is necessarily the case. But even if it were, I think by negotiating a good, sound SALT agreement that we can prevent that from taking place.

Q. Some people say you've retreated on human rights—

Secretary Vance: We have stated our position with respect to human rights clearly and, I think, strongly. We have pursued that position actively. Anybody who has watched and seen what we have done and what the results have been—particularly in Latin America—would recognize that very substantial progress has been made. I am thinking in particular in terms of the number of countries that now are agreeing to have the Inter-American Human Rights Commission come into their country, who are prepared to discuss openly the human rights problems that they were sweeping under the rug before.

Q. Have we backed away in our support of human rights in the Soviet Union?

Secretary Vance: We have not. We continue to speak out where we believe it is necessary to do so. Where we think we can accomplish the same objective quietly, we are doing it on a quiet basis. This is not a backing off in any way whatsoever.

Q. What have you accomplished in human rights by working with the Soviets on a quiet basis?

Secretary Vance: I think we have made progress in terms of reunification of families and in terms of working with the Soviets to increase the amount of emigration to various countries.

Sometimes it's easier for us, on some of these issues, to talk to the Soviets and get them to act—and then not to crow about it once it's been done. We just accept the fact that they have indeed moved. Just take a look at what's happened recently in terms of the emigration figures as compared with years in the past. You will find that in the past year there has been a very substantial increase. Emigration from the Soviet Union, if the present trend continues, will be almost up to the 1973-74 level.

Q. Do you think quiet diplomacy accomplishes more than the open diplomacy that the Administration promised?

Secretary Vance: I think there has to be a combination of both. Sometimes you will get nowhere if you're quiet. You have to speak out, and you have to firmly state what your position is and make it clear to the world. In other cases, quiet diplomacy will be better. It depends on the particular case and problem that you're dealing with.

Q. How do you explain the sudden change in relations with the Soviets in recent weeks—the signs of a warming up after months of growing acrimony?

Secretary Vance: The principal reason is that progress has been made in our SALT discussions. We have a whole complex of issues which are always under discussion between ourselves and the Soviet Union, but it's quite clear that, from the Soviet standpoint, the central issue is the strategic arms talks. If progress is being made in these talks, then relations between the Soviet Union and the United States will tend to be good or better. If progress is not being made, it will have an adverse effect upon the relationship.

Q. What led to the breakthrough in the strategic arms negotiations in recent weeks?

Secretary Vance: We kept discussing with the Soviet Union the reasons underlying our position, urging upon them flexibility. Both sides continued to ponder on what the other side had to say on these various issues. Just by a patient, persevering process of negotiations, we were able to achieve a breakthrough in a number of areas.

This is an important point to make, not only about SALT, but about so many of these problems we face today. They are immensely complex problems. There are no simple answers to them. They require infinite patience and perseverance. And therefore it is wrong to measure success by a thermometer that is set up on any given day.

One has to look over a period of time to see whether or not progress is being made. This is true in human rights. Progress in human rights is going to have to be measured over a long period of time. That certainly is also true in SALT. It will be true in the Middle East and elsewhere. And this is particularly true as world affairs become more and more complex and intertwined.

*Q. For many years Washington has worked on the assumption that the Russians were bent on exploiting the Arab-Israeli conflict and that they should be kept on the sidelines. Why have you reversed this policy overnight by issuing a joint declaration with the Soviets on Mideast peace negotiations?*¹

Secretary Vance: The Russians have a role to play in the Middle East. They are one of the two cochairmen of the Geneva conference. It has been our view from the outset that we should seek to work with the Soviets in a constructive way to try to move toward the reconvening of the Geneva conference and to search for a just and lasting peace. Therefore, we have sought to work with them in a cooperative fashion to achieve these ends. I think we are making some progress, and I think that it will help both of us in terms of bringing about a Geneva conference and also in making progress once a Geneva conference is convened.

Q. Aren't the Russians really bent on making mischief in the Middle East rather than ending the conflict there?

Secretary Vance: I don't think that's true. I think that we ought to proceed on the assumption that they are willing to work in a cooperative fashion unless we find the contrary to be true.

¹ For text of U.S.-U.S.S.R. joint statement issued on Oct. 1, 1977, see BULLETIN of Nov. 7, p. 639.

Q. What role would you expect the Soviets to play?

Secretary Vance: I would hope that the Soviets would encourage, as we have encouraged, all of the parties to take a more flexible and cooperative attitude to move forward toward serious negotiations.

Q. Do you feel that if the Russians were not brought into an active role they would try to wreck a settlement eventually?

Secretary Vance: I wouldn't want to use the word "wreck." I would say that I think they have the capability of playing either a helpful or a spoiling role.

Q. Do you see the Russians involved in international peacekeeping operations in the Middle East and perhaps in southern Africa or other areas of conflict?

Secretary Vance: I think it has been the general feeling of most nations that it is a mistake for either of the so-called two great powers, the Soviets or ourselves, to have actual troops involved in peacekeeping operations. That does not mean, however, that we cannot play a constructive role through providing logistic support and other help, such as we have done in many peacekeeping operations in the past.

It also does not preclude either of us from playing the role of a guarantor of a peace that is arrived at. This, of course, would have to be done in accordance with the constitutional processes of our respective countries—namely, by working through the Congress in the case of the United States. Supplying peacekeeping forces is better done by the medium and smaller countries.

Q. You would rule out American troops in the Middle East?

Secretary Vance: Yes, I think that that is unlikely and probably unwise.

Q. Why is the Administration so determined to get everyone to a new Geneva conference, even though the differences between the two sides seem irreconcilable?

Secretary Vance: Unless you get the people to the bargaining table, you're never going to get down to the serious issues which have to be dealt with. As I look back over history

and my own experience in the Vietnam negotiations in 1968, I've seen too much time spent on procedural issues while lives are threatened or even lost. I, for one, feel very strongly that the important thing is to get the people to the bargaining table so they can sit down and really start negotiating serious issues. When I think back to the Vietnam negotiations, and of the many months that we spent arguing about the shape of a table, about the speaking order, about whether there would be flags or not, when all the time killing was going on, it has left a rather deep scar.

Q. Is there a danger that even if you get everybody to go to Geneva that you will have a quick collapse because of the wide differences?

Secretary Vance: I want to make it very clear that although we've been talking a lot publicly about procedures, we also have been talking seriously in our conversations with each one of the foreign ministers about the substance of a settlement. A great deal of quiet, important work has been going on with each one of the foreign ministers, talking about the terms of peace treaties which would be negotiated once we get to Geneva.

I don't want to minimize the difficulty of the issues that are going to have to be negotiated when you get down to hard, substantive bargaining. It's going to be very, very difficult, and it's going to take a lot of time. We can't expect miracles to happen overnight. It might take months or even years to accomplish.

Q. Do you think a breakdown of a Geneva conference would lead inevitably to another war?

Secretary Vance: If we fail to get into substantive discussions, then the drift will be toward war.

Q. How can you hope to persuade Israel to accept PLO [Palestine Liberation Organization] participation at Geneva and the establishment of a Palestinian entity when [Israeli] Foreign Minister Moshe Dayan says he will walk out if such terms are pressed?

Secretary Vance: We have agreed that there should be a unified Arab delegation, with Palestinians in the delegation. We have

not yet been able to reach agreement on who the Palestinians will be. This is something that we're continuing to work on with all the parties. If we can get agreement among the parties as to how to define who the Palestinians will be, then I think we will have made a major step forward. I think this is possible.

Q. And on the question of a Palestinian entity?

Secretary Vance: When you start discussing the questions of Gaza and the West Bank, obviously that takes you into the Palestinian question and our position is very clear on this. We have said we believe that there should be a Palestinian homeland. We have said, however, that it's our preference that the Palestinian homeland should be affiliated with Jordan.

This is obviously a question that has to be negotiated by the parties. We have said we're not going to impose a solution. We are going to express our views. We will use persuasion to try to bring the parties together, but the final settlements have to be agreed among the parties if they are going to be lasting settlements.

Let me make another point. We have made it very clear to Israel that we stand foursquare behind our commitments to their security and that we will not do anything which would jeopardize their security by trying to exercise pressure through the withholding of military assistance or economic assistance.

Q. How far are you willing to go to provide military security for Israel to get them to go the last mile to a peace settlement with the Arabs?

Secretary Vance: We have said in the joint statement, which we issued with the Soviets, that we would be prepared to consider the question of guarantees of any peace agreement provided that it were done in accordance with the constitutional processes of the United States and agreed by the parties.

Q. Does that mean a bilateral U.S. defense treaty with Israel?

Secretary Vance: It could.

Q. Turning to another critical area, how do you rebut the charges of people like George Ball, a former Under Secretary of State, that it is dangerous for the Administration to try to pressure South Africa to adopt a policy of one man, one vote?

Secretary Vance: We have said to South Africa that we feel they must deal with the problems of discrimination and ultimately the problems of permitting all of the South African people to participate fully in the political processes of the country. We have indicated to them that we have no specific timetable or blueprint as to how this is to be done. We have said that this is up to them to determine. But we have indicated to them that progress or lack of progress cannot but have an effect on the relations between our two countries. I think this is a straightforward position which will not mislead the South Africans in any way, and I think we ought to be honest and straightforward with them.

So in answer to George Ball's comment, I would say that I think it's better to be honest and straightforward with the South Africans and to let them know where we stand.

Q. But does it make sense to press for one man, one vote, which would be almost unique in Africa?

Secretary Vance: We feel that all South Africans should ultimately have a part to play in the political life of their country. That is what we have said. But we have also said: "We cannot tell you how to do this or what the timetable is. That's up to you to decide." It's more complicated than just one man, one vote.

Q. How do you view the recent crackdown in South Africa on black organizations and leaders?

Secretary Vance: I think it very regrettable and a sad step backward. It can't help but exacerbate the situation that exists there. We deplore what has happened because I think it's a retrogression.

Q. How important do you think it is for us to normalize relations with Peking quickly?

Secretary Vance: I think it's important to make clear, as we have, that our ultimate objective remains normalization of relations in

accordance with the Shanghai communique [of February 1972]. As both the President and I have indicated, this remains our goal.

As to the question of when and how this might be accomplished, that is a much more complex question, and I prefer not to go any further into it now.

Q. Are you worried that delay in normalizing relations might lead China to turn back to Russia?

Secretary Vance: In my judgment, the relationships between China and the Soviet Union will become more correct as time goes on. We will find that they will be dealing with each other, in a formal sense, more frequently and resolving some of the minor issues, such as a specific river navigation issue which they have just resolved. However, in terms of drawing together in a close and warm relationship, such as existed in the past, I don't think so.

Q. Do you anticipate any significant change in Chinese policy under the new team of leaders?

Secretary Vance: I think the principal emphasis is going to be on domestic matters. I would expect a continuation of past foreign policy rather than any radical changes in foreign policy.

Q. Is there any interest in Peking in getting modern weapons from the United States?

Secretary Vance: Neither the Chinese nor the Soviets have displayed interest in acquiring weapons from the United States, and I think it would be a great mistake for the United States to provide military equipment or assistance to either China or the Soviet Union.

Q. Why is it that a Democratic Administration is having so much trouble with a Democratic Congress in the conduct of foreign policy?

Secretary Vance: Let me take issue with you. First of all, I think it's understandable that the Congress is playing a larger part in foreign policy than it did in the past. It was clearly predictable that they intended to and would play a larger part. And as far as we're

concerned, that's fine. I have said from the outset that foreign policy has to be both developed and implemented in coordination with the Congress as the representatives of the people. Unless you have a policy which has the support of the people, it's going to be hard to make progress with that policy.

Now, let's come to some of the specifics. On the so-called Byrd amendment—which let the U.S. violate the U.N. embargo against trading with Rhodesia—we asked Congress to repeal it. Congress did so.

With respect to the question of foreign aid, we're going to get a bill with some cuts, but it's one we can live with.

With respect to our initiatives in nuclear proliferation, I'm confident we're going to get the legislation which we set out for in this field.

With respect to an issue like the sale of AWACS—airborne warning and control system—to Iran, we took into account the views of the Congress, as we properly should. Having done that, the transactions went through. I could go on with a number of other items. So I really can't accept your characterization.

Q. What about the Panama treaty? Isn't that the most crucial test of relations with Congress?

Secretary Vance: On Panama we have negotiated new treaties on the canal. The Congress, quite properly carrying out its function as the body which has the responsibility for reviewing and determining whether or not it should ratify the treaties, has been conducting hearings. In the course of those hearings they have raised legitimate questions on the interpretation of some of the key provisions of the treaties—one dealing with the defense of the canal in the post-2000 period and the second dealing with the question of expeditious passage of American ships.

We now have resolved those questions with the statement of the President and of [Chief of Government] General Torrijos.² This

²For text of joint U.S.-Panama statement of understanding issued on Oct. 14, 1977, see BULLETIN of Nov. 7, p. 631.

clarification having been made, in my own judgment we are going to get the necessary support for ratification when we ultimately put it to a vote.

Q. What would be the consequences of the Senate's rejecting the Panama treaty?

Secretary Vance: I hope we don't have to face that question, but I think the consequences could be very serious—not only in terms of Panama but in terms of our relationships with our hemispheric neighbors. All of these countries feel that the 1903 treaty is outmoded and needs to be renegotiated. The new treaties are seen throughout Latin America and Central America as fair and adequate.

If we fail to carry them forward through ratification, I think it would seriously injure our relationships with the countries of the hemisphere and could have a negative spillover effect into the Third World in general.

Q. Looking over the whole field of U.S. foreign policy, has there been any basic change under the Carter Administration?

Secretary Vance: There is a continuity to our foreign policy. Many of the initiatives that we are carrying forward were started in earlier Administrations. There obviously are, however, differences of emphasis among different Administrations in various areas.

Q. Where are the different emphases of this Administration?

Secretary Vance: Human rights is certainly one area. Preventing the proliferation of nuclear weapons is another. These global issues have received more emphasis in the Carter Administration.

Then, too, we have given much more emphasis to the issues between the developed countries and the developing countries than in the past. We consider the improvement of our relationships with nations of the Third and Fourth Worlds to be of great importance. This is particularly true in our African policy and a number of our initiatives with respect to Latin America. An example is the Panama Canal negotiations. The same is true with respect to Southeast Asia, where we are seeking to work with our ASEAN [Association of South East Asian Nations] colleagues to deal

with the problems which they are facing, particularly in the economic field. These efforts are a matter of high priority.

We also have felt that it's very important that we have a dialogue with as many countries as possible, that it is wrong to set up a wall so that we can't talk to each other. Therefore we have tried to start to normalize relations in a measured and reciprocal fashion, between ourselves and countries with whom we had no communication because we had cut off relations for one reason or another—Vietnam and Cuba, for example.

Q. Have you had any success with the Third World?

Secretary Vance: During the 2 weeks that I was at the United Nations recently I got a very strong feeling that there is in the developing countries an attitude toward the United States quite different from what existed before. I think this is very constructive. I think it's going to help us to deal with many of the global problems that face all of us—the fact that we will have people who will be willing to sit down and work in a cooperative way rather than a confrontational way.

Parties to Antarctic Treaty Meet in London

Following is a statement by Robert C. Brewster, Deputy Assistant Secretary for Oceans and International Environmental and Scientific Affairs, made at the opening session of the ninth Antarctic Treaty consultative meeting in London on September 19.

During its first 16 years, the Antarctic Treaty has been the vehicle for constructive cooperative efforts in investigating the last great scientific frontier of this planet. The success of these efforts in which we have all shared has confirmed anew that nations with varying interests can work together for a common goal which serves all mankind. Our combined scientific activity in Antarctica has made immeasurable contributions to man's

knowledge of glaciology, cartography, geophysics, geology, biology, oceanography, and meteorology, as well as to many other scientific disciplines. We are confident that this joint effort will endure and expand as new needs and new techniques emerge. The BIOMASS program is just one example.¹

From our scientific cooperation under the treaty has come a realization of the unique opportunity offered by Antarctica first to witness and then to begin to understand the basic processes at work on our planet. We have come to appreciate even more the importance of Antarctica and Antarctic systems to the global environment.

Our understanding of the global significance of Antarctica forms the basis of our shared commitment to the protection of the unique Antarctic environment. This commitment has increasingly spurred U.S. activities relating to Antarctica in the period since the eighth consultative meeting [June 9–20, 1975, in Oslo]. The United States last year ratified the Convention for the Conservation of Antarctic Seals. On May 23 President Carter, in his environmental message to the Congress, stressed the importance of Antarctica to the Earth's oceans and atmosphere and the need for preservation of its environment. The President also forwarded to the Congress on that date the draft legislation which will enable the U.S. to formally implement the Agreed Measures for the Protection of Antarctic Fauna and Flora. I had the pleasure of opening the Administration's testimony before two committees of the Congress on that draft legislation last week.² Although the United States has been observing the Agreed Measures since their adoption in 1964, the proposed legislation will strengthen our ability to do so and reemphasize our commitment to the Antarctic Treaty and our concern for

¹ The Biological Investigation of Marine Antarctic Systems and Stocks (BIOMASS) program is a proposed interdisciplinary research program for the living resources of Antarctic waters. The proposal has been put forth by a group of specialists—the Scientific Committee on Antarctic Research (SCAR)—and is currently being considered by the governments of the SCAR participants.

² For the text of Ambassador Brewster's statement on Sept. 12, 1977, see BULLETIN of Oct. 24, 1977, p. 576.

the protection of the Antarctic ecosystem.

The health and integrity of the Antarctic environment is a common thread that runs through and joins most if not all of the issues facing us. It is a basic element in most of the items on the agenda of this meeting: man's impact on the Antarctic environment, improved procedures for gathering and distributing hydrometeorological information, the effect of tourists and nongovernmental expeditions in the Antarctic area, etc.

But its sharpest focus now unquestionably centers upon the two agenda items dealing with Antarctic resource matters. The possibility of activities directed toward Antarctic living and nonliving resources are the key issues. The challenge such activities could pose to our common commitment to the preservation of the Antarctic environment and to the treaty itself is, in the view of my delegation, the prime issue facing this consultative meeting.

In the case of living resources found within the treaty area, the question is not so much whether harvesting will occur but how it can be insured that utilization of living resources will take place in accord with our commitment to the Antarctic environment. My delegation believes that development of a conservation arrangement covering Antarctic marine living resources is required, and urgently. The discussions at the July preparatory meeting suggest that we are substantially agreed on this. My delegation believes that a conservation regime should incorporate the following elements.

—First, it should be directed to fishery resources and not directly apply to species already regulated pursuant to existing international agreements (whales and seals), provided that it take account of the relationship of target species to such other species and to the Antarctic ecosystem as a whole.

—Second, it should provide for effective conservation of the species covered throughout their entire range.

—Third, it should provide for and encourage participation by all interested states.

—Fourth, it should provide for a separate institutional mechanism to perform two basic functions: the development and implementa-

tion of conservation measures themselves and the collection and analysis of the data necessary for the development of effective conservation enforcement.

—Fifth, it should provide for effective enforcement arrangements to insure compliance with conservation measures.

In our view, these principles provide a sound basis for an initiative by the consultative parties on living resources in Antarctic waters, an initiative which would not only reflect the vitality of the Antarctic Treaty system but also accommodate the legitimate interests of the international community at large.

The commitment we all share to the preservation of the Antarctic environment is a touchstone of our approach to the equally important issue of possible mineral resource development in the treaty area. Unlike living resources, Antarctic mineral resources have not yet been the object of commercial exploration or exploitation activities.

Nonetheless, we believe it essential that there be an agreed arrangement to determine whether mineral resource activities would be compatible with the objective of preserving the Antarctic environment and to insure the effective management of such activities, if undertaken. An important contribution to understanding the mineral resource issues can be made by the work of the technical experts included on our delegations. We hope that the nations participating in this meeting will bring their extensive knowledge and experience to bear in elaborating a workable and open arrangement for dealing with Antarctic mineral resources which can be in place prior to whatever mineral resource activities may occur.

The Antarctic Treaty consultative parties have in the past 16 years established an impressive record of cooperation in scientific activity and in environmental preservation and conservation. It is a solid record of success, one of which we are justifiably proud. But we cannot rest upon this record, admirable though it is. The resource issues now before us will require our concentration, imagination, accommodation, and good will if we are to find satisfactory solutions. The future of

Antarctica and of the treaty system may well depend upon our doing so and doing so in time.

The U.S. delegation looks forward to the days ahead, confident that we can act together to meet the challenges of today as we have the problems of yesterday.

Bowhead Whales

DEPARTMENT STATEMENT

Press release 477 dated October 20

In order both to protect Eskimo subsistence hunting and to maintain and improve international cooperation to protect whales, the United States has decided not to present an objection at this time to a recent International Whaling Commission (IWC) action regarding bowhead whales.

In June 1977 the IWC removed the existing exemption for aboriginal hunting of bowhead whales until further action and continued the classification of the bowhead as a "protection stock," thereby imposing a 1-year zero quota on taking of bowhead whales. For native Alaskan Eskimos, termination of whaling would cause a sudden disruption of their way of life. Therefore, in response to the IWC action, the U.S. Government is developing a program to obtain IWC approval of Eskimo subsistence hunting based upon the establishment of a scientific research program and conservation regime. The Administration will take the following steps to implement this program:

1. Seek the cooperation of the Eskimo community in instituting an expanded program of scientific research on bowhead whale stocks;

2. Seek the cooperation of the Eskimo community in establishing a bowhead whale conservation regime which will adequately limit the number of whales killed and eliminate or minimize the number of whales hit but not recovered (and thus possibly killed);

3. Undertake informal consultations with members of the IWC and its Scientific Committee to seek their support for a subsistence

hunt for Eskimos based on this scientific research and conservation program;

4. Ask the Scientific Committee of the IWC at its next meeting in November to consider the proposed U.S. research and conservation program;

5. Actively seek IWC approval of an Eskimo subsistence hunt at the special meeting in December where the IWC will be reconsidering the bowhead whale issue; and

6. Evaluate the results of the December meeting and take appropriate action based upon the alternatives available.

GENERAL BACKGROUND ¹

The bowhead whale is a migratory Arctic whale listed as "endangered" under both U.S. law and the 1973 treaty on trade in endangered species. Commercial whaling for bowheads has been prohibited by international agreement since 1931. Whaling is also prohibited for U.S. citizens under domestic law, except for subsistence whaling. Residents of nine Eskimo villages in northwest Alaska have harvested bowhead whales for subsistence purposes for centuries.

The bowhead whale hunt is and has been a central cultural activity in the Eskimo whaling villages. Social structures are integrally intertwined with the hunt. No other traditional activity is available to take the place of the hunt and related ceremony. Also, bowhead whale meat is a major part of the diet of the Eskimo whaling villagers.

Available data show that the annual Alaskan native harvest averaged 10 bowheads from 1946 to 1970 but increased to an average of 29 in the period from 1970 to 1975; 48 whales were killed in 1976 and 28 in the spring 1977 hunt. The historical record of Eskimo harvest of bowhead whales indicates that the kill in 1976-77 was not totally unprecedented.

On the other hand, there have been some seasons where no whales were taken. Variations in weather conditions during the hunts seem to be a major factor in the size of the kill. Another major factor in recent years ap-

¹ Issued with press release 477.

pears to be an increased hunting effort. Available data also indicate that there has been a substantial increase in the number of whales struck but not recovered (and thus possibly killed) since 1970.

While estimates of the actual size of the affected stock have ranged from 600 to 2,000, the IWC Scientific Committee accepted the figure of 1,000 animals as the best estimate—probably only 6–10 percent of original stock size. The annual net reproduction rate under good conditions is estimated at 4–5 percent of the population.

Since 1972 the IWC and its Scientific Committee have stated increasing concern for the bowhead whale population and have recommended that we limit the harvest, reduce the struck and lost rate, and institute a research program. However, the U.S. Government did not adequately respond to these recommendations. Thus, concern for the viability of the stock led to the IWC decision in June 1977 to eliminate the subsistence exemption for the bowhead. If the United States objected to the IWC action, it would no longer be obligated under the international whaling convention to comply with that action.

The IWC will be convening a special meeting in December. Accordingly the U.S. Government has asked for the agenda to include a reconsideration of the IWC's June action

regarding bowhead whales. Although the elimination of the subsistence exemption will take effect as of October 24th (the deadline for the presentation of objections), no bowhead whale hunt will be affected prior to the December meeting.

Since 1972 the United States has been highly active in attempting to achieve a global moratorium on commercial whaling. President Carter worked for the 10-year commercial whaling moratorium resolution at the 1972 Stockholm Conference on the Environment and sent a personal message to the IWC this year supporting strong limitations on whaling.

Pursuant to U.S. recommendations, the IWC has adopted new working procedures which place primary reliance on the Scientific Committee's recommendations. Substantial reductions in commercial whaling quotas have been achieved since that time. No member of the IWC has objected to a quota since 1973 even though some members have suffered severe adverse social and economic effects as a result of reduced quotas.

The Secretary of State, with the concurrence of the Secretary of Commerce, is authorized to present objections, if any, to IWC actions. The decision not to object was reached after extensive deliberations among the affected agencies and has the approval of the President.

International Reactions to the Problems of Steel Trade

*Statement by William G. Barraclough
Deputy Assistant Secretary for Economic and Business Affairs*¹

My statement addresses primarily the reactions of foreign steel industries and their governments to the current prolonged period of sluggish demand for steel. These reactions include efforts by some governments to limit steel imports through bilateral understandings and a major attempt by the European Communities (EC), known as the Davignon Plan, to rationalize its steel industry. I will also briefly address the impact of increasing steel production and consumption in developing countries and in the Eastern European countries on future world steel trade and the question of institutional factors which affect cost competitiveness in steel production.

As you know, all of the major world steel industries are in trouble. The differing reactions of these industries and their governments to the prevailing situation of oversupply reflect differences in the structures of the industries among the major producing countries and in the prevailing social, economic, and political environment in these countries.

Most experts agree that the Japanese steel industry, which consists mainly of large-scale modern plants, is the lowest cost steel producer in the world. Because it is highly capital intensive, the industry can fully realize its cost advantage only at higher rates of capacity utilization.

Another characteristic of the Japanese in-

dustry is that debt represents a relatively larger proportion of the total capital structure in Japan than it does in the United States. In the short run, the Japanese industry appears willing to sell steel at low prices as long as these prices cover variable costs which in Japan are relatively lower as a percentage of total costs.

Japanese export prices have a profound effect on world prices because of Japan's increasing importance in world steel trade in recent years. Japan accounted for almost 27 percent of world steel exports in 1975. Most of Japan's gains have come at the expense of Western European exporters in traditional markets for European steel, including the United States, the U.S.S.R., the developing countries, and many of the smaller Western European countries.

The principal response of major Japanese steel producers to depressed demand has been price cutting. The extent of the price cutting and its effect on world markets has led to allegations that Japanese sales are at times below average costs. Although Japanese exports have increased in 1976 and 1977, five of the six largest Japanese steel firms are losing money, according to the Japanese Ministry of International Trade and Industry. The Japanese have also responded to this situation by reducing projected steel production targets, scaling down plans for new investment, and reportedly increasing some prices in international markets.

In addition to—and perhaps partly because of—Japan, other steel-exporting countries have been shipping steel at very low prices.

¹ Submitted to the House Committee on Ways and Means on Sept. 20, 1977. 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.

South Africa, South Korea, Spain, and the Eastern European countries have all been cited by competing U.S. and European industries as sources of very low-priced steel.

Governmental responses to these low prices can be divided into two categories: antidumping actions and restrictive bilateral agreements. Several countries, including the EC, the United Kingdom, Canada, and Norway, have conducted antidumping investigations and, in some cases, imposed antidumping duties. The EC reached agreement with Japan late in 1975 on a voluntary limit to Japanese exports of steel to the EC. We understand that bilateral discussions have also taken place between the EC and other suppliers such as Brazil, South Africa, South Korea, Spain, Australia, and EFTA [European Free Trade Association] producers. However, we have no concrete evidence that these have resulted in a restriction of trade.

We have expressed our concern to the EC that the potential disruption to world trade in this sector through EC efforts to impose quantity or price restrictions on the behavior on other steel-producing and trading nations could lead to diversion of steel exports intended for the EC market to our own. Furthermore, a proliferation of arrangements to that end could reduce the ability of international institutions—like the GATT [General Agreement on Tariffs and Trade] and the OECD [Organization for Economic Cooperation and Development]—to deal effectively with emerging sectoral trade problems.

In addition to such measures, the European Commission [executive organ of the EC], through the Davignon Plan, is attempting to deal with the problem on a longer term basis by increasing the competitiveness of the European industry. The Davignon Plan calls for a series of measures, such as aids for productivity research and modernizing investment, designed to restructure the long ailing industry and increase its long-term competitiveness. The plan also provides for temporary market actions to buy time for these more fundamental industrial changes including voluntary delivery targets, minimum reference prices for most major steel products (with mandatory minimum prices for steel

reinforcing bars), automatic import licenses, and discussions with third countries with the purpose of reducing the amount of their exports to the EC and/or to achieve more acceptable price behavior. U.S. concern over the potential trade effects of these actions, including possible dumping of steel imports from the EC to third country markets and of deflection of third country exports from the EC to the United States, has been formally expressed to the Commission on a number of occasions since December 1976.

The EC's assessment of the first 6 months of the Davignon Plan has been mostly favorable. List prices have shown slight improvement as producers have generally aligned them with the minimum prices proposed by the Commission. In fact, prices for most categories were increased in August. Discounting, however, remains widespread. There has also been an improvement in the steel trade balance with exports and imports moving favorably. Nevertheless, because of chronic overcapacity and the general economic situation, prospects for Europe's industry are still dim.

The second part of the plan, presently under study, is designed to tackle the industry's more fundamental problems. It is aimed at modernizing the industry through closure of antiquated facilities, mergers, coordination of state aids, and adjustment assistance and retraining for displaced workers. This part of the plan will require a high degree of cooperation and spirit of sacrifice among the EC's member states, industry, labor, and the Commission.

Problems in world steel trade may be further complicated in the future as production in the developing countries and COMECON [also called the Council for Mutual Economic Assistance (CMEA)] countries expands.

Impact in the Developing Countries

Developing country crude steel production increased from 1975 to 1976 by about 13 percent, from 36.4 to 41.3 million tons. Leading producers include Brazil, Mexico, India, and South Korea. As production expands in these countries, their imports of steel will decrease and, as domestic market requirements are

satisfied, we can expect vigorous competition from these sources.

The Latin American Iron and Steel Institute projected in 1975 that Latin American capacity would increase to 60.6 million tons by 1980 and 85.9 million tons by 1985 versus actual capacity of 20.9 million tons in 1975. It anticipated steel self-sufficiency for Brazil, Chile, Mexico, Peru, and Venezuela by 1980. While this forecast is quite optimistic, it is illustrative of the appeal that expanding domestic steel production has for developing countries to save or possibly even earn foreign exchange and provide domestically one of the most basic needs for economic development.

Among groups of developing nations those of Asia—excluding the People's Republic of China and North Korea—ranked second to those of Latin America in 1976 crude steel output with 15.4 million tons. This area is led by India, which expanded steel production from 7.7 to 10.2 million tons from 1974 to 1976, and South Korea, which achieved a 73 percent increase in crude steel output in 1975-76, from 2.2 to 3.8 million tons. South Korea, currently a large net importer of steel, anticipates achieving self-sufficiency by 1983 based on crude steel output of 18.7 million tons. The members of the Association of South East Asian Nations (ASEAN) expect to triple their 1976 production of 1.1 million tons by 1985.

A recent study of the steelmaking potential of the Middle East singled out Iran, Iraq, and Algeria as nations with a comparative advantage in steel based on local supplies of iron ore and natural gas for direct reduction ironmaking. This region, where current production is negligible and imports substantial, hopes to be producing about 27.5 million tons of steel by the end of the 1980's. Projected production will probably be heavily subsidized and take place behind highly protective barriers.

Impact in Eastern Europe

Crude steel production in the COMECON countries totaled 217.8 million tons in 1976 and is projected to reach between 258 and

266 million tons by 1980. In 1976 the COMECON countries began new 5-year plans which project an increase in the region's crude steel output of 20-25 percent over the 1975 level. Poland, Romania, and Bulgaria have the most ambitious 5-year (1976-80) steel expansion plans with anticipated crude steel growth rates of 40-60 percent (in terms of tonnage) compared to projections in the low to mid-teens for the U.S.S.R., Czechoslovakia, and East Germany—the more developed countries in the group.

In 1976 the Soviet Union produced 159.5 million tons of crude steel, about three-fourths of the COMECON total. The U.S.S.R. state plan for 1977 calls for crude steel production of 168.3 million tons. Investment during the current Soviet 5-year plan is focused on modernization, conservation of raw materials, and the upgrading of the industry's product mix. Soviet steel investment has remained constant at about \$3 billion per year since 1973.

CMEA MEMBERS (also called COMECON)

| | |
|-------------------------------|----------|
| BULGARIA | HUNGARY |
| CZECHOSLOVAKIA | POLAND |
| GERMAN DEMOCRATIC REPUBLIC | ROMANIA |
| | U.S.S.R. |

CMEA has reported that total foreign trade (imports plus exports) in steel of its members increased from 40.7 to nearly 44 million tons from 1975 to 1976. Czechoslovakia, with a 1976 steel trade surplus of 2.7 million tons, is the region's only significant net exporter. Although 1976 steel trade figures for the U.S.S.R. are not yet available, it registered a small surplus in 1975 (0.88 million tons). The COMECON countries had a small overall trade deficit that year (1.6 million tons). In 1975 about three-fourths of total COMECON steel trade was within Europe and about one-half within COMECON itself. These countries' steel exports to North America are negligible.

Published accounts of the 1976-80 CMEA economic plans do not include foreign trade

projections. While steel production for domestic consumption in these countries is in accord with a state plan, their steel economies are not insulated from international market forces. The worldwide rise in raw material costs has affected both imports and exports of steelmaking materials in the CMEA countries.

Although the way in which final products are priced in the CMEA area is cumbersome and difficult to evaluate, there is evidence that CMEA steel enterprises are experiencing cost squeezes. Industries which have important export markets, such as Polish shipbuilding, have been hit by the recent recession, and this has resulted in a decline in demand for steel. Poor harvests are also known to impose adjustments on state plans which adversely affect investment in and consumption of steel within the CMEA area.

In view of the protected and subsidized character of steel production in the countries with centrally planned economies and the inflexibility of their production planning, there do appear to be some built-in incentives for low price CMEA sales in Western European markets when internal consumption drops below target. Such sales in Europe have reportedly been a problem both in past years and in recent months.

Institutional Factors Affecting Competition

Institutional factors in the form of domestic policy programs which could affect cost competitiveness in the steel industry are many. The most important include the degree of government planning, pollution regulations, government financing, and regional development programs.

Government Ownership

The majority of the world's steel industries—excluding those of the COMECON countries—are privately owned and operated. Estimates reveal that, in 1974, 19 percent of world steel production—excluding COMECON production—was accounted for by government-owned companies.

Government ownership of steel facilities in the developed countries is concentrated in

Western Europe. Within the EC, the United Kingdom and Italy—and to a lesser degree West Germany and the Netherlands—have government-owned steel firms. In 1974, however, only 27 percent of EC steel production was identified as coming from government-owned steel facilities. Government ownership of the steel industry in the respective EC member countries is partial and not complete. The British Steel Corporation (BSC), formed in 1967, owns 100 percent of a company producing 85 percent of the United Kingdom's steel output. In Italy the government owns a 55 percent share of the Finsider Company and an undetermined share of the EGAM steel company group. The Government of the Netherlands has 35 percent ownership of a company producing 90 percent of total Dutch output; and the West German Government owns a 15 percent share of the Peine-Saltzgitter Company, which accounts for 9 percent of capacity.

In other Western European countries government ownership is more extensive, accounting for 59 percent of production in 1974. Total government ownership prevails in Austria and Yugoslavia.

Estimates of planned capacity additions in these countries indicate that 49 percent of the planned additions will be government-owned.

Government ownership may become more of a factor in future years. Our estimate of planned capacity additions worldwide indicates that nearly half will be government-owned. A much higher percentage—now estimated at 86 percent—of capacity addition in developing countries is likely to be government-owned. Although over one-third of total planned new capacity is to be in developing countries, we question whether all these plans can be realized. Several major developing countries are now encountering, and will likely continue to encounter, substantial delays in implementing their expansion plans. With the exception of Sweden and Canada—both small producers—the proportion of planned capacity addition which is government-owned in developed countries will remain roughly constant.

It is alleged that government ownership of

steel production gives foreign producers a distinct trade advantage. Government-owned steel producers, it is thought, need not be concerned with earning an adequate rate of return and receive financial and other incentives which may work to their advantage.

Government-owned steel firms are constrained by sociopolitical factors which affect their employment policies, the location of their production facilities, and the selection of their input sources. The result is that the efficiency of many government-owned steel firms is reduced substantially.

It is difficult to derive empirical estimates of the net benefits or costs attributable to government ownership of steel firms. However, a relative assessment of the effects of government ownership can be made by comparing the performance of privately and government-owned steel industries over time. Such comparisons reveal that during the period 1970-74, there was no relationship between government ownership and production performance. The production gains experienced by steel industries in countries characterized by government ownership are no greater than those of countries with privately or predominantly privately-owned steel industries. There is also no relation between the size of the production increase reported during this period and the extent of government ownership. In fact the opposite is true in countries such as the United Kingdom, Norway, and Portugal where government ownership is extensive.

Government Planning

On the question of government planning, long-term coordinated government planning systems are characteristic of the establishment and expansion of steel industries in developing countries. These systems represent an attempt by developing countries to coordinate their economic growth and to establish economic objectives and sectoral priorities. This type of planning is most visible and significant in countries such as Mexico, Brazil, Spain, and Korea.

The EC and Japan are traditionally cited as the major developed countries in which governmental planning of the steel industry is practiced. The respective institutions which

are the progenitors of this planning are the European Coal and Steel Community (ECSC) and the Japanese Ministry of International Trade and Industry Basic Industries Bureau.

In Japan businesses make few major decisions without consulting the appropriate governmental authority; the converse is also true. Despite this relationship, the government neither plans nor dictates industry behavior.

The close relationship between the steel industry and the Japanese Government is well documented prior to 1960. After 1960 it appears government intervention in the steel industry diminished substantially. The most durable and most visible dimension of government-industry interaction which remains in the steel sector is the detailed joint review of the industry's expansion plans by the respective industry branch bureau of the Ministry and the management representatives of the steel companies. The objective of this review is to arrive at a consensus with respect to both the rate and timing of investments by individual steel producers.

The Ministry participates in these meetings in an ex officio capacity. Its main role is essentially to persuade and encourage the industry to move in desired directions. The Ministry neither plans nor dictates the rate of capacity expansion—nor does it unilaterally and formally accept or reject the consensus of the industry. Its objective is to promote voluntary action by the steel industry on the basis of the consensus arrived at by both industry and government.

The Japanese Government does have sanctions, both traditional and formal, which could be implemented as punitive measures. A critical one is the Ministry's control of allocations of imported raw materials. The Japanese steel industry imports 98 percent of its iron ore requirements and 84 percent of its coal. It controlled the importation and allocation of coal and iron ore until 1965 and retained control of heavy coking coal until 1971; it was capable, therefore, of exerting substantial control over the rate of production and hence expansion of the steel industry.

The Bank of Japan, through its foreign exchange controls, may also limit foreign bor-

rowings by steel producers. This is particularly critical since foreign borrowings have been a substantial source of funds for steel expansion.

Aside from these formal sanctions there is a strong traditional link between Japanese economic expansion and steel. The steel industry is viewed as a leading sector in Japan's growth. Cooperation and accommodation are therefore stressed and in most cases achieved.

ECSC Activities

The European Coal and Steel Community (ECSC) is a supranational institution established in 1951 to coordinate the coal and steel policies of the ECSC's member states. The ECSC's planning activities are in many respects analogous to those of the Ministry of International Trade and Industry of Japan. However, the member states and their steel industries retain a large degree of autonomy; national and/or sectoral planning is, for the most part, a function of the respective member states' central governments and not the ECSC.

The ECSC does provide information on market characteristics to its membership and, after consultation with its membership, also formulates long-term projections or forecasts of the Community's coal and steel industry. These long-range forecasts are derived from member state submissions and serve as objectives or guides to the industry. They have no legal status and are not binding on any of the member states under normal market conditions.

However if the EC Commission determines that a state of crisis exists in the EC steel industry, the Commission has the power to exercise substantial control over the industry.

The EC Commission declared such a state of crisis in the EC steel industry and implemented on January 1, 1977, the anticrisis measures of the Simonet Plan. The EC set indicative voluntary delivery quotas (cut-backs) for 30 steel companies or groups and is monitoring steel imports and domestic steel prices. Measures have been intensified under the Davignon Plan discussed above.

The respective central governments of the

EC member states—notably France, Italy, Belgium, and the United Kingdom—also have national plans for their steel industries. For the most part these individual national plans were established to:

—Rationalize the respective national steel industries and thus achieve economies of scale;

—Stabilize or promote employment; and/or

—Promote regional development.

The process of consultations in Japan and the ECSC, in which government and industry exchange and review information and ultimately develop a consensus opinion, is aimed at reducing the uncertainty of steel industry expansion and increasing the coordination of the industry's expansion with overall economic growth. There is no doubt that this process provides information to the respective steel firms of both Japan and the ECSC that is not available to their counterparts in the United States. However, a wealth of statistical data, forecasts, and projections from both public and private sources are available to U.S. steel firms at little or no cost.

The industry-government consultations undertaken in Japan and the ECSC and the participants involved make this process unique, however. It provides information that simply cannot be derived otherwise. For example, the uncertainty and risk associated with an investment decision of a private U.S. steel company is likely to be much greater than that of its Japanese counterpart. It is not apparent, however, that this process is either less costly or more efficient—in terms of preventing excess capacity—than that engaged in by U.S. steel firms. The development of investment plans and arguments justifying these plans is an industry function and not the purview of the Ministry of International Trade and Industry or the ECSC. Consequently, the costs associated with the detailed analysis leading to the decision to invest are borne by the industry, just as they are in the United States.

There is no evidence that the process of consultations and forecasting is more successful in preventing the occurrence of excess capacity in the steel industries of the EC and

Japan than the process of expansion followed by U.S. steel firms.

EC MEMBERS

| | |
|------------------|----------------|
| BELGIUM | IRELAND |
| DENMARK | ITALY |
| FRANCE | LUXEMBOURG |
| GERMANY, FEDERAL | NETHERLANDS |
| REPUBLIC OF | UNITED KINGDOM |

It is difficult to assess the effect of national planning by European governments on respective domestic steel industries. National planning directed toward a rationalization or consolidation of the industry to achieve economies of scale, and thereby increase efficiency, is clearly beneficial to the industry. The national steel plans of the French, Belgian, and British Governments clearly have this goal in mind. National plans, however, also include concomitant goals such as regional development, cross-sectoral development, and growth of employment which are not advantageous to the steel industry since their realization often results in higher costs and decreased efficiency. The French, Italian, and British plans for steel involve strong regional assistance and employment goals. The British plans also include competing cross-sectoral goals for the coal industry.

Financial Assistance

In some cases foreign governments provide financial assistance to their domestic steel industries. It is said that financial assistance of foreign governments allows their steel producers to expand and modernize their steel plants and provides a basis for competing in world steel markets and, in particular, the U.S. market, placing U.S. firms at a disadvantage relative to foreign steel producers which receive such assistance. The EC and Japan are cited as examples of major steel-producing countries where government financial assistance is given. Most of the major developing country steel producers also receive government financial assistance.

Public financial assistance to EC steel firms may originate from several sources such as supranational assistance provided by

the ECSC and national aid programs of the respective central governments. ECSC is empowered to borrow funds in private capital markets and to relend those borrowed funds to firms in the Community. The EC's steel firms are eligible for such loans. The basis of the ECSC's borrowing is a loan guarantee fund derived from required annual levies on ECSC member firms. The annual assessment, which varies by type of product and over time, has stabilized at around 0.3 percent of sales since 1961. By the end of 1975 the ECSC collected about \$1,028 million in levies from member firms. The steel industry contributed \$725 million, or three-fourths of the total.

During the period 1954-75 the ECSC borrowed \$3.3 billion from the capital markets of Europe and the United States. On the strength of the large loan guarantee fund it has amassed, it enjoys a AAA bond rating. Consequently, the rates of interest assessed on ECSC borrowings are very favorable. The interest rates on loans to the ECSC varied from 3⁷/₈ percent in 1954—the rate on the first loan from the United States—to 10 percent on a loan acquired in 1974. The rate on more recent borrowings—in 1975 and 1976—was 9 percent.

The ECSC loanable funds are derived from borrowings and the funds accrued from the annual levy on member firms. Three major types of loans are made by the ECSC:

1. Industrial loans intended for modernization and expansion of member firms;
2. Conversion loans intended for social programs and objectives such as worker relocation and regional development; and
3. Loans for worker housing and retraining.

During the period 1954-75, the ECSC loaned a total of \$3,217 million to EC member firms. The bulk of these loans (81 percent) were industrial loans to coal, steel, iron ore mining, and utility firms. The remainder of the ECSC loans were distributed among conversion loans (12 percent), loans for worker housing and retraining (6.6 percent), and technical research loans (4 percent).

The steel industry received 70 percent of the \$2,610 million of industrial loans made by

the ECSC during this period. The remainder were distributed among the coal (23 percent), utility (5 percent), and iron ore mining industries (1 percent).

It does not appear that ECSC financing subsidizes EC member state steel producers. This conclusion is based on an evaluation of three potential sources of subsidization: the terms of ECSC loans (industrial), the availability of capital, and loans for regional and worker aid and related industries.

Critics contend that EC member state steel firms receive preferential interest rates on ECSC loans which are more favorable than rates received by U.S. firms and that these firms are therefore subsidized. In particular U.S. steel industry spokesmen contend that EC steel firms receive more favorable rates than U.S. steel firms.

The ECSC AAA rating does allow it to borrow funds at lower rates. However, this does not mean that ECSC member steel firms receive these same low rates. Three factors must be taken into consideration with regard to ECSC loans to member state steel firms.

—The ECSC member steel firms pay an annual fee of between 0.1 percent and 0.3 percent of sales to the ECSC. These annual fees are the basis of the ECSC borrowing power and its AAA rating.

—The interest rates on ECSC industrial loans to member states steel firms include an add-on of from .75 to 1.0 percentage point to cover administrative expenses.

—A foreign borrower, such as the ECSC, pays a slightly higher rate than a comparably rated domestic borrower in the U.S. market.

These factors substantially reduce any presumed differential between the credit terms offered U.S. and ECSC member state steel companies. An examination of Moody's reveals that most U.S. steel firms enjoy an AA or A bond rating. Smaller firms such as Copperweld have BAA rating. For 1973 through 1975, the spread between AAA rating and an AA was 27 basis points, 87 basis points between AAA and an A rating, and 257 basis points between AAA and BAA.

Assuming the ECSC received the average rate of 8.97 percent in borrowing from the

U.S. market, adding the minimum .75 percentage point add-on for administrative expenses, the ECSC leading rate to member firms is estimated at 9.72 percent. If it is assumed that U.S. steel companies also receive the average rates of their respective ratings, the estimated interest differential between loans to ECSC member steel firms and U.S. steel firms with an AA rating is plus .48 percentage points, U.S. steel firms with an A rating is minus .12 percentage points, and U.S. steel firms with a BAA rating is minus 1.82 percentage points.

Only for U.S. firms with a BAA rating is the spread greater than 1 percentage point. Moreover, this spread is exaggerated. It does not include a foreign borrower markup which would be added. It does include an adjustment factor for the annual fee on EC member state steel firms. Finally it assumes application of the lowest administrative expense factor by the ECSC.

In addition to the financial assistance provided by the ECSC, steel firms in the EC also receive financial assistance from their respective national governments.

There are no government-owned steel firms in Japan. The government has, however, traditionally exercised a great deal of influence over the expansion of the Japanese steel industry as discussed previously. The Japanese Government's financial activities in the steel industry are analogous to their planning activities. In general the government has helped create financial conditions which enabled the industry to expand its production base, to improve its efficiency, and subsequently to effectively compete in international trade.

The primary sources of funds for industry investment after 1961 have been internal industry funds and private bank loans. Over 57 percent of the \$6.9 billion invested by the industry between 1971 and 1973 was derived from internal funds and private bank loans and, to a lesser degree, bond sales accounting for another 38 percent of the industry's investments.

It is often alleged that the Japanese Government has a strong influence on the steel industry's ability to get capital and on the credit terms it faces. The government's des-

ignation of steel as a priority sector gives it a special status in the eyes of the financial community. A priority industry is generally viewed as a safe and promising loan candidate. The central bank is likely to back loans made to government-targeted sectors. These factors purportedly insure that capital will be available to the steel industry, despite its financial condition. Furthermore, it is argued that the industry will receive favorable or preferential credit terms.

The major criticism of government financing of steel industries is that it may result in subsidization of steel production and distort trade. Subsidization may take several forms: outright grants, low interest loans, deferral of interest or payment on loans, and the rebate of interest. It is also alleged that foreign steel producers receive a subsidy by reason of the ease with which they can acquire capital. Critics contend that without government support capital would not be made available to the industry or would be available only at a much higher cost.

Government financing of foreign steel industries is extensive and was substantial in the past. However, it is not clear whether this financing is discriminatory in nature and, thus, trade distortive or whether, in fact, it is of net benefit to the steel industry.

Government financing of foreign steel industries is typically an element of a larger economic or development assistance program applied to the entire economy or a large segment of the economy, e.g., the manufacturing sector. Furthermore government financing is not costless. It involves in almost every instance conditional or contractual requirements which the recipient industry must fulfill.

To summarize, there is no doubt that government financial assistance to foreign steel industries is substantial. It is less clear, however, that this is of net benefit to these industries or that it results in a distortion of trade. Our analysis of the credit terms available to the EC's steel industry through the ECSC indicates that they are not significantly different from those available to U.S. steel companies in the United States.

There is a widespread belief that the costs of meeting tough U.S. pollution standards make it more difficult for the U.S. steel industry to price competitively. Comparisons of levels of investment required to meet different countries' pollution control standards are difficult to make. It is estimated that the U.S. industry to date has invested over \$2 billion to meet government requirements. Japanese investment to meet government standards more stringent than those of the United States is estimated at over \$2 billion in Japanese fiscal years 1975 and 1976, some 20 percent of the industry's total capital outlay.

Most pollution control regulations apply generally, not specifically to the steel industry. The comparative costs involved, although difficult to determine, do not appear to be a major factor in relative levels of cost competitiveness.

I have discussed some of the factors which we believe need further examination and improved understanding. As Ambassador Strauss [Robert S. Strauss, Special Representative for Trade Negotiations] noted, we are now undertaking a multilateral effort to analyze these complex issues in the OECD. We have, for some time, been examining these problems within the Administration and we are now giving this work high priority. The studies now under preparation by the Council on Wage and Price Stability and the Federal Trade Commission should shed additional light on the relationship between institutional factors and cost competitiveness.

The situation in world steel trade is among the toughest trade issues facing us. It results, in large part, from the slow economic growth being experienced worldwide and should be viewed in that context. No single factor is more important in meeting the problems of our steel industry and those of other countries than putting our economies back into a more vigorous noninflationary growth pattern. Taking actions or adopting policies, such as import restrictions which run counter to this overriding objective, is self-defeating for steel or any other sector of our economy.

Review of the Law of the Sea Conference and Deep Seabed Mining Legislation

Following is a statement by Elliot L. Richardson, Special Representative of the President for the Law of the Sea Conference, made before House Committee on Commerce, Science, and Transportation and the Subcommittee on Public Lands and Resources of the House Committee on Energy and Natural Resources on October 4.¹

I am pleased to have this opportunity to appear before you today to discuss the results of the sixth session of the Third U.N. Conference on the Law of the Sea and to present our views on the deep seabed mining legislation before your committees.

As you are aware, the last session produced mixed results. While progress was made in a number of areas, the proposed articles on deep seabed mining in the Informal Composite Negotiating Text—the ICNT—which resulted from the session were fundamentally unacceptable to the United States. The failure of this meeting of the conference to produce a text which could serve as a basis for negotiation on deep seabeds has a direct bearing on what I wish to discuss with you today—legislation to regulate deep seabed mining by U.S. citizens, in particular the bills which are presently before you.

My testimony will begin first with the conference itself, then describe our review, and finally discuss the need for and substance of deep seabed mining legislation.

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

Law of the Sea Conference

The sixth session of the U.N. Law of the Sea Conference was held in New York from May 23 to July 15. The first 3 weeks of formal work were devoted exclusively to deep seabed issues. At the request of a large number of delegations, ours included, the daily informal talks were held under the chairmanship of Minister Jens Evensen of Norway who acted as the working group leader for First Committee chairman, Paul Engo of the Cameroon. Evensen's selection was an outgrowth of his previously successful efforts to facilitate compromises in other conference committees, particularly in the Second Committee dealing with fisheries and navigation, as well as his useful efforts on seabeds at intersessional meetings in February-March.

A difficult but nonetheless good start was made during the first 21 days in moving the deep seabed negotiations away from the deadlock that was characteristic of the fifth session in the fall of 1976. As a result of this effort and following on from it, Evensen produced a number of compromise texts on the critical elements of a deep seabeds regime. These Evensen proposals were by no means acceptable from our standpoint, but the resulting texts did represent the product of an open discussion involving all of the countries represented at the conference. The Evensen texts could have been a basis for further negotiation breaking the impasse on seabed mining.

Unfortunately, however, these texts—the product of weeks of hard work—were substantially amended at the last moment by

Chairman Engo, who forwarded to the conference President a First Committee text that totally fails to accommodate the interests of the United States. This text was produced in private; never discussed with a representative group of concerned nations—treating weeks of serious debate and responsible negotiation as essentially irrelevant.

Those who have followed the Law of the Sea Conference since its Caracas session in 1974 are well aware that the texts on deep seabed mining which have been produced at succeeding sessions have been either praised or criticized in what seems to be a flip-flop pattern. The Single Negotiating Text produced in Geneva in 1975 "favored" the developing countries; the Revised Single Negotiating Text from New York in 1976 was asserted to have "favored" the developed states. And now we have the ICNT, again "favoring" the developing countries. This conference pattern has hardly been conducive to development of agreement on a compromise approach accommodating the many different national interests involved.

As I noted on July 20,² among the serious points of substantive difficulty in the latest deep seabeds text and the system it would define are the following.

—It would not give the assured access under reasonable conditions that is necessary if we and others could be expected to help finance the Enterprise and to accept a "parallel system" as a basis of compromise.

—It could be read to make technology transfer by contractors a condition of access to the deep seabed—subject, at least in part, to negotiation in the pursuit of a contract.

—It could be read to give the Seabed Authority [International Seabed Resource Authority] the power effectively to mandate joint ventures with the Authority as a condition for access.

—It fails to set clear and reasonable limits

on the financial burdens to be borne by contractors, thus throwing up an obstacle perhaps sufficient to stifle seabed development.

—It would set an artificial limit on seabed production of minerals from nodules which is not only objectionable in principle but also far more stringent than would be necessary to protect land-based producers from possible adverse effects.

—It would give the Seabed Authority extremely broad, open-ended power to regulate all other mineral production from the seabed "as appropriate."

—It could be read as giving the Authority unacceptable new power to regulate scientific research in the area.

—It would fail adequately to protect minority interests in its system of governance and would, accordingly, threaten to allow the abuse of power by an anomalous "majority."

—It would allow the distribution of benefits from seabed exploitation to peoples and countries not parties to the convention.

—It would seriously prejudice the likely long-term character of the international regime by requiring that—if agreement to the contrary is not reached within 25 years—the regime automatically be converted into a "unitary" system, ruling out direct access by contractors, except to the extent that the Authority might seek their participation in joint ventures with it.

These are serious deficiencies. What is involved here is the establishment of a regime for half the Earth's surface. While today's technology points only to manganese nodules, there is no telling what lies ahead in the future. We simply cannot agree to a regime which would unnecessarily inhibit, and perhaps even prevent, deep seabed development. To do so would make a mockery of the "common heritage of mankind" and reduce to a pitiful trickle the benefits that could otherwise accrue—not only to the entrepreneurs who will risk their capital but also to mankind as a whole, in particular the developing countries.

The developing countries tell us they wish

² For text of Ambassador Richardson's statement to the press on July 20, see BULLETIN of Sept. 19, 1977, p. 389.

a new international economic order in which they might participate as equal partners. But what good is an order for half the Earth's surface that won't work? No one can force the investment of capital and technology. It must be induced to flow. We thus have a major interest, in addition to the resources, in the international institution we create for the deep seabed. We seek an institution which will represent a true accommodation of the interests of both developing and developed countries—a precedent for the future.

What happened at the sixth session is therefore particularly disappointing. We were prepared to agree to a compromise which would produce maximum benefits to be shared with the poorer countries while at the same time opening up the opportunity for the developing world itself to participate in the effort. Such a compromise would be a major achievement—not only for the benefits to be attained from resource exploitation as such but also as a precedent for future world institutions.

Before I close my discussion of the conference, I believe it is important to note in some detail the accomplishments and other developments at the last session. The ICNT reflects improvements on issues relating to our military, politico-military, and commercial interests in freedom of navigation and overflight. In this respect, new provisions were negotiated and incorporated into the ICNT regarding the proposed 200-mile exclusive economic zone (EEZ) which appear to safeguard traditional high seas freedoms within the EEZ except for specific resource-related rights accorded coastal states. Similarly, we were able to maintain broadly supported articles on transit through, over, and under straits over the diminishing opposition of a small number of states.

The text on protection of the marine environment is little changed from the Revised Single Negotiating Text. It contains several potentially helpful provisions on all sources of ocean pollution and a balanced system for controlling vessel source pollution. Progress

was also made toward the establishment of a comprehensive system for the peaceful settlement of disputes arising from ocean uses. I do not want to leave you with the impression, however, that all the issues just mentioned have been settled to our complete satisfaction. We will continue to seek improvements at any future negotiations.

The result on marine scientific research was mixed. On the one hand, we were able to narrow the scope of the listed categories of research activities for which the coastal state can deny consent and to retain provisions on tacit consent. On the negative side, the ICNT contains a regime whereby research in the economic zone is generally subject to the consent of the coastal state. The ICNT does provide that coastal states shall grant their approval of research "in normal circumstances." This was intended to cover all situations but those involving seriously abnormal political relations. Provisions for impartial dispute settlement with regard to research are poorly stated.

I should note that the United States and a handful of other researching states were completely isolated on marine scientific research. The developing countries and some developed countries, particularly the U.S.S.R., favored complete coastal state discretionary consent authority over all marine scientific research. We made a major effort to improve the text, and I sincerely believe we were successful at least in withstanding majority pressure for an impossibly restrictive regime.

Review

Because of the serious defects of the deep seabeds section of the ICNT, I recommended to the President that we review not only the balance among all of our substantive interests but also whether an agreement which accommodates the different national interests involved can be achieved through the kind of negotiations which have thus far taken place.

This review has now begun. We expect to complete it before the end of the year. A key question will involve our posture toward

the next session of the conference which is proposed for Geneva from March 28 through May 19. In determining this posture, we will take into account three essential factors:

—An assessment of the relative weight of our several interests in a comprehensive Law of the Sea treaty;

—An assessment of the likelihood of a treaty text emerging from the conference which would accommodate those interests. This assessment will obviously take into account the attitudes of other countries toward both achieving a fair and open process and making the essential compromises that are necessary if U.S. interests are to be accommodated;

—An assessment of the alternatives to any comprehensive treaty which is likely to result from the Law of the Sea Conference.

Deep Seabed Mining Legislation

Last spring, prior to the sixth session, I testified before a number of congressional committees to the effect that we did not support legislation at that time but that we would review this position in light of the results of the sixth session.³ We believed there was a risk at that time that Administration support for legislation could adversely affect progress at that session. We were particularly concerned that the chance to obtain the good will and tone of the inter-sessional meeting held in Geneva in February and March under Minister Evensen's chairmanship not in any way be jeopardized. We also felt that the sixth session offered reasonable prospects of a breakthrough on deep seabed issues.

As it turned out, and as I have explained earlier in this testimony, the breakthrough did not materialize. Indeed, the session saw a serious retrogression. The issue is therefore once again posed as to whether the Administration should now support legislation which would authorize U.S. seabed miners to move forward pending agreement on an international regime.

It is our view that U.S. legislation establishing a domestic regime for seabed mining will be needed whether there is a treaty or not—in either case, legislation will be required to regulate seabed mining in accordance with sound resource management and environmental principles; additionally, in the absence of a treaty, we will need to assure that existing international rights in the area beyond national jurisdiction are protected. If there is no treaty, the issue of legislation boils down to two questions—one as to its timing; the other as to its content.

As to timing, the Administration believes that if there is to be any meaning to the "common heritage of mankind," those with the technology and resources to make it a reality must move forward. In our view, therefore, Congress should continue to move forward with legislation. For its part, the Administration will wish to work closely with this committee and other concerned committees to make the substance of the legislation consistent with our international posture.

With respect to the substance of deep seabed mining legislation, I and officials of several agencies have on various occasions informed Members of Congress of Administration views. There has clearly been a good measure of responsiveness to those views on the part of you who have participated in drafting the legislation before us, and I would like to express my appreciation for this. I am confident it augurs well for continuing cooperative efforts on these matters in the future.

May I briefly review the main elements of Administration policy before turning to a discussion of the bills before us. In our view, legislation:

—Should be interim in nature, providing for its own supersession by a treaty;

—Should contain provisions for harmonizing U.S. regulations with those of reciprocating states so as to avoid conflict;

—Should provide for environmental protection, sound resource management, and protection of life and property at sea;

—Should provide that seabed mining by

³For the text of Ambassador Richardson's statement before the House Subcommittee on Oceanography on Apr. 27, see BULLETIN of May 23, 1977, p. 524.

U.S. companies produce financial benefits for the international community;

—Should address the exploratory stage of deep seabed mining in detail but treat most generally the framework for a regulatory regime for exploitation, with the date for entry into force of such a regime left open;

—Should not be specific with regard to the assignment or allocation of mining sites for exploitation;

—Should not require that processing plants be located in the United States;

—Should not offer U.S. mining companies financial protection against adverse effects of a treaty concluded subsequent to the passage of legislation and after expenditures by those companies; and

—Should assure that all provisions of the legislation leave undisturbed the concept of high seas freedoms.

These elements provide the framework within which the Administration would be able to support ocean mining legislation.

As I indicated a moment ago, some of these views coincide with provisions contained in S.2053 and S.2085 which, in the first place, are clearly designed to be interim legislation pending the entry into force of an international agreement. (S.2053 refers to a Law of the Sea Conference or other multilateral agreement while S.2085 envisages only the former. We prefer the formulation in S.2053.) Secondly, the bills contain provisions that minimize the chances for conflict with designated reciprocating states engaged in deep seabed mining. They also provide for environmental safeguards and the means to assure timely action to avoid and avert damage to the ocean biosphere although, in our view, the enforcement provisions in S.2053 should be strengthened. S.2053 provides for sharing the proceeds of deep seabed mining with the international community while S.2085 does not.

While we recognize that seabed mining legislation must address both exploration and exploitation of seabed minerals, the Administration favors dealing in detail only with the former: Given the expected pace of

deep seabed mining development, it is neither necessary nor wise now to prescribe a regime for exploitation in specific terms.

S.2053 contains an apparent internal contradiction with respect to the concepts of high seas freedoms and sovereignty. For example, while S.2053 in one place disclaims assertions of sovereignty or sovereign rights over areas of the deep seabed, the subsequent provisions for exclusivity (of mining site rights) could be misinterpreted to derogate from the disclaimer. S.2085 does this as well but is also in our view deficient in that it describes deep seabed mining as being a high seas freedom but only until agreement on a treaty.

Provisions that can be characterized as site-specific could be perceived to undercut our claim that we are proceeding to mine on the basis of high seas rights. These rights do not permit the extension of sovereignty or exclusive jurisdiction to the high seas. The Administration urges that the provisions in question be reshaped to be consistent with the unequivocal statement in S.2053 that “. . . commercial recovery of hard mineral resources from the deep seabed is a freedom of the high seas. . . .”

The Administration opposes any legislative requirement with respect to the location of processing plants and seeks the excision of the relevant provision from S.2053 on the grounds that it could in some circumstances impose an economic burden on U.S. mining companies and that in general it is contrary to basic principles of free international trade. The same argument applies to that bill's provision for U.S. preferential rights to processed resources. I would also like to point out that inclusion of these requirements will by definition make reciprocal legislation by other nations an awkward and difficult proposition. I note that S.2085 does not contain the restrictions.

Finally, I come to the matter of investment guarantees against injury suffered by virtue of entry into force with respect to the United States of an international agreement. The Administration firmly opposes such a provision, which figures prominently in both bills. Representatives of Departments di-

rectly involved in the substance of seabed mining and investment incentives have already testified before you on this question. I will confine myself to a few comments under the headings of necessity and justification.

It is my judgment that the spring 1978 session of the conference—if indeed we get that far—will reveal finally whether a comprehensive treaty has a future. If not, industry will have nothing to fear from that quarter. If progress does indicate that agreement is within reach, industry will be able to judge for itself from the texts the prospects for economically attractive ventures. Seabed mining is, after all, not just around the corner. Nor are our pipelines and stockpiles of the minerals involved issues for time-related concern. In short, the purported need for investment guarantees seems related neither to timing nor to national resource problems.

Secondly, I question the very concept of indemnifying U.S. citizens against losses incurred as a consequence of an international agreement that both the President and the Senate believe to be in the overall national interest. I have considerable difficulty as well in reconciling the notion of guarantees for seabed miners with the denial to higher priority sectors—*e.g.*, energy—of such protections. And finally, the inclusion of guarantees places upon the negotiator an obvious additional burden.

These are the general comments I would like to make on the legislation before you. Let me reiterate the Administration's appreciation for the willingness of the concerned Members of Congress to give consideration to our views with regard to deep seabed mining. Members of my staff will be giving the committees detailed drafting suggestions soon—this week, I hope.

The manner in which we proceed with seabed development has major significance for the future access to resources and for the future of world institutions and the means for establishing them. While we are reviewing our participation in the Law of the Sea Conference, we must exercise great care in moving forward alternative means of proceeding with seabed mining.

I shall look forward to continuing our close collaboration to the end that the best possible regime for deep seabed resources might be developed.

TREATY INFORMATION

Current Actions

MULTILATERAL

Aviation

Protocol on the authentic quadrilingual text of the convention on international civil aviation (Chicago, 1944) (TIAS 1591), with annex. Done at Montreal September 30, 1977. Enters into force on the 30th day after 12 states have signed without reservation as to acceptance or have accepted the protocol and after entry into force of the amendment to the convention which provides for the addition of Russian as an authentic language of the convention.

Signatures without reservation as to acceptance: Argentina, Bulgaria, Czechoslovakia, Denmark, Ethiopia, France, Greece, India, Democratic People's Republic of Korea, Norway, Pakistan, Poland, Romania, Sweden, Union of Soviet Socialist Republics, September 30, 1977.

Signatures with reservation as to acceptance: Brazil, Chile, Colombia, Ecuador, Finland, Guatemala, Hungary, Israel, September 30, 1977; Madagascar, October 5, 1977; Mauritania, Mexico, Portugal, Senegal, Switzerland, United Kingdom, United States, Venezuela, Yugoslavia, September 30, 1977.

Customs

Convention establishing a Customs Cooperation Council, with annex. Done at Brussels December 15, 1950. Entered into force November 4, 1952; for the United States November 5, 1970. TIAS 7063.

Accession deposited: Uruguay, September 16, 1977.

Customs convention on the international transport of goods under cover of TIR carnets, with annexes. Done at Geneva November 14, 1975.

Accession deposited: Bulgaria, October 20, 1977.

Entry into forces: March 20, 1978.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976.¹

Signature: Ghana, October 19, 1977.

Ratifications deposited: Australia, October 21, 1977; Japan, October 25, 1977; Switzerland, October 21, 1977.

¹ Not in force.

Law, Private International

Statute of The Hague conference on private international law. Done at The Hague October 9-31, 1951. Entered into force July 15, 1955; for the United States October 15, 1964.
Acceptance deposited: Surinam, October 7, 1977.

Maritime Matters

Amendments to the convention of March 6, 1948, as amended, on the Intergovernmental Maritime Consultative Organization (TIAS 4044, 6285, 6490). Adopted at London October 17, 1974. Enters into force April 1, 1978. TIAS 8606.
Acceptances deposited: Federal Republic of Germany, Portugal, October 24, 1977.

Postal

Constitution of the Universal Postal Union with final protocol, signed at Vienna January 10, 1964 (TIAS 5881), as amended by the additional protocol, signed at Tokyo November 14, 1969. Entered into force July 1, 1971, except for article V, which entered into force January 1, 1971. TIAS 7150.

Accession deposited: Seychelles, June 20, 1977.²
Second additional 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 January 1, 1976. TIAS 8231.

Ratifications deposited: Czechoslovakia, August 22, 1977; Iran, August 31, 1977; Pakistan, September 13, 1977; Romania, Syria, August 22, 1977.³

Money orders and postal travelers' checks agreement, with detailed regulations. Done at Lausanne July 5, 1974. Entered into force January 1, 1976. TIAS 8232.

Ratifications deposited: Czechoslovakia, Romania, Syria, August 22, 1977.³

Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Done at New York December 21, 1965. Entered into force January 4, 1969.⁴

Ratification deposited: Burundi, October 27, 1977.

Space

Convention on registration of objects launched into outer space. Done at New York January 14, 1975. Entered into force September 15, 1976.

Ratification deposited: Hungary, October 26, 1977.

Trade

Declaration on the provisional accession of Tunisia to the General Agreement on Tariffs and Trade. Done at Tokyo November 12, 1959. Entered into force May 21, 1960; for the United States June 15, 1960. TIAS 4498.

Acceptance deposited: Korea, June 21, 1977.

Declaration on the provisional accession of Colombia to the General Agreement on Tariffs and Trade. Done at Geneva July 23, 1975. Entered into force January 22, 1976; for the United States May 1, 1976. TIAS 8322.

Acceptances deposited: Austria, August 26, 1977;⁵ Korea, June 21, 1977.

Tenth proces-verbal extending the declaration on the provisional accession of Tunisia to the General

Agreement on Tariffs and Trade. Done at Geneva November 21, 1975. Entered into force January 8, 1976; for the United States January 19, 1976. TIAS 8320.

Acceptances deposited: Brazil, August 11, 1977; Korea, June 21, 1977.

Proces-verbal extending the declaration on the provisional accession of the Philippines to the General Agreement on Tariffs and Trade. Done at Geneva November 21, 1975. Entered into force January 6, 1976; for the United States January 19, 1976.

Acceptances deposited: Brazil, August 11, 1977; Korea, June 21, 1977.

Proces-verbal extending the declaration on the provisional accession of Colombia. Done at Geneva November 12, 1976. Entered into force December 17, 1976; for the United States March 28, 1977.

Acceptances deposited: Austria, August 26, 1977;⁵ Brazil, August 11, 1977; Korea, June 21, 1977.

Wheat

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement) 1971 (TIAS 7144). Done at Washington March 17, 1976. Entered into force June 19, 1976, with respect to certain provisions and July 1, 1976, with respect to other provisions.

Ratification deposited: Greece, November 2, 1977.

BILATERAL

Canada

Undertaking relating to the examination and audit of certain subcontracts awarded to Pratt and Whitney of Canada, with memorandum of understanding. Effected by exchange of notes at Washington October 13 and 28, 1977. Entered into force October 28, 1977.

India

Agreement amending and extending the agreement of August 6, 1974, as amended (TIAS 7915, 8275), relating to trade in cotton textiles. Effected by exchange of notes at Washington September 28 and 29, 1977. Entered into force September 29, 1977.

Japan

Agreement relating to the production and acquisition of additional F-4EJ aircraft and related equipment and materials. Effected by exchange of notes at Tokyo July 12, 1977.

Entered into force: October 7, 1977.

Agreement relating to the production and acquisition of the Sparrow missile for ship-to-air application necessary to enhance the defense capability of Japan. Effected by exchange of notes at Tokyo July 12, 1977.

Entered into force: October 7, 1977.

Agreement relating to a program for the production and acquisition in Japan of the improved Hawk missile system. Effected by exchange of notes at Tokyo July 12, 1977.

Entered into force: October 7, 1977.

² With reservations.

³ With declaration.

⁴ Not in force for the United States.

⁵ Subject to ratification.

Lebanon

Agreement relating to air transport route rights. Effected by exchange of notes at Beirut September 24 and October 13, 1977. Entered into force October 13, 1977.

Mexico

Agreement amending the fisheries agreement of November 24, 1976. Effected by exchange of notes at Tlatelolco and Mexico July 26 and September 27, 1977. Entered into force September 27, 1977.

Agreement amending the agreement of June 2, 1977, relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico September 28, 1977. Entered into force September 28, 1977.

Agreement amending the agreement of August 5, 1977 relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico September 29, 1977. Entered into force September 29, 1977.

Treaty on the execution of penal sentences. Signed at Mexico November 25, 1976.

Ratifications exchanged: October 31, 1977.

Enters into force: November 30, 1977.

Morocco

Memorandum of understanding for technical cooperation in the earth sciences. Signed at Washington and Rabat August 24 and October 7, 1977. Entered into force October 7, 1977.

Netherlands

Arrangement for the exchange of technical information on regulatory matters and cooperation in safety research and the development of standards, with patent addendum and appendices. Signed at The Hague October 3, 1977. Entered into force October 3, 1977.

Memorandum of understanding concerning cooperation in the field of transportation. Signed at Washington and The Hague September 28 and October 6, 1977. Entered into force October 6, 1977.

Poland

Agreement extending the agreement of October 8, 1974, on cooperation in the field of environmental protection. Signed at Warsaw September 12, 1977. Entered into force, September 12, 1977.

Portugal

Project loan agreement relating to construction and operation of water supply and/or sewerage handling systems, with annexes. Signed at Lisbon September 30, 1977. Entered into force September 30, 1977.

Agreement amending the grant agreement of February

28, 1975, as amended (TIAS 8028), for technical consultations and training. Signed at Lisbon September 30, 1977. Entered into force September 30, 1977.

Project loan agreement for school construction, with annexes. Signed at Lisbon September 30, 1977. Entered into force September 30, 1977.

Project loan agreement for rural vocation education, with annexes. Signed at Lisbon September 30, 1977. Entered into force September 30, 1977.

Togo

Agreement relating to the transfer of agricultural commodities to Togo. Signed at Lomé October 12, 1977. Entered into force October 12, 1977.

Checklist of Department of State Press Releases: Oct. 31-Nov. 6

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

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| *493 | 10/31 | O. Rudolph Aggrey sworn in as Ambassador to Romania (biographic data). |
| *494 | 11/1 | Scientists from 25 countries to make month-long visit to U.S. |
| *496 | 11/1 | Arizona Forum on Foreign Policy, Phoenix, Nov. 17. |
| *495 | 11/1 | UNESCO conference concludes that sports is key factor in any political system. |
| 497 | 11/2 | Vance: news conference. |
| *498 | 11/2 | Ambassador Bunker to address groups in Okla. on Panama Canal treaties, Nov. 8-10. |
| *499 | 11/3 | Shipping Coordinating Committee, Subcommittee on Safety of Life at Sea, working group on bulk chemicals, Nov. 29. |
| *500 | 11/3 | Shipping Coordinating Committee, U.S. National Committee for the Prevention of Marine Pollution, Nov. 28. |
| *501 | 11/3 | Program for the official visit of New Zealand Prime Minister Muldoon, Nov. 8-11. |

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THE DEPARTMENT OF STATE **BULLETIN**

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November 28, 1977

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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U.S. Responsibility Toward Peace and Human Rights

*Address by President Carter*¹

In large measure, the beginnings of the modern concept of human rights go back to the laws and the prophets of the Judeo-Christian traditions. I've been steeped in the Bible since early childhood, and I believe that anyone who reads the ancient words of the Old Testament with both sensitivity and care will find there the idea of government as something based on a voluntary covenant rather than force—the idea of equality before the law and the supremacy of law over the whims of any ruler; the idea of the dignity of the individual human being and also of the individual conscience; the idea of service to the poor and to the oppressed; the idea of self-government and tolerance and of nations living together in peace, despite differences of belief. I know also the memory of Jewish persecution and especially of the holocaust lends a special quality and a heartrending sensitivity to your own commitments to human rights.

This organization has made a major contribution to insuring that human rights became part of the Charter of the United Nations as one of its three basic purposes, along with the preservation of peace and social and economic progress. The principal authors of the universal covenant on human rights were Eleanor Roosevelt, an American Protestant; Charles Malik, a Lebanese Catholic; and Rene Cassin, a French Jew. Because of their work and the work of others, no government can now pretend that its mistreatment of its own citizens is merely an internal affair.

¹ Made before a meeting of the General Council of the World Jewish Congress in Washington, D.C., on Nov. 2, 1977. Introductory paragraphs omitted; for full text, see Weekly Compilation of Presidential Documents dated Nov. 7, p. 1706.

These accomplishments have helped start a process by which governments can be moved forward, exemplifying the ideals which they publicly profess. Our own actions in the field of human rights must vary according to the appropriateness and effectiveness of one kind of action or another, but our judgments must be made according to a single standard, for oppression is reprehensible whether its victims are blacks in South Africa or American Indians in the Western Hemisphere or Jews in the Soviet Union or political dissidents in Chile or Czechoslovakia.

The public demonstration of our own government's commitment to human rights is one of the major goals that my Administration has set for U.S. foreign policy. The emphasis on human rights has raised the level of consciousness around the world and is already beginning to help overcome the crisis of spirit which recently has afflicted the nations of the West.

We are also trying to build a more cooperative international system. We are consulting more closely with our own allies, and we place special emphasis on better relations with people in South America and in Asia and in Africa. And we are searching for new areas of cooperation with the Soviet Union, especially in the area where we and the Soviets now most intensely compete—in the race for nuclear weapons.

We must halt that race. In the last few months, we've tried to work closely with the Soviets to eliminate the testing of peaceful nuclear explosives. And just in the last 24 hours, Mr. Brezhnev—President Brezhnev—has announced that the Soviets are finally coming to agree with us. And we have good

hopes that we might without too much delay realize a comprehensive test ban that would eliminate this threat from the Earth. We hope so.

But at the same time we seek cooperation, we recognize that competition is also part of international life, and we will always remain capable of defending the legitimate interests of our people. We are addressing other global problems which threaten the well-being and the security of people everywhere. They include nuclear proliferation, the excessive sales of conventional arms, food supplies and energy, and the quality of the environment. These things affect all nations of the world. And we are also seeking solutions to regional conflicts that could do incalculable damage, if not resolved.

Our efforts toward a new treaty with Panama are one example. Bringing about peaceful change in southern Africa is another. But none is more important than finding peace in the Middle East.

Sixty years ago today—November 2, 1917—the British Foreign Secretary, Lord [Arthur James] Balfour—

[At this point, the President was interrupted by demonstrators. After making the following comment on the interruption, he continued his remarks.]

One of the basic human rights that we cherish in our country is the right to speak, and I have no objection to it.

As I was saying, exactly 60 years ago today—November 2, 1917—the British Foreign Secretary, Lord Balfour, informed Lord Rothschild [Lionel Walter, 2d Baron Rothschild] of his government's support for the establishment of a national home for the Jewish people in Palestine. At that time the idea seemed visionary, and few dared to believe that it could actually be translated into reality. But today Israel is a vital force, an independent and democratic Jewish state whose national existence is accepted and whose security is stronger today than ever before.

We are proud to be Israel's firm friend and closest partner, and we shall stand by Israel always. I doubt that anyone in the history of our country has traveled more than I have in my campaign for President, nor talked to

more groups, nor listened to more questions nor heard more comments. And when I say that we will always stand with Israel, I speak not only for myself as President, not only for our government—all three of its branches, but I speak not just for American Jews—but for all Americans. This is one of our deepest felt commitments, and I have no doubt that I speak accurately for the overwhelming portion of the American people, now and forever.

Despite its great accomplishments, however, Israel has yet to realize the cherished goal of living in peace with its neighbors. Some would say that peace cannot be achieved because of the accumulated mistrust and the deep emotions which divide Israelis from Arabs. Some would say that we must realistically resign ourselves to the prospect of unending struggle and conflict in the Middle East. With such an attitude of resignation, Israel would never have been created. And with such an attitude now, peace will never be achieved. What is needed is both vision and realism so that strong leadership can transform the hostility of the past into a peaceful and constructive future.

This was a vision of the Zionist movement in the first generation after the Balfour declaration, and it can be the achievement of Israel in its second generation as an independent state.

Since becoming President I've spent much of my time in trying to promote a peace settlement between Israel and her Arab neighbors. All Americans know that peace in the Middle East is of vital concern to our own country. We cannot merely be idle bystanders. Our friendships and our interests require that we continue to devote ourselves to the cause of peace in this most dangerous region of the world.

Earlier this year I outlined the elements of a comprehensive peace—not in order to impose our views on the parties concerned, but rather as a way of defining some of the elements of an overall settlement which would have to be achieved through detailed negotiations.

I continue to believe that the three key issues are:

—First, the obligations of real peace, in-

cluding the full normalization of political, economic, and cultural relations;

—Second, the establishment of effective security measures, coupled to Israeli withdrawal from occupied territories, and agreement on final, recognized, and secure borders; and

—Third, the resolution of the Palestinian question.

These issues are interrelated in complex ways, and for peace to be achieved that's permanent and real, all of them will have to be resolved. Recently our diplomatic efforts have focused on establishing a framework for negotiations so that the parties themselves will become engaged in the resolution of the many substantive issues that have divided them so long. We can offer our good offices as mediators; we can make suggestions, but we cannot do the negotiating.

For serious peace talks to begin, a reconvening of the Geneva conference has become essential. All the parties have accepted the idea of comprehensive negotiations at Geneva. An agreement has already been reached on several of the important procedural arrangements. Israel has accepted, for Geneva, the idea of a unified Arab delegation, which will include Palestinians, and has agreed to discuss the future of the West Bank and the Gaza Strip with Jordan, with Egypt, and with Palestinian Arabs. This can provide the means for a Palestinian voice to be heard in the shaping of a Middle East peace, and this represents a positive and a very constructive step.

Israel has also repeated its willingness to negotiate without preconditions and has stressed that all issues are negotiable. This is an attitude that others must accept if peace talks are to succeed.

For their part, the Arab states have accepted Israel's status as a nation. They are increasingly willing to work toward peace treaties and to form individual working groups to negotiate settlement of border issues and other disputes. No longer do they refuse to sit down at the negotiating table with Israel, nor do they dispute Israel's right to live within secure and recognized borders.

That must be taken as a measure of how far we have come from the intransigent positions

of the past. The procedural arrangements hammered out at the 1973 Geneva conference can provide a good basis for a reconvened conference. Even a year ago—just think back—the notion of Israelis and Arabs engaging in face-to-face negotiations about real peace, a peace embodied in signed, binding treaties, seemed like an illusion; yet, today, such negotiations are within reach. And I'm proud of the progress that has been achieved by all nations concerned to make this dream at least possible.

But to improve the atmosphere for serious negotiations, mutual suspicions must be further reduced. One source of Arab concern about Israeli intentions has been the establishment of civilian settlements in territories currently under occupation, which we consider to be a violation of the fourth Geneva convention.² On the Arab side, much still needs to be done to remove the suspicions that exist in Israel about Arab intentions. It was not so long ago, after all, that Arab demands were often expressed in extreme and sometimes violent ways. Israel's existence was constantly called into question. The continuing refusal of the Palestinian Liberation Organization to accept U.N. Resolution 242 and Israel's right to exist, along with the resort to violence and terror by some groups, provides Israelis with tangible evidence that their worst fears may in fact be justified.

Differences naturally exist not only between Arabs and Israelis but among the Arab parties themselves. And we are actively engaged in an effort, a very difficult effort, to narrow these differences so that Geneva can be reconvened. And we've called on the other cochairman of the Geneva conference, the Soviet Union, to use its influence constructively.

We will continue to encourage a solution to the Palestinian question in a framework which does not threaten the interests of any of the concerned parties yet respects the legitimate rights of the Palestinians. The nations involved must negotiate the settlement, but we

² Convention Relative to the Protection of Civilian Persons in Time of War dated at Geneva August 12, 1949.

ourselves do not prefer an independent Palestinian state on the West Bank.

Negotiations will no doubt be prolonged and often very difficult. But we are in this to stay. I will personally be prepared to use the influence of the United States to help the negotiations succeed. We will not impose our will on any party, but we will constantly encourage and try to assist the process of conciliation.

Our relations with Israel will remain strong. Since the war in 1973, we have provided \$10 billion in military and economic aid to Israel, about two-thirds of which was direct grants or concessional loans. The magnitude of this assistance is unprecedented in history. It's greatly enhanced Israel's economic and military strength. Our aid will continue.

As difficult as peace through negotiations will be in the Middle East, the alternative of stalemate and war is infinitely worse. The cost of another war would be staggering in both human and economic terms. Peace, by contrast, offers great hope to the peoples of the Middle East who have already contributed so much to civilization.

Peace, which must include a permanent and secure Jewish State of Israel, has a compelling logic for the Middle East. It would begin to bring Arabs and Israelis together in creative ways to create a prosperous and a stable region. And the prospect of coexistence and cooperation would revive the spirits of those who for so long thought only of violence and of struggle for survival itself.

Peace would lift some of the enormous burdens of defense and uplift the people's quality of life. The idea of peace in the Middle East today is no more of a dream than was the idea of a national home for the Jews in 1917. But it will require the same dedication that made Israel a reality and has permitted it to grow and to prosper.

We may be facing now the best opportunity for a permanent Middle East peace settlement in our lifetime. We must not let it slip away. Well-meaning leaders in Israel and in the Arab nations—African, European, South American, North American, all over the

world—are making an unprecedented and a concerted effort to resolve the deep-seated differences in the Middle East.

This is not a time for intemperance or partisanship; it's a time for strong and responsible leadership and a willingness to explore carefully, perhaps for the first time, the intentions of others. It's a time to use the mutual strength and the unique friendship and partnership between Israel and the United States and the influence of you and others who have a deep interest and concern to guarantee a strong and permanently free and secure Israel, at peace with her neighbors, and able to contribute her tremendous human resources toward the realization of human rights and a better and more peaceful life throughout the world.

The Old Testament offers a vision of what that kind of peace might mean in its deepest sense. I leave you with these lines from the Prophet Micah—who's still one of my favorites—lines and words which no summary or paraphrase could possibly do justice. It's from the fourth chapter, and the first five verses:

But in the last days it shall come to pass, that the mountain of the house of the Lord shall be established in the top of the mountains, and it shall be exalted above the hills; and people shall flow into it.

And many nations shall come, and say, Come, and let us go up to the mountain of the Lord, and to the house of the God of Jacob; and he will teach us of his ways, and we will walk in his paths; and the law shall go forth from Zion, and the word of the Lord from Jerusalem.

And he shall judge among many people, and rebuke strong nations afar off; and they shall beat their swords into plowshares, and their spears into pruninghooks; nation shall not lift up a sword against nation, neither shall they learn war anymore.

But they shall sit every man under his vine and under his fig tree; and none shall make them afraid: for the mouth of the Lord of hosts hath spoken it.

For all people will walk every one in the name of his god, but we will walk in the name of the Lord our God for ever and ever.

However we may falter—however difficult the path—it is our duty to walk together toward the fulfillment of this majestic prophesy.

The Goal of Real Peace

Address by Secretary Vance¹

My purpose here tonight is to discuss peace; peace in the Middle East; peace to supplant the pattern of violence displayed yet again in the headlines of the day; peace that can be more than a temporary truce; peace that can last beyond our own generation; peace that will safeguard the security and integrity of the State of Israel and open the way to fruitful cooperation among all the nations and peoples of the cradle of civilization. This is the peace that the peoples of Israel and the peoples of the Arab nations need and want; this peace is the objective of U.S. policy.

Let me make three statements about that policy, imperatives from which our government will not be swayed.

First, in all our efforts toward peace, we are committed to the process of negotiation—direct and forthright talks among the parties involved.

Second, our country is fundamentally committed to the security and the well-being of the State of Israel. As I told Prime Minister Begin at the Knesset last August, this is a commitment of the heart as well as of policy.

Third, we will not impose a settlement.

The search for a settlement, freely negotiated and freely accepted, finds its origins in U.S. policy going back three decades in our history.

It was not quite 30 years ago that President Harry S. Truman met in the White House with Dr. Chaim Weizmann. Dr. Weizmann, then past 70 and in poor health, had traveled thousands of miles to Washington in the hope

of seeing President Truman, to plead the cause of a homeland for the Jewish people.

President Truman determined to help turn that dream into reality. As he later wrote Dr. Weizmann: "We will do all we can to help by encouraging direct negotiations between the parties looking toward a prompt peace settlement." So we have done in the past, and so we are doing at this hour.

President Carter, no less than President Truman, is committed to Israel as a vision and as a reality. Like President Truman and the five Presidents who succeeded him, President Carter seeks to help the modern State of Israel achieve peace through direct negotiations with her neighbors.

This has been for everyone a long and frustrating effort; the goal of a real peace often seemed too elusive ever to be grasped.

Now we stand at an important turning point. We believe that there is a chance—the first real chance in some time—that the processes leading toward lasting peace have been set in motion. We believe, in sum, that peace between Israel and the Arabs can become real, not just a distant dream. To hesitate and miss the opportunity now presented could unleash once again those forces which brought bloodshed, insecurity, and international crisis to an entire generation.

What is there that gives rise to this hope today? After all the disappointment that has gone before, why do we now allow ourselves to hope for something better?

Think for a moment of the changes which have occurred since the events of the 6-day war of 1967.

—We have seen the rise of moderate lead-

¹ Made before the Council of Jewish Federations and Welfare Fund Convention at Dallas on Nov. 10, 1977 (text from press release 511-A dated Nov. 10).

ership in the Arab world—leadership which accepts Israel's existence and is willing to talk of peace with Israel as Israeli leaders have asked them to do for decades past.

—That new attitude has been borne out in deeds; the first glimmers of accommodation were seen in the negotiated agreements achieved by Israel and its neighbors through the diplomatic initiatives undertaken after the 1973 war. Those agreements stand intact.

—Continuing economic hardships, in all the nations affected, reflect with vivid force the heavy burdens which tension and armed truces have placed on the governments and the peoples of the Middle East.

All this spells opportunity, the chance for progress. The pitfalls are many, and the effort may fail, but we must not fail to try.

Speaking for the United States, I say that our sense of humanity and responsibility, our commitments to Israel and our interests in this vital area, our concern for global peace and economic order all come together to demand our best efforts to help break the cycle of recurrent war.

The consequences of failure would be grievous—for Israel, for the Arab states, and for ourselves. With each passing year, our vital interests are more heavily tied to the fate of this area of the world.

The memories of 1973, with its terrible human toll, are all too vivid. That tragedy must not be repeated. Even this week, in southern Lebanon and Israel, we have seen a new eruption of the violence which has proved so costly in human lives. These incidents serve urgent notice of the high human stake in the task before us.

The United States has an interest in peace and can play an important role in helping to achieve it. At this moment in history the United States enjoys the trust of Arabs and Israelis.

Shortly after taking office, President Carter decided that a determined effort should be made to help bring about a comprehensive settlement of the issues hanging between Arabs and Israelis. Negotiations toward this settlement would be based on U.N. Resolutions 242 and 338, the internationally agreed

framework for Middle Eastern peacemaking efforts.

In this effort, we had the work of our predecessors to build upon, the successful partial steps on the preceding years which had already brought a new vision of hope.

Since February, our discussions with Arab and Israeli leaders have helped define the differences among them. Difficult problems do remain. But there has been progress toward finding practical procedures for getting meaningful negotiations underway.

All the participants have now agreed to a unified Arab delegation to the Geneva conference which would include Palestinian representatives.

All the participants have agreed that three issues lie at the core of the dispute:

—The nature of the peace to be established among the parties;

—Withdrawal of troops from occupied territories and agreement on secure and recognized borders for all the states; and

—Resolution of the Palestinian question.

These three issues are closely intertwined—all the parties have accepted this. All three have to be addressed in order to obtain a comprehensive settlement. If any one of them were to be left unresolved, there would be no lasting peace. We have explored with the parties various approaches to the resolution of each of these issues.

Let me say a few words on the Palestinian question. Difficult as it is, this question must be addressed, for it would be all too easy for any settlement to be blocked on grounds that Palestinian concerns were not being properly considered. In offering our good offices, we have presented certain ideas about how the Palestinians might play a role in a settlement. The parties themselves will discuss these and other ideas they may put forward in the negotiating process.

As President Carter told the World Jewish Congress a few days ago:

We will continue to encourage a solution to the Palestinian question in a framework which does not threaten the interests of any of the concerned parties yet respects the legitimate rights of the Palestinians. The nations involved must negotiate the settlement, but we ourselves

do not prefer an independent Palestinian state on the West Bank.²

I would like also to address another sensitive element in our diplomatic efforts. This is the joint statement issued with the Soviet Union about the effort to reconvene the Geneva conference.³

Why was this done? The Soviet Union and the United States have been, from the start, cochairmen of the Geneva conference. As such, we have sought to work constructively together to discharge our responsibilities.

It is useful that the Soviet Government has now explicitly committed itself to the goal of "normal peaceful relations" among Israel and the Arabs. Soviet adherence to the positions outlined in that joint statement carries the diplomatic effort closer to what we all regard as the immediate objective: the commencement of direct, face-to-face negotiations among Arabs and Israelis.

The statement lays down no preconditions for negotiations; it makes no attempt to impose the outcome of negotiations. Though expressing our policy about certain aspects of the Arab-Israeli confrontation, it is not a complete statement of that policy and was never intended to be because of the number and the complexity of the issues involved. The joint statement is fully consistent with the basic points and principles of Resolutions 242 and 338 which remain the agreed basis for a reconvened Geneva conference.

I recognize that this is a difficult time for all the parties. As I said at the Knesset in August:

After so many years of conflict, it is not easy to envision peace, and it can be harder to believe in it. The known risks seem at times preferable to the risks of a course which can bring greater rewards, but which also leads down paths that are unfamiliar.

The uncharted risks at the bargaining table should not obscure the simple fact that the parties are really quite close in their essential desire to begin negotiations. Only at the bargaining table can the parties themselves con-

front the basic problems that still divide them. Only then do misconception and propaganda retreat before the dynamics of the negotiating process. Only then do the parties test each other's real intentions and learn how real concerns can be translated into real accommodations, for the benefit of all sides. It would be a tragedy if remaining differences over procedures were to thwart the opportunity now presented.

Just this morning [at a news conference] President Carter made this point. "The situation is never going to be improved," he said, "until those nations are willing to step beyond the procedural debates and squabbles about exactly how to go and exactly what representation will be present and start dealing with the real issues."

The process will require flexibility and courageous leadership. Negotiations will require hard decisions on both sides.

As the parties enter upon the negotiating process, there can be no doubt that America's commitment to Israel's security is unshakable. That commitment goes beyond mere words of support. Since 1973 the United States has provided almost \$10 billion in military and economic assistance to Israel. Our aid is now running at \$1.8 billion annually. The United States will not do anything which would jeopardize Israeli security by trying to exercise pressure through the withholding of military or economic assistance.

We shall continue to give Israel strong support in international bodies against those who would isolate her. We have served notice, for instance, that the United States will not participate in any U.N. conference on racism if any item on its agenda seeks to equate Zionism with racism.

This is the way I see our relations with Israel. The United States and Israel will approach their shared goals together, not through the distortions of distrust and difference but from the perspective of proved friendship and mutual respect.

Israel and the United States share many ideals that stem from the roots upon which their nations came into being—the ideal of America, a democratic society created by im-

² For the full text of President Carter's address on Nov. 2, see p. 759.

³ For the text of the joint statement issued on Oct. 1, 1977, see BULLETIN of Nov. 7, p. 639.

migrants seeking new hope; the ideal of Israel, a democratic homeland built upon dreams that lived through the horrors of the holocaust. We share also the ideal of a real, enduring peace in the Middle East.

This is a peace that would direct resources away from weapons of war toward works of human progress; a peace in which peoples, commerce, and ideas could flow back and forth across open borders among neighboring states. This is a peace in which Israel and her neighbors could live free from fear, free from threat, free from enmity.

If such a peace is now to be achieved, it will be achieved only by the countries of the Middle East themselves. Given the opportunity which now exists—and which may not soon again be within their grasp—this kind of peace must be pursued.

We, for our part, will pursue our efforts to bring about negotiations, to reconvene the Geneva conference as the parties ask, and to play a helpful role in encouraging the participants toward a future in which their children will never have to go to war again. With the understanding and the patience of all Americans, our nation can help Israel and her Arab neighbors find that peace.

Saudi Foreign Minister Meets With President Carter

Following is a statement issued by the White House at the conclusion of a meeting between President Carter and Saudi Foreign Minister Prince Sa'ud bin Faisal on October 25.

Weekly Compilation of Presidential Documents dated October 31

The President and Saudi Arabian Foreign Minister, His Royal Highness Prince Sa'ud, met in the Cabinet Room this morning for 1 hour and 30 minutes. The President was accompanied by Vice President Walter Mondale, Secretary of State Cyrus Vance, Deputy Assistant for National Security Affairs David L. Aaron, Counsel to the President Robert J. Lipshutz, Assistant to the President Hamilton Jordan, Assistant Secretary of State for Near

Eastern and South Asian Affairs Alfred L. Atherton, U.S. Ambassador to Saudi Arabia John West, and National Security Staff member William Quandt; and Prince Sa'ud by Ambassador Ali Alireza, Deputy Prime Minister for Foreign Affairs Sheikh Abdullah Alireza, Ambassador Ahmed Siraj of the Ministry of Foreign Affairs, and First Secretary of the Saudi Arabia Embassy Dr. Nazar Madani.

The President began by expressing his pleasure at this opportunity to discuss with Prince Sa'ud the wide range of ties which unite Saudi Arabia and the United States in friendship. The President asked the Foreign Minister to convey his personal best wishes to His Majesty King Khalid in anticipation of the meeting he will be having with His Majesty and His Royal Highness Prince Fahd next month in Saudi Arabia.

The President and Prince Sa'ud spent a good deal of their time today reviewing the current efforts to resume negotiations on a settlement of the Middle East conflict. The President informed the Foreign Minister of the results of previous meetings he has had over the past few weeks with foreign ministers of the governments involved. The President reaffirmed his determination to help these parties to the conflict work out procedures for reconvening the Geneva conference by the end of the year. The President expressed his conviction that differences over procedure should not be permitted to prevent negotiations on the substance of the conflict which all the parties have said they desire.

As he has in his other meetings, the President repeated his own conviction that a just and lasting peace in this vital area of the world requires compromise and courageous leadership from all concerned. He thanked Prince Sa'ud for the understanding and support Saudi Arabia has shown for the efforts to advance the prospects for an early resumption of peace negotiations. Secretary Vance will pursue the discussion with the minister, listening to his ideas and explaining in detail suggestions for reconciling differences between the parties.

The President and Prince Sa'ud also discussed a number of matters of mutual interest

pertaining both to our bilateral relations and to the challenges facing the international community. In particular, the President emphasized to the Foreign Minister his determination to obtain the comprehensive energy conservation program which is currently before Congress. He expressed again his appreciation of the policy which Saudi Arabia, the world's largest oil exporter, has pursued in petroleum production and pricing.

The President emphasized the importance to the international community of maintaining world oil price stability over the coming year. The President and Prince Sa'ud noted with satisfaction that the economic ties between the United States and Saudi Arabia continue to expand and that the close cooperation and consultation between the two governments in international finance and development lending remain a major contribution to world economic growth.

The President assured the Foreign Minister that the United States intends to continue its role in helping Saudi Arabia meet legitimate defense needs.

Editors and News Directors Interview President Carter

Following are excerpts relating to foreign policy from President Carter's opening remarks and a question-and-answer session from the transcript of an interview by a group of editors and news directors on October 14.¹

We are working on several foreign matters. I just mentioned the Torrijos [Gen. Torrijos, Chief of Government of Panama] visit this morning. I think that his and my statement, which has already been prepared—it's not been released yet, I don't believe—will successfully resolve the major difference of interpretation that has been raised about our right to defend the canal and

¹ For the complete transcript, see Weekly Compilation of Presidential Documents dated Oct. 24, 1977, p. 1553.

also about the right of our ships to have expeditious passage through the canal.²

And, of course, we are also very interested to point out that we have no intention to intervene in the internal affairs of Panama in order to challenge their sovereignty. But the questions have arisen both in Panama and in our country, and we want to get those differences explained. There are no differences between me and Torrijos or among our negotiators, and there never have been since the text was approved.

Another thing that we're working on that's been highly publicized is the SALT [Strategic Arms Limitation Talks] agreement. I think we are approaching a settlement with the Soviets, if they continue to act in as constructive a fashion as they've exhibited the last few weeks.

We are working on a comprehensive test ban treaty. Now we are both permitted to test nuclear weapons up to 150,000 tons, which, as you know, is seven or eight times larger than the Hiroshima explosion. But we would like to eliminate those tests altogether. We personally would prefer to eliminate all peaceful nuclear devices being tested. So far, the Soviets have not been willing to agree to that.

But we've already got good, substantial progress, I believe, assured. We are trying to agree with the Soviets to prevent any arms buildup in the Indian Ocean, to prevent attacks on one another's satellites in space, and to prohibit chemical, biological, radiological warfare.

Lately, I've been encouraged. We've been able to get the Soviets, for the first time, to take a moderate position on the Middle East. We think the recent American-Soviet statement has been very constructive there, and we're making slow, tedious progress toward a Geneva conference.³

This is one of the most complicated international questions which has ever been addressed, I guess, in the history of human be-

² For the text of the U.S.-Panama statement of understanding issued on Oct. 14, see BULLETIN of Nov. 7, p. 631.

³ For text of the joint U.S.-U.S.S.R. statement issued on Oct. 1, 1977, see BULLETIN of Nov. 7, p. 639.

ings. We have to negotiate with the Soviets, who are our cochairmen and have been since 1973. We're negotiating with the Lebanese, with the Syrians, with the Jordanians, with the Egyptians, individually. We're negotiating between each one of those countries and the Israelis.

We are also negotiating among the Arab countries who have differences, and we're trying to keep a good and successful presentation to the American public about what we are doing, without betraying the confidences of the heads of state who deal directly with me.

Q. We have some serious troubles in El Paso right now with illegal aliens. And I would like to know what you're going to do to help control the illegal aliens, particularly in El Paso, when our border patrol agents have been cut down. When you were running for office, you were going to help us increase the size of our border patrol. We only have 325 border patrol agents guarding both the Canadian and Mexican borders, and that's not enough; they're eating us alive.

President Carter: Well, we have completed now the drafting of illegal alien legislation. We call them undocumented workers, or undocumented aliens.

Again, this is a very complicated subject, as you know—to protect the basic civil rights of people who might be from a Chinese family or from a Mexican family and who are here legally, to be sure that employers don't discriminate against them just because of the color of their skin. That's a problem.

Another one is the demand among employers of adequate labor supply, particularly in areas where it's seasonal and also in areas where the available domestic labor doesn't fill the need. We have as many as 7 or 8 million illegal aliens. They're coming in now at a rate that's hard to estimate—maybe approaching a million a year. They obviously contribute to our unemployment rate. And we're determined to both reduce the flow of illegal aliens, to register those that are here, let them stay here temporarily, and then give them the freedom to move back and forth

across the border without any establishment of citizenship rights and, as has been the case in the past historically, to maybe give permanent residency rights to those that have been in our country as long as 7 or 8 years.

I don't know what the Congress will do about that part of it, but it's a very comprehensive bill; it's been worked out after hard debate and close study. Along with that will be an increase in the number of personnel assigned to patrol the borders and also a much closer correlation among the different Federal agencies that have that responsibility.

Q. What are you going to do about the people, particularly in our part of the country—the Mexican-Americans are the ones that are fighting the amnesty program. And if amnesty is not accepted among our people and can be pursued by the government, then what alternative do you have to suggest?

President Carter: Well, amnesty is a gross oversimplification. The only thing that we are doing is for those that have been in this country since 1970—7 years—to give them the legal right to stay here. They won't be citizens, but they do have a right to apply for citizenship.

The ones that have come in since, if they register, they would have a temporary right to work. But they could only—I think that—I've forgotten the exact details of the bill—but I think they could only do that for a year, then they would have to leave our country. And they would have the right to apply for work permits.

But to distinguish between those who have become legal citizens, that we don't want to hurt, to distinguish between those who have been here for a long time and have performed well, established homes, and who don't yet have citizenship rights but who want it in the future is another question. To try to find out who and how many illegal aliens we presently have and to have an ability to send them back home is a third level of the question. And the fourth question is to keep the illegal aliens from crossing the border. But just to

say that the entire complicated program consists of amnesty is a ridiculous oversimplification.

The only amnesty involved is one that has historically been the case when about every 7 years, in retroactivity, you say that those that came in before 1970 or before 1962, you know, do have the right to stay here and ultimately apply for citizenship.

Q. How do you deal with Israel's fears that if they come to some sort of settlement on the West Bank—any kind of settlement on the West Bank—first they'll be subjected to ongoing terrorism from irreconcilable Arabs over a long period of time, or the new government, having gained a new position, declares itself to be hostile toward the State of Israel? How do you deal with those kinds of fears and are these fears legitimate?

President Carter: Well, in the first place, any agreement reached in the Middle East would have to be accepted voluntarily by the Israelis and by their Arab neighbors. There won't be any imposition of a settlement by us or the Soviet Union or anyone else. So, you have that much of a safety factor to start with—that no settlement would be reached unless the Israelis wanted that settlement.

Secondly, I do not favor and have never favored an independent Palestinian state in the West Bank area or in the Mideast area in presently occupied territory.

We have always, since the first few minutes of the foundation of Israel, had a national policy supporting the integrity, the independence, the freedom, the permanence of Israel, and hoping for peace. All of those factors, I think, have been met—sometimes challenged, but always met—except peace.

Now the Israelis and their neighbors—Arab countries—see the prospect of peace. The Arab leaders are making statements now that they could and would never have made a year ago, recognizing Israel's right to exist, being willing to negotiate with Israel directly if we get to Geneva.

There is a serious question about Palestinian representation. My belief is that when we consider the future status of the West

Bank, Gaza Strip, and the Palestinians, that it ought to be negotiated with some participation by Palestinians. I personally think that Israel has agreed—I think this has been announced—that they would accept those Palestinians from the West Bank and the Gaza Strip and that that area would be negotiated by those Palestinians, Jordan, Egypt, and Israel on a multinational basis, because it's all wrapped up in one.

We have also got the prospect of considering as a separate item—but certainly a directly related item—the future of the refugees as such—some Jewish, some, of course, Palestinian. This would be on a multinational basis. But I think every possible right and prospect of Israel's existence, freedom, security in the future will be honored, certainly, by Israelis, backed by us.

Q. When Safeguard went down the tube a few years ago when we negotiated the SALT agreement, since then the technology has become pretty well obsolete. Is anything at all being done in the area of ABM's [antiballistic missiles] other than some studies going on back in Huntsville? I believe there's no hardware in production. Are we putting all our eggs in the basket of negotiation? How long would it take us to gear up, for instance, if we should discover that the other side is putting an ABM system into place?

President Carter: Well, as you know, we have the right to build ABM's, if we choose. In the original negotiation, both sides agreed that they could build two. Later, the Soviets decided to build one. We almost finished one out in the Dakotas.

About a year ago, before I went into office, a decision was made to decommission the one in the Dakotas. The Soviets still have an ABM system—antiballistic missile system—around Moscow. I think they feel that if they hadn't already built it, that it would not be a warranted expenditure.

I believe that because of the advent of many technological improvements—the MIRV'd [multiple independently-targetable reentry vehicle] weapon is the most obvious—that an antiballistic missile system,

compared to its cost, is simply not effective. So, we have an adequate means for verifying compliance with nuclear agreements—not perfect. We can accurately assess the location of missile silos. We can accurately maintain an inventory of submarines that are used for ballistic missile firing. We can count the number of missiles that are on each submarine. We can monitor their testing program and determine when missiles are improved. We have fairly accurate estimates of their range.

It's very difficult to discern when a missile has one warhead or multiple warheads on the same missile. But we've reached an agreement with the Soviets that, if they ever MIRV one missile of a type, that all missiles in that type are assumed to already have been MIRV'd, so that we don't have to say, "You have got 300 missiles of this kind—100 have been MIRV'd and 200 have not." If they MIRV the first group of those missiles, we just assume that all of them have been MIRV'd.

So, there are some things that you can't confirm. But I would say that the balance between those is of equal concern to us and the Soviets.

The new era of cruise missiles is one that opens up an additional difficulty of verification. It's hard to look at a cruise missile from a satellite and determine how far it can go. And it's hard to look at a cruise missile from a satellite to determine whether it's got a nuclear warhead on it or a conventional warhead.

This is a new technological era that we're just approaching, and this is one of the difficulties of the present SALT negotiations. But I would say that our verification capability is adequate, that we do not have a handicap in the inadequacies that exceed the handicap of the Soviets.

Q. But there is no research and development in any kind of a system based upon these theories?

President Carter: Yes, there is a constant research and development on better means of verification. And, of course, if we do get a comprehensive test ban in effect that would

prohibit any level of explosion of a military weapon, then that would be much more difficult to discern because it's easier to detect. I think you would have a hundred percent capability of a 150,000-ton weapon. But if you tested, say, a 20-ton weapon, it would be very difficult to detect if you wanted to conceal it.

I think you also ought to remember, though—I don't want to overemphasize this—both we and the Soviets recognize that if we ever cheat and get caught, that the consequences are very severe. And there's a mutual trust that has to be maintained based on maximum verification—not just word, but confirmation.

But if we ever detected specifically that the Soviets had deliberately violated a written agreement, it would destroy the tenuous, mutual confidence that's so imperative. And the Soviets recognize this, and so do we.

When I met with Secretary Kissinger about a year ago, after I was elected and before I was inaugurated, I asked him if he knew of any instance where the specific agreement between us and the Soviets had ever been violated. He said no, that he had never known of an instance of that kind, that in some cases the SALT negotiations had not been as specifically worded as they should have been and new technologies had come along later that were not covered in the original agreements, but both sides had taken advantage of those so-called loopholes. But it was so important that we not cheat and get caught because of the catastrophic consequences of that, that he thought except when you actually were going to attack, that that would be highly unlikely.

Q. You referred again to a very ambitious program, a lot of which you say is urgent. There is, as you know, some criticisms—too much too soon. Do you have, in light of your congressional experience since inauguration, developed a priority program? Is there anything you want to get out of the way first and particularly before next November's elections?

President Carter: On the international scene, I've named the major ones. There is nothing on the international scene in which we are deeply involved that I would undo. Now, we are trying to resolve the problem in Rhodesia, Namibia, and we are trying to add our good offices to the Middle Eastern question, deal with the Soviets on these questions that I've already described to you.

We wanted to strengthen NATO and to revive the spirit of support for NATO among our European allies. I think we've done that successfully. And we also wanted to restore a sense of compatibility and friendship with nations that in the past have looked on us almost as enemies.

The visit that I had this week from the Nigerian leader, Obasanjo, was a point in fact. I wish that when all of you get home that you would get an Atlas and read about Nigeria, what the country is. They've got 80 million people in Nigeria. This is more than a third of all the population of Africa. It's by far the greatest country economically in Africa. It's been torn by civil war. General Obasanjo was the leader of the armed forces in the civil war. He's an engineer and helped to rebuild the country.

They have got a military government now of 23 people. They have already had elected, through completely democratic means, a 236-person constitutional convention. They've just about completed the first draft of a constitution. They will have a freely, democratically elected president, a bicameral legislature. They have kept intact already, a completely independent judiciary. And a year ago Secretary Kissinger, for the third time, tried to get permission to go into Nigeria, unsuccessfully. Because of Andy Young's [U.S. Ambassador to the United Nations] good work and so forth, we've kind of turned that around.

It's just a typical example of one of the most difficult political questions that I have to face—is the one I mentioned first this afternoon, and that's the Panama Canal treaties. If they can be ratified, our country will be greatly benefited through this process.

So, the multiplicity of these questions is almost overwhelming, and I know that politically speaking, it's not very good. If we've got 10 different major things on the fire at one time, and we win and finally finish, say, a reorganization package or an urban program or a stimulus package, and we still have 9 or 10 more that we're working on, it looks like everything is all confused, we're not making any progress.

But I recognize the legitimacy of having too many things going at once. I am trying to carry out my promises that I made during the campaign. It would be much easier for me to deal in foreign affairs just with SALT and let the Middle East and Africa and everything else drift. But that is not my nature, and I don't think it's in the best interest of the American people.

We can't succeed in every international effort. I don't expect to. And I recognize the natural inclination of the news media and the American people to concentrate on the exciting stories, the defeats and the combat and the debates and the disagreements and arguments. That's okay. But I think as far as the best interests of the country is concerned, there's nothing that I've mentioned in this kind of a rambling and fairly brief analysis that I would withdraw from just to create an increased sense of harmony or achievements.

Congressional Documents Relating to Foreign Policy

Congressional Advisers Report of the Conference on International Economic Cooperation (the North/South Conference). Report pursuant to S. Res. 248 of Aug. 4, 1977, prepared for the consideration of the U.S. Congress. S. Doc. 95-61. Aug. 1977. 44 pp.

Providing Funds for the Expenses of Investigations and Studies To Be Conducted by the House Permanent Committee on Intelligence. Report of the House Committee on Administration to accompany H. Res. 729. H. Rept. 95-562. Aug. 3, 1977. 8 pp.

Effectiveness of the Export Promotion Policies and Programs of the Departments of Commerce and State. Seventh report by the House Committee on Government Operations, together with additional views. H. Rept. 95-576. Aug. 5, 1977. 57 pp.

Progress and Problems in Arms Control Negotiations

Address by Paul C. Warnke

Director, U.S. Arms Control and Disarmament Agency¹

I'd like first to talk about our approach to next year's [spring 1978] special session on disarmament, which I understand has occupied your discussions this morning. The session offers a great opportunity to find new approaches that will contribute to the solution of the many disarmament problems to be discussed. This will require, however, that all of the parties approach their work in a constructive spirit, ready to listen and take into account the concerns of the other parties.

This is the basis on which we are prepared to participate. In his address at the United Nations on March 17, President Carter stated that "We will make a strong and a positive contribution at the upcoming special session on disarmament. . . ."² Ambassadors Andy [Andrew] Young and Jim [James F.] Leonard [respectively, Permanent and Deputy Permanent Representatives to the United Nations], here in New York, are dedicated to fulfilling that commitment. Larry Weiler of ACDA has been appointed the full-time special session on disarmament Coordinator for the U.S. Government. He is working full-time, both in Washington and in New York, on preparations for the session.

Now, we recognize that, while a positive attitude on the many special session agenda items can improve the atmosphere at the session, what certainly would help most is evidence of a sincere effort by the United

States and the Soviet Union to take positive steps to stop the buildup of nuclear arms. I would like to concentrate today, therefore, not on the special session itself, but on the problems we face and the progress we are making toward reaching agreement in the two areas that I believe are of most interest to the entire world: those are the SALT talks [Strategic Arms Limitation Talks] and the negotiations looking toward a comprehensive test ban.

Later this week, Secretary Vance and I will be sitting down with Foreign Minister Gromyko to discuss the remaining outstanding differences between the two sides as we try to reach agreement on the terms of a new strategic arms limitation agreement—the so-called SALT II. This will be the third of the high-level meetings since the Carter Administration took office. You'll recall that we had a session at Moscow in March, then there was one in Geneva in May.

Now in addition to these discussions, there have been meetings between the two SALT delegations in Geneva since May 10. I had the privilege of chairing that delegation during the month of May; since that time, it's been chaired by my alternate, Ambassador Ralph Earle.

The delegations in Geneva have been dealing with a number of very important issues which, fortunately, are far enough along toward resolution so they no longer need attention at the foreign minister level. I don't believe, I'm afraid, that the Vance-Gromyko meeting will solve instantly the major problems outstanding. I do, however, have every expectation that it will accelerate the process of reaching final agreement. And being

¹ Made before the United Nations Association-United States Annual U.N. Symposium at New York on Sept. 19, 1977.

² For text of President Carter's address, see BULLETIN of Apr. 11, 1977, p. 329.

realistic, I could not predict that final agreement can be reached before October 3, when the 5-year Interim Agreement on control of offensive arms expires.

The probable passing of that deadline raises a question that anyone interested in arms control must ask, and that is: Why is it that SALT and the other arms control negotiations in which we are engaged take so long and seem to accomplish so little? We have now been negotiating at SALT for over 8 years. It took 3 years (just about) to reach the first set of agreements, and since the SALT I agreements in May of 1972 we have had nothing in the way of a further formal agreement.

On another front, the talks at Vienna on mutual and balanced force reductions have seemingly gotten us nowhere in 4 years. And as far as the ban on nuclear-weapons tests is concerned, we are reaching now our 23d anniversary—we have talked about it since 1955.

Thus, it's easy to get impatient with the way in which governments deal with arms control. It's natural to want quicker solutions, but in many instances these are politically unattainable—both within our own government and in terms of dealing with our negotiating partners. Moreover, sometimes the prompt solutions might not be the optimum solutions—they might not serve either the cause of arms control or our other national interests.

I think also that the facts are that more progress is taking place than is immediately apparent, and I think also that we have to recognize that there are many integral reasons why the process, in such complex matters as SALT, has taken so long.

U.S.-U.S.S.R. Differences

One of the major problems is the considerable asymmetry that exists between the Soviet Union and the United States. Our military forces have evolved differently. We also face very different problems in the world; for example, in the NATO-Warsaw Pact context, we are part of a voluntary alliance, while they lead a band of reluctant conscripts.

We face essentially a unitary security problem with only a single potential adversary; the Soviets have to be concerned about a hostile China on one border and a restless and uncertain Eastern Europe on the other.

There are geographic differences that further complicate the negotiating problem. The Soviets lack the luxury of separation by thousands of miles of ocean from their military competitors. On the other hand, they have the advantage, for the same reason, of being able to reinforce their forces in Europe more rapidly. Now this affects both the way in which we and they structure our forces and the perceptions we have of the threats each of us face.

Our military problems are very different indeed. They have an enormous air-defense system; we have decided not to spend our money in that way. We have made a very sizeable investment in long-range strategic bombers; they have a small and aging strategic bomber fleet on which they place little reliance. They have a sizeable civil defense program; ours remains minimal. And in many of our weapons programs we have stressed accuracy and miniaturization, while they have placed the emphasis on size. Thus, when we sit down to negotiate limitations on strategic arms, we are trying to find ways to bring into balance very different weapons systems that often have been created against very different threats and very different perceptions of what is needed to maintain a rough strategic equivalence.

Objective and Motivations

But, despite these many differences between the way the two sides look at and deal with their security concerns, it is my firm belief that the United States and the Soviet Union have one important objective in common: I think we both want a viable, effective arms control agreement which will provide greater security and, hopefully, pave the way for even more substantial agreements in the future.

Our own interests are clearcut. We're looking for a SALT agreement which will insure and improve international stability; that will lessen the chances that nuclear war

could come about, no matter what the degree of tension on the international scene; and we're looking for a SALT agreement that will lead in the future to a world where less reliance need be placed on arms to guarantee security.

Now, we know our own aims and aspirations for world order. When it comes to theirs, obviously, we can only speculate. And there are some who question whether the Soviets have, in fact, the same motivations as we. They ask whether instead they are, in fact, negotiating not in good faith but are using the SALT process to take advantage of us.

My opinion, having dealt now with three different Soviet arms control delegations, is that they are negotiating in good faith. They obviously are extremely difficult to deal with. They have different perceptions than we. They obviously would like arms control agreements which are one-sided in their favor. But, nonetheless, I believe that they are negotiating in good faith and that they have strong motivations to do so. These motivations involve economic considerations, political reasons, and military grounds.

On the economic side, you're all familiar with the recent reevaluation of our intelligence sources, which demonstrates, we think, that they are spending perhaps twice as much of their gross national product as we previously had estimated they were spending. Now there are some who view this news with grave alarm. They immediately translated that into an idea that their military strength was twice that which we had anticipated. The fact is, they aren't buying any more than we thought, but they're enjoying it less and it's costing them more.

So, as a consequence, for them the costs of keeping up and constantly modernizing their defense forces is even more debilitating than it is for us. And as far as the combined totals are concerned, we face the fact that after the expenditure by both countries of more than a trillion dollars over the last 30 years, we must feel, if anything, somewhat less secure than we did before this immense drain commenced. So it's hard not to conclude that we're both engaged in a

chumps' game, and there has to be a better way.

I mentioned also political motivations that would lead the Soviets to negotiate in good faith. I think politically that they seek by arms control negotiations to show the rest of the world that they must be seen by the United States as equals. Dealing bilaterally with the United States reassures them of their superpower status—probably more surely and safely than unrestrained arms competition. I think that this is one reason why they cling to the institution of the cochairmanship at the Conference of the Committee on Disarmament. Again, it's a symbol—it's a symbol of prestige, and it is to them politically of considerable importance. But even beyond the perceived importance to them of equality, the Soviets, I believe, see that an effective SALT agreement could lead to a reduction of tensions and the opportunity for new advantages in other fields such as increased trade.

And finally among the reasons why they would be interested in good-faith negotiations is the military dimension. They have to recognize that as long as competition between us is unlimited, they can't win because we couldn't afford to let them win. We have the resources and the will to see to it that no Soviet military superiority is possible and we have the technological lead which puts us in a very fortunate position.

So for all of these reasons, significant progress in arms control would appear to be in the Soviet interest just as we find it to be in our own.

SALT Negotiations

Then I mentioned that we sometimes ignore the extent of the progress that is being made. I can tell you from my experience in Geneva that we have, I would say, about 90 percent of a SALT II treaty negotiated. Now a lot of this, of course, is just the technical details, but this 90 percent or more also represents the solving of a number of very, very serious problems we have been able to take on and resolve—many problems that, in my opinion, are at least as difficult as those relatively few that remain.

We're moving ahead, for example, on finding ways of dealing with reductions in the numbers of missile launchers. We're also considering the question of how to deal with the possibility of mobile intercontinental ballistic missiles which would, of course, significantly increase verification problems. And we have, in fact, resolved a number of very important verification problems. And we've even begun the discussion of a detailed set of guidelines which would govern the negotiation of a SALT III agreement.

Now, in suggesting there's progress, I don't want to be misunderstood to suggest that we've got a SALT II agreement almost in hand. That is not the case. Regrettably, there are some important unresolved issues that still have to be dealt with before we can sign a SALT II treaty. We have differences, for example, over cruise missile limitations, over constraints on the Soviet Backfire bomber, and over controls on the modernization of strategic systems. But as I suggested, these do not seem to me to loom any larger or more formidable than many problems that have in fact been solved. There are, therefore, grounds for at least guarded optimism and grounds for hope that the momentum for a SALT II treaty may even pick up in the near future.

Domestic Problems

Now, aside from these problems that derive from the bilateral relationship, there are other domestic problems that impede the progress of arms control. We have to deal with our own ingrained public attitudes about arms control. The fact is that everyone wants it for free—everybody would like to have the other side's arms controlled whereas we are free to exploit any sort of military development that comes our way. The fact is that we're going to have to give up something we could use if we're going to get the other side to give up something that we don't like.

Secondly, dealing with the domestic problems, there is a natural disposition on the part of the public at the conclusion of any arms control negotiation to ask, "Who won?" There always has to be a victor. The United

States is sports minded; it sees everything in terms of competition and there has to be a decision, there has to be a winner, and there has to be a loser. That's not the way arms control is. You can't have arms control in which one side wins if you want any agreement that could conceivably last.

The net result of a successful arms control agreement has to be fair to both sides. It has to be a draw. I think it was Ring Lardner who said that a draw is like kissing your sister, but, nonetheless, it's this absence of victory which is in fact success in the arms control field. To be durable and viable an arms control agreement has to be one in which both sides see that they will realize security gains at an acceptable cost. To put it another way, no sovereign state could be made to stick by a deal in which it had been out-traded. Once it had reached the conclusion that it had been taken advantage of, I know of no court where you can take the agreement and get specific enforcement. It just wouldn't exist.

And a third problem is that the public generally—and I can say this from my own past experience—is bound to be critical of any treaty because it doesn't go far enough. The public would like to see ultimate solutions; they would like to see the entire question of the nuclear arms competition resolved. It's not going to happen, I can assure you, in SALT II. It's not going to happen in SALT III. What we can hope—and what you've got the right to expect—is that these will be important steps forward in a continuing process that does, in fact, increase our national security and begin to eliminate the spectre of nuclear war.

Comprehensive Test Ban

I'd like to turn to the other of the two most important arms control negotiations that we're engaged in at the present time. And compared to the problems of SALT, the comprehensive test ban—on which negotiations among the United States, the Soviet Union, and Great Britain are to resume in Geneva on October 3—offers an interesting contrast. Here, I believe that our opinions are more readily compatible with those of

the Soviets. Both of us, I think, see that a comprehensive test ban would help to shore up a SALT agreement and would support the objective of slowing the nuclear arms race.

A comprehensive test ban, for example, would make considerably easier the task of banning new types of strategic weapons and modifications and modernization of older ones. It would make it more difficult to exploit new technology. It would place impediments in the way of the tinkering with strategic systems which, I am afraid, can lead only to less security because it will destabilize the strategic balance. It's for this reason that I see a comprehensive test ban as probably one of the more important complements to a SALT agreement.

There is a second very important aspect of a comprehensive test ban and that is its contribution to nonproliferation policies. This is an area in which we and the Soviets have to share the same objectives, and we share the same problems, because there are some—I am sure the President is aware of many—who feel that it borders on both hypocrisy and futility for the major nuclear powers to preach to others that they should not look to nuclear weapons for their security while the two of us continue to compile more and more deadly nuclear weapons.

It's going to be very difficult for anybody to feel that we have the moral right to preach about nonproliferation. It's embodied in the Nonproliferation Treaty; it's a commitment that must be discharged, and I think one of the more effective ways that we could live up to that commitment and one of the more effective ways that we could show that we don't regard the future of mankind as being linked to the overall possession of nuclear weapons, would be to impose a genuinely comprehensive test ban on ourselves.

As you know, over a thousand nuclear explosions have been conducted by the United States and the Soviet Union since 1945. A comprehensive test ban would indicate that we're ready to embark on that long, hard journey toward a world without nuclear

weapons which President Carter set as this country's objective when he took office last January.

It's important to note that, to be successful, a comprehensive test ban could not remain indefinitely as a bilateral or trilateral obligation. It must, in due course, become multilateral. It must be truly comprehensive both in ending all nuclear explosions and in including as many nations as possible. President Carter noted in his U.N. address last March that our ultimate goal is for all nuclear powers to end testing. But he suggested that a treaty could come into force when it's agreed upon by the United States, the Soviet Union, and the United Kingdom—these are, in fact, the three parties to the 1963 Limited Test Ban [Treaty]—so there is precedent for this sort of trilateral initiative.³

And for the next several years—I would say for the next decade—no amount of testing by either France or by the People's Republic of China could have the slightest adverse impact on the security of the United States or the Soviet Union or the United Kingdom. Nothing that they could do for the foreseeable future could possibly challenge the deterrent forces of the United States and the Soviet Union—they have a superabundance.

Moreover, a treaty participated in by as many countries as possible offers, in my opinion, the best chance of bringing in the other nuclear-weapons states in the shortest possible period of time. If we had that sort of a treaty, if we did have genuine international support, what we could hope, I think, is that the other nuclear-weapons states would first tacitly refrain from nuclear tests and then eventually might be brought along to becoming formal parties to the treaty.

Peaceful Nuclear Explosions

Now a second major problem with regard to a comprehensive test ban has to do with

³ For text of Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water (Limited Test Ban Treaty) which entered into force Oct. 10, 1963, see BULLETIN of Aug. 12, 1963, p. 239.

the issue of peaceful nuclear explosions. And here too, regrettably, our own copy book has been blotted quite a bit in the past. There was a period of time in which we appeared to attach considerable economic significance to peaceful nuclear explosions. But despite considerable effort and many hours of discussion, both within the U.S. Government and in earlier international negotiations, no one has been able to devise any sort of a means of distinguishing between an explosion for peaceful purposes and a nuclear-weapons test. The fact is that a bomb is still a bomb, and its end use is subject to change without notice. And it is for this reason that the ceiling of 150 KT [kilotons] for peaceful nuclear explosions was arrived at in the PNE [Peaceful Nuclear Explosions] Treaty which is now before the Senate and which accompanies a separate Threshold Test Ban Treaty, which has the same limit of 150 KT.⁴

Under those two treaties, PNE's, because they could not be distinguished from nuclear-weapons tests, were subjected to the same limits and could not be larger than weapons tests. I think the logic of that conclusion is that a comprehensive test ban bringing weapons test explosions down to zero should do the same thing for PNE's. Otherwise, there would be a loophole in the treaty which either could be exploited for military purposes or would create apprehension that might be exploited for military purposes. Not only that, but if you have that sort of loophole in the treaty, then any now nonnuclear state that wanted to conduct a nuclear explosion could easily label it as a peaceful nuclear explosion, just as India did back some 3 years ago.

I would hope that the logic of our position

⁴ For texts of the U.S.-U.S.S.R. Treaty and Protocol on Underground Nuclear Explosions for Peaceful Purposes (Peaceful Nuclear Explosions Treaty) and agreed statement, see BULLETIN of June 28, 1976, p. 802; for texts of U.S.-U.S.S.R. Treaty and Protocol on the Limitation of Underground Nuclear Weapon Tests (Threshold Test Ban Treaty) signed at Moscow on July 3, 1974, see BULLETIN of July 29, 1974, p. 217.

would commend itself to the international community generally. The fact is that we have no interest in PNE's. Over many years with the expenditure of many millions of dollars, we've explored the chances of using them to build harbors, dig canals, create craters, extract hydrocarbons, mine copper, or to store and recover natural gas, and even to generate electricity. Study demonstrates that there's always a better way to accomplish any one of those objectives in a way that does not involve the environmental safety and political costs. Now there may indeed be some engineering projects which, for some of the reasons outlined above, might not make sense in the United States but might be more attractive to the Soviet Union—and certainly the environmental movement has had somewhat less impact there. Their physical circumstances, too, are quite different.

But when the marginally persuasive arguments in favor of allowing some peaceful nuclear explosions are weighed against the objective of a genuinely comprehensive test ban, I can't believe that the world community will conclude that a comprehensive test ban is less important than preserving the right to PNE's. Perhaps ways later can be found to control their use within some sort of international regime without gutting the treaty or destroying its nonproliferation benefits. The question could be reexamined if that day comes. But since I feel that neither the problem of accession to the treaty nor the problem of PNE's need stand in the way of the speedy completion of an agreement in principle, I remain at least guardedly optimistic about a comprehensive test ban, just as I am about SALT.

I think we're making progress on both of these important problems. We're not moving as fast as anyone would like—certainly not as fast as those of us in the government would like. The road is a long one, but I think we're on track and we're underway. We will need, as always, your counsel and your support.

Disarmament: New Challenges and New Opportunities

Statement by Adrian S. Fisher

*U.S. Representative to the Conference of the Committee on Disarmament*¹

It is a very great personal pleasure for me to appear before this body. As some in this audience may recall, in the 1960's I had the privilege of representing the United States both here in the United Nations on disarmament issues and at the disarmament conference in Geneva. I have been delighted to renew my acquaintance with a number of old friends from that period and to make a great many new friends since I have returned to government service.

In the months to come, I look forward to working with all of you in solving common problems—in gaining ground toward significant disarmament. Let me just mention here one of the things that always struck me in the past about working with other officials on disarmament and which has struck me again in the last few months.

It always seemed to me that a rather special quality unites those who work on disarmament—the quality of striving to achieve results against very difficult odds, of knowing that the cause of disarmament transcends matters of personal convenience, and the like. This situation of knowing that we are together out on the frontier—perhaps a little exposed, but confident that what we are doing serves very large and worthwhile purposes—leads, in my opinion, to the friendships and professional relationships which are so special.

This is why I feel such great personal satisfaction at being back among you. This is why I expect to learn a great deal from you, as I have in the past, and this is why you can be certain that I intend to do everything in my power to make our work mutually productive.

The circumstances under which we begin the consideration of disarmament issues this year contrast sharply with those that have prevailed throughout most of recent history. There is a sense of expectation that, after many years of talking and nibbling around the edges, real arms control and arms reductions are in the offing. This is not to denigrate the importance of such relatively recent agreements as the seabed arms control treaty or the environmental modification ban, but they were primarily preventive medicine aimed at killing the virus before it could spread, so to speak.² Now, the prospects are growing in our multilateral arms control work for progress on the hard issues of curbing important weapons that already exist—of limiting them or outlawing them altogether.

I can note with considerable satisfaction that what President Carter said in his inaugural address about the arms control objective of the United States and what he said

²The Treaty on the Prohibition of the Emplacement of Nuclear Weapons and Other Weapons of Mass Destruction on the Seabed and the Ocean Floor and in the Subsoil Thereof (seabed arms control treaty) entered into force on May 18, 1972; the Convention on the Prohibition of Military or Any Other Hostile Use of Environmental Modification Techniques (environmental modification ban) was signed on May 18, 1977.

¹Made in Committee 1 (Political and Security) of the U.N. General Assembly on Oct. 18, 1977 (as prepared for delivery); text from USUN press release 76 dated Oct. 18.

here at the United Nations in March and again just two weeks ago was not mere rhetoric. Things are happening across the entire range of disarmament issues. Having come here directly from ongoing negotiations on two arms control issues—chemical weapons and radiological weapons—I am keenly aware of the vigor and urgency with which these initiatives are being pursued. There are also, of course, other negotiations in progress on other subjects of great interest to this body, about which I will have more to say later.

While as an American I am understandably proud of what my government has been doing to advance the cause of disarmament during the past year, as a citizen of this small planet I am also pleased that more countries than ever before are making positive contributions to our shared objectives. Many countries from different areas of the world have had a hand in such actions as inspiring and organizing the special session on disarmament [scheduled to convene in the spring of 1978] in seeking solutions to the special difficulties of nonproliferation, and in promoting regional arms control approaches which could reduce tensions and increase stability.

In short, we are in a period of ferment of a very hopeful sort, for it is not a ferment based on overheated rhetoric or unrealistic proposals; rather it is based on a new drive toward realization of many long-held hopes. It is based on the belief that we can harness the experience and imagination displayed in grappling with current problems to make even greater progress in the future—progress toward the ultimate goal of genuine disarmament and lasting peace.

Current Arms Control Agenda

The list of current issues on the arms control agenda is long and extraordinarily far reaching in its scope. Let me set out some thoughts on the ones that have been at the forefront of our concerns.

Strategic Arms Limitations

Turning back the strategic arms race is at once the paramount arms control enterprise and also a task of staggering difficulty.

—It is important not only to the United States and the Soviet Union but to all countries because of the high levels of nuclear weapons and delivery systems maintained by the two leading nuclear powers and because of the need to decrease the risks and costs of competition in strategic arms.

—It is difficult because strategic arms limitations deal with weapon systems to which both nations have attached the most fundamental security significance—but systems which have diverged widely because of differing perceptions and capabilities. The resulting complex of technical issues in working out equitable and effective restraints is certainly unprecedented in any sustained negotiation between sovereign states.

Viewed from this perspective, progress made thus far can be said to be remarkable. While talks on strategic arms limitations were slow to start, by 1972 two significant agreements had been reached.

—The Treaty on Anti-Ballistic Missile Systems [ABM treaty] banning nationwide missile defense systems, is a milestone in curbing the nuclear competition. It removed the very real prospect of a costly and destabilizing race to deploy antimissile systems. It was a major accomplishment in its own right and a prerequisite for serious limits on offensive arms. Recently, in connection with the 5-year review of this treaty, the United States and the Soviet Union jointly reaffirmed their vigorous support of this accord.

—The Interim Agreement on Limitation of Strategic Offensive Arms, or SALT I [Strategic Arms Limitation Talks] accord, signed in 1972, served the essential purpose of limiting the strategic competition while both sides sought a more meaningful and durable agreement limiting offensive nuclear forces. Both sides have indicated that, pending further agreement, their conduct will continue to be guided by the limitations contained in this agreement.

The new American Administration entered office determined to replace the SALT I interim accord with just such a new SALT II treaty. We wished to see if, together with the Soviet Union, we could negotiate a treaty

which would go further than the 1974 Vladivostok understanding in prescribing reductions in present strategic systems and restricting the development of some new systems. We pursued our approach at high levels when Secretary Vance visited Moscow in March and in the discussions between Foreign Ministers in Geneva last May.

As a result of the recent meetings in Washington between Soviet Foreign Minister Gromyko and President Carter and Secretary Vance, we now see a SALT II agreement taking shape. If such an agreement is concluded, as we hope it will be, it would lower the level of strategic arms on both sides, impose certain qualitative constraints on potentially destabilizing weapons development, and set the stage for even more substantial limitations in SALT III. A new SALT II agreement would benefit the security interests of the United States and the Soviet Union, it would contribute to world security, and it would provide further stimulus for rapid progress in other areas of arms control.

Let me stress that what we are seeking are not agreements which merely channel competition in convenient directions. This has sometimes been alleged, but nothing could be further from the truth. We seek significant disarmament. As President Carter has said, with regard to nuclear weapons: "On a reciprocal basis we are now willing to reduce them by 10 percent or 20 percent, even 50 percent."³

Much time and dedicated effort will be needed to achieve reductions of this magnitude. But it should not be forgotten that already, steps toward real disarmament have been achieved in SALT. The ABM Treaty required dismantling of actual weapon systems then being deployed. And there is little doubt that a new SALT II agreement will involve cutbacks in present, as well as planned weapon programs.

SALT I led to SALT II. SALT II will lead to SALT III. We want SALT to be an irreversible process in the cause of peace.

³ For the full text of President Carter's address before the U.N. General Assembly on Oct. 4, 1977, see BULLETIN dated Oct. 24, p. 547.

Twenty-three years have passed since [Indian] Prime Minister Nehru voiced his concern over the development of nuclear weapons and called upon the nuclear powers of the world to cease their nuclear experiments. Citing the "disastrous and horrible consequences" from the "new weapon(s) of unprecedented power," he told the Indian Parliament in 1954: "I have stated publicly as our view that these experiments, which . . . expose the nature of the horror and the tragedy . . . should cease." He continued: "I repeat that to be our considered position and it is our hope this view and the great concern it reflects and which is worldwide, will evoke adequate and timely responses."

The entire world was heartened when the Treaty Banning Nuclear Weapon Tests in the Atmosphere, in Outer Space and Under Water was achieved in 1963. And several years ago [1974] the United States and the Soviet Union were able to negotiate a threshold test ban prohibiting large underground tests. But the goal of a comprehensive test ban continued to elude us.

Now, today, we are perhaps nearer to achieving a complete halt in these experiments than at any time since Prime Minister Nehru issued his eloquent plea. Three of the world's nuclear weapon states—the United Kingdom, the Soviet Union, and the United States—are now engaged in serious negotiations directed toward achieving a comprehensive test ban.

The issues involved in these negotiations are complex and difficult. They have repeatedly thwarted earlier efforts to achieve a negotiated test ban. We are, nonetheless, cautiously optimistic that they can be resolved. The participants in these negotiations are proceeding with a heightened sense of urgency and purpose. We hope that the Conference of the Committee on Disarmament (CCD) will be able in the near future to begin consideration of the results of these trilateral negotiations.

The goal of a comprehensive test ban is to halt completely any testing which serves to advance nuclear weapons development any-

where in the world. As President Carter recently stated before the United Nations (on October 4): “. . . the time has come to end all explosions of nuclear devices, no matter what their claimed justification—peaceful or military. . . .”

A comprehensive ban would impose limitations on nuclear weapon states and non-nuclear-weapon states alike.

—It would contribute in a very substantial way to reducing incentives for non-nuclear-weapon states to pursue development of the technology leading to a nuclear explosive capability.

—It would lead inevitably to reduced dependence on nuclear weapons by the nuclear weapon states.

Through these effects, taken together, a comprehensive test ban will represent an important step toward the eventual complete elimination of nuclear weapons.

Even in the near term, achievement of a comprehensive test ban should add immeasurably to the stability and well-being of the world, encouraging and augmenting other important arms control efforts. It is our confident hope that we are, at last, about to realize fully the goal first set for us by Prime Minister Nehru—and supported by people all over the world—to halt these experiments.

Nonproliferation

The past year has also been one of great activity and renewed debate, as well as progress, on the problem of nuclear nonproliferation.

—Long-held assumptions about the next generation of nuclear technology have been challenged. New questions about the proliferation consequences of moving toward a plutonium economy have been raised.

—Concern over access by subnational groups to material usable in weapons has heightened.

—Debates have raged over the adequacy of nuclear fuel supplies, the economic advantages and disadvantages of recycling plutonium, and the relevance of reprocessing to nuclear waste disposal.

While my country has been among those raising these issues, we have also moved promptly to meet the challenges they present. I am very pleased to note the opening tomorrow in Washington of the initial meeting to conduct an International Fuel Cycle Evaluation—a meeting designed to examine all these questions in depth and to find ways of meeting the world's nuclear power needs surely and economically while reducing proliferation risks. This is an undertaking to which interested nations from both the developed and the developing world will contribute, and its product will be openly available to all.⁴

Preventing the further spread of nuclear explosive capabilities is a goal from which all nations would benefit. Uncontrolled proliferation, far from enhancing any nation's security, would jeopardize the security of all nations by increasing the risk of nuclear conflict. It would also make immensely more difficult the task of nuclear disarmament.

Working together, there are both existing institutions and new initiatives which can help us build a fair and effective structure of nonproliferation.

—The Nonproliferation Treaty (NPT) of 1968 remains the cornerstone of worldwide nonproliferation efforts. Still wider adherence must be a goal for the entire international community.

—Among international institutions, the International Atomic Energy Agency (IAEA) is vital to the world community's cooperation in sharing the benefits of peaceful nuclear technology while safeguarding against the dangers of nuclear proliferation. The IAEA is assuming ever more critical responsibilities, and it is incumbent on all of its members to give the fullest possible support to its activities, particularly those involving safeguards.

—Valuable work has been accomplished in formulating standards and procedures for maintaining the physical security of the ever enlarging quantities of sensitive nuclear ma-

⁴For information about this meeting, see BULLETIN of Nov. 14, 1977, p. 659.

terials, including work on an international convention on physical security. These efforts also warrant wide international support.

—In his recent address before the General Assembly, President Carter called attention to the necessity of establishing full scope comprehensive safeguards. Achieving this goal would unquestionably be one of the most important contributions that could be made toward an effective nonproliferation regime.

Our nonproliferation efforts—which must succeed if the atom is to continue to serve expanding world peaceful scientific and energy needs—demonstrate that arms control is indissolubly linked with efforts to achieve economic progress. Success in nonproliferation can only be conducive to wider peaceful cooperation to the benefit of many nations.

Chemical Weapons

After years of much talk and study but little concrete action, there has been important movement in the last few months toward a convention prohibiting chemical weapons. I have already mentioned the bilateral discussions on chemical weapons between the United States and Soviet delegations in Geneva from which I have just come and to which I will be returning this evening.

These negotiations are proceeding in a very serious and detailed way and we are making measurable progress toward the formulation of a joint initiative to present to the CCD. The elaboration of an international convention prohibiting chemical weapons would be an achievement of historic proportions.

—It would be a genuine disarmament measure requiring the destruction of all existing stocks and prohibiting any further production of these terrible weapons. Because of the extreme toxicity of the chemicals involved and the complexity of the technical problems, the destruction of chemical warfare agents and munitions would take several years and involve substantial costs. But this process would demonstrate the willingness of participating states to incur real costs to achieve real disarmament.

—A chemical weapons convention will directly engage any country with a modern

chemical industry; it will pose new challenges in the area of verification. But these challenges also create an opportunity to work out innovative forms of international cooperation. And these, in turn, can build the experience and the confidence for broader disarmament efforts in the years ahead.

—In dealing with chemical agents, we are operating at the forefront of a technology which has potentiality for creating weapons even more terrible than existing ones. This potentiality is not confined to a few advanced states but is a force with which all industrialized societies have to cope. And, if we can safeguard this technology through effective arms control, we will be contributing to the kind of world order which all of us surely seek, not only for ourselves but for coming generations.

These are some of the considerations which lead us to believe that the chemical weapons negotiations are of far-reaching significance. We are giving them extremely high priority. We hope for early concrete results in our negotiations with the Soviet Union leading to productive negotiations in the CCD.

Radiological Warfare

As I indicated earlier, I have briefly absented myself from negotiations in Geneva not only on chemical weapons but also on radiological weapons. Many of you may recall that at last year's General Assembly the United States suggested the possibility of an international convention which would deal with this subject. I am pleased to report that negotiations between the United States and the Soviet Union in Geneva have been proceeding alongside the chemical weapons negotiations. Our objective, as with chemical weapons, is to prepare an initiative which could be submitted to the CCD for multilateral consideration and negotiation.

Let me explain why a convention on radiological warfare would be a valuable step. The convention would prohibit the use in warfare of radioactive material, which is becoming increasingly plentiful as the use of research and power reactors grows throughout the world. It would also prevent the de-

velopment and stockpiling of weapons designed to utilize radiation produced by the decay of radioactive material.

Although of relatively less significance when compared with a comprehensive test ban or a chemical weapons convention, a prohibition on radiological weapons and their use would fill a logical gap in the panoply of arms control measures and would serve to head off the possible development of a hitherto untried weapon of mass destruction specifically mentioned in the 1948 U.N. definition. The relatively wide availability of radioactive material creates a potential threat which we should not ignore—one which we can easily and effectively guard against through arms control—providing we act promptly at this early stage.

Conventional Arms

The prime importance of measures related to the cessation of the nuclear arms race and to nuclear disarmament is recognized by all. However, there are good reasons why an effort to develop arms control approaches related to conventional weapons should proceed at the same pace as work in other fields. In his recent address before the United Nations, President Carter laid particular stress on the importance and urgency of coming to grips with this problem.

All nations—whatever their security needs, their resources, or their size—are faced with the same basic realities which argue for holding defense spending to a minimum and for seeking ways to reduce defense expenditures further through arms control. More spending on defense does not always buy more security. New weapons systems can raise tensions, launch new rounds of competition, and increase the risk of hostilities.

Ironically the same systems which have these effects may not even buy an efficient or effective defense. They may prove impossible to maintain or even impractical to use when hostilities occur.

There is no society so rich that it can afford to purchase weapons without some sacrifice of resources which could be better used in its economic or social development.

One aspect of this wider problem of con-

ventional arms control is that of arms transfers. As a major supplier, the United States has taken a strong interest in this problem. We have earlier this year enunciated a policy which will guide our own actions. It is a policy of restraining the flow of unnecessary, expensive, and destabilizing weapons while recognizing the legitimate defense needs of others.⁵

We do not seek to impose these views on other suppliers or recipients. And we are not now proposing any readymade solution to this worldwide problem. We fully accept the fact that this problem cannot be solved by any single state or group of states. Our view is that the process of seeking a solution must be guided by two broad principles.

—All states have legitimate security requirements and these must be met.

—Progress on this important issue should be a mutual concern of both producer and consumer nations, and a successful solution must reflect the ideas and interests of both.

But let me stress one underlying point: We will apply the same central standard to this area of arms control as we, and other nations, apply to every serious subject for international cooperation. By this I mean that we will seek to ascertain in discussions with others how common interests can be advanced, how mutual gain can be attained. That is fundamental. We know as well as anyone that unless sovereign nations perceive a possibility of achieving some desirable goal through cooperation, there is simply no basis for cooperation.

I stress the point because, speaking candidly, achieving restraints on conventional arms transfers has been an extremely sensitive and difficult subject for international discussion. But surely the time has come for us to recognize that, given the realities of today's world, no nation can, by itself, achieve all the security it may ideally want. There is today no such thing as total independence—there is none for the strongest, there is none for the weakest. It must certainly be in the

⁵For the text of President Carter's statement issued on May 19, 1977, see BULLETIN of June 13, p. 625.

interest of a great many states to explore, frankly and cooperatively, whether they might achieve arrangements together to protect them from the effects of undesirable and uncontrollable actions by others.

So in the coming months, we intend to carry out a dialogue with others to explore whether there are ways to achieve genuine mutual advantage in this field. That will be the spirit that guides us.

Progress Toward Regional Arms Control

The issues I have cited do not by any means exhaust the current arms control agenda. There are other developments which are impressive and encouraging. I would like particularly to take note of efforts that have been or are being made in the area of regional arms control:

—The pathbreaking project initiated by Mexican statesmanship to create a nuclear-weapons-free zone throughout Latin America has advanced another notch closer to realization during the past year. The signature of Protocol I of the treaty of Tlatelolco by the United States [on May 26] is a move which we hope will inspire other nations to take those remaining actions necessary to bring the treaty into full force.

—There has also been positive movement on the question of reducing tensions in the Indian Ocean with the beginning of bilateral discussions between the Soviet Union and the United States aimed at stabilizing the level of military activity in the Indian Ocean area. We are seeking to achieve practical results in the talks which would promote the strengthening of peace in the Indian Ocean area and contribute to the lessening of international tension. Moreover, both sides regard with understanding and respect the desire of the littoral states of the Indian Ocean area to bring about the strengthening of security and the development of cooperation in the area. We will continue to take this desire into account in our bilateral discussions. We are also informing the U.N. Special Committee on the Indian Ocean, through its chairman, about the progress of the talks.

—Negotiations on mutual and balanced

force reductions (MBFR) in central Europe go to the heart of many nations' security. It is understandable that it has not been easy to overcome obstacles deriving from confrontation across a continent that persisted for so many years. But because the stakes are high and progress in this negotiation would have far-reaching, positive effects for global peace as well as for the security of the participants on both sides, we are determined to press for resolution of the problems that have stymied MBFR progress up to now.

Despite this evidence of activity, the regional approach to arms control is still in its infancy. Yet a regional approach to restraining the growth of conventional arms capabilities could have considerable merit. Then, too, under the proper conditions, it might be possible to create nuclear-weapon-free zones in additional areas. The opportunities are numerous, and regional disarmament can be a fertile field for innovative efforts.

Future Arms Control Agenda

But it is not only the present activity which provides the basis for ferment and excitement in the arms control field. The future offers us even greater challenges and opportunities. Over the horizon is the special session on disarmament. We should seize upon this event as an opportunity to widen our horizons; to free ourselves from preoccupation with only the most pressing issues of the moment and to try to build for the future. We believe the success of the special session in stimulating, broadening, and accelerating disarmament negotiations will depend principally on the ideas and attitudes that countries develop for, and bring to, the session.

In this regard I am pleased to note that some nations are, indeed, thinking along similar lines. To note this is not, of course, to say that the United States is necessarily prepared to embrace all the proposals which have been made thus far. But it does mean that we intend to examine carefully and discuss with others any serious proposals which may be put forward for consideration at the special session on disarmament. We are, in

short, ready to test the boundaries of the possible.

Here are some recent examples of what I have in mind.

—At the CCD this summer, several nations gave thoughtful presentations on how to tackle difficult problems. I am thinking in particular of the suggestion made by my Japanese colleagues, in the course of an important examination of how the nonproliferation regime might be strengthened, that we take up again the long dormant idea of a cutoff of the production of fissionable materials for weapons use and a transfer to peaceful purposes.

—We all welcome the information that the Government of France is giving new consideration to the problems of disarmament on a broad and comprehensive basis. I am sure all of us look forward to receiving the benefits of French ideas.

—Italy and Belgium have both been giving thought to how regional arms control might be advanced through the efforts of groups of countries under U.N. auspices.

—Denmark, Finland, Norway, and Sweden have called for a thorough study of many fundamental aspects of the relationship between disarmament and development—the so-called “Nordic proposal.”

This leads me to a subject which is becoming increasingly important and which clearly will be vital in the future. I refer to the relationship between disarmament and development.

Everyone is aware, of course, that in recent years the challenges of development and of North-South relations have been paramount in the work of the United Nations. And I understand that the world community has made some important progress in framing new cooperative approaches to the most pressing problems of international economic life.

At the same time, there has only been a limited amount of concerted and productive attention devoted to the arms control and disarmament dimensions of North-South issues. This is not to say that the problem has not been of concern to many countries. In-

deed, many developing countries have suggested that there be a link between disarmament savings by the major powers and development.

This linkage, however, has been rather hard to make concrete. For one thing, it has been very difficult to identify concrete, substantial savings from disarmament. Over the long-term, we all hope, of course, that large-scale reductions in armaments by the major powers will be possible and that there will be widespread benefits from the consequent saving of resources. In addition, the idea of a direct link between disarmament savings and development contributions raises, for a number of countries including my own, constitutional questions about the feasibility of automatic transfers of resources, having in mind our constitutional requirement that Congress legislate contributions of U.S. funds for development.

I raise these issues not for the purpose of introducing negative elements into our discussion. On the contrary, I believe that the time has come for all of us—for the entire international community—to focus new creative intellectual effort on this subject. Indeed, in recent times, fundamental new factors have emerged which we may not yet fully understand but which clearly give new urgency to a fresh look.

—The interdependence of nations and the interdependence of human enterprises—food, energy, development, technology, security—have borne down on us as never before. And that interdependence, which becomes more pervasive every year, will surely create ever more pressing questions about the interdependence of economic well-being and development on the one hand, and security and expenditures for armaments on the other.

—Resources get scarcer all the time. Not even the richest countries can spend any amount whatever for new weapons. For many developing countries, economic pressures are especially severe. Resources are desperately short for schools, for shelter, for basic health.

—And finally, there is a growing aware-

ness everywhere of new values, new goals, to advance the welfare of individual human beings. Various bodies of the United Nations have intensified their work on strategies to meet basic human needs—a goal which my government wholeheartedly supports. In the future, when decisions are made to expend resources for new weapons systems, a growing number of governments will undoubtedly be giving increasing consideration not only to their security needs in the traditional sense but also to whether they are using their resources, overall, in the best way to advance the basic human needs of their peoples.

These are some of the reasons we feel that the entire subject of the relationship between arms expenditures and development warrants new consideration. The subject is enormously complex. No one can seriously offer simple prescriptions. But, nonetheless, we need to come to grips with it.

In our opinion, the forthcoming special session offers us a welcome stimulus for new studies—like the important Nordic proposal I have already referred to—and for international discussions about the nature of the problem, about possible goals, and about possible steps to realize them. We want to engage in a much deeper exploration of the problem. And I can assure all of you that we will do so not only with an open mind but with the purpose of advancing fundamental goals which the entire international community shares—disarmament, security, and development.

I know that what I have said will strike some people as an overly optimistic assessment of the present prospects for disarmament. However, I believe that this would be essentially a misinterpretation of my remarks. The theme of my statement is that we are in a period of ferment. And this means, if that is correct, that there could be great opportunities ahead. It does not mean that it will be easy to realize all of those opportunities. In fact, anyone who has had the privilege of working for many years on disarmament knows that, under the best of circumstances, it is extremely difficult to realize substantial and concrete achievements.

But still the fact of the present ferment can only be viewed, in my opinion, as exceptional

and promising. It was not so long ago—less than two decades—that officials responsible for disarmament felt that there was an extraordinarily favorable opportunity if it was possible to pass from abstract debate to actual negotiation of a single concrete disarmament measure. I well remember the excitement when, about 15 years ago, there suddenly emerged a real possibility of achieving an atmospheric test ban. Now, however, we are engaged in concurrent negotiations on many diverse fronts to achieve significant and practical measures of arms control and disarmament.

I have not so far said anything about how the United States believes each of the important topics on our agenda should be handled. That omission has not been accidental. I believe that the most important thing for us to do in this general debate is to exchange ideas on goals and opportunities.

If there is good will on all sides, and I believe there can be—indeed I am hopeful that there will be—then we should be able to find ways in this Assembly and the forthcoming special session to advance our most important goals. Undoubtedly, there will be many differences of view about many important details. But this is only natural.

I am reminded of a statement by one of our greatest jurists, Charles Evans Hughes, who said this: "In the highest ranges of thought, in theology, philosophy and science, we find differences of view on the part of the most distinguished experts—theologians, philosophers and scientists. The history of scholarship is a record of disagreements." I hope no one will think too harshly of me if I presume that we here also are capable of "the highest ranges of thought." Let us try to view even our disagreements as part of the valuable ferment from which we can seize opportunities.

I would like to conclude by referring to one of the wisest men of our times, Albert Einstein, who paradoxically was also partly the cause of some of our greatest worries. Professor Einstein said: "The unleashed power of the atom has changed everything save our modes of thinking, and we thus drift toward unparalleled catastrophes."

I quote this provocative thought not because I believe it is true but because I hope it is no longer true. Is it possible that we may now be experiencing the beginning of a fundamental shift in thinking about our most important problems? No one can be certain. But if the ferment I have described does represent the beginning of a shift, then indeed there are grounds for optimism.

In this hall, in this session of the General Assembly, and in the forthcoming special session, we have the opportunity to contribute to such a fundamental shift. If we actually do this, then I am sure all of us would agree that we will have spent our time in an enterprise of the most far-reaching significance.

Fourth Sinai Support Mission Report Transmitted to the Congress

*Message to the Congress*¹

To the Congress of the United States:

I am pleased to transmit herewith the Fourth Report of the United States Sinai Support Mission. It highlights the Mission's operation of the United States early warning system in the Sinai and the relationship of the system to the overall disengagement arrangements of the Agreement signed by Egypt and Israel on September 4, 1975—the Sinai II Agreement. This report is provided to the Congress in conformity with Section 4 of Public Law 94-110 of October 13, 1975.

Since the beginning of operations on February 22, 1976, there have been no serious intrusions into the area of the early warning system by either party. Some 40 minor or accidental intrusions have been detected and reported to both sides and to the United Nations, but none of them appears to have had any hostile purpose.

The Director of the Sinai Support Mission raised with senior Egyptian and Israeli officials the Congressional interest in the feasi-

¹ Transmitted on Oct. 19, 1977 (text from Weekly Compilation of Presidential Documents dated Oct. 24); also printed as H.Doc. 95-246, which includes the text of the report.

bility of substituting nationals of other countries for some of the Americans working in the Sinai. They expressed strong opposition to this proposal as, in their view, such a change would create difficult problems for their governments and risk upsetting arrangements which are now working to their complete satisfaction. Both parties continue to make clear their full support for the role of the United States in maintaining the disengagement arrangements in the Sinai.

At a time when we are engaged in intensive discussions to help Israel and the Arab states make further progress in the search for a lasting peace, it is essential that the United States meet fully its commitments under the Sinai II Agreement. The Sinai Support Mission is an important element in meeting these responsibilities, and I urge the Congress to continue its support for this peacekeeping mission.

JIMMY CARTER.

THE WHITE HOUSE, October 19, 1977.

President Carter's Fifth Report on Cyprus Submitted to Congress

*Message to the Congress*¹

To the Congress of the United States:

Pursuant to Public Law 94-104, this report describes the efforts that the United States has made over the past sixty days to promote a settlement on Cyprus.

There have been no further intercommunal talks under U.N. auspices since the submission of my last report to the Congress in August, and none are presently scheduled. This negotiating pause could easily last for several months more, through the forthcoming Greek elections in November and the Cyprus Presidential elections in February. However, we have not allowed ourselves to proceed on this assumption. Instead, we have continued actively to encourage a resumption of the intercommunal talks and, more importantly, have

¹ Transmitted on Oct. 28, 1977 (text from Weekly Compilation of Presidential Documents dated Oct. 31); also printed as H.Doc. 95-250.

sought to ensure that, once these do reconvene, there will be meaningful discussion of the major unresolved issues.

We directed our attention to this goal during the special U.N. Security Council consideration of the Cyprus issue requested by the Government of Cyprus in late August and early September. A consensus resolution eventually emerged that was both equitable and nonpolemical, which called upon the parties to avoid provocative acts and resume intercommunal negotiations.

At the same time, we consulted with the Greek and Turkish governments to set the stage for a series of meetings in New York in which Secretary Vance and my Special Representative, Clark Clifford, met with President Kyprianou and Foreign Minister Christofides of Cyprus and with Foreign Ministers Bitsios and Caglayangil of Greece and Turkey. These New York meetings have encouraged us to believe that progress on Cyprus may be possible in the months ahead. We noted a growing recognition in the region that a just solution to the Cyprus issue will serve the long-term interests of all the nations in the Eastern Mediterranean.

Secretary Vance also met in New York with U.N. Secretary General Waldheim and with the Foreign Ministers of Great Britain, the Federal Republic of Germany, and other interested Western allies. All view the situation in the Eastern Mediterranean much as we do, and urgently wish to see progress towards a Cyprus settlement.

So too do the Cypriots. While in New York for the U.N. General Assembly, I had a useful discussion with Cyprus President Spyros Kyprianou. I assured him that the United States sincerely wishes to help the people of Cyprus find a just and lasting settlement, and that we stand ready, as in the past, to support the current U.N. negotiating effort in any way we can. President Kyprianou in turn assured me of his people's earnest desire for a settlement and of their hope that the United States can help bring this about.

In sum, therefore, I believe that I can record here—as I have not been able to do in the

last two such reports—a cautious anticipation that movement toward meaningful Cyprus negotiations may soon be possible

JIMMY CARTER.

THE WHITE HOUSE, October 28, 1977.

Prime Minister Tindemans of Belgium Visits Washington

Leo Tindemans, Prime Minister of Belgium, made an official visit to Washington October 18–22. He met with President Carter and other government officials October 19–20. Following is a statement issued by the White House on October 19.¹

Weekly Compilation of Presidential Documents dated October 24

The President met today at the White House with Prime Minister Leo Tindemans of Belgium. The Prime Minister, who is also the current President of the European Council [Council of Ministers of the European Community], is visiting Washington at the invitation of the President. The President hosted the Prime Minister, Foreign Minister Simonet, and the Belgian party at a White House working lunch. The discussions covered a wide range of political and economic topics in both our bilateral relations and U.S. relations with the Community.

The President and the Prime Minister reviewed economic conditions in their two countries, the European Community, and the world and agreed on the need for continued close cooperation among the industrial democracies in sustaining economic growth and addressing global economic problems. The President reaffirmed U.S. support for the European Community, noting that he will be visiting EC headquarters, as well as that of NATO, during his upcoming visit to Belgium. The two leaders both stressed the importance

¹For the text of an exchange of remarks between President Carter and Prime Minister Tindemans at a welcoming ceremony on the South Lawn of the White House on Oct. 19, see Weekly Compilation of Presidential Documents dated Oct. 24, p. 1568.

of significant results in the multilateral trade negotiations currently underway, agreeing on the importance of resisting protectionist measures and recognizing that freer trade would promote the orderly economic growth of both the developed and developing countries.

The President reiterated the U.S. commitment to the defense of Western Europe and to the strengthening of the NATO alliance. He expressed satisfaction that positive steps were being taken in the alliance to implement initiatives he had suggested and that had been adopted at the NATO summit meeting in May.

The Prime Minister indicated that Belgium fully concurred in the need for a strong Europe and pointed to his country's good record in sharing the defense burden, noting that the United States and Belgium were cooperating in joint production of MAG-58 machineguns and the F-16 aircraft.

The President and the Prime Minister discussed a wide range of arms control and disarmament issues. The President welcomed Belgium's participation in the International Nuclear Fuel Cycle Evaluation. Both leaders agreed on the need to reduce both the quality and quantity of arms sold by all weapons-producing countries. The Prime Minister noted that his country had been using considerable restraint over the export of arms to sensitive areas and that Belgium had taken important initiatives in the United Nations, proposing that controls on arms sales be considered in the context of regional disarmament measures.

The President and the Prime Minister expressed their satisfaction with the agreement reached by the United States and Belgium on October 18, under which Belgium acquires a route to Atlanta, in addition to the one already enjoyed to New York. The two leaders also endorsed the emphasis given by the new agreement to promoting low-fare scheduled service and liberalized charter arrangements over the Atlantic.

Prime Minister Tindemans offered the President his analysis of the state of move-

ment toward European unification. Specifically he mentioned the progress represented by direct election of the European Parliament, which is scheduled for 1978. The Prime Minister also underlined that Greece, Portugal, and Spain had all applied for membership in the Community. President Carter repeated that the United States remained unequivocally committed to European unity and a strong Community.

Prime Minister Tindemans expressed his view that the Community should be represented at Western summit meetings and involved in any followup. The President said that we fully support the principal of EC participation but believe the nature of that participation must be determined by the Community itself.

The Prime Minister and the President agreed on the importance of cooperative efforts to assist developing countries with sustaining economic growth and meeting the basic needs of their poor. In that context, Prime Minister Tindemans raised the issue of a major economic development program for Zaire to be implemented in the framework of a joint international effort, an issue which had been raised with the Belgian Government by President Mobutu in June. The President indicated that he supported the principle of such an aid program for Zaire, and he expressed the hope that Belgium would continue to promote a joint program within a multilateral framework, in harmony with the important economic and reform measures now underway in Zaire.

The Prime Minister and the President noted the close harmony in the approaches of their two governments to the CSCE review conference [Conference on Security and Cooperation in Europe] in Belgrade and expressed their intent to consult closely on developments at the conference. They emphasized the need for a full, frank review of the entire Final Act, without polemics, and stressed the importance of human rights aspects. The Prime Minister and the President reiterated their support for participation at the conference by the Community.

United States Contributes To Ogaden Relief Appeal

Press release 489 dated October 28

The United States announced on October 28 that it has contributed \$450,000 to the International Committee of the Red Cross (ICRC) in Geneva for use in relieving the suffering of victims of the Ogaden conflict in the Horn of Africa. The donation was in response to the ICRC's international appeal for \$1.4 million to be utilized for the purchase of medical and other supplies and for the transport and personnel necessary to conduct relief operations.

The ICRC has organized its efforts in consultation with the parties involved in the conflict. The purpose of the U.S. contribution is to give humanitarian assistance to the victims of the fighting; no judgment is made about the origin of the conflict or the participants in it.

TREATY INFORMATION

Current Actions

MULTILATERAL

Aviation

Protocol on the authentic quadrilingual text of the convention on international civil aviation (Chicago, 1944) (TIAS 1591), with annex. Done at Montreal September 30, 1971.¹

Signature: Tunisia (without reservation as to acceptance), November 9, 1977.

Ocean Dumping

Convention on the prevention of marine pollution by dumping of wastes and other matter, with annexes. Done at London, Mexico City, Moscow, and Washington December 29, 1972. Entered into force August 30, 1975. TIAS 8165.

Ratification deposited: Federal Republic of Germany (applicable to Berlin (West)), November 8, 1977.

United Nations Charter

Charter of the United Nations and Statute of the International Court of Justice. Signed at San Francisco June 26, 1945. Entered into force October 24, 1945. TIAS 993.

Admission to membership: Vietnam, Djibouti, September 20, 1977.

BILATERAL

Antigua

Agreement regarding United States defense areas and facilities in Antigua, with annex. Signed at Bridgetown September 30, 1977. Enters into force January 1, 1978.

Argentina

Agreement relating to air transport services. Effected by exchange of notes at Buenos Aires September 22, 1977. Entered into force September 22, 1977.

Australia

Agreement amending and extending the agreement of December 9, 1966 (TIAS 6162), relating to a joint defense space research facility. Effected by exchange of notes at Canberra October 19, 1977. Entered into force October 19, 1977.

Dominican Republic

Agreement for sales of agricultural commodities. Signed at Santo Domingo September 28, 1977. Entered into force September 28, 1977.

Germany, Federal Republic of

Memorandum of understanding for coproduction and sale of the sidewinder AIM-9L missile system. Signed at Washington October 7, 1977. Entered into force October 14, 1977.

Korea

Agreement amending and extending the agreement of June 26, 1975, as amended (TIAS 8124, 8267), relating to trade in cotton, wool, and manmade fiber textiles. Effected by exchange of notes at Washington September 27, 1977.

Definitive entry into force: November 3, 1977.

Portugal

Project loan agreement for health sector support, with annexes. Signed at Lisbon September 30, 1977. Entered into force September 30, 1977.

¹Not in force.

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| No. | Date | Subject |
|------|-------|--|
| *502 | 11/7 | Robert E. White sworn in as Ambassador to Paraguay (biographic data). |
| *503 | 11/7 | Fine Arts Committee, Dec. 15. |
| *504 | 11/7 | U.S., India extend bilateral textile agreement, Oct. 25. |
| *505 | 11/8 | Diego C. Asencio sworn in as Ambassador to Colombia (biographic data). |
| *506 | 11/8 | University of Texas, Dept. of State to cosponsor public affairs program for mid-career Latin American professionals. |
| *507 | 11/9 | U.S., Republic of Korea amend and extend bilateral textile agreement, Nov. 9. |
| *508 | 11/9 | U.S. Advisory Commission on International Educational and Cultural Affairs, Dec. 9. |
| *509 | 11/9 | Edward E. Masters sworn in as Ambassador to Indonesia (biographic data). |
| *510 | 11/10 | Study Group I of the U.S. National Committee for International Radio Consultative Committee (CICR), Dec. 15. |
| 511 | 11/10 | Vance, address before the Council of Jewish Federations and Welfare Fund Convention, Dallas. |
| *512 | 11/10 | Deputy Secretary Christopher's address before the Florida Council of 100, Palm Beach, Nov. 11. |
| *513 | 11/11 | Shipping Coordinating Committee, Subcommittee on Safety of Life at Sea, working group on standards of training and watchkeeping, Dec. 9. |
| 514 | 11/11 | Assistant Secretary Mink to address group in Honolulu, Nov. 14. |
| 515 | 11/14 | Program for the state visit of the Shahanshah and Shahbanou of Iran, Nov. 14-16. |

* Not printed

† Held for a later issue of the BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

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**THE 1978 BULLETIN
NEW DESIGN
NEW PRICE
NEW SCHEDULE**

Beginning in January 1978, the redesigned DEPARTMENT OF STATE BULLETIN will be published monthly at a new subscription rate of \$18 per year. For more details, see p. 793.

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THE DEPARTMENT OF STATE BULLETIN

VOL. LXXVII, No. 2006

December 5, 1977

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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Ambassador Young Interviewed on "Issues and Answers"

Following is the transcript of an interview with U.S. Ambassador to the United Nations Andrew Young on the ABC television and radio program "Issues and Answers" on October 30. Interviewing Ambassador Young were Bob Clark, "Issues and Answers" chief correspondent, and Lou Cioffi, ABC News U.N. correspondent.

Mr. Clark: President Carter seemed to imply this week, when he announced that the United States will support a mandatory embargo on the sale of arms to South Africa, that we are considering other actions as well. Is the Administration planning to bring any other pressures on South Africa—political, economic, or military?

Ambassador Young: I think that it is fair to say that we are considering other things. It is a very difficult situation. I don't think there is any intention on the part of this Administration or anybody else to try to destroy South Africa. I do think that there is the possibility of strengthening those people of reason and wisdom inside the country and demonstrating to those people who are fearful and panicky that their racist path of apartheid is not going to work for them regardless of what goes on.

Mr. Clark: You say this Administration is considering some other actions. Can you be more specific about what those are?

Ambassador Young: I really can't, but I think it is pretty obvious that our relations with South Africa cover a wide range of subjects, and the question that we have to face as a people is, to what extent do we want to cooperate with a government that practices the kinds of policies that are practiced by the South African Government. Do we want military cooperation? Do we trust them with

nuclear cooperation? Do we extend to them the sources of credit and capital from our banking system that, you know, would help perpetuate their system?

Mr. Clark: You mentioned nuclear cooperation. There are some who would like to see us, for instance, put an absolute ban on the shipment of any nuclear fuel to South Africa. Would you favor that measure?

Ambassador Young: I don't think I could, unfortunately. I would personally favor that I think, but I think practically things have gone too far for that to be a realistic possibility. I think South Africa has achieved—not from us primarily but a little here and a little there—they have nuclear potential, the extent of which we are not fully able to judge.

The only thing we can do, once the horse is out of the barn, is try to bring the horse back into the barn. To cut off things now would only encourage separate development of South Africa's own nuclear potential. I think by maintaining some kind of relationship, we do have the possibility of influencing them to sign the nuclear [non]proliferation treaty and accepting all of the safeguards that go with the International Atomic Energy Agency.

Mr. Cioffi: Presuming they did have an atomic bomb, who will they drop it on?

Ambassador Young: I don't have the slightest idea, and I think that South Africa, being a member of the nuclear club, is a sense of psychological security for the Afrikaner which really creates actual military insecurity, and they are caught in a strange paradox because there are no atomic weapons in Africa right now. But should South Africa explode a nuclear device, there

are a number of her neighbors that would immediately begin to try to get nuclear weapons from anywhere they could, and I think it is reasonable to assume that they could get nuclear weapons much more sophisticated than those that South Africa can build, and they won't get them from us necessarily.

Mr. Cioffi: For the last 9 months or so, you have been trying to convince the African nations especially not to impose sanctions on South Africa, not to isolate the South Africans, but to try to bring them into the mainstream of Western thinking, and you need patience. Now the United States apparently has decided to impose a sanction or series of sanctions on South Africa. Isn't that exactly the opposite of what you have been trying to do?

Ambassador Young: No, I have been trying to work out a cooperative relationship between the Africans and the West, develop a means of making the Security Council not the same kind of propaganda forum that the General Assembly maybe is designed to be, but see if we can't develop the Security Council of the United Nations into a very sophisticated instrument to bring leverage for change on South Africa.

Now, for the United States to bring sanctions in any area without having all of the other nations lined up along with us would not have worked. I think one of the reasons why that South Africa has the nuclear capability that it has, the United States denied the sale of nuclear technology a few years ago, even under the Nixon Administration, but a U.S. company, through one of its European subsidiaries, made the sale. So anything that we do at the United Nations to be effective has got to include at least a Western coalition, and that coalition has got to work with the Africa group and with the rest of the members of the U.N. Security Council in order for it to be effective.

Mr. Cioffi: You are having problems in the Security Council?

Ambassador Young: We surely are.

Mr. Cioffi: Apparently you are still meet-

ing this weekend with the African countries, and they don't think your plans go far enough.

Ambassador Young: It is not just that they don't think our plan goes far enough. I think that decisionmaking pattern of the West is terribly complicated. Before we can take any action in this country, we have got to at least have some understanding of what Congress will accept; we have got to have an analysis of it by the Departments of Commerce and the Treasury, the National Security Council, the Department of Defense; and when we take a decision, it represents a very complex process of decisionmaking within this government, because we are moving tremendous amounts of power.

The same thing is true in each of the Western European countries that are members of the Security Council. That process I think is one that is very hard for the Africans to understand, and they are very suspicious of it. By the same token, the Africans themselves have a very complicated process, because their three members of the Security Council don't just vote for themselves and their own countries; they vote for the entire Africa bloc of 49 nations so that before—you are not just negotiating with the three members of the Security Council; you are really negotiating with all 49 African countries and liberation movements.

Now, the time consumed in those two competitive—you might say decision-making—processes just really has been running us ragged. But it is something that we have got to learn to do if we are going to make the Security Council effective.

I think I should say also that for good reason the Africa group does not trust the West—any of us, not even me—because they sense a long heritage of betrayal, certainly over the last 8 years, and they were thrilled at what President Carter said. But they are still looking around to see if there is a hitch somewhere, and some of the things that are in our resolution they look upon with great suspicion, but we are working on that.

Mr. Clark: You said a moment ago that South Africa can get sophisticated nuclear

THE 1978 BULLETIN

NEW DESIGN NEW PRICE NEW SCHEDULE

Beginning in January 1978, the redesigned DEPARTMENT OF STATE BULLETIN will be published monthly at a new subscription rate of \$18 per year—a saving of \$24.50 from the old rate of \$42.50.

Despite the shift from weekly to monthly publication, there will be no reduction in the total amount of material published each month; quite the contrary, with the flexibility of our new three-column format we expect to augment the traditional foreign policy articles and speeches with more charts, graphs, tables, photos, and other appropriate information material useful to BULLETIN readers.

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—The page dimensions will be slightly larger and the new

typefaces we have selected will enhance readability.

—The cover will have a new look and will continue to highlight the major articles.

—Each issue will contain a complete table of contents.

—Substantive contents of this official record will not change. We will continue to include texts of all major foreign policy speeches, statements, and news conferences of the President, the Secretary of State, and senior Department officials; White House, State Department, and U.S. Mission to the U.N. press releases; and U.S. treaty actions.

The new rates established by the Superintendent of Documents, U.S. Government Printing Office, are: \$18 (domestic) and \$22.50 (foreign) for annual subscriptions and \$1.40 (domestic) and \$1.80 (foreign) for single copies. Current subscribers' service will be extended by the Superintendent of Documents.

weapons from other countries if it wants to. I find that rather startling. Where would they get them?

Ambassador Young: I didn't say South Africa could; I said South Africa's neighbors could.

Mr. Clark: I am sorry. Where could its neighbors get nuclear weapons? Are you talking about the Soviet bloc? Do you really think the Soviets would provide nuclear weapons to countries like Mozambique, Angola, Tanzania, or whatever?

Ambassador Young: I think they would be awfully tempted if South Africa exploded a bomb. I mean, a Mozambiquan missile crisis is certainly as logical as the Cuban missile crisis.

Mr. Clark: Prime Minister Vorster of South Africa said on this program last week that he is not aware of any promises to President Carter not to develop nuclear weapons, and the White House subsequently came up with a letter that indicated he had made such a promise. Do you think South Africa can be trusted on the grounds of whatever assurances have been given to the Administration not to develop nuclear weapons?

Ambassador Young: No, I don't, and that is the reason I think there has to be a very careful control and monitoring of the fuel supplied and also the safeguards that go along with any nuclear relationship with South Africa. That is the thing that puts us in the frustrating position of having to remain involved.

The only way you can possibly monitor that is to keep some relationship. If you break the relationship altogether, there is no way to monitor, and it is almost because you can't trust them that you have to stay close to them.

Mr. Cioffi: What about the other possibility that you hear more likely of conventional war? What do we do then?

Ambassador Young: Well, there won't be any conventional war. There is nobody to have conventional war with.

Mr. Cioffi: The liberation movement?

Ambassador Young: To my knowledge there is no liberation army anywhere in southern Africa attacking South Africa from outside. All of South Africa's problems are internal, and the young white editor who was banned, Donald Woods, last week said that South Africa's enemy is words and thoughts, and you can't legislate against thoughts and you can't destroy them through military preparedness.

You know there is no atomic bomb, no amount of tear gas, no kind of conventional weaponry that can win the battle of ideas for them, and that is the battle that South Africa is losing with the rest of the world.

Mr. Clark: Are we building up hopes among, particularly, young South African blacks when we talk about such things as—Vice President Mondale's words—one man, one vote and somehow give the impression that we are going to do something to help them? What are we going to do? What can we do?

Ambassador Young: Well, let me go back and deal with the first question. I think the idea of majority rule has been around since the 18th century somewhere, and I think it was John Locke who talked about no government being legitimate that does not have the support of the majority of its citizens. Implicit in that is the idea of majority rule. That is not something that came with the Carter Administration or Vice President Mondale. That is an idea whose time has come and is long overdue all around the world, and the recent problems in South Africa also have almost nothing to do with the Carter Administration. Soweto was—while Jimmy Carter was still a candidate—Steve Biko [black South African critic of the apartheid policies of the South African Government who died in September in detention] was banned 3 years ago, first. He was imprisoned recently, but his banning and the attacks on his organization, the ideas espoused by his organization, had nothing to do with the policies of this Administration.

Mr. Cioffi: To get back to the other sub-

jeet, what can the United States really do to help the blacks in South Africa?

Ambassador Young: Let's say we are not just trying to help the blacks in South Africa; we are also trying to help the whites. We are trying to help blacks and whites work out a pattern—and Indians and coloreds work out a pattern—where they can live together respecting each other's traditions in peace and in harmony. That can only be done, I think, if they talk to each other and if they work together.

What we have said is that if there is a collision course, if the present South African Government insists on following the policies of apartheid then our relationships with them cannot remain the same; that there is going to be a gradual disengagement of American support at a variety of levels.

Now, in the meantime, I think what we are trying to do—and my idea of South Africa—is not to approach it as a unitary, as a monolithic, nationalist party. I think that even in the decision that was taken the other day on the massive banning, there was a great deal of discussion within the cabinet, and I think that we have got to encourage the process of reason and openness in South African society and the dialogue between blacks and whites in some way through our actions, and that is probably all we can do to help.

Mr. Cioffi: At one point you said you thought if the situation got worse there it could have an effect on our own country, on race relations in the United States. Do you still feel that way?

Ambassador Young: I am not sure because I think that looking at the situation there somehow has given us a sense of pride in how far we have come, because the things that are going on there were not too long ago happening here, and I think it kind of renews our dedication to a nonracial world, a nonracist world, when we are involved in trying to combat racism at home and abroad.

Mr. Clark: You said a moment ago we are trying to help whites as well as blacks in South Africa. When you talk with South Af-

rican whites and the subject of American pressure comes up their question usually is, why pick on us, and the point they make is that we are doing nothing or very little to insure human rights in places like Uganda where Idi Amin has murdered literally thousands of his political opponents. Are we applying a double standard to whites in South Africa?

Ambassador Young: No, we are not, because if we had 436 American corporations involved in Uganda, if we had nuclear relationships with Uganda, if we had billions of dollars invested in Uganda, I guarantee you there would be a whole lot more pressure on Idi Amin coming from this government. We don't have any relationships with Uganda other than the purchase of coffee, and I have been working with Congressman Fred Richmond of Brooklyn trying to find out how we can track down Ugandan coffee beans, but that is probably the only single link that we have with that government, whereas with South Africa we have over \$1 billion worth of trade each year, and we have got several billion dollars worth of investments; 436 American corporations are involved in the South African economy.

Mr. Clark: But you are not suggesting a trade boycott or any economic sanctions? These are things you are against. Aren't you saying that business as usual should continue between American corporations and South Africa?

Ambassador Young: No, I am not saying business as usual should continue. Nor am I saying that there can be an absolute disinvestment where everybody pulls out simply because I know nobody is reasonably going to pick up \$3 billion worth of plants and products and equipment and move it anywhere; it just doesn't make sense businesswise.

Mr. Clark: What would you do? Would you discourage new investment or what?

Ambassador Young: I would certainly discourage new investment, because I wouldn't encourage anybody to invest in a place in

such turmoil. It is just not good business sense.

But I would encourage those corporations to work on integrating the economy. I contend that what happened in the south of this country, although we don't realize it, is long before the Supreme Court and long before the Congress or the President or even before there was a civil rights bill, there was an integration of the economy; that blacks began to get better jobs, educational opportunities, and that with the integration of the economy we were able to take care of our own political rights.

Now, the United States is responsible, in a sense, for the economic strength or weakness of South Africa through our corporations. We have proposed that those corporations act in South Africa just as they would be obligated by law to act in this country.

Mr. Clark: How do you encourage American corporations to do this? Is it a carrot-and-stick technique? Do you threaten them with cutting off tax credits for investments in South Africa? Or what?

Ambassador Young: We don't really threaten anybody.

Mr. Clark: Where does the pressure come from?

Ambassador Young: The pressure really comes from an enlightened self-interest and also the pressure coming from black Africa. While we have a billion and a half dollars worth of trade a year with South Africa, we have almost \$6 billion of trade involved with Nigeria. Nigeria is already telling not only American companies but especially European countries that they are going to have to choose between their business involvement in South Africa and their business involvement in black Africa. There is not a Western nation that does not have more trade with Nigeria alone than they do with South Africa, and when you add into that the fact that even from so-called Communist Angola, we are getting \$1 billion worth of oil a year.

The economic interests of the United States alone put us under a kind of pressure

to make sure that our corporations, if they are to be involved in South Africa, are on the side of justice and progress and promoting opportunities economically for the black, colored, Asian population as well as the white population.

Mr. Cioffi: The South Africans, themselves, obviously are feeling pressure, and they are obviously very angry about what the United States is doing right now. Have you seen any signs that this is affecting the negotiations that are taking place with South Africans in Namibia—Southwest Africa?

Ambassador Young: One of the strangest things and one of the things that is most helpful is that while they seem to be very irrational and emotional about their own internal situation, they are very reasonable and operating in terms of their long-range self-interest, I think, on the questions of Rhodesia and Namibia.

Mr. Cioffi: We hear there have been some concessions that one of the sticky points in the Namibian situation, for instance, is the presence of South African military. Has any progress been made there? Have they made concessions?

Ambassador Young: There have been some concessions made; concessions made in dropping troop ratios. Their statements of 20-some—people say as high as 30,000—troops in Namibia, South African troops, they have talked in terms of reducing the numbers considerably. The question now under discussion is where will those be located, and how will those troops be monitored and controlled and neutralized by the presence of U.N. troops.

Now, if you keep a large number of troops in Namibia, you have obviously got to have a larger number of U.N. troops to monitor them. We don't think a massive troop presence is helpful to a peaceful change, whether they are U.N. troops or South African troops.

Mr. Clark: I'd like to talk for just a moment about your personal role in the Carter

Administration. South Africa's Defense Minister, Peter Botha, said this week that President Carter seemed to be strongly influenced by you, and he called you a "babe in the woods who needs to attend a school of diplomacy." How much personal influence or input have you had on the President's policies in South Africa?

Ambassador Young: I don't think very much, you know. I talk to him very little about South Africa. I talked with him quite a bit when he was Governor and when he was a candidate, but President Carter knows racism. He has been struggling with it in his own part of the country and in this nation and doing a very good job all of his life. I don't need to tell him anything about South Africa. He has lived with that, and he knows the dynamics and he knows the dangers of that kind of situation.

Mr. Clark: *Steve Biko, the young black leader who died while in the custody of South African police—some think he was beaten to death—gave a taped interview earlier this year that was just released this week. He was asked in that interview about you, and he said this: "I doubt if Young's heart is in the right place. He is a pretty ambitious black fellow who is going to have to play it pretty neutral. He can't project his blackness; he has to project his reasonableness and acceptability to the mainstream of white American politics." Is that a fair description of your role in the Carter Administration?*

Ambassador Young: I think the only thing I would quarrel with is that I am ambitious, but other than that, he is pretty right.

Mr. Cioffi: *We have not touched on the Middle East. The General Assembly the other day did vote condemnation of Israel. You abstained, but you made it pretty clear in your explanation of the vote that you approved of it; you should have voted yes. Why did you abstain?*

Ambassador Young: Because of our position as cochairman of the Middle East Peace Conference, and I think it was a resolution

on settlements. Now, our government's position on settlements is pretty clearly known, but there was some difficult wording in the resolution which we felt might have predetermined the outcome of the question in Geneva if we took sides, and so we explained to both sides that we thought that because of those technicalities we should abstain.

Mr. Cioffi: *The Israelis say it is going to hurt chances of peace.*

Ambassador Young: I think everything hurts the chances for peace, and yet we can't survive without peace, and the problems, I think, that are developing in the Middle East are not coming from the United Nations; they are coming from the tension and pressures within Israel herself.

U.S., South Africa Exchanges on Nuclear Matters

Department Statement¹

In connection with [South African] Prime Minister Vorster's comments in an October 23 television interview concerning recent exchanges between the United States and South Africa on nuclear matters, the Department wishes to note the following facts.

On August 20, 1977, on instructions from the Secretary of State, our Ambassador in Pretoria asked the South African Department of Foreign Affairs for assurances from the Government of South Africa on three points:

—First, that South Africa does not have or intend to develop nuclear explosives for any purpose, peaceful or otherwise;

—Second, that the Kalahari facility we had described to them is not a testing facility for nuclear explosives; and

—Third, that there will be no nuclear explosive testing of any kind in South Africa.

The next day, on August 21, 1977, the Secretary of the South African Department of

¹ Issued to the press on Oct. 24, 1977.

Foreign Affairs advised our Ambassador that the Prime Minister and Foreign Minister had authorized him to provide the requested assurances on all three points.

These formal assurances were repeated in a letter from Prime Minister Vorster to President Carter transmitted on October 13, 1977.

National Newspaper Association Interviews President Carter

Following are excerpts relating to foreign policy from the transcript of a telephone question-and-answer session President Carter held with members attending the annual convention of the National Newspaper Association in Houston October 28.¹

Q. It has been suggested the economy of our country could be boosted by resuming promotion of our agricultural products in world trade. Why do you not advocate such a program, or what do you propose to boost our farm produce for export?

President Carter: We've just gotten the figures for the last 12 months, and we've had the highest sale of agricultural products in the history of our nation—a little more than \$24 billion. In addition to that, in spite of fairly good crops around the world and, as you know, high reserve supplies of the basic feed grains and food grains on hand, we're mounting a major effort to increase sales this year over what we had anticipated earlier. We've just approved in the last few weeks, for instance, an increase from 8 million tons to 13 million tons of the grain that the Soviet Union can buy before they have to go and start reporting individual purchases from us.

We've not been very successful in selling wheat to China this past few years. Most of their purchases have been from Argentina, Australia, and Canada, but we hope to improve this in the future. We're increasing

the allotment of time of the Secretary of Agriculture who, as you know, made a trip throughout the world during the summer, particularly in the southeastern part of the Pacific area.

So, we are mounting an all-out effort to hold up foreign sales as much as we possibly can, and I think we've had remarkable success so far with the highest sales on record.

Q. Recent events in South Africa contradict this nation's basic philosophy of equal rights for all humans. Are you going to impose sanctions against the Republic of South Africa and, if so, what sanctions do you plan?

President Carter: We have tried to work as best we could with the South African Government during this last 10 months and have had some cooperation with them on resolving the problems in Namibia—which was formerly Southwest Africa—and also the Rhodesian-Zimbabwe question, where they have a major influence on Ian Smith [Prime Minister of the white regime in Rhodesia]. At the same time, we've tried to use our influence on the South African Government, not to tell them how to run their own affairs but to let them know the condemnation that exists in the rest of the world for the apartheid system; for the requirement that the majority of their citizens carry passes; that they're not given equal opportunities for employment, promotion, educational opportunities, and so forth.

What precipitated the deepest possible concern, however, was an almost complete abolition of any voices of dissent in South Africa last week among groups representing black citizens and the taking away of the privileges of newspapers to publish the facts to the South African people.

As a result of this action they took last week, we are supporting sanctions against South Africa, working with the allies that we have in the Western world and also working, hopefully, with some of the leaders of the African nations themselves. These sanctions will consist of a mandatory embargo on the shipment of weapons to South

¹ For complete text, see Weekly Compilation of Presidential Documents dated Oct. 31, 1977, p. 1675.

Africa. This has been a voluntary imposition in the past.

Our belief is that this will be overwhelmingly passed by the [U.N.] Security Council. We hope that because of its action, the South Africans will take more constructive action in the future.

I might add one other point. There are other matters, of course, that will be considered. We are quite concerned about [South African] Prime Minister Vorster's statement this past week that they had not given us assurances against the testing of atomic weapons. In both a public statement that we've made and also in private dispatches through diplomatic channels and a private message directed to me from Vorster, they had unequivocally committed themselves not to design, nor produce, nor to test any atomic explosions at all, either peaceful or weapons. So, we have some concerns about South Africa.

I think at this time we'll limit our U.N. sanctions to an arms embargo, and we hope that will make progress with the South Africans' attitude toward the rest of the world and toward their own people.

Q. On the West Coast and the four border States in the Southwest, we are very perturbed over the government's position in allowing many people from the Asiatic countries, particularly the bringing of thousands of entire families from Vietnam to the United States, plus the thousands of illegal aliens in the United States from Mexico every month.

This migration, we think, has reached a breaking point when the unemployment of our own citizens and their care continues to soar. What are your plans to halt this situation so we can take care of our own citizens first?

President Carter: You've covered two very important issues. On the subject of illegal aliens from Mexico, from China, and from many other nations around the world, for the first time, so far as I know, of any Administration, we have submitted to the Congress for consideration a very strong, I think, very adequate legislation.

I hope the Congress will pass it next year. It's supported by a wide range of Members of the Congress—Peter Rodino in the House and his committee, working with Congressman Eilberg; and in the Senate, Senator Eastland from Mississippi and Senator Kennedy from Massachusetts are joint sponsors of the legislation.

This would provide an inventory, through registration of those illegal aliens who are already in our country, and tighten up considerably on border control. And I believe for the first time, we'll have a handle on a rapidly increasing problem for our country.

It's controversial legislation. We're trying at the same time to protect the basic civil rights of those who are of Chinese or Mexican descent and who have legal rights to be in this country. We don't want them to feel any sign of discrimination on unemployment and so forth.

On the Southeastern Asian refugees, as you know, this is a fairly tiny group. And in the past, immediately after the Vietnam war and the war in Laos and Cambodia, our country accepted about 150,000 of these refugees. We encouraged other nations to do the same. The only expansion of this will be for about 15,000 of those kinds of refugees who have been living on boats for many years. And the Congress has just recently signed—or passed a law, which I've signed—authorizing these to come in.

That's a tiny portion of the people who have suffered so severely in that area. We are providing for them language instruction, vocation-technical training, and also job counseling to make sure that the impact on the labor market is not excessive.

I think this is a proper thing to do. I do support it. But as far as our national population is concerned, it's a tiny portion of the problem that we have—150,000. The illegal alien problem, though, is one that consists of 7 or 8 million, perhaps, and is a profound problem. But I hope that the Congress next year will take our own advice, and I believe that this legislation we have proposed and which is widely supported will be passed.

Presidential Assistant Brzezinski Interviewed on "Face the Nation"

Following is the transcript of an interview with Zbigniew Brzezinski, Assistant to the President for National Security Affairs, on the CBS television and radio program "Face the Nation" on October 30. Interviewing Dr. Brzezinski were Bruce Morton and Marvin Kalb of CBS News and Elizabeth Drew, The New Yorker.

Mr. Morton: The United States said this week that it would not sell arms to South Africa, but, in fact, the United States hasn't sold arms to South Africa for 14 years now. Is the Administration prepared to take other actions, or do the statements this week simply stay as rhetoric?

Dr. Brzezinski: I think this is the beginning of the reaction to the problem that we have been facing. This particular response is addressed to the events of last week, the events that were precipitated by the death of Steve Biko [black South African critic of the apartheid policies of the South African Government who died in September 1977 in detention], the growing social and political unrest in South Africa. Our hope is that the South African Government will take the necessary corrective measures before the international community ostracizes it and before the situation in South Africa becomes polarized.

Mr. Morton: You said the arms sanctions were a first step. What other steps might follow?

Dr. Brzezinski: I really think it depends on how the situation unfolds. Our major concern in that part of the world is that the developing racial conflict—the conflict between blacks and whites, a conflict which involves really difficult moral and political dilemmas—does not become, simultaneously,

an ideological conflict or, if you will, a red-white conflict or, to put it more simply, a conflict which involves the intrusion of foreign powers.

We hope that the South African Government will recognize that, given the spirit of the times, given the increasing awareness of the world—political awareness of the world, in particular the aspirations of the black majority—that internal accommodation has to come and has to come fast enough to be responsive to these demands. We are not asking for an instant change. We know that this is a South African problem, but we feel that unless there's domestic accommodation, international conflicts and tensions will grow.

Ms. Drew: Precisely how far do you think the U.S. Government can and should go to change the nature of the government in South Africa?

Dr. Brzezinski: I don't think we should be dictating the nature of the change. We know, in general, what is involved, and I'm sure the South African people know what's involved; namely, that arrangements, which over the last 30 years have come to be called apartheid—arrangements which reflect massive social and political disparities—simply cannot endure in this day and age, and the change has to come. The pace of that change has to be rapid enough to anticipate international pressures and internal pressures.

Once urban violence develops, once there is major intrusion of foreign influence and support, the situation becomes increasingly uncontrollable, and, therefore, it is in the interest of everyone concerned to take corrective measures soon enough, and what we are doing is to try to encourage all parties concerned to take these measures. This is

why we feel that some sanctions are necessary, but this is also why we feel that too many sanctions on too grand a scale could be counterproductive.

Mr. Kalb: The [congressional] Black Caucus has called for immediate action. Do you think that you can satisfy the requirements of American domestic politics and still be effective in South Africa?

Dr. Brzezinski: As you know, in many areas of foreign policy there is the problem of balancing domestic requirements, domestic concerns, with the needs of foreign policy. We are trying to be as responsive as we can. In fact, we recalled the Ambassador from South Africa even before the Black Caucus asked for this. We are now considering measures—

Mr. Kalb: You are going to send him back, though?

Dr. Brzezinski: At some point we may want to send him back because I think it's in everybody's collective interest—

Mr. Kalb: We were told he would be going back in a couple of days.

Dr. Brzezinski: It may not be in a couple of days; it may be a little later than that. At some point we expect he'll go back, and I think it's in everyone's interest that there be a dialogue with the South African Government and with South African public opinion. I hope that the South Africans, in thinking through their own historical destiny, their self-definition as a nation, will begin to appreciate the fact that the measures of the last 30 years—that whole system of apartheid—is simply untenable in this day and age and that progressively they can accommodate to a new reality. We don't expect change instantly. We know it's impossible.

Ms. Drew: You have mentioned a couple of times the phrases, intrusion of foreign powers, the intrusion of foreign influence. Do you mean the Soviet Union?

Dr. Brzezinski: Yes. To be perfectly blunt, I think there is always the danger that given the fact that we still live in a

world in which there is competition between the United States and the Soviet Union, given the fact that the Soviet Union has a different view of global change than we do in many significant respects, that the Soviet Union may be tempted to adopt policies and to take actions which would exacerbate and fuel conflicts.

We know that the Cubans have also been involved in Angola. They may be involved already in Ethiopia. They could become involved in these conflicts. I'm not predicting that they will, but I would like to avoid situations in which they may be tempted to become so involved.

Mr. Kalb: I understand. What could the Soviet Union do? I mean, the government in South Africa is very strongly antagonistic to the Soviet Union, so that Soviet help, presumably, could come in through the blacks? Is that what you mean?

Dr. Brzezinski: I don't want to engage in—sort of—drawing hypothetical scenarios which are apocalyptic in nature, so let me limit myself to saying this: If you get a combination of mounting urban violence in South Africa, which we haven't had yet—urban guerrilla violence—and if you combine that with external pressures of guerrilla penetration and, perhaps, shift from moderate black regimes on the frontiers of South Africa to regimes which are less moderate, then the opportunities for foreign powers to exploit that—to send in arms, to send in instructors—in brief, as I said earlier, to transform racial conflict, which we will still hope to avoid and to moderate, into a bitter ideological and international conflict, may prove very hard for all parties to resist.

Mr. Kalb: You don't have any evidence, at this point, that the Soviet Union is seeking to exploit the situation in South Africa, do you?

Dr. Brzezinski: No, and I'm not saying, either, that they are doing it nor that they will necessarily do it, but I'm saying that the temptations which are inherent in a bitter conflict—to take sides, to identify yourself with one side rather than the other, and then, thereby, to fuel the conflict—may

prove too strong to resist, and this is why it is important to try to create a situation of relative moderation and progressive accommodation.

Mr. Morton: One of the arguments for dealing relatively gently with South Africa has been that the South Africans were helpful in trying to bring about change in Rhodesia. Have they, in fact, been any help, or is Rhodesia any nearer a solution than it was a month ago, or two months ago?

Dr. Brzezinski: We were, on the whole, I would say, encouraged by what was happening over the last months, and while it is difficult—very tangibly—to say that the South African Government was specifically helpful in this or that instance, their attitude was helpful, and they had held talks with us and with the existing authorities in Rhodesia, which lead us to believe that their position was one of accommodation.

There is, indeed, the danger that in the present situation some of that may be undermined, and this is, again, one of the reasons why we feel that our response ought to focus on the specific events of last week and try to correct them rather than to go wholesale at the generic causes of the problem, which is the totality of the social and political structure. I think we have to have a sense of history here and a sense of perspective—the process of accommodating the South African society to the new spirit of the times, to the new values, to the basic concept that man is fundamentally an equal entity. All of that will take time, and I think we have to be willing to give them that time while encouraging them to make the necessary changes.

Ms. Drew: Backing away from the specific to the general, what, in your view, are the ultimate goals of the Soviet Union?

Dr. Brzezinski: You mean—where? In South Africa?

Ms. Drew: In the world. There is a view, as you know, that their intention is to mold the world in their image—if not world conquest. Do you share that?

Dr. Brzezinski: You know, that's awfully difficult to answer, because if you ask me what are the ultimate intentions of the United States in the world—

Ms. Drew: But I didn't. I asked you about the Soviet Union.

Dr. Brzezinski: No, but I'm trying to illustrate why it's difficult to answer that. How would you answer it? Would you say what are President Carter's ultimate intentions, or the Cabinet, or Congress, or of the American public as defined, let's say, through elections or public opinion polls?

The Soviet Union is not a democratic society. It is not even a pluralistic society. Nonetheless, it is a society. It has 15 or 16 members of the Politburo, several hundred Central Committee members, etc., etc. What I'm trying to suggest is that there is no easy way of answering you. I would say, therefore, historically, that the Soviet Union, because of its ideological predisposition, tends to view the world as moving toward certain preordained changes. It expects them. It may not be as active in effecting them as it was in an earlier revolutionary phase, but it has a view of history which colors its perception of change, its expectations. So that's one aspect.

Another aspect may be historical cycles. The Soviet Union is still on the upswing of the historical cycle—of assertiveness, of expectations. I think it would like to be number one. I don't think it feels comfortable being number two militarily and a much lower number on many other areas—social, economic, and technological. So, I think they're driven by ambition, and they're assertive.

Ms. Drew: There are members of the President's own party, in Congress, and, of course, in the military, who believe that it has never actually given up its goal of a socialized or communized world. Do you agree or disagree with that underlying assessment as you formulate policies?

Dr. Brzezinski: I would really have to say, even though it sounds, perhaps, evasive, that this is too simple a formulation. I think

the Soviet leadership expects a world that will be communized. It expects it historically. It would like to encourage it, but at the same time, it's also motivated by immediate national interests, immediate geopolitical concerns—let's say the presence of China, instability in Eastern Europe, the desire for our technology, so all of that fuzes their grand strategy.

They are, however, an assertive, dynamic power which is clearly in a competitive relationship with us, and we should have no illusions about it, and therefore, as I have said repeatedly, the American public should not swing from these extremes of euphoria whenever there is a summit and an agreement or two to a mood of hostility if there is no agreement. We are in for a long historical competition in which we have to be steadfast, determined, and not shy about our ideals, or what we have—

Mr. Kalb: In that context, if we are in this kind of terribly competitive arrangement, how do we work together in the Middle East and, quite specifically, do you still have a realistic expectation of the Geneva conference working with the Soviet Union in December?

Dr. Brzezinski: Let me just qualify one thing which you said, "terribly competitive." I said competitive and even intensely competitive. There are also cooperative elements to it.

Mr. Kalb: In our intensely competitive work then—

Dr. Brzezinski: Right—in our mixed relationship, therefore, of competition and cooperation. There are areas where we will be competing. There may be areas where for this or that reason there is an opportunity for some accommodation. The Middle East is an area in which, I think, it has become increasingly clear both to us and to the Soviets that sustained instability, as well as periodic conflict—and there have been four wars now in the Middle East in 30 years—is a situation in which local, regional conflict could thrust us into direct, strategic confrontation. And because of that, I think

there is some predisposition on the part of the Soviets to be more cooperative than in the past in seeking accommodation.

My own view has been that in the past Soviets preferred a stalemate—neither war nor peace. But I think that in the light of recent experience, and particularly the threat of a direct confrontation between them and us which was so demonstrated in 1973, they are now coming around to the view that a settlement may indeed be more desirable than a stalemate. And this is why, if Geneva is reconvened, they as cochairman, should be encouraged and put in the position of having to play the constructive role. The joint American-Soviet statement was designed to accomplish the objective—was to put them in the framework of moderation.¹

Mr. Kalb: Do you have a realistic expectation of a Geneva conference in December?

Dr. Brzezinski: I wouldn't like to be tied to a date. We hope for December, but it could, like many things in life, slip. I don't think it's all that important whether it's necessarily December or January or even February. We hope for a Geneva conference soon. We are aiming for December. We think the parties concerned are moving toward agreement on the necessary preconditions for reconvening Geneva. The Israeli attitude has been quite constructive. The Arab attitude has been more mixed, but we think we are getting close enough to be hopeful about a conference in the near future.

Mr. Morton: How would the Palestinians—how would the Palestine Liberation Organization (PLO) be represented at that conference? The Israelis have said they won't talk to them. Any number of Arab leaders have said you can't have a conference without them.

Dr. Brzezinski: There can be no participation in that conference without first of all acceptance of the basis for that conference

¹ For text of the statement issued on Oct. 1, 1977, see BULLETIN dated Nov. 7, p. 639.

and that resolution—U.N. Resolution 242. The PLO has not accepted that resolution.

Secondly, the parties to the conference have to determine who participates in that conference. We have now a formula worked out which we are discussing with the parties. We have talked it over with the Israelis. We are talking it over with the Arabs, and it does enable Palestinians to participate.

But, I would like to say at this moment the following: that we are dealing here with a situation in which excessive precision is an enemy of accommodation. And I don't want to be too specific on this issue. The PLO, as an organization, cannot participate because of its position on 242 and also because of the very strong feelings of the Israelis. But, there have been ways of taking care of problems such as these in the past. [Israeli] Foreign Minister Dayan has frequently drunk tea with the mayors of the West Bank. He knows very well the relationship between these mayors and the PLO. There are ways of taking care of a problem like this.

Mr. Kalb: What about PLO members? You said PLO as an organization. What about members of the PLO?

Dr. Brzezinski: As I said, I think that we are dealing here with a situation in which excessive precision may be the enemy of moderation and—

Mr. Kalb: You're beginning to sound like Kissinger now.

Dr. Brzezinski: That's—I consider that a compliment. Henry and I are friends of now almost—oh, more than 25-years' standing.

Mr. Kalb: I see.

Ms. Drew: Moving to the strategic arms limitation talks, how important do you consider it to get an agreement that has the prior approval of Senator Jackson?

Dr. Brzezinski: I think Senator Jackson is an established authority in the strategic area. He has very well-informed views. He is a highly dedicated Senator who has made this area very much his concern.

I don't think in a formal sense prior consent is what we're after. That isn't even compatible with the constitutional process. But, we want to consult as closely with him to get his input into the position that we are formulating and negotiating because, one, it is substantively valuable and, two, to be perfectly frank, it will help ratification. If he is strongly against it, if he feels the treaty doesn't meet his standards, it will necessarily complicate the ratification process.

We are engaged in consultations with him in the hope of, one, convincing him that the positions we have adopted are good, that they are in the national interest, that they are an improvement both over the past and over the absence of an agreement. And, I understand from my colleagues who have talked to him, that these discussions have been very constructive and very friendly.

Mr. Kalb: I'd like to raise a larger question for a minute, which has to do with a public perception of confusion, which may be right or wrong, but there is a sense which the President addressed recently of some confusion in both domestic and foreign policy. And the President at one point talks on SALT [Strategic Arms Limitation Talks] about an agreement being within a matter of weeks and then he kind of pulls back and talks about a tedious process that could take many months. Why is there this public perception of confusion in your policy? I mean, you are a very articulate man and—

Dr. Brzezinski: You know, first of all—and I hope you'll forgive me for saying this—I think there is in Washington—and because if there is in Washington soon it is in the nation—a tendency toward fads. I remember all of you saying a year and a half ago, and I literally mean you—oh, that in our foreign policy we overconcentrate on a single problem, that our foreign policy is too personalized, therefore we can only handle one problem at a time. Other things are going to pot. We need a foreign policy which deals with many critical issues at the same time.

I think, to some extent, some of what you

are saying is a fad which will pass. Some of it, however, is true. I think it's due to the following considerations. On the general level, don't forget that for the last 15 years, we have had a serious crisis in this country which was political and cultural. We had also Watergate. We had Vietnam. There are a great many issues which were neglected. We had a holding operation by some people in an extremely able fashion, but we had a serious crisis in this country which meant that many problems were neglected.

We have had 10 months ago a new President come to power who is highly energetic, who is an activist, who has an agenda of domestic reform and foreign reform. And he puts these items on the agenda. He also wants a team to work on them rather than single individuals. This is bound to produce some confusion because we cannot move rapidly enough and in a synchronized fashion on all of these problems.

But take foreign policy specifically—SALT, Middle East, southern Africa, Panama. Which of these would you really drop and ignore? Could we not negotiate a new SALT agreement? Should we really let the situation in the Middle East deteriorate? Should we not finish the negotiations in Panama? Should we let a racial war become an ideological war in southern Africa? These are problems we have to deal with at the same time.

Mr. Morton: Assuming that you do have to deal with all of them at the same time, is there a danger that if you lose on one—if you lose on Panama for instance—your position is then weakened in all these other areas, weakened in a SALT negotiation?

Dr. Brzezinski: Oh, absolutely. And, you know, there's no point being disingenuous about it. You're absolutely right. I think this is the risk involved in trying to deal with these problems, but you weigh that risk against the risks of omission, the risks of lack of response to these problems. If, for example, we don't deal with South Africa

and it deteriorates, think of the consequences on the Middle East or SALT.

Ms. Drew: Speaking of the legacy that you inherited, do you worry, as many people do, that such are the attitudes of the United States that it would not cooperate in an intervention anywhere?

Dr. Brzezinski: There's no doubt that the Vietnamese war has had an impact on a generation the way Munich had on a whole, but another, generation.

Ms. Drew: Does this worry you?

Dr. Brzezinski: It worries me to some extent. I think, however, that if there was a situation in which the national interest was deeply involved and if the President then went to the country and openly spoke to the country about the nature of the danger, if this issue was reasonably clearcut, the country would support us.

And I think one of the very important accomplishments of the President in the last 10 months has been the reestablishment of trust. The country may not like everything he is doing, and we have a lot of veto groups which don't like this or don't like that and collectively they can create the impression of a lot of opposition, but underneath all of that there is, for the first time in a long time, a new sense of historical confidence and, I think, an underlying sense of trust. And, if the President went to the country and said, in such-and-such a place the national interest is deeply involved and we have to intervene, I think the country would support him.

Mr. Morton: In a foreign intervention like Vietnam?

Dr. Brzezinski: You see when you say "like Vietnam" you are already begging a lot of questions. The problem with Vietnam was that what started it off as an act of counterintervention against a foreign intervention became a national liberation struggle and we got bogged down in it.

The New Panama Canal Treaties—In Our National Interest

Address by Sol M. Linowitz

*Consultant for the Panama Canal Treaty Negotiations*¹

I am pleased to have this opportunity to talk with you about why I believe the ratification of the recently signed Panama Canal treaties is in the highest national interest of the United States.

Let me start by pointing out the obvious: In today's interdependent world, no nation, however powerful and self-sufficient, can protect and advance its own national interests and values without taking into account the interests and values of other nations. The objective in diplomacy—the definition of “winning” or “success”—is not to refuse to make any concessions to the other party or to get an agreement which you know will be totally acceptable to your own side, although it will be totally unacceptable to the other side. It is to try to find common ground; to make concessions on matters of lesser importance to you, but of vital importance to the other side, in order to protect that which is of the greatest importance to your own side. And I would add that when American diplomacy is at its best, it not only deals effectively with imminent crises but seeks to anticipate future problems and to move to take advantage of opportunities to protect and advance the national interest over the long term.

Today I would like to talk about the new treaties in this context and to examine:

—What American national interests are at stake in the Panama Canal issue;

—Why I believe it is not in our national interest to cling to the existing treaty relationship;

—What the principal elements of the new treaties are, and why I believe that these best protect our national interests; and

—What might be the consequences of the Senate's decision on ratification or nonratification of the treaties.

U.S. National Interests

What are American national interests in the Panama Canal? I believe, despite all the heated debate, that there is a wide measure of agreement on this issue. Most Americans would agree that what we want most is to be able to continue to use the Panama Canal; that the canal remain neutral, secure, open, and efficient so long as its use is desirable from the point of view of American security and commerce.

By the same token, we have never claimed that it was important to us to have American territory in Panama. Our interest, and the object of our diplomacy, has been the canal, not a colony. The 1903 treaty with Panama speaks of “the use, occupation and control of a zone of land and land under water for the construction, maintenance, operation, sanitation and protection of said Canal . . .” over which the United States has “all the rights, power and authority . . . which the United States would possess and exercise if it were the sovereign of the territory”

The Canal Zone has always been treated as a foreign country for the purposes of customs, mail, and citizenship. This is in stark contrast with our 1803 treaty with France over the Louisiana Purchase, our 1819 treaty with Spain regarding Florida, and our 1867 treaty

¹Made before the Council on Foreign Relations at Chicago on Oct. 18, 1977.

with Russia over Alaska, all of which explicitly transfer sovereignty over the territory to the United States and make the inhabitants of the territory American citizens.

As early as 1904, Secretary of War William Howard Taft delivered to the Panamanian leadership the personal assurances of President Roosevelt that the United States had "not the slightest intention of establishing a colony in the Canal Zone." A 1936 U.S.-Panamanian friendship treaty referred to the Canal Zone as "... territory of the Republic of Panama under the jurisdiction of the United States" And in 1946 our Representative to the United Nations, John Foster Dulles, acknowledged to the General Assembly that Panama had never ceased to be sovereign over the Canal Zone. In short, the Canal Zone as "... territory of the Republic end in itself or as a piece of American soil.

A second national interest—with which I do not believe the critics of the new treaties would quarrel—is that we handle the Panama Canal issue in a way which removes unnecessary obstacles to the improvement of our relations with Latin America. The peoples of Latin America have always drawn inspiration from our own revolution, the realization of the concept of national sovereignty in this hemisphere. And they know that the Monroe Doctrine helped to protect their national independence from European colonialism. But they have sometimes seen our conduct of our relations with Latin America as paternalistic or colonialistic.

From my 3 years as U.S. Ambassador to the Organization of American States under the Johnson Administration and several years in private life as the Chairman of the Commission on United States-Latin American Relations, I know all too well that the Panama Canal issue affects our relations with all of Latin America and the Caribbean. In their eyes, the canal and the Canal Zone run not just through the center of Panama but through the center of the Western Hemisphere. They view American handling of this issue as a test of our intention to put aside relationships based on our superior strength and to begin to deal with them cooperatively, as equals. All of them have joined with

Panama in urging a new treaty with the United States, and 26 leaders attended the treaty signing ceremonies in Washington September 7.²

A third national interest at stake in the Panama Canal issue—and again I believe our critics would agree—is to handle it so as to remove causes of anti-Americanism which can be exploited by our adversaries. History suggests that when America follows a foreign policy which evokes substantial resentment in a country, the Communists and other enemies exploit that resentment to their own ends. Whether we like it or not, the nations of the Third World, most of which only recently emerged into nationhood from colonial status, see the present situation in the Canal Zone as a remnant of colonialism. In 1973, for example, the U.N. Security Council, meeting in Panama, voted 13-1 for a resolution calling on the United States to negotiate a more equitable arrangement to govern the canal. We—all alone—were forced to cast one of our rare vetoes against the resolution.³

A fourth interest which is at stake in the Panama Canal issue is that it should be handled in a way which reflects our own national values and our greatness as a nation. We are a strong nation, and no one wants the United States to be what President Nixon, in his justification of our incursion into Cambodia in 1970, called a "pitiful, helpless giant." But neither do we want to bully other nations, smaller than ourselves, or make every foreign policy issue a test of national machismo. We are indeed the inspiration for the concepts of national sovereignty and sovereign equality which form the basis of Panamanian, inter-American, and world opinion on the canal issue, and we must be true to these concepts if we would be true to ourselves.

Why Not the Present Treaty?

While there may be a wide measure of agreement on our objectives and interests

²For the texts of the Declaration of Washington signed by the Latin American and Caribbean leaders on Sept. 7, 1977, and the Panama Canal treaties, as well as related materials, see BULLETIN of Oct. 17.

³For text of the draft resolution, see BULLETIN of April 23, 1973, p. 497.

with respect to the Panama Canal, there is no doubt that there are great differences over how to achieve these objectives. The critics of the new treaties in the main believe that these interests can best be served by a continuation of the 1903 treaty which is currently in effect. I do not believe that this is possible, for the people of Panama deeply believe that the present treaty is an affront to their dignity as a nation and does not offer them economic benefits commensurate with the value of the land which is used for the canal. In this position they have the support of all the countries of Latin America.

There is no doubt that the terms of the 1903 treaty are more favorable to the United States than to Panama. Our Secretary of State, John Hay, wrote to a member of the Senate Foreign Relations Committee that the treaty was "very satisfactory, vastly advantageous to the United States, and we must confess, with what face we can muster, not so advantageous to Panama. You and I know too well how many points there are in this treaty to which a Panamanian patriot could object." Most important among these were article II, which granted the United States "in perpetuity the use, occupation and control" of a strip of land 10 miles wide through the middle of Panama, over which the United States would have the "rights, power and authority . . . which the United States would possess and exercise if it were the sovereign of the territory . . . to the entire exclusion of the exercise by the Republic of Panama of any such sovereign rights, power or authority" [article III].

The 1903 treaty also granted the United States the control of sanitation, sewerage, water supply, and maintenance of public order in two Panamanian cities outside the Canal Zone and the right to expropriate any additional lands and waters "necessary and convenient" for the construction, operation, sanitation, or defense of the canal. In return, the United States guaranteed the independence of Panama.

What many Americans do not realize—but what is burned into the consciousness of every Panamanian patriot—is the fact that the

treaty was signed for Panama not by a Panamanian but by a Frenchman named Philippe Bunau-Varilla who was an employee and stockholder of the previous French canal company and had a personal financial interest in seeing that the French assets were purchased by the United States. He:

—Offered the Panamanian revolutionary leadership \$100,000 if, after declaring independence, they would appoint him Envoy Extraordinary to the United States to conclude the treaty;

—Personally inserted clauses in the treaty which widened the Canal Zone and gave as-if-sovereign rights in perpetuity in order to make the treaty more palatable to the U.S. Senate so that it would not go for a Nicaragua canal instead;

—Also personally inserted clauses providing that the United States would buy the assets of the French canal company for \$40 million, some of which he ultimately received as a shareholder; and

—Rushed the signing of the treaty so that it took place only hours before a Panamanian delegation arrived in Washington with instructions which would have prevented the signing of the treaty in that form.

It is hardly surprising that this history has, over the years, resulted in festering Panamanian resentment. There have been some changes in the 1903 treaty and in the way the United States has exercised its jurisdiction over the zone, which have been intended to assuage Panamanian resentment at the terms of the treaty. We no longer guarantee Panama's independence nor do we retain the right of eminent domain in Panama or any extraterritorial rights in Panama City and Colón. We have increased the annual payment to Panama to reflect inflation. Since 1955 we have permitted flying of the Panama flag in the zone, and over the years we have ended racial segregation and integrated the schools run by the Panama Canal Company and hired increasing numbers of Panamanians until the work force is only 28 percent American today.

But our perpetual jurisdiction as if sovereign over land running through the mid-

dle of Panama, has continued to cause strong and bitter resentment. In 1959 there were riots, and in 1964 there were riots in which 20 Panamanians and 4 Americans died and which caused Panama and the United States to break relations. Later that year President Johnson, after consulting with Presidents Truman and Eisenhower, restored relations with Panama and began negotiations on a new treaty. After 13 years, under four presidents, these negotiations have finally resulted in the treaties signed September 7.

The New Treaties

I believe that the new treaties protect American national interests and at the same time deal fairly with the causes of Panamanian concern.

There are two treaties—the Panama Canal Treaty and the Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal. The treaties would take effect 6 months after the date of exchange of instruments of ratification.

The Panama Canal Treaty gives the United States the continued primary responsibility for the operation and defense of the canal until the year 2000 and the right to use all land and water areas necessary for this purpose. The lands and waters reserved to us are those which the Joint Chiefs of Staff determined were necessary. U.S. military forces present in these areas will be those which the United States alone determines are necessary for the defense of the canal. A status-of-forces agreement, similar to those which we have with other countries where American troops are stationed, will cover the activities and presence of our military forces.

The United States will operate the canal through a new Panama Canal Commission to be appointed by the United States and to be composed of five Americans and four Panamanians. Until 1990 the Administrator will be American and the Deputy Administrator, Panamanian; thereafter, a Panamanian will be Administrator and the Deputy, American. Both will be U.S. appointees.

All U.S. civilians currently employed by the

Panama Canal Company are assured that they can continue to hold U.S. Government jobs until their retirement and may continue to work for the new Commission until they retire or until their employment is terminated for any other reason. They will continue to enjoy rights and protections similar to those of U.S. Government employees abroad elsewhere and will have access to military postal, PX, and commissary facilities for the first 5 years of the treaty. New U.S.-citizen employees will generally be rotated every 5 years. Private businesses and nonprofit activities in the Canal Zone will be able to continue their operations on the same terms applicable to such enterprises elsewhere in Panama.

Panama will assume general territorial jurisdiction over the present Canal Zone at the start of the treaty, and U.S. criminal jurisdiction over its nationals will be phased down during the first 3 years of the treaty. Thereafter, Panama will exercise primary criminal jurisdiction but may waive jurisdiction to the United States. U.S.-citizen employees and their dependents charged with crimes will be assured due process of law and if convicted will be permitted to serve any sentences in the United States.

Over the life of this treaty, Panama will play an increasing role in the operation and defense of the canal. Panamanian applicants for work with the Panama Canal Commission will receive preference. The number of American employees of the Commission will be reduced by 20 percent in the first 5 years. At the end of this century, Panama will take over from the United States the operation of the canal.

As compensation for the continued use of Panamanian lands and waters during the period of the treaty, Panama will receive 30¢ per ton transiting the canal, \$10 million per year, and, if canal revenues permit, \$10 million more per year. Outside the treaty, the United States has pledged its best efforts to arrange for an economic program of loans, guarantees, and credits totaling around \$300 million over several years, as well as a military sales credit program worth \$50 million over 10 years to improve Panama's ability to

assist in the canal's defense. None of this will come from congressional appropriations; all will have to be spent in and repaid to the United States.

The Panama Canal Treaty also commits the United States and Panama to study the feasibility and desirability of a new sea-level canal through Panama and, if they agree it is necessary, to negotiate terms for its construction. It also permits the United States to add a third lane of locks to the existing Panama Canal.

The neutrality treaty is of permanent duration. Panama pledges that the canal shall be permanently neutral ". . . in order that both in time of peace and in time of war it shall remain secure and open to peaceful transit by the vessels of all nations on terms of entire equality, so that there will be no discrimination against any nation, or its citizens or subjects, concerning the conditions or charges of transit, or for any other reason . . ." Both the United States and Panama ". . . agree to maintain the regime of neutrality established in this Treaty, which shall be maintained in order that the Canal shall remain permanently neutral . . ."

This authorizes the United States to take necessary and appropriate action to assure that the canal remains open, neutral, secure, and accessible, and nothing in the treaty limits our freedom to take such action as we may consider necessary. The treaty also specifies that warships and auxiliary vessels of the United States and Panama are entitled to expeditious passage of the canal—which means passage as speedily as possible and, in case of need or emergency, the right to go to the head of the line ahead of other vessels.

These, then, are the principal elements of the new treaties. Let us measure them in terms of whether they move us closer to the protection and advance of the national interests I mentioned earlier: the safe and open operation of the canal; our relations with Latin America; the use of the issue for anti-American purposes by our external enemies; and the impact of our handling of the issue on our greatness as a nation. In doing so, it is not

enough to judge these treaties in isolation; one must compare them with other alternative courses of action, including those advocated by the critics of the treaty.

I believe that the treaties enhance safe and open operation of the canal. During the transitional period they provide our military establishment with the lands and waters they say they need to defend the canal, and thereafter, we are in a position to take such action as we may believe necessary for that purpose. The treaties also give Panama an increasing stake in the defense and the continued operation of the canal and provide for Panamanian cooperation with an American presence in the Canal Zone.

The Joint Chiefs of Staff, who have been working closely with us on these negotiations, believe and have so testified that the new treaties enhance U.S. security interests in the canal. In contrast, the advocates of the status quo offer the American people the prospect of continuing and increasing Panamanian resentment against the American presence in the Canal Zone and no positive Panamanian Government commitment to its security.

Second, I believe that the new treaties will remove an obstacle to improvement in our relations with the other countries of this hemisphere. As I pointed out earlier, the countries of the inter-American system have been unanimous in urging the United States to negotiate a new relationship with Panama, and 26 leaders attended the signing of the treaties.

What the advocates of the status quo have to offer us, if the treaties are rejected, is the loss of Latin American confidence in American adherence to the tenets of fairness and decency which we did so much, by our example and through our protection, to establish in this hemisphere.

Third, I believe the treaties undercut our foreign adversaries by resolving an issue which is ripe for their exploitation. If the treaties are ratified by the Panamanian people October 23, they will have a moral authority which the 1903 treaty, by its terms and the

circumstances in which it was agreed, could never have.⁴ The treaties would give Panama a stake in the continued efficient and safe operation of the canal and, in cooperation with the United States, would demonstrate that we are prepared to move vigorously to further our relations with other countries in the hemisphere.

In contrast, the advocates of the status quo offer the prospect that our enemies would exploit the bitterness Panamanians and others in the Third World would feel toward the United States if we refused to ratify the treaties.

Finally, I believe that the ratification of these treaties would reflect the true greatness of American values and the American people. We would be putting into practice the ideals of national sovereignty and sovereign equality which animated our own revolution and so many others. We would be displaying generosity in dealing with the aspirations of a small nation. And we would be displaying the adaptability and pragmatism which have been characteristic of Americans, as a people and as a nation, throughout the years.

In contrast, the advocates of the status quo and of the rejection of the new treaties offer us an image of an insecure America; an America afraid that our generosity will be interpreted as weakness; an America uncertain of its own national manhood; an America, as one of the opponents of the 1903 treaty in the Senate put it, "too large to be just."

The debate over ratification of these treaties has been heated and will continue to be. The treaty opponents have an obligation to the American people to deal seriously with the likely consequences of the alternative courses of action they advocate. These alternatives must be given the same searching scrutiny by the American people and the Congress as the newly negotiated treaties. And if they are, I am confident that the American people and their representatives will determine to support the treaties as in our highest national interest.

⁴In the October 23 plebiscite 68 percent approved the treaties.

I believe that any such comparison will convince the people that ratification is in the national interest—for a secure and open canal, for our relations with Latin America, for strengthening our position in the world, and to reflect the best traditions and values of the American nation and people.

The United States and Mexico: A Special Relationship

Following are remarks by Sally Shelton, Deputy Assistant Secretary for Inter-American Affairs, made before the U.S.-Mexico Trade and Investment Conference in San Antonio, Texas, on September 21.

It is a pleasure for me to be here to represent our government and the Department of State on this important occasion.

The Carter Administration views the relationship between the United States and Mexico as one of the solid cornerstones of the relationship we would like to build with all the nations of the hemisphere.

The people of the United States and of Mexico share a long border and a sometimes turbulent history. Here in the Southwest we can also see most clearly the extent to which we also share in an overlapping cultural heritage. The lifestyle and ambience of our communities on both sides of the border are influenced by their proximity to each other. And in the United States as a nation, the cultural and economic and political importance of our own Hispanic population is being increasingly recognized, particularly through the type of community leadership this conference represents.

From this proximity, and this common cultural heritage and indeed from the mistakes of the past and the lessons we have learned from them, the United States and Mexico have been able to forge a mature and sophisticated relationship. It is a relationship that reflects the mutual respect and healthy degree of tension of two great sovereign states

and hemispheric leaders, as well as the flexibility and vibrancy of societies that are busy growing and solving problems and adjusting to new realities, and thus growing together.

One of the first acts of President Carter as president was to receive President Lopez Portillo as his first state visitor. This reflects the importance the new leaders of both nations attach to developing a good working relationship between our governments at all levels.

But we in government are keenly aware that the official actions of public servants are often only the tip of the iceberg in the many patterns of interaction that link our people with those of another country and together create the impacts we have on each other as societies and the attitudes we hold toward each other as peoples.

This is particularly true in the case of the United States and Mexico, where our citizens are involved in so many different types of interacting relationships, ranging from the casual contact of tourists to the ongoing social roles of Mexicans and Americans who live and work in each other's countries for long periods of time.

Role of Private Enterprise

Throughout our history private enterprise has played a very key role in developing the nongovernmental relationships underlying U.S.-Mexican relations. Sometimes the role has been a constructive one; sometimes it has been a source of friction. But in all cases it has helped define the limits and the possibilities of U.S.-Mexican relations—it has set the parameters in which official policies can be made.

At the same time, we know that the policy stands adopted by government can have a profound impact on the options open to private enterprise and the climate in which businessmen in foreign trade or investment are able to operate.

Probably one of the most important developments in our public and private foreign relations in recent years was the discovery that it is possible for U.S. businesses to operate effectively and profitably within the

terms and framework established by foreign governments in order to safeguard their own national rights and priorities. This basic premise, which strikes us now as so obvious and sensible, came as somewhat of a surprise both to the governments of developing nations and to the private interests caught up in the rising tide of nationalism.

There was a time when the presence and visibility of foreign capital enterprise in a developing nation's economy was seen by many of its citizens and leaders as inherently incompatible with that nation's ability to control its own resources and future and to deal with foreign economies on its own terms. And there was a time when American business felt "welcome" only in countries that offered virtual *carte blanche* to come in, set prices and working conditions, control industries and indeed whole industrial sectors, make basic decisions on the use and control of resources, and extract whatever profit their business talents and efficiency might permit, with no terms set by the host country at all.

If U.S. businessmen came to expect these kinds of conditions, and if host governments came to fear them as the inevitable mode of relations with foreign investors, it is only because for so many years that is how economic relations between the developed and the developing nations were conducted. It is hardly surprising that in such a climate of gross inequality and one-way setting of negotiating terms, it proved almost impossible for a climate of mutual respect and mature bargaining among sovereign equals to develop in the nations' political relations.

Today we accept as of right the prerogative of each nation to control its own resources, to determine the roles of its various economic sectors, to set national goals and priorities, and to establish the framework in which foreign investors will be welcome for the constructive role they can play in advancing those goals. Today we know that a pragmatic and creative businessman can find opportunities for a stable and profitable business relationship in host countries with a wide variety of economic systems and development masterplans.

Some economies differ from ours in that

enterprises in various key industrial sectors are owned directly by the government. In Mexico there are some 800 such parastate enterprises in industries such as energy, steel, transportation, and petrochemicals. Many nations, including Mexico, have set detailed regulations governing the composition and behavior of privately owned, and particularly foreign-owned, companies.

At the same time, there is another dimension that I think we must always keep in mind. If mutual cooperation and bargaining have replaced the old one-sided economic relationships, it is partly because of the more mature political relationship that has evolved between the developed and the developing nations; but it is also because of the new realities of the economic bargaining table.

The developed nations no longer hold all the chips. Trade between the United States and the nations of the Third World is as essential to us as it is to them. We all share a stake in worldwide development and prosperity.

Mexico's Impact on the U.S. Economy

In dealing with a major industrialized nation like Mexico—whose \$62 billion economy ranks eleventh in the world and where manufacturing now makes up a quarter of the gross domestic product—it is particularly important that we keep in mind the extent to which our own economy depends on Mexico.

—Mexico is a very important and valued trading partner with the United States. It is our fourth largest customer for U.S. goods and our sixth largest supplier. Mexico sells 60 percent of its merchandise exports to the United States. But the United States exports considerably more to Mexico than it imports, giving us a trade balance that in 1975 was over \$2 billion.

—Mexican trade is thus not only good for our exporters and importers but good for our overall balance of payments. In 1975 our trade surplus with Mexico accounted for nearly a fourth of the total U.S. trade surplus of \$9 billion. And we have run a large merchandise trade surplus with Mexico for many consecutive years, even when the

United States has had large net deficits.

—Aside from trade income, Mexico's growing economy contributes a substantial return on U.S. investments and technology. Mexican firms now pay over \$130 million annually for U.S. patents and technology. On direct investment, U.S. firms in Mexico netted over \$150 million in profits for U.S. investors. Other U.S. investment earnings reached nearly \$400 million.

—Mexicans living in Mexican border communities spend heavily in the United States. It has been estimated that Mexican consumers are responsible for anywhere from 10 to 90 percent of the sales of individual retail establishments along the border. This has an important impact on the economies of the U.S. border cities and States. The importance of the Mexican consumer to U.S. retail business along our border areas was demonstrated quite dramatically by the sharp decline in retail trade that followed the Mexican devaluation of the peso.

—U.S.-Mexican tourism is an important enterprise on both sides of the border. The U.S. traveler spends the same amount of dollars in Mexico as in all of Western Europe. On the other hand, Europeans do not spend half as much money in the United States as our Mexican visitors do.

—Tourism is one good example of a resource Mexico offers that is very valuable to our consumers. It is easy to think that the nation with the net gain in money is the one that benefits from trade, but in another sense—from the consumer's point of view—the most important benefit of trade or tourism is the fulfillment of needs from the resources and productivity of another nation.

The United States looks to Mexico for many of the products and materials we depend on, both for industry and for consumption. Imports from Mexico were largely responsible for putting vegetables on American tables during last year's cold winter.

We will be looking increasingly to Mexican oil and gas to meet our energy needs. Mexico has announced proven and probable oil and gas reserves of 60 billion barrels. It is currently exporting about 200,000 barrels a day,

most of it to the United States. President Lopez Portillo has announced a national production plan for 1977-82 calling for a doubling of daily total production from 1.1 to 2.2 million barrels per day, half of which would be exported in crude or refined form. The plan calls for an investment of \$15.5 billion. Successful exploitation of Mexico's oil and gas reserves will enable it to meet its own growing energy needs while earning foreign exchange important for other parts of its development program. It will also offer an important supply source for our own energy consumption.

As Mexico's industrial economy grows, it will be looking increasingly to the United States as a market for its manufactured goods, which already account for a substantial portion of its exports. In assessing the effect of import competition on our own manufacturing industry and its workers, we have to bear in mind that the flow of undocumented workers from Mexico to the United States is related directly to the ability or inability of the same workers to find jobs in Mexico's own economy.

It is clear that the economic relationships between the United States and Mexico are complex, that they impact our societies in many ways both planned and unplanned, and that they make our two societies increasingly interdependent. It is also clear that as each of our economies grows and as the standard of living of our peoples increases, the other of us will also benefit.

A strong, stable U.S. economy, with a growing investment sector and thriving consumer market, will provide an important contribution to the capital Mexico needs for development. A strong, growing, thriving Mexican economy will not only provide the only long-term answer to our undocumented worker problem but will provide the markets and materials needed by our own industry, as well as many of the items needed by our consumers. It will provide a friendly, forward-looking environment for U.S. capital. And, most importantly, it will reduce the gap between rich and poor and enable our peoples to grow together in building in our neighboring and immense territories the kind of

societies where living means more than just survival and subsistence. Toward that end we both have a long way to go.

Many of us here today—those of us in government, whether we represent the United States or Mexico, and those of us in the U.S. or Mexican business communities—have an opportunity to impact very directly on all these issues. As we prepare to make the decisions that pertain to our various roles, informed by the type of information and insight we will be gathering this afternoon, I think it is important to keep in mind that the purpose of the whole economic enterprise, in all its many roles and ramifications, is ultimately to meet human needs.

Few things are so central to the life of our individual societies, and to the international community of this hemisphere, as the whole question of how people make a living and how their material needs are to be met. We can't begin to address these issues without the cooperation not only of our governments but of our private sectors as well. That is why President Carter and this Administration have put such a high priority on the consultative mechanism we have developed with Mexico and why we welcome efforts such as the U.S.-Mexico Quadripartite Commission to tap the resources of our two nations' business communities as well. And it is why we place such a high value on conferences such as this one. We expect our experiences here today and tomorrow to lead not only to greater insight and understanding of all of us—particularly us in government—but to lead in a very practical way to expanded involvement in U.S. and Mexican economic development by citizens and groups on both sides of the border.

I will close by saying that the interest and participation of this large and distinguished group in a conference focusing on U.S.-Mexican trade and development both confirms and reinforces the importance this Administration attaches to this relationship. I would like particularly to welcome our Mexican participants and to thank each of you here today for contributing to the success of this conference.

Foundations of U.S. Policy Toward Latin America

Address by Terence A. Todman

Assistant Secretary for Inter-American Affairs¹

Our policies have four fundamental objectives:

—The improvement of cooperation among all states, large or small, within a framework of respect for their sovereignty and individuality;

—Strengthening the global economy to help it meet the interests of all countries;

—Preventing the destructive side effects of modern technology exemplified by nuclear proliferation and the spread of armaments;

—And, underlying all the others, the promotion of human rights.

In this hemisphere we are acting to give effect to those principles in the light of a new awareness of the region's importance. We recognize that the countries of Latin America and the Caribbean are critical to the central issues of our times. We believe that the health of the international community depends on obtaining the economic and political contributions of all countries and addressing the problems and priorities of all countries, not just those considered "Great Powers" in an earlier generation.

We recognize that size and population growth and rapid economic development are making many Latin American nations independently important actors on the world scene. As trade and investment partners they play an important role in the economies of the United States and other industrialized countries. As members of international or-

ganizations they command both a large bloc of votes and the respect of other nations for their initiatives and their development example. Their independent decisions in energy use, nuclear development, arms control, and economic priorities will impact increasingly on the future global environment. And the institutions they evolve and the standards they set for enhancing human freedom within their own societies will help determine the future of human rights and institutions throughout the world.

Cooperation With States

In response to these new realities, the Carter Administration has rethought and restructured our relations with Latin America and the Caribbean, drawing, of course, on the lessons learned and experiences gained in the past.

As a first principle, we are approaching our relations with each government in the region on the basis of equality and the need for cooperation. We have discarded the outworn paternalism of a parochial special relationship that usually meant we took our relations for granted. We are trying instead to respect both the individual concerns and the global influence of the other nations of this hemisphere.

In this effort the role of a vigorous, independent, and above all accurate press—both in our own country and elsewhere in the hemisphere—is crucial. For we cannot begin to respond on an individual basis to the needs and perspectives of another nation unless we

¹Made before the 33d annual meeting of the Inter-American Press Association in Santo Domingo, Dominican Republic, on Oct. 18, 1977. Introductory paragraphs are omitted.

know what they are and in what circumstances they arise.

It is not easy—as world experience throughout history and in all parts of the world shows—for neighbors unequal in sheer size and power to conduct their affairs in a genuine spirit of equality and respect. There has been a tendency for strong nations to abuse—and weak nations to resent—their economic or military advantages.

We in this hemisphere have been trying, slowly and not without some painful learning experiences, to replace that pattern with a better one. We believe that we can best resolve our problems and create a climate where individual rights and international peace can flourish when all nations, large or small, deal with each other as sovereign equals.

Panama Developments

Nowhere is the nature of our new course better exemplified than in the new Panama Canal treaties. That is why the agreement reached by the United States and Panama carries a significance far beyond the treaties themselves.

After 13 years of negotiations, our two governments have arrived at terms that we feel will protect each of our own interests and those of other hemispheric nations which use the canal. These terms are reflected in the two treaties signed in Washington September 7 in the presence of the leaders of the hemisphere.²

The Panama Canal Treaty provides for the administration of the canal by a new U.S. agency [Panama Canal Commission], with increasing Panamanian participation at all levels, until the year 2000 when full responsibility would be assumed by Panama. The areas of the present Canal Zone not needed for actual operation and defense of the canal would revert to the control of Panama, which will resume the jurisdiction and normal governmental functions appropriate to its role as sovereign. Panama would be assured of an equitable stake in the income of the canal

²For texts of the Panama Canal treaties and related materials, see BULLETINS of Oct. 17 and Nov. 7, 1977.

through a fixed \$10 million annuity and other variable payments amounting to an initial yearly package in the neighborhood of \$60 million. All of these payments would be derived from canal revenues, which will increase as a result of a somewhat higher anticipated toll rate and a substantially increased transit volume coming in part from North Slope oil.

The United States will retain primary responsibility for defending the canal for the duration of this treaty. The permanent openness and neutrality of the canal—both during the treaty period and beyond—are guaranteed by the United States and Panama under the separate neutrality treaty signed at the same time. To facilitate Panama's fulfillment of its role, Panamanian forces will gradually increase their participation in canal defense, beginning as soon as the two treaties go into effect.

These treaties will insure the interests which Panama, the United States, and all canal-using countries have in common: the preservation of an open, operating, efficient, neutral canal, accessible to all nations at reasonable rates on a nondiscriminatory basis.

We in the Carter Administration regard this new relationship with Panama as an indication and keystone of the type of cooperative, equitable, forward-looking relationships we hope to establish in all our dealings with hemispheric nations. As I am sure you are aware, there is a great deal of confusion and controversy among the American people about some aspects of the treaties, but we are confident in the course we have set. We are making every possible effort to encourage a full public debate and give to our people the information they need to understand these treaties and their broader implications.

I am confident that, in the light of those facts, our citizens and their representatives in Congress will confirm the commitment our country has made through President Carter and three Presidents before him. I believe the Panama treaties will be ratified. And I believe the spirit underlying them will usher in a very promising future in which the many and varied problems we confront in this hemisphere can be fruitfully addressed.

Cuba Developments

One of those problems is the estrangement of Cuba from the inter-American community. The challenge of Cuba is very different from Panama, but it is no less emotional and potentially more divisive. Here again, the course we have set reflects and illustrates our determination to deal with all states of the hemisphere in a spirit of respect and cooperation.

After 16 years of isolation, communications have been restored between the U.S. and Cuban Governments. The first move was hastened by necessity: The overlap between the new 200-mile zones of two countries separated by only 90 miles of water forced both governments to face squarely the need to define the maritime boundary. As a result, negotiations were initiated last March which led to the signing in April of a fishery agreement and a provisional maritime boundary agreement.

In May we agreed to establish interest sections in each other's capitals, and these were opened September 1. This is a step well short of diplomatic relations but one that will facilitate communications between the two governments and make it easier for both to address the many problems we face.

We have been moving to restore communication with Cuba for a very simple reason: None of the many serious problems that concern us in our relations with Cuba have been solved—or can be solved—by isolation. We would like to see an improvement in the human rights situation in Cuba. We would like to see American prisoners freed and families reunited. We would like to see more moderate Cuban behavior in other parts of the world and no intervention in the internal affairs of other countries. We would like to work out a compensation agreement for our citizens who lost property. We stand a better chance of securing these objectives through quiet negotiation and reciprocal moves toward cooperation than through inflexible hostility and a continuing refusal even to talk.

Already we have seen some indications that our new approach to Cuba is producing results. Castro has agreed to allow American

citizens and their families to leave Cuba if they wish—taking their household effects and savings. The first group of Americans arrived in Miami just last month.

The Cuban Government has also agreed to review the cases of seven American citizens held on political grounds and released one just last week. During the past few months we have received good evidence of an improvement in the treatment accorded prisoners in Cuba. This is a hopeful development in a situation which, obviously, continues to concern us very much.

The process of improving our relations with Cuba may well be a long one. The pace will depend in part on the willingness of Cuba to reciprocate our moves with some forward movement in the areas that concern us. In approaching this process we are mindful of the fact that—whereas Panama is a question on which the nations of the hemisphere have exhibited clear and full solidarity—Cuba's policies still call forth complex and sometimes contradictory reactions, both in the United States and abroad. We will continue to take into account the views and concerns of the other nations of the hemisphere.

Other Cooperation Developments

While the breakthroughs in the case of Panama and of Cuba have both tended to involve dramatic headline events, we have been pursuing our goal of improving our cooperative relations with all governments in other areas that are no less significant.

—This Administration, for the first time, has made the Caribbean basin a major focus of U.S. concern, working in close cooperation with other concerned governments of the region to deal with its challenging economic dilemmas.

—We have strengthened our relationship with our North American neighbor, Mexico, by implementing an ongoing consultative mechanism involving various agencies of our respective governments which face common problems.

—We have pursued a series of high-level visits—Mrs. Carter's trip, Ambassador Young's, Secretary Vance's participation at

the General Assembly of the Organization of American States (OAS) in Grenada,³ and my own visits, the most recent being to the southern countries. We see these experiences as opportunities both to learn the problems and perspectives of other countries first-hand and to demonstrate the high priority we place on our relations with them.

Meeting Economic Needs

A second major thrust of our new approach in this hemisphere is to work with other nations in a serious effort to meet basic economic needs and to develop economic relations among our countries along lines that are fair, workable, and beneficial to all participants.

The central issue here is trade and the desire of most hemispheric nations for increased export opportunities rather than aid. The Carter Administration has moved decisively to address these issues.

—We are constantly exchanging views on the entire range of North-South issues with hemispheric leaders, some of whom are playing increasingly influential roles on the world scene.

—We believe that constructive relationships with developing nations can be worked out which respect national development goals and the interests of both the investor and the host country.

—President Carter has firmly endorsed a liberal approach to trade policy and has backed it with specific actions, including the rejection of a protectionist course on shoe and sugar imports.

—The United States is actively pursuing the multilateral trade negotiations and would support a common funding arrangement for stabilizing commodity prices in the context of individually negotiated agreements.

—Recognizing that trade alone is not enough, we have given full support to inter-

national financial institutions and are committed to substantial future increases in bilateral aid.

—We are encouraging our own private sector groups to rethink their own business opportunities in the light of the development goals of Latin and Caribbean nations and to play an active and constructive role.

In all of these efforts, whether in decisions affecting trade or aid or investment, we realize that a bilateral approach is not enough. We welcome and support not only the cooperation but the initiatives of the other nations of the hemisphere. An excellent example is the leadership being offered by a number of other hemispheric governments in addressing the problems of the Caribbean island economies. By working together as individual nations and by strengthening our multilateral organizations, we can approach the hemisphere's economic problems with a much better chance of meeting real needs and priorities.

Peace and Arms Restraint

The same principle applies with particular force to the third area of our policy—trying to avoid the dangers of nuclear proliferation, the buildup of arms, and the escalation of disputes into armed conflict.

It is the nations and peoples of Latin America who must live most directly with the effects of any failure in arms restraint or in peaceful settlement of disputes, and only they can make those efforts successful. We are particularly encouraged, therefore, by the initiatives that have come out of Latin America to deal with those problems on a regional and subregional basis. Our policy is to recognize and respond supportively to those initiatives.

—First, we have put into effect a new policy on arms sales. The United States will not be the first to introduce new weapons sys-

³For texts of material concerning Secretary Vance's participation at the General Assembly meeting and text of a resolution adopted by it on June 22, see BULLETIN of July 18, 1977, p. 69.

⁴The Declaration of Ayacucho was signed by Argentina, Bolivia, Chile, Colombia, Ecuador, Panama, Peru, and Venezuela on Dec. 9, 1974.

tems. We will respect and support regional arms control initiatives, such as the Ayacucho agreement.⁴ We will also actively seek restraint from suppliers outside the hemisphere.

—Secondly, President Carter signed Protocol I of the treaty of Tlatelolco [on May 26] in which the United States pledges to ban nuclear weapons from the region. We are currently discussing with hemisphere governments ways to prevent proliferation of nuclear-weapons technology while preserving Latin American options for the peaceful use of the atom.

—Finally, we are working to prevent the escalation of local disputes into military confrontations. We have had high-level discussions with the parties to the Belize dispute in an effort to discourage resort to a military solution. In El Salvador and Honduras we are cooperating closely with the OAS in maintaining the cease-fire and urging the two governments to negotiate a final resolution of their differences. And we are backing the initiatives of the Andean states to reduce tensions in the area and negotiate their territorial differences.

Human Rights

Underlying each of our other policies is the firm commitment of the Carter Administration to the promotion of human rights. This commitment has the support of our own people and reflects the shared aspirations of individuals throughout the world. It is a vital component of our approach to foreign policy and will remain so.

In our effort to promote increasing respect for the rights of the person, we in government as well as you in the news profession must be sensitive to the multifaceted nature of the bundle of rights that make human life secure and worthwhile and to the variety of sources from which those rights may be threatened.

The United States in this Administration is strongly concerned about three groups of human rights.

—First, there is the right of the individual to be secure against torture, assassination, arbitrary imprisonment, and other basic violations of the integrity of the person.

—Then there is the right of the individual to have his basic economic and social needs—for food, for education, housing, and health care, for a job—respected and met.

—Finally, there is the right of the individual freely to express his views, to assemble, to practice his religion, to participate in the political process, and to exercise other civic and political rights of a free society.

The protection afforded an individual in all these areas of life depends in the first instance upon the values, standards, and institutional safeguards of his own society. But it is also colored by the advance of world standards and the climate of international opinion and by the example and concern of other peoples and governments.

We recognize that the primary movement in securing all the rights of the person—as in maintaining peace and meeting economic needs—must come from within each of the hemisphere's nations themselves. The countries of Latin America and the Caribbean include a wide spectrum of differing economic systems, levels of development, and political institutions. Each must respond to the needs and priorities of its own people.

We recognize, too, that in responding to those priorities different societies bring different perspectives to the question of which human rights are in most urgent need of protection. We in the United States have often emphasized the rights affecting the integrity of the person as requiring our highest priority attention. At the same time, we know that a man who dies of starvation or the lack of simple medical care is deprived of life as arbitrarily and as cruelly as the man dragged off in the night and shot. We realize that for many countries of the hemisphere, action against economic conditions that do violence to human life and dignity commands the very highest priority.

I am not here today to argue the question of which type of human right is more impor-

tant. Clearly, for all of us who value human life, they are all important. And just as clearly, the conditions under which any of them are threatened vary greatly from country to country, and even within groups.

What I would like to suggest is that a society's ability and willingness to respond to the rights and needs and priorities of its people—whether those needs be for greater security of the person or for a greater share of material goods—depends to a significant extent on the existence and vigor of the third set of human rights: those that pertain to the voice and participation of an individual in his or her society.

Freedom of expression is fundamental to the promotion and maintenance of all other forms of human rights. It allows problems to be identified and abuses corrected. By holding governmental behavior up to the light of public scrutiny, it not only reveals but deters abuses of authority. It permits an individual to have a say in the choices and values and governmental decisions of his society, which will in turn determine the range of options and potential benefits and burdens in his own life as an individual.

We believe that the protection of free speech and a free press and other forms of expression must be accepted as a basic responsibility of any caring society. And we believe that each society has a further responsibility to develop and nurture institutions permitting the individual not only to speak but to be heard. The specific structures through which individual participation is institutionalized vary greatly from country to country. Each nation must fashion social and economic and political arrangements that reflect its own culture and evolutionary process. But we believe that progress toward participatory or democratic institutions, however structured, must play a key role in all our efforts to advance the quality of life of the human person.

Recent Initiatives

That is why we in the Carter Administration have been particularly encouraged by the initiatives of Latin American nations in

all three areas—juridical, economic, and participatory human rights—and why we are determined to pursue our supporting efforts as the moral cornerstone of our policy.

We believe that we are seeing a trend in the direction of greater attention to human needs and human rights as governments respond to the aspirations and demands of their own citizens. We believe the United States and other nations of the hemisphere, particularly by acting together, can contribute to that climate.

—We welcome the initiative of Costa Rica and other nations in giving birth to the American Convention on Human Rights.⁵ President Carter has signed this convention [on June 1] on behalf of the United States, and we are confident of its ratification. We are encouraged by the growing number of other signatories.

—The United States fully supports the efforts of other hemispheric states to strengthen the Inter-American Human Rights Commission. At the OAS General Assembly in Grenada, the nations of the hemisphere—with the support of the United States and, I might mention, every delegation from the Caribbean—approved a strong resolution to strengthen the hand of the Commission. Recently several countries have indicated a new willingness to cooperate with it in its investigations.

—The United States has pressed for improvement in the human rights performance of several countries in frank discussions, and we have made it clear that this issue will affect our bilateral relationships. While we do not expect our role to be determinative, I am convinced that it is having a positive impact.

—Finally, we have been encouraged by recent evidence that the trend away from democracy may be ending. Ecuador has scheduled a return next year to constitutional government; Honduras by 1979; Bolivia by 1980. Recently the Government of Chile also made a public commitment to a timetable. Just last week, Peru's govern-

⁵ For text of convention, see BULLETIN of July 4, 1977, p. 28.

ment formally called for elections next June 4 for a constituent assembly.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

Role of a Free Press

In each of our societies, progress in the direction of fuller participation by all of our citizens will hinge, to a large extent, on our institutions of free expression. They measure as well as indicate how far we have come and where we are going.

You in the news profession have a very challenging role to play. A free press serves as a vital link between those whose human rights are violated—whether by abuse of authority or by continuing privation—and those in a position to act on their concern. Both governments in their sincere efforts to be responsive, and the ultimate court of world opinion and conscience, must be guided by their understanding of conditions as they exist. For this we rely on your own efforts and your own sense of urgency and responsibility.

In the last analysis, a free society relies on its free press institutions not only to present accurate information of passing events but to help forge and transmit the values and culture of our societies. Human beings do not grow up and live and work in a vacuum. We are all deeply affected by what we experience not only in our immediate lives but, vicariously, through the eyes of others.

What we read in our newspapers and magazines and hear and see through our broadcast media helps shape our concept of who and where we are and what expectations we can realistically hold out for our material well-being and social advancement and opportunity to participate in our government.

The free press in a free society—and in societies struggling, as we all are, to become more free—should hold as its highest mission to keep alive in the hearts of its readership a vision of a free, peaceful, and caring society as something to which it is both possible and necessary for every human being to aspire.

U.S. Position on Israeli Settlements

Following is a statement by Andrew Young, U.S. Ambassador to the United Nations, made before a plenary meeting of the U.N. General Assembly on October 28.

STATEMENT BY AMBASSADOR YOUNG

UEUN press release 88 dated October 28

The issue presently under consideration by this Assembly has been a matter of deep concern to my government since 1967. The representatives of the United States have, on many occasions in the United Nations and elsewhere, stated our position in regard to Israeli civilian settlements in the territories occupied in 1967.

There are two elements to our position. First, we are opposed to those settlements because they could be perceived as prejudging the outcome of negotiations to deal with the territorial aspects of final peace treaties. The settlements thus inevitably complicate the already difficult process of negotiation.

Second, we believe that Israeli civilian settlements in occupied territories are inconsistent with international law as defined in the fourth Geneva convention [of 1949]. In March [23,] 1976, my predecessor, Ambassador [William W.] Scranton, speaking to the Security Council, described the U.S. position as follows:

... my government believes that international law sets the appropriate standards. An occupier must maintain the occupied area as intact and unaltered as possible, without interfering with the customary life of the area, and any changes must be necessitated by the immediate needs of the occupation and be consistent with international law. The Fourth Geneva Convention speaks directly to the issue of population transfer in article 49: "The Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies."

Clearly then, substantial resettlement of the Israeli civilian population in occupied territories, including in East Jerusalem, is illegal under the convention and

cannot be considered to have prejudged the outcome of future negotiations between the parties on the location of the borders of states of the Middle East.¹

I have stated our position in the clearest possible terms. The resolution before us today is consistent in most respects with the position of the United States. However, the United States has accepted a special responsibility as cochairman of the Geneva Middle East Peace Conference. That responsibility requires that we remain impartial and stand apart from any effort of this sort which could be understood as involving the complex issues which will be considered at Geneva. Thus, we have abstained on this resolution.

TEXT OF RESOLUTION ²

Recent illegal Israeli measures in the occupied Arab territories designed to change the legal status, geographical nature and demographic composition of those territories in contravention of the principles of the Charter of the United Nations, of Israel's international obligations under the fourth Geneva Convention of 1949 and of United Nations resolutions, and obstruction of efforts aimed at achieving a just and lasting peace in the Middle East.

The General Assembly,

Stressing the urgent need to achieve a just and lasting peace in the Middle East,

Expressing grave anxiety and concern over the present serious situation in the occupied Arab territories as a result of the continued Israeli occupation and the measures and actions taken by the Government of Israel, as the occupying Power, and designed to change the legal status, geographical nature and demographic composition of those territories,

Considering that the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949,³ is applicable to all the Arab territories occupied since 5 June 1967,

1. *Determines* that all such measures and actions taken by Israel in the Palestinian and other Arab territories occupied since 1967 have no legal validity and constitute a serious obstruction of efforts aimed at achieving a just and lasting peace in the Middle East;

¹ For Ambassador Scranton's statements before the U.N. Security Council on March 22, 23, and 25, 1976, see BULLETIN of April 19, 1976, p. 526.

² The General Assembly adopted draft resolution A/32/L.3' Rev. 1 and Rev. 1/Add. 1 and 2 by a roll call vote of 131 to 1, with 7 abstentions (U.S.), as A/RES/32/5 at its 52d plenary meeting on Oct. 28, 1977.

³ United Nations, Treaty Series, Vol. 75, No. 973, p. 287 (also printed as 6 UST 3516).

2. *Strongly deplores* the persistence of Israel in carrying out such measures, in particular the establishment of settlements in the occupied Arab territories;

3. *Calls upon* Israel to comply strictly with its international obligations in accordance with the principles of international law and the provisions of the Geneva Convention relative to the Protection of Civilian Persons in Time of War, of 12 August 1949;

4. *Calls once more upon* the Government of Israel, as the occupying Power, to desist forthwith from taking any action which would result in changing the legal status, geographical nature of demographic composition of the Arab territories occupied since 1967, including Jerusalem;

5. *Urges* all States parties to the Geneva Convention relative to the Protection of Civilian Persons in Time of War to ensure respect for and compliance with its provisions in all the Arab territories occupied by Israel since 1967, including Jerusalem;

6. *Requests* the Secretary-General:

(a) To undertake urgent contacts with the Government of Israel to ensure the prompt implementation of the present resolution;

(b) To submit a report to the General Assembly and the Security Council, not later than 31 December 1977, on the results of his contacts;

7. *Requests* the Security Council to review the situation in the light of the present resolution and of the report of the Secretary-General.

THE CONGRESS

Department Testifies on Alcan Project

Following is a statement by Stephen W. Bosworth, Deputy Assistant Secretary for Economic and Business Affairs, made before the Senate Committee on Energy and Natural Resources on October 12.¹

I am pleased to appear before your committee in support of the President's decision in favor of the Alcan project for the transportation of Alaskan gas through Canada to the

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.

lower 48 States.² In my testimony today in support of the President's decision, I will discuss:

—Some of the considerations upon which the decision is based;

—The relationship of the U.S.-Canada Transit Pipeline Treaty to the Alcan project;

—The main points of the U.S.-Canada Agreement on Principles Applicable to a Northern Natural Gas Pipeline; and

—The impact of the decision on U.S.-Canadian relations.

Secretary [of Energy James R.] Schlesinger has provided the committee with a full description of the economic factors which led the President to select the Alcan project. The project will deliver gas from Alaska to the lower 48 States at an estimated cost of service of \$1.04 per thousand cubic feet of gas—15¢ lower than the estimated cost of service of the alternative systems. Over the life of the pipeline, the lower cost of service on the Alcan system will save U.S. consumers on the order of \$6 billion.

As we have observed in recent years, the energy systems of the United States and Canada are closely related. The United States currently obtains about 1 trillion cubic feet per annum of natural gas from Canada, which represents about 5 percent of our total annual supply. During last winter's energy crisis, Canada provided on an emergency basis large additional supplies of natural gas to U.S. communities hard hit by natural gas shortages. Oil imports from Canada, while substantially reduced from the level reached earlier, remain important to U.S. refineries in the northern tier States. U.S. coal exports to Canada, exchanges of electricity along the border, and the transit of Canadian hydrocarbon pipelines through the United States are further elements of the important U.S.-Canada energy relationship. The joint gas transportation project will add a major new dimension to that relationship.

Moreover, by offering a potential transpor-

tation system for Canadian gas from the northern areas of Canada, the construction of the Alcan line will provide a strong stimulus to exploration and development activities in that area. Each government has a strong interest in assuring the maximum availability of energy in our respective countries. This joint gas transportation project thus clearly meets the common interest.

U.S.-Canada Transit Pipeline Treaty

In the legislation which authorized construction of the trans-Alaska oil pipeline, the Congress authorized and requested the President to enter into negotiations with the Government of Canada to determine the willingness of that government to permit construction of pipelines across Canada for the transportation of natural gas and oil from Alaska to the lower 48 States and the terms and conditions under which such pipelines could be built. In response to this mandate from the Congress, and an expression of interest by the Canadians in developing such an agreement, negotiations began in 1974.

At the outset, the Canadians made it clear that they were not prepared to discuss, or approve, a specific pipeline project. The negotiations centered on an agreement to provide general, reciprocal assurances applicable to all existing and future pipelines transiting the United States or Canada. The U.S.-Canada Transit Pipeline Treaty, to which the Senate gave its advice and consent on August 3, and which has since been ratified by both countries, provides the following principal assurances:

—Noninterference with the flow of hydrocarbons in transit;

—Nondiscriminatory taxation; and

—In-bond treatment of hydrocarbons in transit.

The Alcan project will rely upon these assurances. Protection against interference and in-bond treatment are unambiguous concepts and present no problems of interpretation when applied to the Alcan project.

However, the assurances of nondiscriminatory taxation require that a standard be chosen against which to measure possible discrimination. The treaty provides that

²For texts of the joint statement by President Carter and Prime Minister Trudeau of Sept. 8, 1977, President Carter's message to the Congress of Sept. 22, and a fact sheet on the Alcan pipeline project, see BULLETIN of Oct. 31, p. 609.

"similar pipelines" within the jurisdiction of a taxing public authority will serve as the standard of comparison.

The Canadian portion of the Alcan pipeline will be subject to the taxing authority of four distinct public authorities—the Yukon Territory, the Province of British Columbia, the Province of Alberta, and the Province of Saskatchewan. In the three provinces, pipelines exist which provide a standard of comparison under the treaty. For example, west coast transmission, Alberta gas trunk line, and trans-Canada are pipelines which can be used for comparison. The treaty provides that the governments of these provinces may levy only those taxes upon the Alcan pipeline which are also levied upon the similar pipeline within their jurisdiction.

Furthermore, all three provinces have assured the Federal Government of Canada that they will observe the principles of noninterference and nondiscriminatory tax treatment contained in the Transit Pipeline Treaty. These assurances are annexed to the Alcan agreement on principles recently concluded with Canada [initialed Sept. 20] and are included among the documents the President has provided to the Congress in support of his decision.

The treaty provides for binding arbitration should a dispute arise. In addition, the United States would have recourse against the Federal Government of Canada under international law in the event of a violation of the terms of the treaty.

Apart from the legal remedies available under the terms of the treaty and international law, there is also a strong tradition of cooperation which exists between the United States and Canada. In previous joint projects, such as the Saint Lawrence Seaway and the Alaskan Highway, the Government of Canada has met its commitments and honored the terms of its agreements. For our part, we have not interfered with nor discriminated against the important pipelines which carry Canadian gas and oil across U.S. territory. We believe that this tradition of cooperation, recognition of shared interests, and respect for lawful agreements will continue in the case of the Alcan pipeline.

Yukon Taxation

As stated earlier, the treaty's nondiscrimination protection relies upon the existence of a standard of comparison. Since no pipeline similar to the Alcan line now exists in the Yukon Territory, there is not now an appropriate standard of comparison for purposes of tax treatment. If the Canadians build—as they presently intend—the Dempster [Highway] lateral from the Mackenzie Delta to Whitehorse to connect with the Alcan line, this pipeline will be "similar" for purposes of the treaty and will provide a standard of comparison for tax purposes.

However, to guard against the contingency of the lateral not being built or being long-delayed, the Agreement on Principles Applicable to a Northern Natural Gas Pipeline provides for an alternative tax regime applicable to the Alcan line in the Yukon until the Dempster lateral is constructed. This regime specifies the maximum levels of taxation which may be imposed in the Yukon during the construction of the line. The regime also establishes a \$30 million ceiling on taxation of the line after completion. This amount is subject to adjustment annually from 1983 to reflect the rate of inflation in Canada or to correspond to increases in Alaskan taxes on the portion of the line in Alaska.

After the first 5 years of expected operation of the line, the tax ceiling may also be adjusted to correspond proportionately to increases in the levels of Yukon taxes or grants from sources other than taxes on the pipeline. This alternative tax regime would, of course, be superseded if the Dempster line is built because the Alcan line would then enjoy the assurances on taxation provided by the Transit Pipeline Treaty.

Native Claims

Concern has been expressed that the cost of settling native land claims in the areas traversed by the pipeline carrying Alaskan gas might have to be borne by the pipeline and indirectly by the U.S. consumer. This issue was specifically addressed during the negotiation of the agreement.

Paragraphs 11 and 12 of the Agreement

identify the types of charges which may be imposed on the pipeline by Canadian public authorities. Payment for the settlement of native claims is not among these, and the Government of Canada has confirmed our understanding that any cost of settlement of native claims will not be borne by the Alcan project. Canadian Deputy Prime Minister Allan J. MacEachen, speaking at the signing ceremony held in Ottawa on September 20, said: "[native claims] exist independently from the pipeline and will not give rise to any charges on the pipeline project. Their settlement is a purely Canadian responsibility."

Construction Timetable

There has been some concern also that selection of a trans-Canadian route might expose the United States to a greater risk of costly delays in construction than the alternative projects. Therefore, in the course of negotiating the agreement on principles, we asked the Canadian officials to commit to specific dates for authorization of commencement to construction. The Canadians have done so. The agreement specifies that both governments will take measures to insure the prompt issuance of all authorizations with a view to allowing main pipelaying in the Yukon to begin on January 1, 1981. This would, of course, include insuring that the settlement of native claims does not delay construction.

Other construction in Canada will be allowed to begin on a schedule which will enable initial operation of the pipeline on January 1, 1983.

The cost-sharing formula for the Dempster lateral contained in the agreement also provides strong incentives for the Canadians to minimize the cost of building the Canadian section of the Alcan main pipeline. Inasmuch as construction delays are inherently costly, the incentive formula gives the Government of Canada good reasons to prevent construction delays.

Indirect Socioeconomic Costs

Construction of the pipeline is likely to disrupt the normal development of northern communities along the pipeline right-of-way,

as was the case in Alaska during construction of the trans-Alaska oil pipeline.

However, the agreement makes clear that indirect socioeconomic costs in the Yukon associated with construction of the pipeline ". . ." will not be reflected in the cost of service to the United States shippers other than through the Yukon property tax."

We understand that the government of the Yukon will borrow money, on commercial terms, from the pipeline companies involved in building the pipeline in the Yukon in order to meet the indirect socioeconomic costs associated with the pipeline construction. The borrowed funds will be repaid from tax revenues. Therefore, the loan of money to the Yukon Territory by the pipeline companies will have no impact on the cost of delivering Alaskan gas to U.S. consumers other than through the agreed levels of taxation.

I have not mentioned all of the provisions of the agreement. The agreement also covers pipeline routing, cost-sharing, implementing legislation, and consultative procedures.

Impact on U.S.-Canadian Relations

The U.S. and Canada have a long tradition of cooperation on mutually beneficial projects. Examples include the distant early warning system, the Alaskan Highway, the Saint Lawrence Seaway, the auto agreement, and the transportation of Canadian hydrocarbons across the United States. Our decision to work together on the Alcan pipeline furthers and strengthens this tradition of cooperation.

In our view the pipeline agreement exemplifies the type of project where bilateral cooperation is most clearly called for—projects which lead to benefits which could not be obtained by either country were we to address separately the problems concerned.

The pipeline will be one of the largest construction projects ever undertaken in North America. Its successful completion will engage the skills and productive capacity of both countries and will provide important economic benefits to both countries. It will enable the two countries to provide substantially more gas to consumers at a lower cost

than if either of us were to act independently. At the same time, agreement on the Alcan pipeline enlarges the opportunities for further cooperation with Canada in the energy field and strengthens possibilities for continued expansion of mutually beneficial collaboration between the two countries on a broader range of issues of common concern.

Narcotics Control Program in Bolivia

Following is a statement by K. Mathea Falco, Senior Adviser to the Secretary and Coordinator for International Narcotics Matters, made before the Subcommittee on Foreign Assistance of the Senate Foreign Relations Committee on October 14.¹

I am pleased to appear before you today to discuss the foreign assistance funded narcotics control program in Bolivia. Bolivia, along with Peru, is the primary producer of coca leaves which are used to manufacture cocaine. Approximately 20,000 farmers in the Yungas and Chapare regions of Bolivia currently grow about 20,000–30,000 metric tons of coca leaves annually—a substantial increase over previous years. The vast majority of this production is converted to cocaine for the illicit market. The rest is used by indigenous traditional coca chewers.

Allowing for the leaves used by indigenous chewers, Bolivian coca production can potentially yield 28.9 metric tons (63,580 pounds) of cocaine. This, of course, is a maximum potential. The amount reaching the United States is considerably less. If all of that were to reach the streets of the United States, it would be worth over \$26 billion. As these figures indicate, Bolivia is critical in the international drug control effort.

This new Administration has been care-

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.

fully reviewing the entire international narcotics control program, and in recent months particular attention has been directed toward our cocaine policy. The Department of State, in conjunction with the Office of Drug Abuse Policy and other relevant agencies, is evaluating the many facets of the complex and difficult issues involved in developing a coherent national and international strategy toward illicit cocaine production and traffic.

Briefly stated, our present thinking from a domestic viewpoint is that the critical factor underlying the lack of reported severe health consequences from cocaine use in the United States is the high price of the drug which restricts the general level and extent of use. Although there were only 20 cocaine-related deaths reported in the United States last year, we simply do not know at this point the full range of potential adverse health consequences that might result if use increases dramatically. The major focus of our domestic strategy, therefore, must be to restrict the usage of cocaine through curtailing availability.

From the international perspective, the deleterious effects of the illicit cocaine traffic are immense. President Carter clearly stated the rationale underlying our international initiatives to curtail cocaine and other illicit drug trafficking and production in his drug abuse message to the Congress of August 2, 1977:²

... The enormous profits generated by the illicit drug traffic distort the economies of many smaller countries, aggravating inflation and draining tax revenues; they also engender corruption and corrode political stability.

The President concluded that we must work closely with other governments to assist them in their efforts to eliminate the cultivation of drug-producing crops and to develop legitimate alternative sources of income for the often impoverished farmers who produce these crops. Accordingly, the suppression of cocaine production and traffic has been assigned a high priority both to re-

²For excerpts of President Carter's message, see BULLETIN of September 19, 1977, p. 380.

duce the drug's domestic availability and to undermine the strength of the illicit multinational trafficking networks.

The long-term goals of our cooperative program with Bolivia and other Latin American countries are to disrupt the major trafficking networks and to reduce the amount of cocaine and coca produced for the illicit market. These goals do not lend themselves to simple strategies or rapid solutions; they require a complex variety of policy approaches involving diplomatic initiatives, improved enforcement, and rural development in primary coca-producing areas.

Joint drug control efforts with the Bolivian Government date back to FY 1972 and include vehicles, communications equipment, training, technical assistance, and agricultural research to identify alternatives to coca cultivation. Through FY 1976 (including the transition quarter), our international narcotics control assistance in Bolivia totaled \$1.2 million.

As a result of a meeting between Bolivian President Banzer and then Secretary of State Kissinger in June 1976, U.S. narcotics and development assistance programs in Bolivia were expanded. Long-term funding commitments were made by President Ford in August 1976 to provide Bolivia \$8 million in narcotics assistance and up to \$45 million in AID [Agency for International Development] funds for rural development in the coca-growing regions.

Pursuant to these agreements, FY 1977 narcotics assistance increased to \$1.4 million. The current program is designed to improve the professional competence of the Bolivian narcotics enforcement effort to disrupt major trafficking networks and to curtail illicit coca and cocaine production. Focusing law enforcement resources effectively against major traffickers is a long and difficult process, one which has taken the industrialized countries of the world years to develop and which has not yet been fully realized. We are hopeful that through the international narcotics program, law enforcement priorities in many key countries can be focused on major trafficking net-

works, which are critical targets of an effective worldwide drug control policy.

We are also supporting limited pilot projects in the Chapare and Yungas regions to determine the feasibility of more extensive efforts to encourage coca growers to cultivate other crops, such as coffee, cocoa, citrus, and spices. This research is still in the preliminary stages, and it is too early to predict the results. In conjunction with this project a registry of coca producers is being carried out by the Bolivian Government.

It is unlikely that crop substitution will dramatically reduce total coca production in the immediate future. These efforts—which are more appropriately described as agricultural research preparatory to integrated rural development programs in primary producing areas—must be viewed in the broader context of a many-faceted diplomatic, enforcement, and long-term development strategy. While the projected multiyear AID program will not provide the local farmers with income commensurate with coca cultivation, it will begin the laborious process of bringing rural development to very poor regions of Bolivia. This is a critical factor in any plan to ease the impact of the progressive coca cultivation reduction proposed by the Bolivian Government. AID now has ongoing projects contiguous to the coca-producing areas and similar to those being undertaken in the Chapare and Yungas regions. The same Bolivian agencies are administering both projects.

In conjunction with Bolivia and other Latin American governments, we have undertaken a long and difficult process, the goal of which is to reduce significantly the availability of illicit cocaine. For the reasons I have discussed, dramatic results are unlikely in the near future. However, our commitment to this goal must be sustained. Without these cooperative efforts, an unchecked flow of cocaine would increase greatly the risks of domestic health hazards as well as intensify the corrosive power of the illicit traffic on the economic, social, and political stability of many Latin American nations.

Israeli Settlements in Occupied Territories

Following is a statement by Alfred L. Atherton, Assistant Secretary for Near Eastern and South Asian Affairs, made before the Subcommittees on International Organizations and Europe and the Middle East of the House Committee on International Relations on October 19.¹

I am here to respond to your request for the State Department's views on the subject of Israel's settlements in territories occupied in the 1967 war. With your request, you forwarded a number of questions dealing with the legal, political, and factual aspects of this subject. In this statement, I will review briefly the legal and political considerations that form the basis of our policy and touch on those questions relating to the relationship of the settlements to the future status of the occupied territories. Following my statement, I am at the subcommittees' disposal to answer today, or subsequently in writing for the record, your questions on these and other aspects of this subject.

The U.S. position on Israeli settlements in the occupied territories has been consistent since this subject first became an issue in 1968. There are two elements to our position.

First, we have viewed those settlements as an obstacle to peace because their establishment could be perceived as prejudging the outcome of negotiations dealing with the territorial aspects of final peace treaties.

U.N. Security Council Resolution 242 of November 1967 establishes the principles that peace must be based on withdrawal by Israeli armed forces from territories occupied in the 1967 conflict and the termination of all claims or states of belligerency and respect for and acknowledgment of the sovereignty, territorial integrity, and political independence of every state in the area and their right to live in peace within secure

and recognized boundaries free from threats or acts of force. In brief, Resolution 242 envisages Israeli relinquishment of occupied territories in return for Arab agreement to recognize Israel's right to exist and to live in peace with it.

The Arabs perceive Israel's settlements in the occupied territories as indicating that Israel intends to retain permanent control in the areas where the settlements are located and therefore as prejudging agreement in the negotiations on the location of the final secure and recognized boundaries called for in Resolution 242. The Israeli Government has taken the position that all issues are negotiable and that the settlements will not be an obstacle to negotiations and peace. In our view, however, once settlements are established, they inevitably create psychological and political conditions which will make it more difficult to negotiate the final disposition of areas where they are located.

This is especially troublesome at a time when one of the main problems in launching peace negotiations is to persuade each side that the other intends to negotiate a settlement within the framework of Resolution 242. Thus, the settlements complicate the work of beginning the negotiations because they raise questions in Arab minds whether the negotiations, once begun, have a reasonable chance of succeeding. In this respect, they are analogous to statements from some Arab quarters which raise questions in Israeli minds of whether the Arabs are really prepared to make genuine peace.

Second, we see the Israeli settlements as inconsistent with international law. The fourth Geneva Convention Relative to the Protection of Civilian Persons in Time of War [dated August 12, 1949], which contains many of the internationally recognized rules under which military occupation should be conducted, states in article 49 the following: "The Occupying Power shall not deport or transfer parts of its own civilian population into the territory it occupies."

Both Israel and its Arab neighbors are signatories of the convention, although Israel maintains that it does not apply to any of the territories it has occupied since 1967,

¹ 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.

and that, in any case, it does not prohibit the establishment of settlements in occupied territory. We do not agree with this view of the convention. In addition, we believe that under international law generally a belligerent occupant is not the sovereign power and does not have the right to treat occupied territory as its own or to make changes in the territory except those necessitated by the immediate needs of the occupation. In general, an occupant may only use the resources of the territory, including public lands, to meet the expenses of administering the territory and the military needs of the army of occupation and for the direct benefit of the indigenous inhabitants.

You have asked me to comment on the relationship between the settlements in occupied territories and the right of self-determination of the people of those territories.

To begin with, it is essential to understand an important difference between the Sinai and the Golan Heights, on the one hand, and the West Bank and Gaza, on the other.

—Territory in the Sinai and the Golan from which Israel withdraws as a result of a negotiated agreement will clearly revert respectively to Egypt and Syria, whose sovereignty is not disputed. The issue of self-determination is therefore not germane in these two cases.

—In the West Bank and Gaza, however, the situation is different. Both of these territories were part of the British mandate of Palestine. While the legitimate existence of a sovereign Israel in part of Palestine is recognized, the question of sovereignty in the part of Palestine remaining outside of Israel under the 1949 armistice agreements has not been finally resolved. Jordan in May 1950 declared that its annexation of the West Bank was without prejudice to the final settlement of the Palestine issue, and Egypt did not make any sovereign claim to the Gaza Strip during the time it was the administering authority there. Israel similarly notes the undefined nature of sovereignty in the West Bank and Gaza.

The relationship between the settlements

and the principle of self-determination cannot be discussed in isolation, because the settlements are but a single factor involved in negotiating peace treaties that will provide, among other things, for the future of the West Bank and the Gaza Strip. In the view of the United States, the important thing concerning the future disposition of the West Bank and Gaza is that the arrangement be acceptable to the parties concerned.

There is no clear consensus with respect to the question of whether, and if so how, self-determination might be expressed or to the timing of such an expression. Whether such a consensus can be achieved in the negotiating process that lies ahead remains to be seen. This question, however, together with all the other complex issues of achieving peace in the Middle East, points up the importance of reconvening the Geneva Middle East Peace Conference so that the negotiating process can be resumed as soon as possible. We are now engaged in intensive diplomatic efforts to that end.

Human Rights Policy Review

Following is a statement by Mark L. Schneider, Deputy Assistant Secretary for Human Rights, made before the Subcommittee on International Organizations of the House International Relations Committee on October 25.¹

I want to express my appreciation for the opportunity to review for the subcommittee the current stage of our human rights policy.

To a substantial degree, Mr. Chairman [Donald M. Fraser of Minnesota], you and your subcommittee have produced many of the recommendations for increasing the priority of human rights in our foreign policy. We share your commitment and value

¹ 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.

your criticism and your views on how best to make human rights a central tenet of our foreign policy.

That purpose was signaled in the inaugural address of the President. It has remained a key goal of the Administration as we have begun the task of instituting a far higher priority for human rights in foreign policy decisionmaking than in the past.

We have based our actions on our obligations under the U.N. Charter and other international commitments, on our responsibilities under domestic law, and on our belief that the people of this country want a foreign policy that is in accord with our values. We believe that a foreign policy that fails to reflect those values will not receive, nor deserve, the support of the American people.

To those who argue that our concern for the human rights of people in other lands constitutes intervention, we say look to the Charter of the United Nations, to the Universal Declaration of Human Rights, to the Helsinki Final Act, to the declaration against torture, and to similar regional instruments and resolutions. No nation in the world today can hide torture, apartheid, arbitrary imprisonment, censorship, or other such violations of human rights behind assertions of sovereignty. The denial of internationally recognized human rights and fundamental freedoms is a matter of international concern.

As the Secretary of State and Deputy Secretary Christopher have emphasized, our definition of human rights rests on the U.N. Charter and those internationally recognized standards set forth, for example, in the Universal Declaration of Human Rights. They include—without distinction as to race, sex, language, or religion—the right to be free from governmental violation of the integrity of the person, economic and social rights, and civil and political liberties.

Categories of Human Rights

In the first category of rights of the person, we include the right to freedom from torture; cruel, inhuman, or degrading treat-

ment or punishment; arbitrary arrest or imprisonment; denial of fair public trial; and invasion of the home.

The second involves the right to such vital needs as food, shelter, health care, and education. Our efforts are to promote greater attention by governments to these critical areas of development. Our concerns relate to governments which reject those rights by adopting policies which aim at further luxuries for a small elite at the expense of the vast majority of a nation's citizens.

The third set of rights involves civil and political liberties, those fundamental values which distinguish free societies—freedom of thought, of religion, of assembly, of speech, of the press; freedom of movement within and outside one's own country; and freedom to participate in government.

We seek to promote greater observance by all governments of all these rights. They are interrelated and intertwined and spell out whether individuals can live in dignity. As the Deputy Secretary has stated [on August 9]: "It is, after all, these rights that make life worth living."

In attempting to assess where we are today, it seems worthwhile noting briefly where we began. Previously, human rights seemed to have a very low profile in the configuration of American foreign policy. The United States was identified by many people less with the protection of human rights than with regimes which had violated those rights.

We have traveled a considerable distance from that situation. Yet, we are still in the process of defining fully the strategy and tactics for carrying out this new policy.

Let me cite some of the steps we have taken—unilateral, bilateral, and multilateral—to fulfill that pledge.

U.S. Actions

First, with the encouragement of the Congress, we have restructured the Department of State's institutional attention to human rights by creating a separate Bureau of Human Rights and Humanitarian Affairs and providing it with staff and resources and

access to decisionmaking. In addition, full-time human rights officers have been named in each of the bureaus, and the Department has made each Ambassador personally responsible for assuring that our human rights policy is understood, that we have continuing contacts with groups concerned with human rights in other countries, and that full information on human rights conditions is reported.

We have created an Interagency Group on Human Rights and Foreign Assistance. This committee reviews all aspects of our economic assistance relations with other nations, including our position on loans in international financial institutions, in light of our human rights objectives in particular countries. A special working group reports to that committee.

As part of the security assistance review process, covering both the budget and policy concerning specific weapons transfers, the Assistant Secretary of Human Rights and Humanitarian Affairs [Patricia M. Derian] sits as a member of the Arms Export Control Board and the Security Assistance Advisory Group.

Second, every spokesperson for the Department and the Administration, from the President on down, has emphasized the importance of human rights factors in our foreign policy development.

We believe strongly, as President Carter stated in his address at Notre Dame [on May 22], "... that it is a mistake to undervalue the power of words and of the ideas that words embody. . . . In the life of the human spirit, words are action. . . ."

Third, we have undertaken diplomatic initiatives in innumerable countries urging the release of political prisoners, an end to states of siege which suspend constitutional due process protections, a return to the rule of law and the democratic process, an end to torture, and the enhancement of all human rights.

Fourth, we have halted or reduced security assistance programs and withheld commercial licenses for military equipment for armed forces in several countries which have

engaged in serious human rights violations. No country can assume that it has a blank check to obtain arms from the United States, but especially those with serious human rights violations.

Fifth, we have examined our bilateral economic assistance programs with an eye toward insuring that they go to benefit people and not to strengthen the hold of repressive governments. We are hopeful of increasing the level of our assistance to the development of the world's poorest countries and its poorest people. But as Secretary Vance said at Grenada [on June 14]: "... our cooperation in economic development must not be mocked by consistent patterns of gross violation of human rights."

This review involves overall budget levels to countries, decisions on the kinds of assistance that can be provided, and decisions not to go forward with certain programs. In some instances, it has meant a decrease in assistance to particular countries. Specifically, with regard to our bilateral programs, we have carried out demarches to a number of governments raising human rights concerns and delayed or reduced programs to others.

Sixth, we have taken initiatives in the international financial institutions to promote the cause of human rights. We have opposed or sought the reconsideration of loans to governments engaged in serious violations, although again we have attempted to give special consideration to loans going to benefit the needy. We have carried out demarches to more than a score of governments regarding human rights concerns in relation to loans within the international financial institutions. In addition, we have abstained on seven loans. We also have told countries that we would oppose the loans if they were brought up for a vote.

Seventh, in the multilateral field, we have signed the American Convention on Human Rights [June 1]; the International Covenant on Civil and Political Rights [October 5]; and the International Covenant on Economic, Social and Cultural Rights [October 5]. In each instance, these international documents

had remained without U.S. participation for nearly a decade. Also we have expressed our strong support for the ratification of the Convention on the Prevention and Punishment of the Crime of Genocide and the International Convention on the Elimination of all Forms of Racial Discrimination.

Eighth, we have worked with many Latin American countries to strengthen the Inter-American Commission on Human Rights, and we hope to see a major increase in its funding and resources. Four countries in recent months have informed the Commission of a willingness to receive an inspection visit to assess the human rights conditions in those countries.

Ninth, in the United Nations, we are now seeking to promote greater international attention to human rights by joining with Venezuela and others in support of the Costa Rican proposal to create a U.N. High Commissioner for Human Rights. We also are working with interested nations to see that steps are taken to add more force to the declaration against torture adopted by the U.N. General Assembly in 1975. Torture stands with war crimes, genocide, and apartheid as practices that debase civilized behavior.

Tenth, at Belgrade [at the review meeting of the Conference on Security and Cooperation in Europe (CSCE)] we are playing a leadership role in assuring that there is full and clear discussion of the gap between current practices and the promise of the Helsinki Final Act. The Assistant Secretary for Human Rights and Humanitarian Affairs was designated the State Department representative on the [joint congressional] CSCE Commission chaired by Congressman Fassel, and she is a member of the Belgrade delegation.

Finally, we have sought to encourage, assist, and support those governments which have positive records and those which have taken clear and unequivocal steps—rather than cosmetic fabrications—to improve human rights in their countries.

These are some of the actions we have taken to implement the human rights policy. Let me repeat that we are at the beginning

of that policy, not the end. We are determined that the policy will be vigorous and be reflected in all aspects of our foreign relations.

Major Accomplishments

You have asked what are the major accomplishments of the policy. Let me preface my response by noting that in very few instances can we assume that our policy or our expressions of concern are the crucial factors that have or can produce change. A variety of forces are at work. Our policy is one of them.

Having said that, I would argue that our human rights policy has been a major contribution to the following developments.

First, enhancing human rights is no longer a stranger to the front pages of newspapers around the globe. The message of our concern has gone to governments; it has gone to their citizens; it has reached out as well to the victims of repression. The broad dissemination of concern for human rights has been reflected in international public opinion, in seminars and conferences, and in a proliferation of publications and reports. This global attention is positive.

Second, we are beginning to see governments weigh the costs of repression for the first time. For some months, many countries questioned whether the President truly intended to define human rights improvements as a significant interest of the United States. Most, particularly those with deplorable human rights records, are becoming believers. As they begin to assess the costs—in their relations with us, in their relations with other governments, and in their image in the world community—a positive process is set in motion.

Third, our policy has helped to begin to change the image of the United States. For too long, we had become identified with regimes which denied human rights rather than with the victims whose rights were violated. Now I believe this new policy helps to return us to a position of leadership, one which is in conformity with a more traditional perception of the United States as a

nation that received and welcomed two centuries of dissidents.

Fourth, we can point to a series of changes in many different countries. We welcome them but it is not our purpose to claim credit. It is simply too early to expect to see vast changes in the political landscape in many countries. Nevertheless, we have seen the following.

—Some political prisoners have been released in more than a dozen countries with whom we have communicated our concerns.

—The state of siege was lifted in at least two countries.

—Four countries on four continents agreed recently to permit the International Committee of the Red Cross to inspect their jails.

—Four countries stated they will permit the Inter-American Commission on Human Rights to undertake on-site investigations.

—In the aftermath of our signing the American Convention on Human Rights, 5 countries now have ratified that accord—an increase of 3—and 17 countries have signed, an increase of 7.

—In several countries nongovernmental organizations such as Amnesty International, the International Commission of Jurists, and the International League for Human Rights have been given access to study the human rights situation and to make recommendations for improvements.

—In two countries trials of political prisoners were opened for the first time. In one country, permission to allow prisoners to opt to leave the nation rather than remain behind bars was agreed to, although the extent of its use remains unclear.

How many of those events would have occurred in the absence of our policy or our contact with those governments is not known. Great caution must be exercised in attempting to assert that any of these events signifies substantial change in the pattern of repression in particular countries. In virtually all instances, they are only a beginning; in some, they clearly are only cosmetic efforts to lessen external pressure. In none can we assume that violations of

human rights are a thing of the past. We know that violations of internationally recognized human rights continue and that each day brings new victims in some part on the globe.

Nevertheless, we believe that we are on the right course, a course that conforms both to our own traditions and to international commitments. Seeking to achieve greater respect for human rights and democratic values is the course that we have been following. It is the course we intend to continue to follow. It also is a course that we hope others will choose to follow as well.

Congressional Documents Relating to Foreign Policy

Military Construction Appropriations. Report of the House Committee of Conference to accompany H.R. 7589. H. Rept. 95-560. August 3, 1977. 12 pp.

Expressing the House of Representatives' Deep Concern Over the Disregard of Basic Human Rights in Cambodia. Report of the House Committee on International Relations to accompany H. Res. 724. H. Rept. 95-578. Aug. 5, 1977. 2 pp.

Opium Production, Narcotics Financing and Trafficking in Southeast Asia: Asian Survey. Report of the House Select Committee on Narcotics Abuse and Control, April 7-20, 1977. H. Rept. 95-592. Sept. 7, 1977. 78 pp.

TREATY INFORMATION

Current Actions

MULTILATERAL

Copyright

Universal copyright convention, as revised. Done at Paris July 24, 1971. Entered into force July 10, 1974. TIAS 7868.

Protocol 1 annexed to the universal copyright convention, as revised, concerning the application of that convention to works of stateless persons and refugees. Done at Paris July 24, 1971. Entered into force July 10, 1974. TIAS 7868.

Protocol 2 annexed to the universal copyright conven-

tion, as revised, concerning the application of that convention to the works of certain international organizations. Done at Paris July 24, 1971. Entered into force July 10, 1974. TIAS 7868.

Acceptance deposited: Japan, July 21, 1977.

Diplomatic Relations

Vienna convention on diplomatic relations. Done at Vienna April 18, 1961. Entered into force April 24, 1964; for the United States December 13, 1972. TIAS 7502.

Accession deposited: Chad, November 3, 1977.

Energy

Implementing agreement for cooperation in the development of large-scale wind energy conversion systems. Done at Paris October 6, 1977. Entered into force October 6, 1977.

Implementing agreement for a program of research and development on the production of hydrogen from water, with annexes. Done at Paris October 6, 1977. Entered into force October 6, 1977.

Implementing agreement for a program of research and development on wind energy conversion systems, with annexes. Done at Paris October 6, 1977. Entered into force October 6, 1977.

Implementing agreement for the establishment of a project on small solar power systems, with annexes. Done at Paris October 6, 1977. Entered into force October 6, 1977.

Implementing agreement for a program of research and development on manmade geothermal energy systems, with annex. Done at Paris October 6, 1977. Entered into force October 6, 1977.

Implementing agreement for a program of research and development on plasma wall interaction in textor, with annex. Done at Paris October 6, 1977. Entered into force October 6, 1977.

Implementing agreement for a program of research and development on superconducting magnets for fusion power, with annex. Done at Paris October 6, 1977. Entered into force October 6, 1977.

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977.¹

Signature: Brazil, November 9, 1977.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976.¹

Ratifications deposited: Chad, November 3, 1977; Kenya, November 10, 1977.

Terrorism

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Done at New York December 14, 1973. Entered into force February 20, 1977. TIAS 8532.

Accession deposited: Costa Rica, November 2, 1977.

Germany, Federal Republic of

Agreement for cooperation in the field of nuclear material safeguards and physical security research and development, with annex of general terms and conditions. Effected by exchange of letters at Bonn and Washington September 29, 1977.² Entered into force September 29, 1977.

Memorandum of understanding on national planning coordination in the field of coal hydrogenation technology. Signed at Bonn October 7, 1977. Entered into force October 7, 1977.

Ghana

Agreement relating to radio communications between amateur stations on behalf of third parties. Effected by exchange of notes at Accra October 13 and 27, 1977. Entered into force November 26, 1977.

Mexico

Treaty on the execution of penal sentences. Signed at Mexico November 25, 1976. Entered into force November 30, 1977.

Proclaimed by the President: November 12, 1977.

Netherlands

Agreement modifying the air transport agreement of April 3, 1957, (TIAS 4782) to permit experimental implementation of low-cost fares. Effected by exchange of letters at Washington October 31, 1977. Entered into force October 31, 1977.

Singapore

Agreement relating to air services. Effected by exchange of notes at Singapore October 18 and 31, 1977. Entered into force October 31, 1977.

Spain

Agreement modifying the air transport agreement of February 20, 1973, (TIAS 7725) to permit experimental implementation of low-cost fares. Effected by exchange of notes at Madrid October 17 and 20, 1977. Entered into force October 20, 1977.

United Kingdom

Letter of agreement concerning narrative record telecommunication interface arrangements, with appendices. Signed at Washington and London September 2 and 21, 1977. Entered into force September 21, 1977.

Agreement modifying the air services agreement of July 23, 1977, (TIAS 8641) to permit experimental implementation of low-cost fares. Effected by exchange of letters at Washington September 19 and 23, 1977.

¹ Not in force.

² Applicable to Land Berlin provided Federal Republic has not made a contrary declaration to the United States within 3 months from effective date of agreement.

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Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

| No. | Date | Subject |
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| *516 | 11/16 | Advisory Committee on International Law, Nov. 18 meeting cancelled. |
| *517 | 11/15 | Digest of U.S. Practice in International Law, 1976. |
| *518 | 11/18 | Study group CMTT of the U.S. National Committee for the International Radio Consultative Committee, Dec. 9. |
| *519 | 11/18 | Study group I of the U.S. National Committee of the International Telegraph and Telephone Consultative Committee, Dec. 15. |

* Not printed.

+ Held for a later issue of the BULLETIN.

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THE DEPARTMENT OF STATE BULLETIN

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THE 1978 BULLETIN

Beginning in January 1978, the redesigned DEPARTMENT OF STATE BULLETIN will be published monthly at a new subscription rate of \$18 per year. For more details, see p. 837.

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THE DEPARTMENT OF STATE BULLETIN

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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 January 31, 1981.

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The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

Publications of the Department of State, United Nations documents, and legislative material in the field of international relations are also listed.

Deputy Secretary Christopher Discusses the Panama Canal Treaties

Following is an address by Deputy Secretary Warren Christopher made before the Florida Council of 100 in Palm Beach on November 11.

Press release 512 dated November 10

I am delighted to be here today to meet with such a distinguished group of business leaders. I would like to talk with you this morning about an issue that is being debated, not only in the halls of Congress but across America—the Panama Canal treaties.¹

The new treaties have aroused strong emotional feelings among many Americans. Since it was built, the canal has been more to us than simply another waterway for our ships. It was built at a time when America was just emerging on the world scene. We were able to conquer this monumental engineering problem where others had failed. Even today, it is impressive to see how ingenious the canal system really is. Indeed, the canal came to symbolize the resourcefulness and ingenuity of the American people—qualities that we all believe to be among our greatest assets as a nation.

This sentiment, this symbolism, is the first reaction of many Americans when they think about the prospect of these new treaties. In fact, as you probably recall, President Carter has said that his first reaction was to be against the idea of a new treaty.

At the same time, we all recognize that the Panama Canal is important to our national defense and commerce. It is not a monument that sits there simply to be visited and to remind us of the past. It is an important navigational link. As such, our first concern

must be to assure that it will always remain open, secure, and efficiently operated.

It is that concern which led President Johnson—after consulting with former Presidents Truman and Eisenhower—to open negotiations for a new treaty in 1964. It is that concern which has convinced every succeeding President of the necessity of a new treaty. And, it was that concern for the future which convinced President Carter that his initial reaction against changing the current arrangement had to be weighed against our national interest in assuring that the canal remains open and secure to both our commercial and naval vessels.

As the Senate vote approaches and the debate over the treaties accelerates, I think most Americans are going to ask themselves several basic questions:

—Which course is best from a military standpoint?

—From an economic standpoint?

—Are these treaties “right,” both in terms of what we as a nation stand for and in terms of our self-interest?

I would like to spend a few moments this morning addressing those questions. I want to tell you what these treaties do, and I want to answer some of the questions that come to mind as we consider the treaties.

The treaties that were signed by President Carter in September are the product of 14 years of negotiations. They would replace a treaty that was arranged 74 years ago. The first of the two new treaties [Panama Canal Treaty] provides for the operation and defense of the canal through December 31, 1999. The second treaty [Treaty for the Permanent Neutrality and Operation of the Panama Canal] provides for the permanent

¹For texts of treaties and related materials, see BULLETINS of Oct. 17, 1977, p. 481, and Nov. 7, p. 615.

neutrality of the canal and has no termination date.

Provisions of the Treaties

Under the terms of the first treaty, the United States will continue to operate the canal until the year 2000. That operation will be conducted through a U.S. Government agency, to be known as the Panama Canal Commission. The Commission will operate in accordance with U.S. law which will govern such matters as the setting of tolls and the regulation of employment policies. Five members of the Commission's nine-member board will be Americans. During this period, American troops will remain in Panama, and the United States will have primary responsibility for defending the canal.

Starting with the year 2000, operation of the canal will be the responsibility of the Panamanians. At present, nearly 75 percent of the canal work force is Panamanian and, by the year 2000, Panamanians will have moved into all levels of management and will be in charge of running the canal. But, after the year 2000, the second treaty—the neutrality treaty—will remain in effect.

The neutrality treaty commits both the United States and Panama to protect the openness, security, and neutrality of the canal for the indefinite future. Under that treaty, as it has been interpreted both by the United States and Panama, each country will have the right to act against any threat directed against the canal or against the peaceful transit of ships through the canal. The treaty does not give us the right to intervene or meddle in the internal affairs of Panama. That is not a right we sought. It does, however, give us the right to take action directed at insuring that the canal remains open, secure, and accessible.

Moreover, the neutrality treaty assures us that U.S. warships will be able to go through the canal as quickly as possible, without any impediment, and in case of need or emergency that they will be able to go to the head of the line—ahead of other ships waiting to transit the canal.

It should be noted that both the United States and Panama are agreed on the in-

terpretation of these rights. This was recently confirmed by the statement of understanding that was issued in Washington on October 14 following a meeting between President Carter and General Torrijos.²

The treaties also contain additional significant provisions. For example, the basic treaty contains a provision relating to the construction of a sea-level canal. Under this provision, both the United States and Panama agree to study the feasibility of building a new canal in Panama which could accommodate some of the new and larger tankers. Based on our studies, which show that Panama is the most feasible place to build such a canal, we agreed until the end of this century not to construct such a canal outside of Panama. In exchange, Panama agreed that during this same period it would not allow any other nation to build an interoceanic canal in Panama without our approval. Finally, the treaties also provide privileges and protections for the Americans who will be working in Panama in connection with the canal during this 23-year transition period.

This is the basic arrangement. But what about the questions that have been raised? Are there good answers to the many questions which have been raised regarding the treaties? I think there are.

Can we defend the canal under these treaties? Do they protect our military interests? In my judgment, the first place to look for an answer to that question is to our Joint Chiefs of Staff. These are the men who have the initial responsibility for our defense. The fact is that the Joint Chiefs are active proponents of these treaties. They worked closely with our negotiators on a regular basis, and the treaties reflect their judgment on what we need to defend the canal.

According to the Joint Chiefs, these treaties are not only as good as the existing arrangement in terms of our national security interests, they are far better. They afford us all the rights we need to step in against any military threat to the canal. In the judgment of the Joint Chiefs, they also decrease the

²For text, see BULLETIN of Nov. 7, 1977, p. 631.

problems that would be presented if we continued to operate the canal under the existing arrangement in the face of growing opposition from the Panamanian people.

We must understand that, just as the canal is a symbol for us, it is a symbol to the Panamanian people as well—indeed, one that is far stronger to them than it is to us. For them, it is a constant reminder that their nation is divided. Early this year, when the new treaties were just coming under discussion, my high school son asked, how would we feel if another country had a canal through Florida? That is a simple metaphor, but it helps me understand the hostility that the Panamanians feel.

These treaties—in a way that is fully consistent with our own interests—will eliminate the major causes of that hostility. For the Panamanian people, they mean that their country will no longer be divided in two by an American enclave. They mean that a Panamanian visiting a relative on the other side of his country will not have to pass through American jurisdiction. They mean that the people of Panama will begin to receive a fair share of the revenue from the canal which is, after all, a major national resource. In short, they give the Panamanian people a legitimate stake in the canal which makes them our partners rather than adversaries in the canal enterprise. And in so doing, they make us real partners in assuring that the canal remains open to all ships and is defended against all threats.

Unlike the existing arrangement, the new treaties have the support of the Panamanian people. In their recent national referendum [on October 23], two-thirds of the Panamanian voters approved the new treaties. The national debate which preceded the referendum was lively, free, and fair. Much of the opposition to the treaty in Panama was, in many ways, a mirror image of the opposition here—many Panamanians thought that their government had conceded too much to the Americans. But the overwhelming majority of Panamanians accepted the new treaty terms, assuring us that under the new treaties the canal will be operated with the energetic support of the people of Panama.

THE 1978 BULLETIN

NEW DESIGN

NEW PRICE

NEW SCHEDULE

Beginning in January 1978, the redesigned DEPARTMENT OF STATE BULLETIN will be published monthly at a new subscription rate of \$18 per year—a saving of \$24.50 from the old rate of \$42.50.

Despite the shift from weekly to monthly publication, there will be no reduction in the total amount of material published each month; to the contrary, with the flexibility of our new three-column format we expect to augment the traditional foreign policy articles and speeches with more charts, graphs, tables, photos, and other appropriate information material useful to BULLETIN readers.

Most BULLETIN subscribers—whether in libraries, offices, or home—will find filing and handling 12 copies a year much simpler than 52 copies. An index will be published at the end of each calendar year.

—The page dimensions will be slightly larger, and the new typefaces we have selected will enhance readability.

—The cover will have a new look and will continue to highlight the major articles.

—Each issue will contain a complete table of contents.

—Substantive contents of this official record will not change. We will continue to include texts of all major foreign policy speeches, statements, and news conferences of the President, the Secretary of State, and senior Department officials; White House, State Department, and U.S. Mission to the U.N. press releases; and U.S. treaty actions.

The new rates established by the Superintendent of Documents, U.S. Government Printing Office, are: \$18 (domestic) and \$22.50 (foreign) for annual subscriptions and \$1.40 (domestic) and \$1.80 (foreign) for single copies. Current subscribers' service will be extended by the Superintendent of Documents.

From a military standpoint, then, these treaties protect our right to defend the canal, if necessary, and they make it less likely that an American life will ever be lost defending it.

Commercial Interests

What about our commercial interests? What effect will the treaties have on American trade and American business? The first concern of those who use the canal in their trade is to assure that it remains open and efficiently operated, that tolls remain reasonable, and that ships passing through the canal are secure.

In addition, companies that use the canal also want certainty about the future; they want a stable situation for the canal so that they can plan effectively. The new treaties address these concerns and promote our interests.

As I have noted, we will continue to be responsible for operating the canal through the end of this century. During this period, we will be training Panamanians in the management of the canal so that they will be able to operate it effectively after the year 2000. Both before and after the year 2000, we will be able to defend the canal if it is threatened.

The practical facts of life are just as important as the legal rights we have under these treaties. By resolving the causes of bitterness and resentment and enhancing the stake of the Panamanian people in the canal enterprise, we are taking the most effective action possible to assure the smooth operation of the canal in the future.

In this regard, it is important to recognize that Panama derives 12 percent of its gross domestic product and 18 percent of its foreign exchange earnings from canal-related activities. Moreover, unlike the present arrangement, what Panama will earn from the canal enterprise under the new treaties will be directly related to the level of traffic that moves through the canal. If traffic were suddenly shut off by the closing of the canal, or diverted because of inefficient operation, the biggest loser would be Panama.

As a result of our insistence that payments to Panama for its contribution to the canal

enterprise be drawn entirely from canal revenues, there will be toll increases in the future. Although our current study of the subject is not yet completed, it appears that such an increase will be on the order of 30 percent. Is such an increase justified and what will it mean for American consumers and exporters? Over the last 40 years, tolls have only increased from 90¢ per canal ton to \$1.29 today. Can you think of any other product or service which has increased so little in 40 years? Panama's toll levels are far below those for the Suez Canal. An increase of 30 percent would mean that for a Japanese car enroute to an Atlantic or Gulf port, for example, the increase transportation cost will be \$3.00, less than one-tenth of 1 percent of the total purchase price.

If I may, I would like to add one other word about the commercial aspect of the canal and these treaties. We consider our commercial interest in the canal to be important. The port of Tampa, for example, shipped over 2 million tons of phosphates to Asian markets through the canal in 1976. And Florida's citrus exports through the canal to Asia were worth approximately \$20 million in 1976.

Thus, while the canal is less important to our overall commerce than it once was—only 7 percent of all our waterborne foreign trade passed through the canal in fiscal year 1976—it remains important to the economy of this State and the nation. That is one important reason why ratification of these treaties is essential. They substantially increase the likelihood of a stable, long-term partnership with Panama which will insure an open and efficient canal in the future.

What about the cost of these treaties to the American taxpayer? Are we paying Panama to take it away, as some have claimed? The answer is no. We insisted during the negotiations that payments to Panama for its contribution to the canal enterprise be drawn entirely from the canal's earnings. Panama initially sought much larger payments which far exceeded what could be financed from the canal's earnings. Our view prevailed. Under the treaties, Panama will receive payments that more nearly reflect the fact that it is

making available its major national resource—its territory. But the treaties will not require any appropriations from the American taxpayer.

In addition, we have agreed, outside the treaty, to seek certain arrangements which will assist the general economic development of Panama and enhance its stability. These are loans, guarantees, and credits. And they will be used largely to help Panama finance U.S. trade and U.S. investment.

U.S. Image as a World Leader

Finally, what about our image as a world leader? Are these treaties a sign of retreat? Will they create a power vacuum in the Caribbean that can be exploited by Cuba or the Soviet Union? The fact is that these treaties will have just the opposite effect. They will increase our influence in this hemisphere. It is the status quo which can be exploited by others. The treaties lessen this danger by removing a major source of anti-American feeling throughout Latin America.

It is the widely shared conviction of the Latin American nations that the original treaty needs to be changed. Some of our closest friends in this hemisphere—including Venezuela, Costa Rica, Mexico, and Colombia—issued a joint communique in August urging the United States and Panama to conclude the new treaties.³ Indeed, through all the years of these negotiations, the people of Latin America have looked forward to the peaceful resolution of this troublesome issue.

The treaties do not settle the other important issues on the agenda of the United States and the nations of Latin America—issues involving trade and development, regional peace and human rights. Nevertheless, they will enable us to approach these issues with a fresh spirit of cooperation, unencumbered by the suspicion and resentment that accompany the existing canal arrangement.

To all nations in the world, the treaties demonstrate that we will use our power in a manner that not only takes full account of our own security interests but also our firm belief

in reducing global tensions and in dealing with other nations on the basis of mutual respect.

Thus, the very same resourcefulness and ingenuity that enabled us to build a canal where others had failed now leads us to build a new relationship with the people of Panama that reflects presentday realities and that provides for the future.

We are a nation that has always been able to change with changing times.

We have never rested on our laurels; we have always seized the opportunity to make things better.

And we are a nation that wants to use our great strength and power, not to prove that we are powerful but to lessen the dangers of violence and conflict around the world.

These new treaties serve America's interests. I hope that, after you listen to the treaty arguments and consider them carefully, you will conclude that they should be approved by the U.S. Senate.

President Carter's News Conference of November 10

Following is an excerpt relating to foreign policy from the transcript of a news conference held by President Carter on November 10.¹

Q. It's our understanding that some of your top national security advisers met yesterday in the White House Situation Room to sort of reassess the situation in the Middle East in light of the recent trouble on the Lebanon border. Can you give us some assessment this morning, especially what effect this might have on the Middle East peace conference later this year?

President Carter: This new outburst of violence is a great concern to us and, I think, to the nations in the Middle East, to all people of the world. The unwarranted and continuing

¹ For the complete transcript, see Weekly Compilation of Presidential Documents dated Nov. 14, 1977, p. 1748.

³Jamaica was also a party to this joint communique.

terrorist attacks have been part of the Middle East picture for years. The retaliatory measures taken by nations who were attacked by terrorists have been a part of the picture in the Middle East for years. I think it shows the volatile nature there of the continuing problems.

I think it shows in a much more vivid way than perhaps in the past—recent past—the need for an immediate convening of the Geneva conference as soon as we can get these national leaders to sit down, or their representatives to sit down on a continuing basis and work out face-to-face these divisions that have existed in the Middle East for generations.

Loss of life is deplorable. But the situation is never going to be improved, in my opinion, until those nations there are willing to step beyond the procedural debates and squabbles about exactly how to go and exactly what representation will be present and start dealing with the real issues.

I've been pleased that the Israeli Government has adopted the procedures for the Geneva conference that we've proposed. I was pleased with the statement yesterday by President Sadat that he was willing to go to Geneva or anywhere else and begin to consult directly with Israel and with the other Arab nations without quibbling any more about the detailed wording of the procedures. That's our position.

I hope that Jordan and Syria and Lebanon very quickly will make a similar response to us and that we can then convene the Geneva conference. But the major all-encompassing question in the Middle East is that the bloodshed, in my opinion, will not be stopped until the nations are willing to negotiate on the basic divisions that have separated them so long.

Q. Do you think the Israeli attack was justified—the retaliation?

President Carter: I think this is a question that's hard for me to answer—whether Israel can sit dormant and quiescent and accept repeated attacks on their border villages without retaliation, whether the retaliation was excessive. Those are questions that I think both answers would be, perhaps, yes. There ought not to be any attacks. If there are con-

tinued attacks, some retaliation is required.

I don't know the details of it, but I think the overriding consideration is not to condemn Israel at this point for retaliation but just to say that if the provocations were absent that the retaliation would have been unnecessary. And the best way to resolve it is for Lebanon, Syria, and Israel, relating to that region of the Mideast, for Jordan and Egypt and Israel to start direct negotiations. The whole thing is just sitting and teetering on another outbreak of even more major violence. And I think that at this time, a condemnation of people is probably inappropriate, but an urge for all nations now to stop this present, recent outbreak and to move toward major consultations is the only answer that I can give.

New Zealand Prime Minister Visits Washington

Robert D. Muldoon, Prime Minister of New Zealand, made an official visit to Washington November 9–10 to meet with President Carter and other government officials. Following is the text of a joint statement issued at the conclusion of his meeting with President Carter on November 9.¹

Weekly Compilation of Presidential Documents dated November 14

At the invitation of President Carter, the Prime Minister of New Zealand, Rt. Hon. R. D. Muldoon, is paying an official visit to Washington DC, November 9–10, 1977. The President held discussions with the Prime Minister on 9 November, followed by a luncheon at the White House. The talks between the two leaders covered a wide range of political, security, economic, and other subjects of common concern.

The President and Prime Minister Muldoon reviewed bilateral relations between the two countries. They agreed that these were exceptionally warm and close and securely based on a common commitment to human

¹ For an exchange of remarks between President Carter and Prime Minister Muldoon at the welcoming ceremony on November 9, see Weekly Compilation of Presidential Documents dated Nov. 14, p. 1743.

rights, democracy, and the rule of law. They agreed that cooperation in traditional fields including foreign policy, trade, and defense should be sustained and welcomed the recent growth of cooperation in energy and other scientific and technical subjects.

In their discussions on international affairs the President and the Prime Minister paid special attention to Asian and South Pacific affairs. President Carter reiterated the intention of the United States to remain actively involved in Asian and Pacific affairs and, in particular, reaffirmed the strength of the U.S. ties to New Zealand and its commitment to the ANZUS [Australia, New Zealand, United States] treaty.

The Prime Minister outlined recent changes in the South Pacific, including the rapid movement of many island groups to political independence and the progress toward regional cooperation represented by the South Pacific Forum. He emphasized the importance of the imminent declaration of maritime economic zones and of the optimum development of the fish resources contained within them. The President and the Prime Minister confirmed the continuing importance of efforts to promote the well-being of the peoples of the South Pacific.

The President and the Prime Minister agreed that the two countries should sustain their close consultation on all these matters.

The President and the Prime Minister also exchanged views on other international subjects such as southern Africa, the Middle East situation, the Antarctic, arms control and disarmament, and the Panama Canal treaties. The Prime Minister welcomed the initiatives that the President was taking to achieve solutions of these important issues.

The President and the Prime Minister discussed economic and trade issues in depth. They noted the serious problem raised by the balance-of-payments deficit of the non-oil-producing developing countries and the primary producers. They agreed on the need for the major industrialized countries to continue their efforts to stimulate world economic recovery. The two leaders particularly stressed the need to expand world markets and improve trading opportunities for agricultural products. They agreed to continue their efforts to achieve this aim, especially at the present time in the context of the current multilateral trade negotiations.

The President and the Prime Minister agreed, within the context of the ANZUS treaty, that the economic health of each of the two partners was important to the other, especially as it affected the positive role each desired to play in their common endeavors to contribute to the welfare of the peoples of the Pacific and Asia and to the stability of the area.

Attending the meeting in the Cabinet room were: American side: the President, the Vice President, Secretary of State Cyrus Vance, Zbigniew Brezinski (Assistant to the President for National Security Affairs), Richard Holbrooke (Assistant Secretary of State [for East Asian and Pacific Affairs]), Armistead I. Selden Jr. (Ambassador to New Zealand), Michael Armacost (National Security Council)—New Zealand side: the Prime Minister, Mr. F. H. Corner (Secretary of Foreign Affairs), Mr. W. N. Plummer (Head of the Australian and Americas Division, Ministry of Foreign Affairs), Mr. B. V. Galvin (Permanent Head of Prime Minister's Department), Ambassador Lloyd White (Ambassador to the United States).

Africa in a Global Perspective

*Address by Anthony Lake
Director of the Policy Planning Staff¹*

I'm sure that each of you here is already interested in Africa or you wouldn't be here. And I know that each of you must have heard many times—as many times, practically, as you have heard speeches about Africa—that it is increasingly important to the United States, economically, politically, culturally. That is a cliché. And like most clichés, it is true.

The corollary of this fact has been less well-recognized—that Africa and Africans are becoming more and more central to the achievement of this Administration's foreign policy goals. The President's visit to Nigeria next month is a recognition of that fact.²

Our first goal—like the goal of every Administration—is the building and preservation of peace in the world and thus the enhancement of American security. Africa, unfortunately, has become more centrally involved in such issues in recent years with the fighting in southern Africa, in the Ogaden, and, last spring, in Zaire.

A second goal is the creation of a stronger world economic system which emphasizes equity as well as growth. Here, also, Africa is of increasing importance not only because of its needs and because of its growing importance to the United States and other in-

dustrial nations as a source of raw materials, including oil, but also because African nations play a central role in the multilateral negotiations on such issues as commodities.

Closely related to economic issues are a number of other functional problems whose resolution will determine the quality of life for our children and their children—the environment, the future of the oceans, nuclear nonproliferation, energy, population growth, and the like. Each one of them affects Africa—and Africans affect them—to an increasing degree.

A fourth goal is the promotion of human rights everywhere; southern Africa is now in the headlines, but our concern stretches to all countries. Here again our concerns and the future course of events in Africa are closely tied.

I will resist the temptation to go on at some length in this fashion. It is enough to say that on a wide variety of other American concerns—for example, limiting conventional arms sales—our global policies cut across and must be related to our policies toward Africa.

Our goals boil down to two general challenges—building peace and promoting global development. Let me review the role that Africa plays in each. I will, in some cases, suggest problems—and even dilemmas—that we face in the hope that our discussion after my remarks can shed some light on them. For I am here to learn as well as to speak. As Winston Churchill once said, I am always ready to learn, though I do not always like being taught.

¹ Presented for the Christian A. Herter Lecture at Johns Hopkins University School of Advanced International Studies in Washington, D.C., on October 27, 1977.

² On Nov. 7, Secretary Vance announced that President Carter's visit to Nigeria and eight other nations had been postponed because of the need to remain in Washington during congressional consideration of the Administration's energy program.

Building Peace

Our approach to the problem of peace in Africa involves especially two aspects of our general stance on global security—our relations with the Soviet Union and our approach to regional conflicts.

In a speech on July 1, Secretary Vance put our position succinctly.

... the most effective policies toward Africa are affirmative policies. . . . A negative, reactive American policy that seeks only to oppose Soviet or Cuban involvement in Africa would be both dangerous and futile. Our best course is to help resolve the problems which create opportunities for external intervention.³

This does not mean we are unconcerned about the presence of Cuban troops in Africa or the flow of Soviet arms there—on the contrary. But I am convinced that we do more harm than good by dramatizing the East-West factor. Such dramatic exercises can make crises more dangerous; they can cut across that sense of African nationalism that is the surest barrier to external intervention; and they can inhibit the African diplomatic efforts that offer the best hope of resolving disputes before they become conflicts. When we look at African questions as East-West rather than African in their essential character, we are prone to act more on the basis of abstract geopolitical theorizing than with due regard for local realities.

No, as Secretary Vance said, the wisest course is to do what we can to help Africans resolve the problems that could otherwise encourage the intervention of outside powers. There are six elements in our approach.

First, to engage in diplomatic activity to help resolve conflicts before outside involvement escalates.

In southern Africa, we recognize that racial oppression creates the opportunity for outside intervention. Only solutions which guarantee freedom and justice to all the people of the region will prevent the escalating external involvement we have an interest in preventing. Our primary motive on these issues must remain our national commitment to justice abroad as well as at

home. But as is so often the case, our principles and our international interests here coincide in demanding efforts to head off an increasingly serious situation.

The Rhodesian conflict, for example, has been escalating seriously in the past year. The toll in human lives grows daily. Outside involvement has also escalated. South Africa supplies the arms for Rhodesia. The Soviet Union is supplying increasingly sophisticated weapons for the liberation movements. A refusal by the Smith regime [Ian Smith, Prime Minister of the white regime in Rhodesia] to negotiate an early and peaceful transition to majority rule would not, as some have argued, defend Western interests against communism. It would damage them. As President Kennedy once said: "Those who make peaceful evolution impossible will make violent revolution inevitable."

A second element in our strategy is that in our diplomatic efforts, we will strive for genuine self-determination rather than seeking to impose made-in-America solutions.

On Rhodesia, the British and we have proposed free elections open to all parties and all people on an equal basis. Representatives of all the political organizations have been included in the negotiations. We have made it clear that any "internal settlement," where the Smith regime attempts to determine who the future leader of Zimbabwe [Southern Rhodesia] will be, is unacceptable to us and to the international community. We have not favored any one faction and have refused to be drawn into the trap of backing one movement simply because the Soviet Union backs another.

On Namibia, the five Western members of the Security Council [Canada, France, West Germany, United Kingdom, United States] are working toward free elections on a basis of equal individual participation. We are proposing that the United Nations should play a key role in assuring that the elections will be fair and that there will be no intimidation.

We have often expressed to the South African Government the hope that progress could be made toward ending apartheid and allowing full political participation by South

³For full text, see BULLETIN of August 8, 1977, p. 166.

Africans of all races. We did not suggest either a timetable or a specific blueprint for such progress. But we remain convinced that beginning now to make such progress is essential to prevent a gathering tragedy.

Progress toward a future decided by South Africans would best begin by a dialogue among South Africans. Yet, last week, the South African Government instead made a tragic decision to silence black leaders, organizations, and publications, as well as a number of white liberals.

Let me quote two of the voices that have been stilled in recent weeks. Percy Qoboza, the courageous editor of *The World*, South Africa's largest newspaper for blacks:

I will not lie to you that I have answers to South Africa's problems, because I do not. But what I do know is that if we [South Africans] together can sit around that conference table, we will find the answers to the problems facing our nation today. Together we built South Africa to what it is today, and together we have the moral responsibility to insure that it remains intact, with the possibility of making this an even greater nation.

Qoboza was arrested on October 19.

Steve Biko, a young black political leader who died in prison a few weeks ago, some months previously had told a visiting American Senator that:

The simplest thing that needs to be done is to make negotiations possible. The government should allow blacks to organize politically and give recognition to the leadership that arises from that. They will make the diagnosis, point out the problems. Meaningful dialogue could begin an evolutionary bargaining process.

These were not the voices of men who wish to drive the whites into the sea. They were voices of reason.

Despite the discouraging events of the past few weeks, one must still hope that such a dialogue can begin—for the sake of the peoples of South Africa, about whom we care, and for the sake of our relations with South Africa, about which we also care. For it has been repeatedly made clear that a failure to make progress must inevitably have an effect on our relations. And, as you know, we are now reviewing those relations in the light of recent events.

I think all of us must hope that some day

soon this course of events can be reversed, and we and other nations can lend our support to a South Africa that is seeking to resolve its problems peacefully and through the cooperation of all its peoples.

A third element in our approach to African regional conflicts is a recognition that we cannot rely on unilateral diplomacy. A unilateral American attempt to negotiate a solution to an African dispute can increase both Soviet and African suspicions that we are seeking to determine the outcome and that we are motivated primarily by concern for increasing our own influence.

In the Rhodesian negotiations, Britain is taking the lead, as the country legally responsible. We are playing a supportive role.

In the Namibia negotiations, the five Western members of the Security Council are seeking together to further a negotiated solution.

In seeking South African adherence to the Nonproliferation Treaty, major nuclear suppliers have worked together.

A fourth and major element in our strategy is closely related: support for African initiatives to mediate African disputes.

At the time of the Shaba invasion [March 8, 1977] the United States strongly supported Nigeria's efforts toward a negotiated agreement between Zaire and Angola about their borders.

We have offered our support for OAU [Organization of African Unity] efforts to mediate the conflict in the Ogaden.

However, some of the parties in these and other conflicts have argued that as long as even one superpower is involved, it is more difficult for African countries to act successfully. One must hope, therefore, that the Soviet Union will recognize that it, as well as the United States, would benefit from cooperating fully with African efforts to mediate conflicts. If both superpowers would exercise restraint in supplying arms and would use their influence for peace, both would enhance their relations in Africa.

Fifth, we recognize the role the United Nations can play in dealing with African problems.

With the British, we have secured ap-

pointment of a U.N. representative to the Rhodesian military talks [Gen. Prem Chand of India]. If they are successful, the United Nations will be asked to provide a peacekeeping force.

The contact group [Canada, France, West Germany, United Kingdom, United States] acknowledges that the Namibia problem is a U.N. responsibility. Following its negotiations, the group will take a set of proposals to the Security Council for approval and implementation.

Finally, we seek to minimize American military involvement in African conflicts.

In dealing with the Shaba invasion, we learned that the United States does not necessarily have to become fully involved in one side when some Soviet weapons are being used on the other. We provided non-lethal equipment to Zaire. Other Western and African countries provided weapons and even troops. Had we taken it on ourselves to provide all the assistance, it might easily have encouraged escalated Soviet assistance on the other side. As it was, Zaire's need for assistance was met, and an unnecessary East-West competitive situation was avoided.

We cannot and do not claim credit for the resolution of the Shaba affair last spring. But the fact that Shaba did not evolve into a major crisis is evidence that our policy was mature and correct.

We face a still more complicated problem in the Horn. In early July, before the conflict in the Ogaden escalated so severely, we agreed in principle that we would consider favorably requests by Somalia for arms that could be used in defense of Somalia's internationally recognized borders. The Ogaden fighting has raised both political and legal barriers to our doing so. As the conflict continues, it is clear that a policy of restraint is the wisest course. This means:

—A refusal to supply arms to either side;

—Support for peaceful diplomatic initiatives by the Africans themselves, including the Organization of African Unity; and

—A willingness to provide economic and humanitarian assistance to both sides, to relieve human suffering and to convey symbol-

ically our desire for good relations with both.

I do not mean that we will never, or should never, supply arms to African states. To quote Secretary Vance again:

We will consider sympathetically appeals for assistance from states which are threatened by a buildup of foreign military equipment and advisors on their borders. . . . But we hope such local arms races and the consequent dangers of deepening outside involvement can be limited.

In accordance with the policy recently announced by the President, arms transfers to Africa will be an exceptional tool of our policy and will be used only after the most careful consideration.

We hope that all the major powers will join us in supporting African nationalism, rather than fragmenting it, and in concentrating on economic assistance rather than arms.

Our approach is to build positive relations with the Africans primarily through support for their political independence and economic development and through the strengthening of our economic, cultural, and social ties. . . .

Support for Global Development

This brings us, then, to the second general goal of our foreign policies—support for global development. By global development, I mean the development of a world order which serves human beings. Too often, we think of foreign policy and international institutions in abstract terms. This is true at the State Department no less than in your own classrooms. Yet the practical effects of our foreign policies, and of global politics, can be measured only in human terms.

It is an article of faith with Americans, and a policy goal of this Administration, that global development must be based on recognition of individual human rights. Let me be quite precise here, since I think there remains some confusion about what we mean by human rights.

We define human rights in three categories.

—First, there is the right to be free from governmental violation of the integrity of the person. Such violations include torture; cruel, inhuman, or degrading treatment or punishment; and arbitrary arrest or imprisonment. And they include denial of fair public trial and invasion of the home.

—Second, there is the right to the fulfillment of such vital needs as food, shelter, health care, and education. We recognize that the fulfillment of this right will depend, in part, upon the stage of a nation's economic development. But we also know that this right can be violated by a government's action or inaction—for example, through corrupt official processes which divert resources to an elite at the expense of the needy or through indifference to the plight of the poor.

—Third, there is the right to enjoy civil and political liberties—freedom of thought, of religion, of assembly; freedom of speech; freedom of the press; freedom of movement both within and outside one's own country; freedom to take part in government.

We make the protection of these rights an important element in our relations throughout Africa. Our recognition of economic as well as political and civil rights is important. It means that we must pay explicit attention to the consequences of our economic policies for the lives of human beings at home and abroad and especially for those human beings whose economic rights and economic needs are now unfulfilled:

—Thus the importance of making progress in trade negotiations that can benefit people in every country in the world;

—Thus the importance of holding down energy prices;

—Thus the importance of strengthening the international financial system in order to help countries, poor as well as rich, overcome financial crisis; and

—Thus the importance of the North-South dialogue.

African nations have a particular stake in this dialogue. As much as any region in the world, sub-Sahara Africa is dependent on earnings from the export of raw material commodities. We have adopted a more positive position than the United States has taken in the past toward international arrangements that can help stabilize the prices of such commodities and improve marketing opportunities.

A primary African concern, of course, is the question of resource transfers. Eighteen of the 28 least developed countries in the world are in Africa. A number of African countries, most notably in the Sahelian region, are just recovering from the added problem of a long and devastating drought.

Yet throughout Africa, even in the poorest parts of the Sahel, there are great natural as well as human resources. With adequate irrigation, the region bordering the Niger River—most of which is desert now—could become a breadbasket for Africa.

Another pervasive problem in many African countries is inadequate nutrition and health facilities. The average life expectancy in Africa is 43 years—10 years less than the Third World average. There is widespread incidence of river blindness, making farming in the potentially fertile river areas unattractive. In certain areas sleeping sickness, bilharzia, and malaria—all extremely debilitating diseases—are widespread. Certainly these health problems exist elsewhere in the world. But their extent in Africa and the obstacle they present to economic development is especially formidable and tragic.

In recent years, America has become more concerned about economic development in Africa. In part this concern is a reflection of an awakening to the political and economic importance of Africa to the United States. It is also a reflection of the reorientation of our development strategy toward meeting the basic human needs of the poor with highest priority on meeting those needs in the poorest less developed countries. As a result, an increasing percentage of our bilateral economic assistance program is being concentrated in Africa.

In addition to the overall increases in our aid to Africa, we are undertaking a special program to help the Sahelian African countries—Senegal, Mali, Upper Volta, Niger, Chad, Mauritania, The Gambia, and Cape Verde—to make a major attack on their development problems. This program is particularly exciting, not only for the

needs it can meet but also for the close cooperation between recipients and donors in designing and implementing the projects. It could become a model for similar efforts elsewhere.

The cooperation between the countries of the Sahel and donor nations is an illustration of the increasing importance we place on communicating more with African leaders, with African planners, with African diplomats, with African people. This applies to both economic and political issues. Much of the credit, I believe, goes to Ambassador [to the United Nations Andrew] Young who has demonstrated in a number of forums that we can sit down with Africans and discuss not only our common goals but immediate differences in how to approach them. We need not fear such disagreements because increasingly American and African leaders have confidence in each other.

At the Maputo conference on Zimbabwe and Namibia and at the Lagos conference on apartheid, Ambassador Young stated the American position openly and honestly, seeking consensus rather than confrontation.⁴ The African response was very positive. The Maputo and Lagos declarations were drafted in a way that could gain Western support. I am confident we can work well together again at the current debates on South Africa in the Security Council.

All in all, our policy toward Africa can be summarized as a policy of active and, I hope, constructive engagement. We should never miss an opportunity to play a positive role in support of African efforts to deal with Africa's political and economic challenges. It is in our interest to do so. But I hope that we will also be modest about our actual leverage and careful we become neither blindly interventionist nor blandly indifferent; that we pay close attention to the diversity of Africa as well as the importance of Africa as a whole; and that we care for African as well as our own points of view.

Complex Foreign Policy Issues

We have often heard the criticism that this Administration is trying to do too much in foreign policy. Our answer is that there is so much to be done. We simply do not have the option of ignoring the pressing issues in which we are engaged. Each presents serious risks to peace or economic security. The stakes are so high that we must make a beginning.

Which issue should we duck or defer? Controlling nuclear weapons? Trying to bring peace to the Middle East? Expressing this nation's fundamental commitment to human rights? Seizing the opportunity to secure our interest and to resolve a half-century of bitterness over the Panama Canal? Establishing our constructive approach on global economic issues, including energy, development, and a strong financial system?

All of these issues require our best efforts. The harder question is the relationship among those efforts. In the longrun, our policies are consistent in defining the kind of world we would like to see. In the shortrun, however, we must find practical ways to resolve such tensions among our policies as:

—The relationship between our concern for human rights and our national security interests; or

—Between energy development and nuclear nonproliferation.

We face a number of complexities in coming years in Africa.

—An immediate problem concerns southern Africa. While expressing—as we must—our views on recent events within South Africa, we must also make it clear to the South African Government that we remain willing to recognize and welcome its cooperation in resolving the Rhodesian and Namibian problems. It remains our belief that finding peaceful solutions to such problems is deeply in South Africa's interest since the alternative is escalating violence, increasing racialism, and greater opportunities for external interference.

—Since we emphasize so strongly our

⁴For Ambassador Young's statements at and texts of declarations of the Maputo conference (May 16-21) and Lagos conference (Aug. 22-26), see BULLETINS of July 11, 1977, p. 55 and Oct. 3, p. 446, respectively.

interest in African solutions to African disputes and oppose intervention by the superpowers, it is all the more important that the OAU play an increasingly effective mediating role. How do we best support the OAU without crossing the line between support and interference?

—How do we make it clear to our more traditional friends in Africa that our efforts to communicate with all African nations is not a sign of a loss of interest in our longer standing friendships?

—How do we encourage the Africans themselves to limit their requests for armaments from outside the continent so that in pursuing international limitations on such sales we do not seem to be trying to forge a producer condominium?

—In cases where our concern for political human rights cuts across our concern for economic justice—for example, in considering a loan for a government which does not respect the individual rights of its citizens but which has progressive economic policies—how do we proceed?

—How do we make it clear, in pursuing aid policies which emphasize meeting the basic human needs of people, that we are not attempting to deny African nations the more advanced technology which they believe will most quickly promote their national growth?

In all such cases, we must simply do our best to make the pragmatic decisions that will bring us the farthest toward our goals. I would be glad to discuss further with you our approach to each of these questions. My general point is that in an increasingly complex world, rigid, doctrinaire answers to such problems must inevitably be unrealistic and fail.

For our policies will be judged—and judged quite soon, I believe—by their results. There is a new feeling in America about Africa and in Africa about America. Our practical efforts in coming years must be commensurate with the hopes now building.

This will depend not only on the will—and I hope what will be the skill—of this and fu-

ture Administrations. On almost every issue I have discussed, America's performance will be finally determined by the American public and the American Congress.

I hope that each of you will bear this in mind and express yourselves when you agree with what this Administration is trying to do. Those of you who do not agree, will undoubtedly express yourselves right now. I look forward to hearing your comments and questions.

Human Rights in Indonesia

Following is a statement by Robert B. Oakley, Deputy Assistant Secretary for East Asian and Pacific Affairs, made before the Subcommittee on International Organizations of the House International Relations Committee on October 18.¹

I very much welcome this occasion to testify before you on the human rights situation in Indonesia. I know that the subject is of continuing interest to the committee as I have reviewed in previous appearances before you.

As you are aware, the U.S. Government has a strong concern over the maintenance and fulfillment of human rights and individual liberties. Our interest is focused on the three general areas of respect for personal integrity, the meeting of basic human needs, and participation in the political process. Our views on these important matters have been expressed at high levels to the Indonesian Government on numerous occasions. In these contacts, we have been encouraged by the positive attitude of many senior Indonesian officials and their willingness to discuss matters with us and with Members of Congress.

Indonesia is the fifth most populous country in the world and one of the least developed. It is an amalgam of cultures and peoples spread over some 3,000 islands which, slowly over the period of independence and through the

¹ 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.

early 1960's, developed into a cohesive nation state. Indonesia is faced not only with the major challenge of economic development in an overpopulated environment but also with continuing problems stemming from its turbulent political history.

"Democracy" is one of the five guiding principles, the *Pancasila*, of the Indonesia state. However, it is a democracy differently perceived, reflecting their own history and social values. Indonesian culture has traditionally put higher priority on communal interests rather than upon individualism, a concept which is a recent import from the West. Thus political life in Indonesia, even within its own value system, is quite different from what we are accustomed to in the West. Consensus, rather than majority vote, is the ideal of the Indonesian state. It is these factors, as well as recent Indonesian history, which also influence the degree to which the situation there corresponds to international standards.

Political Detainees

One of the major questions facing Indonesia is the status of the approximately 28,000-30,000 detainees. This is a subject of concern not only to the Indonesian Government but to us and to all organizations concerned with human rights. Most of the individuals have been in detention without judicial process for the entire period [since 1965]. This problem is a legacy of an organized attempt in 1965 by the Communist Party of Indonesia (PKI) to seize power by violence. The supporting evidence is abundant—the events of 1965 cannot accurately be portrayed as the results of a struggle for power initiated by a small military band. The 1965 events marked the second attempt to overthrow the Indonesian Government by the PKI, which was in 1965 the world's third largest Communist Party after those of the U.S.S.R. and China. The unfortunate aftermath entailed the loss of tens of thousands of lives and the imprisonment of tens of thousands of persons.

In recent years the Indonesian Government, while still concerned over domestic security and faced with the problem of popular animosity toward persons reputed to be con-

nected with the 1965 coup, has moved to find a resolution of this issue. We believe there are about 28,000-30,000 persons in detention today. I would add that our figures for the number of persons in detention are not certain (in part because the total fluctuates), and we recognize a reasonable margin of error. However, we have no evidence to support the contention that two or three times that number are being held.

The Indonesian Government has indicated that although it believes most of those now detained were members of the outlawed Communist Party, it has insufficient evidence of direct involvement in the 1965 events to bring more than 1,000 or so to trial. Thus, in December 1976, the government released 2,500 detainees and announced a 3-year phased release of the remainder. The schedule foresaw 10,000 to be released in 1977, 10,000 in 1978, and the remainder in 1979. On August 17, 1977, President Suharto publicly reaffirmed this program and also reiterated that the trials would be completed during 1978 at the latest. Releases for 1977 have not yet taken place, but information we have received evidences the intention of the Indonesian Government to release 10,000 before the end of the year.

Given the best of will, full integration of the detainees into Indonesian society will be difficult. Java, where many of the detainees would prefer to live, has one of the highest population densities in the world and endemic unemployment. Social antagonism and hostility by religious groups to detainees already released pose major constraints and concern. The Indonesian Government is calling for understanding and support for the detainees by the public and religious leaders in an effort to avoid violence against the large number now to be released. Eleven years of detention have disrupted the family relationships and educational or career development essential for viable employment in a nation where the average annual per capita income is about \$200. The status of those already released varies according to their area, family, and circumstances.

Concerns have been expressed that the pending releases will be conditional and that the detainees may not receive full and im-

mediate citizen freedoms and/or be sent to permanent or temporary settlements related to the longstanding government policy to promote transmigration from the crowded island of Java. In regard to the first concern, a senior Indonesian official announced last month that the first 10,000 detainees to be released later this year would be under a form of house arrest for a probationary period of 6 months and restricted for the next 6 months to their residence city or town. In the second year freedom of movement within Indonesia would follow as well as other citizen rights with the exception of employment in government or in vital private industries.

We understand that resettlement is also a possibility, but the conditions and procedures of a program have not been announced. Given the living standards experienced by many Indonesians, reestablishment in transmigration areas would not automatically be an undesirable approach, particularly if citizen rights involving choice are restored and resources provided for a viable life.

While progress in settling the Indonesian detainee problem has not been as rapid as we would hope, it is our view that the new program will be an important step forward. As always, implementation will be the key. Frankly, we expect that merely the administrative challenge posed by a release of this magnitude will initially produce variable results, but we have no reason to doubt the intent of the Indonesian Government.

Aside from the detainees believed related to the PKI attempt in 1965 and members of the underground PKI who continue occasionally to be arrested, there have been other arrests which could be considered as based on beliefs or opinions. These include the so-called Malari detainees—primarily students—stemming from the riots of January 1974 (now reportedly all released or sentenced), about 780 persons arrested in early 1977 for involvement in a potentially violent Muslim movement (most of these have been released and the government has stated that the others will be brought to trial), and a few hundred persons arrested during the May 1977 election campaign for election law violations (most were released right after the elections).

Other Human Rights

Basic Human Needs

The current Indonesian Government has given highest national priority to economic development. With the support of a 17-nation and international organization aid consortium (the International Government Group on Indonesia), Indonesia is in the midst of an ambitious development program. In recent years, the focus has been on the agricultural and food sector. Indonesia also has one of the most effective family planning programs in the developing world.

These programs and the added impetus of oil revenues, while improving the life of the average Indonesian, have not yet come close to overcoming the immense economic problems posed by Indonesia's population, size, infrastructure personnel inadequacies, and a host of other impediments. The government devotes about 54 percent of its annual budget to development and less than 15 percent is for military expenditures.

As the Indonesian Government continues to concentrate on fulfilling the basic human needs of its population, we recognize that the potential benefits have also been weakened by corruption. An anticorruption campaign has begun but it will take time for results to be evident.

Cruel and Inhuman Treatment

With regard to charges of torture and brutal treatment, I want to emphasize that for at least 7 years our information in the Department discloses neither any pervasive practice nor government policy which would permit or condone such activities. Nevertheless, the information of nongovernmental agencies is not rejected out of hand by this Administration. Rather, we attempt by all avenues to determine the validity of the specific charges. And we will do so, with regard to the additional information presented to this subcommittee by Amnesty International during the course of these hearings. It is not an easy task.

It might also be added that diet and amenities in detention areas are well below what we would consider acceptable standards,

as is the case for many free Indonesian citizens. The government and the International Committee of the Red Cross (ICRC) have been engaged in discussions related to reaching agreement on renewed ICRC visits to Indonesian prisons and detention centers. We understand that the Indonesian representatives at the 23d international conference of the Red Cross, currently being held in Bucharest [October 15-21], have been authorized to complete negotiations with ICRC officials on the principles involved in a resumption of visits to Indonesian prisons and detention centers. The ICRC anticipates no developments that would stand in the way of visits in early January 1978.

Due Process

The codification of Indonesian traditional, colonial, and postindependence law is uncertain. Criminal trials, including internal security charges, are supposed to be based on conventional procedural safeguards. An exception is the arrests related to the 1965 PKI affair which are based on a 1966 emergency powers act which does not, for example, limit the length of detention without trial. The government has expressed its intent to improve safeguards and has taken some measures against abuses including the disciplining of police.

Peaceful Assembly and Association

Except for the outlawing of the Communist Party, there are no categorical limitations on freedom of association which apply to the general public. The freedom is limited as groups must obtain permission to hold meetings and large-scale demonstrations may be prohibited. However, the requirements are enforced flexibly. Indonesia has encouraged the development of trade unions within the framework of a government-sponsored federation. When registered, unions are allowed to engage in collective bargaining. The right to strike is theoretically legal and forbidden only to essential industries. In practice, strikes are discouraged and seldom acknowledged publicly.

Under current Indonesian law, the number of political groups is limited to three which represent different historical and religious

backgrounds with the progovernment GOLKAR preeminent. Campaigning during the May 1977 election was intensive, spirited, and involved most of the electorate. GOLKAR received a majority share of the vote but lost seats to the main opposition group. A new Parliament and People's Consultative Assembly have just convened. Former Foreign Minister Adam Malik has become the new Speaker in Parliament, and there is widespread expectation that the Parliament will be more critical and effective.

Thought, Religion, and the Press

Although it has one of the largest Muslim populations in the world, Indonesia is a secular state, and we are aware of no hindrance to the free exercise of religion. As Indonesians do not share the high Western regard for confrontation, expressions of thought are usually more subtle and indirect. Neither are Indonesians induced to attend mass rallies nor engage in forced sloganeering. A number of newspapers were closed following the January 1974 riots and several replaced. The press is aware that criticism of government policy and actions, while acceptable, has limits. However, there is no formal censorship, and the Indonesian press remains one of the more vigorous in Asia. It participated actively in the May 1977 election campaign.

In conclusion, the Department of State believes that the trend of human rights in Indonesia is toward improvement and not the reverse. We expect that initiatives relating to the particularly troublesome problem of political detainees will begin to be implemented by the end of this year.

East Timor

The question of East Timor remains of interest to the Administration as it does to this committee. The committee is fully aware of the facts concerning the sudden Portuguese withdrawal from East Timor; the ensuing chaos, violence, and bloodshed prior to Indonesian intervention in December 1975; and the sharp fighting between December 1975 and March 1976 as Indonesia established dominance over the territory and installed a

working administration for the first time since Portugal's departure. The committee is also aware that the United States, although exploring the violence and the use of U.S. arms, eventually accepted late in 1976 Indonesia's incorporation of East Timor. Both the Department's Deputy Legal Adviser [George H. Aldrich] and I have testified before the committee on this point, noting that the present Administration does not intend to question that action and sees no useful or practical purpose in reopening an issue already decided.

This is the essence of the Administration's position on self-determination. Mr. Aldrich has stated that the Department of State does not claim that there has been a valid exercise of the rights of the people of East Timor to determine their future. He added that this is not inconsistent with our acceptance of the status quo—a situation which has analogies in a number of other countries around the world.

The primary concern of the United States is in what we think will realistically best serve the well-being of the inhabitants of East Timor under existing circumstances. We do not believe that a return to the chaos which existed in East Timor between August and December 1975 would serve the best interests of the inhabitants nor be desired by them. And we see no viable, popularly acceptable alternative to the present administration. Our objective has been, is, and will continue to be the encouragement of the Government of Indonesia to do a better job of administering East Timor and helping its inhabitants. In this connection, we continue to urge established international voluntary organizations to undertake appropriate humanitarian activities in East Timor with the support of the Indonesian Government.

Questions have been asked about the position of the Department of State on possible U.N. action pursuant to Article 73 of the U.N. Charter on self-determination. The idea of a U.N. mission to East Timor on self-determination has been broached in the past at the United Nations, just as Indonesia has invited various organs of the United Nations to send observers to witness the efforts it has made to consult the local populace. To date,

there has been no agreement between Indonesia and the United Nations on any of these proposals.

At present, there is no specific U.N. effort underway concerned with self-determination for East Timor. The Committee of 24² concerned with self-determination and independence has considered East Timor and decided to take no action this year. There is an item on East Timor on the agenda of the current General Assembly which is likely to come up for consideration later in the session. The position of the United States on any resolution which might emerge during such consideration will be determined by the two principles discussed by Mr. Aldrich on July 19 and by our objective of seeking practical means to assist the people of East Timor.³

Transfer of Defense Articles to the Republic of Korea

*Message From the President*¹

I am transmitting today for the consideration of the Congress legislation which will authorize the transfer of certain United States-owned defense articles to the Republic of Korea. A draft bill and a section by section analysis of its provisions are enclosed.

In the Korean War the independence and security of the Republic of Korea were preserved at a cost of 34,000 American lives and many billions of dollars. Since then, a major objective of United States foreign policy has been the avoidance of renewed hostilities and the maintenance of peace on the Korean peninsula. Our security relationship with the

² Special Committee on the Situation With Regard to the Implementation of the Declaration on the Granting of Independence to Colonial Countries and Peoples Relating to the Territory.

³ For text of Mr. Aldrich's statement, see BULLETIN of Sept. 5, 1977, p. 324.

¹ Identical messages were transmitted to Walter F. Mondale, President of the Senate; Thomas P. O'Neill, Speaker of the House of Representatives; and Robert C. Byrd, Majority Leader of the Senate on Oct. 21, 1977 (text from Weekly Compilation of Presidential Documents dated Oct. 24); also printed as H. Doc. 95-247, which included the draft of the proposed legislation.

Republic of Korea, which has been the cornerstone of this policy, has consisted of three principal elements—our 1954 Mutual Defense Treaty, a program of military and economic assistance, and the presence of United States Armed Forces in Korea.

Peace and stability in Northeast Asia are vital to our national interests, and stability on the Korean peninsula is essential to that goal. I am determined, therefore, to maintain our commitment to the security of the Republic of Korea. However, our security relationship is not a static one, and the specific ways in which we seek to accomplish our basic policy objectives must be evaluated in light of present circumstances.

Within this context, I have concluded that the withdrawal of U.S. ground combat forces from Korea over a four- to five-year period can be accomplished in a manner which will not endanger the security of the Republic of Korea. So long as it is conducted in a way which will assure continued peace and stability in Northeast Asia, the ground force withdrawal is a natural evolution of our ongoing security relationship. Both governments have understood that the presence of U.S. ground forces was not permanent and is related directly to the maintenance of the military balance. With appropriate assistance, such as that included in the legislation I am proposing, the Republic of Korea will be able to assume a larger share of its defense burden and assume the tasks of U.S. units being withdrawn.

I have established a tentative schedule for the withdrawal of ground combat forces: 6,000 men, including one brigade of the Second Division, will be withdrawn by the end of 1978. The remainder of the ground forces will be withdrawn incrementally with the final withdrawal taking place in 1981 or 1982. U.S. air forces will remain in Korea with a small U.S. Army element to provide communications, intelligence and logistic support to our forces and those of the ROK.

My decision to withdraw U.S. ground combat forces from Korea rests on certain basic considerations:

—Korea's impressive economic growth over

the past decade and the corresponding increase in Korea's ability to defend itself;

—Our continued firm determination to maintain our basic security commitment to Korea, and to retain a significant military presence there, composed mainly of air and key support units, together with the continuing presence of U.S. naval units in the area; we believe that these forces, as well as the major U.S. forces remaining in the Western Pacific, provide a clear and visible U.S. deterrent to North Korean miscalculation;

—Our assessment of the broader international context of the Korea question, particularly the pattern of interrelationships between the great powers in the area;

—Our readiness, subject to Congressional consultations and approval, to take appropriate actions to assure that the ground force withdrawal does not weaken Republic of Korea defense capabilities.

The decision to withdraw ground combat forces from Korea has involved full consultations with the Korean Government. The Governments of Japan and other friendly nations in Asia have been kept fully informed, both of our withdrawal intentions and of our continuing firm commitment to Korean security. We have made it clear to both the People's Republic of China and the Soviet Union that the withdrawal decision signals no weakening of our commitment. The North Korean Government should be in no doubt about our position.

The legislation I am proposing is designed to help make certain that Korean defense capabilities are not weakened by our ground force withdrawal. It provides for the transfer of certain U.S.-owned military equipment (primarily in the custody of U.S. forces in Korea) and related services to the Korean Government, without reimbursement. We envisage at most the transfer of equipment with a depreciated value of about \$800 million.

Even with this no-cost transfer, the withdrawal will require the Korean Government to devote a larger share of its financial resources, both foreign exchange and local currency, to defense. In my judgment, the transfer provided for in the draft legislation will ease the incremental fiscal burden of with-

drawal on the Korean Government to an amount which can be borne without diverting excessive resources from the high priority task of economic development.

The bill provides that the President shall transmit an annual report to the Congress, through the five-year period during which the anticipated equipment transfer will take place, detailing the types, quantities and value of defense articles furnished to Korea under this Act.

The transfer of equipment to the Korean Government to be authorized by the bill will ensure that the withdrawal of U.S. ground forces is accomplished in a way that will not disturb the stability that must be maintained in the region. Since the initial phase of that withdrawal will take place in 1978, I urge the Congress to enact promptly the proposed legislation.

Sincerely,

JIMMY CARTER.

Relations With the Soviet Union

*Address by Philip C. Habib
Under Secretary for Political Affairs¹*

I appreciate the opportunity to speak to you today about U.S.-Soviet relations. Secretary [of the Treasury W. Michael] Blumenthal and Secretary [of Commerce Juanita M.] Kreps will be amply and ably covering the economic side of this relationship, and I will therefore concentrate on the political and military aspects. Since I am sharing the speaking responsibility today with [Soviet] Ambassador Dobrynin, I will leave the joke-telling duties to him. He has spent almost as much time as I have in the United States, and he has amassed a rich stock of local humor.

Our relations with the Soviet Union are very important to us, and I believe that Ambassador Dobrynin can confirm that these relations are also very important to the Soviet

Union. This is so not only because we have the power to do lethal damage to each other, but also because we can both benefit from cooperation.

U.S.-Soviet relations, now and at other times, involve a combination of cooperative and competitive elements. President Carter noted in his speech in Charleston in July that the whole history of U.S.-Soviet relations has taught us that we will be misled if we base our long-range policies on the mood of the moment, whether that mood is euphoric or grim.² We must strive to regulate the competition in our relations, even as we acknowledge that competition will—and should—continue, since our two societies have quite differing views of the world in which we live. President Brezhnev expressed a similar view in his speech on November 2.

We have worked hard during recent years to discover and use the keys to a safer and more constructive relationship with the Soviet Union. One important key is realism. Another is maintaining a clear-eyed view of our own long-term interests.

On the basis of realism and long-term interests, our two countries are trying to limit and reduce our vast arsenals of nuclear weapons. We are trying to control those problems which could lead to confrontation between us. And we are exploring the many important overlapping interests which our two countries share and use them to enlarge our cooperation in those areas to our mutual benefit.

At the moment, the trend is positive. But we have to keep our eye on the long term. We have a lot of hard work ahead of us in the decades to come. In the meantime, both elements in our relationship—cooperation and competition—will continue to coexist. At different times, one or the other may predominate. At more difficult moments we will be asked if "détente is finished"; in times of greater optimism we will be asked if we have "turned the corner." I think the first question was asked earlier this year, and some people are already asking the second one. This coexistence of competition and cooperation can make these relations at times seem better or worse than they actually are, but

¹ Made before the U.S.-U.S.S.R. Trade and Economic Council in Los Angeles on Nov. 14, 1977.

² For full text, see BULLETIN of Aug. 15, 1977, p. 193.

denying the presence of either one of these two elements in our relations would be unrealistic.

A balanced, realistic approach to our relations with the Soviet Union will, we hope, produce steady progress. It may not be at a dramatic pace, but it will minimize the chances of backsliding into confrontations. Progress depends on our finding specific solutions to concrete problems, not on abstract declarations about "the future of détente." This approach should be applied across the board—to our trade policy, to our engagement in third areas, and above all in arms limitation negotiations.

Let me talk for a moment about the most important item on the current U.S.-Soviet agenda—SALT [Strategic Arms Limitation Talks]. To be realistic about SALT we need to keep clear in our minds what we are trying to achieve and also what the consequences would be if we fail.

Behind the complicated language of strategic technology and doctrine, U.S. objectives in SALT are simple and basic.

—We must maintain, for ourselves and our friends, military power at a level sufficient to insure that we can pursue peaceful lives and maintain the principles and values of our societies free from the fear of attack.

—We want to reduce the strategic forces necessary to maintain that security.

—We want that security firmly based on a strategic balance which is not going to be easily upset by new technology but which will endure and be more stable.

—And we want SALT to contribute to the further improvement of relations between the United States and the Soviet Union by giving us better control over our competition—so it does not lead to dangerous confrontation—and a more confident basis for pursuing cooperation—so it will serve the interests of the people of both countries.

If we fail to agree in the SALT talks on the limitation of our strategic nuclear arsenals, both sides would go on adding more and more to these strategic arsenals, which are already larger than necessary to deter attack and have reached their present size because each

side reacts to what the other is doing. Neither of us would be any more secure. In fact we would each look at the new weapons the other was building and feel less safe than we do now. And meanwhile we would be squandering resources that could be put to better use.

In focusing so specifically on SALT, I do not want to give the impression that other arms limitation issues are unimportant. Each of them in its own way is a piece in the general arms control structure which we seek to build. A recent positive development in another area of arms control was President Brezhnev's statement on November 2 that the Soviet Union was willing to suspend nuclear explosions for nonmilitary or peaceful purposes. We hope this will open the way to a comprehensive ban on nuclear testing.

I don't think it will surprise anyone here if I say that prospects for progress in other areas of cooperation, such as our economic relations, will be improved as we make advances in the arms control arena. Likewise, there is a need for restraint in the major areas around the globe—including the Middle East, Africa, and central Europe—if we are to succeed in expanding the cooperation which we both desire.

Better economic relations is one of the common benefits which has grown out of the improvement in the overall relationship in recent years. I would venture to guess that for most of the American companies represented in this room, significant business activity with the Soviet Union began only a few years ago. You can take pride in the rapid strides you have made. The development of trade between the United States and the Soviet Union is an important stabilizing factor in the relationship between the two countries.

But the economic area is only one of the cooperative activities that have grown in recent years. There are more cultural and academic exchanges now, more performing arts groups, more scientific exchanges and more exhibits—most notably our Bicentennial Exhibition in the Soviet Union last year and the Soviet Sixtieth Anniversary Exhibit which Minister [of Foreign Trade] Patolichev opened here last week. Mutually beneficial

cooperation agreements have been signed and are in operation in a number of areas and disciplines, such as housing, health, agriculture, the environment. I have been told of the remarkable healing effects which these cooperative agreements have had on old antagonisms.

In Washington the State Department is developing a spirit of coexistence with the U.S. technical agencies which bear the brunt of the work on the cooperative agreements. And I understand that the State Committee on Science and Technology is now at peace with the Ministry of Foreign Trade. We can only hope that such spirit will prosper in the years ahead.

I would like to conclude my remarks with a toast. I propose that we raise our glasses to the success of our common efforts to make the world a safer place, to expand our trade, and to strengthen cooperation to our mutual benefit.

U.S.-U.S.S.R. Communique on Antiballistic Missile Systems

Following is the text of the communique of the U.S.-U.S.S.R. Standing Consultative Commission (SCC) on the Review of the Treaty on the Limitation of Anti-Ballistic Missile Systems (ABM Treaty) issued at Geneva on November 21.¹

Press Release 520 dated November 21

In accordance with the provisions of Article XIV of the Treaty Between the United

¹ The Standing Consultative Commission was established in 1972 by the ABM Treaty (Article XIII) as a forum for discussion of questions of compliance and other issues related to that treaty. Article VI of the SALT I Interim Agreement on Certain Measures With Respect to the Limitation of Strategic Offensive Arms provided that the SCC would also address questions related to the Interim Agreement. Before the Interim Agreement expired on October 3, Secretary Vance announced that: "In order to maintain the status quo while SALT II negotiations are being completed, the United States declares its intention not to take any action inconsistent with the provisions of the Interim Agreement. . . ." (For full text, see BULLETIN of Nov. 7, 1977, p. 642.) Since October 3, the SCC has continued to address questions related to the Interim Agreement.

States of America and the Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems of May 26, 1972, which entered into force on October 3, 1972, and was amended by the protocol thereto of July 3, 1974, the parties to the treaty together conducted a review of the treaty after 5 years of its operation. By agreement between the parties, the review was conducted from November 4 to November 21, 1977, in a special session of the Standing Consultative Commission which was convened for that purpose.

The parties agree that the treaty is operating effectively, thus demonstrating the mutual commitment of the United States and the Soviet Union to the goal of limiting nuclear arms and to the principle of equal security, serves the security interests of both parties, decreases the risk of outbreak of nuclear war, facilitates progress in the further limitation and reduction of strategic offensive arms, and requires no amendment at this time.

The parties note, in connection with the conduct of the review, that during the aforementioned period of operation of the treaty consultations and discussions have been held in the Standing Consultative Commission on matters pertaining to promoting the implementation of the objectives and provisions of the treaty. These consultations and discussions have been productive and useful in clarifying the mutual understanding of the parties concerning certain provisions of the treaty, in working out appropriate procedures for implementation of its provisions, and in resolving a number of questions related to complete and precise implementation of the provisions of the treaty.

Mindful of their obligation to conduct together a review of the treaty at 5-year intervals, the parties will continue the process of consultation concerning the implementation, as well as the enhancement of the viability and effectiveness, of the provisions of the treaty.

The parties reaffirm their mutual commitment to the objectives and provisions of

the treaty and their resolve to maintain and further increase the viability and effectiveness of the treaty.

U.S., Canada Exchange Notes on Nuclear Cooperation

Press release 521 dated November 21

The United States and Canada exchanged diplomatic notes on November 15, 1977, in Ottawa, relating to U.S.-Canadian nuclear cooperation. The notes set forth conditions concerning the transfer of nuclear materials and equipment between the United States and Canada and retransfers to third countries, and complement conditions contained in the U.S.-Canadian 1955 Agreement for Cooperation [on Civil Uses of Atomic Energy] and in a March 1976 exchange of notes which cover interim procedures for safeguarding Canadian uranium imported into the United States for use in U.S. civil nuclear reactors. The March 1976 notes provide that Canadian uranium must be stored at Energy Research and Development Administration (Department of Energy) facilities pending entry into force of the proposed U.S.-International Atomic Energy Agency agreement providing for the application of safeguards on U.S. civil nuclear facilities.

Under the notes exchanged on November 15, Canadian-origin uranium may be used in U.S. civil nuclear facilities, and arrangements of a mutually satisfactory nature are to be made between the United States and Canada to insure compliance with the provisions of the notes. These provisions relate primarily to the application of safeguards and conditions of use of the material. Such material, after enrichment, may only be transferred to fuel fabrication, conversion, reactor, and spent fuel storage facilities in the United States and shall not be retransferred beyond the jurisdiction of the United States or reprocessed unless agreed to by the United States and Canada.

Other provisions in the November 15

notes relate to nuclear material and equipment transferred to Canada from the United States and nuclear material and equipment retransferred to third countries. The notes will remain in effect pending renegotiation of the U.S.-Canada Agreement for Cooperation, which the parties have agreed to undertake promptly.

U.S.-France Cooperative Program in Oceanography

Press release 488 dated October 28

New programs to develop methods of utilization and protection of the ocean and its resources and to understand better its processes were announced jointly by France and the United States.

Mr. David Wallace, Assistant Administrator for Fisheries (Acting), NOAA [National Oceanic and Atmospheric Administration], and Mr. Yves La Prairie, President and Director General of France's National Center for the Exploitation of the Oceans (CNEXO) outlined the plans at the conclusion of a 3-day meeting [September 28-30] of the U.S.-French Cooperative Program in Oceanography, held in Bandol (France).

The two leaders said that nation-to-nation cooperation in ocean affairs, always important, has become more vital as world interest in protecting the oceans increases and as the need for ocean resources becomes more acute. Ocean problems are of increasing public concern, and the U.S.-French program continues to produce constructive cooperative action in this area.

An entirely new program in the marine geology and geophysics field is a study of sea floor spreading processes on the East Pacific Rise Crest, near 21° N. in the Pacific Ocean, involving the use of elaborate high resolution geophysical tools on the sea bottom and exploratory dives. French and U.S. scientists have planned a two-part program. The first phase is scheduled for February 1978 with the French submersible, *Cyana*. The data collected will be analyzed at

Scripps [Institution in California] and will serve as the basis for developing strategy for the 1979 diving program using the U.S. submersible, *Alvin*.

Another new area of cooperation was opened in the field of marine environmental research. It is to include study of the environmental impact of nuclear powerplants, especially the addition of chlorinated organics to the ocean. The scientists agreed to information exchange in the use of bacteria for oil spill cleanup and research in fish necroses.

The Environmental Data Service and the Bureau National des Données Oceaniques (France) approved a new general agreement in data exchange. The exchange will be accomplished through development of common formats, schedules for routine exchange and transfer of technology in marine data processing, and archiving.

In the field of marine pollution, exchanges were planned in study of the techniques of oil spill cleanup and waste chemical incineration. There are also to be exchanges in the field of remote sensing. In the area of oil pollution control, France is to convene a workshop in September 1978 and at that time the utility of another workshop 6 months later will be considered.

The cooperation in buoy technology and air-sea interaction continued during the past year with drifting experimentation in the Bay of Biscay and a proposal for further experimentation in the same area in 1979. A new element of this part of the program involves the use of radar technology for a "sea echo" experiment.

French and U.S. scientists agreed on the importance of a multidisciplinary study of sedimentary processes on the Continental Shelf and the coastal zone for the formulation of coherent management guidelines for the future use of the shelf and coastal environment. Plans include participation by U.S. scientists in the French research project on the Seine Estuary-shelf system.

Under the Man-in-the-Sea Program, the United States and France have conducted and will continue experiments which help increase understanding of neurophysiological changes which accompany compression to great depths. Cooperative work also continues in understanding decompression, inert gas exchange, bubble formation, decompression sickness, respiratory physiology, and aseptic bone necrosis in diving. CNEXO and NOAA will continue with plans to formulate international standards for diving, undersea platforms, and submersibles.

Cooperative work continues in the aquaculture area with salmon, oysters, shrimp, and finfish. The United States will continue to assist France in the procurement of approximately one million coho salmon eggs per year through 1980.

The primary objective of U.S.-French cooperative effort in instrumentation is to maintain an awareness of the condition of measurement standards and techniques in both countries and to promote technology information exchange. This will be accomplished through measurement intercomparisons, cooperative testing, and technology assessment.

U.N. Security Council Condemns South Africa's Apartheid Policy and Imposes a Mandatory Arms Embargo

Following are statements by U.S. Ambassador to the United Nations Andrew Young made in the Security Council on October 31 and November 4, together with the texts of two resolutions adopted by the Council on those dates.

FIRST STATEMENT OF OCTOBER 31

USUN press release 90 dated October 31

The Security Council is today preparing to take an unprecedented step. For the first time in the history of the Organization, the Council may impose mandatory sanctions against a member state. Because the decision before us is so significant, it is necessary for all of us to proceed carefully in the light of past actions of the Council.

The world community's concern over South Africa's racial policies, we all know, is not new. The Security Council's first action on this question came on April 1, 1960, when a resolution deploring the Sharpeville massacre and calling upon South Africa to abandon its policy of apartheid was adopted declaring that South Africa's racial policies, if continued, might endanger international peace and security.¹

Seventeen years have passed. During the intervening years, this Organization has repeatedly urged South Africa to abandon apartheid and to rejoin the international effort to insure universal respect for human rights.

¹For text of the resolution, see BULLETIN of Apr. 25, 1960, p. 669.

The Vice President of my government spoke to this issue in Vienna on May 20, 1977, when he pointed out that progress toward full and equal participation by all citizens of South Africa in the political process was essential to a healthy, stable, and secure South Africa.²

Clearly the repressive measures announced by the South African authorities on October 19 mark a major development on the South African scene. In deciding on these measures, the South African Government decided not to move in the direction of full political participation by all but to break new ground by ending all political expression by all opponents of apartheid in South Africa—black and white. One can only conclude that the South African Government does not understand the dangers for peace in southern Africa which this policy of denying blacks in South Africa all rights of political participation now poses.

In this inflammatory structure, my government has reluctantly but firmly concluded that the international community must now take steps to insure that the flow of arms into South Africa does not add to a level of tension which is already endangering international peace. My government therefore is prepared to join with others in supporting Security Council action to establish a mandatory arms embargo under Chapter VII of the U.N. Charter.

Since 1963 the United States, consistent with Security Council resolutions, has ob-

²For text of Vice President's news conference, see BULLETIN of June 20, 1977, p. 661.

served a comprehensive arms embargo. The U.S. embargo, however, has been voluntary, and the U.N. voluntary embargo has not stopped the flow of arms to South Africa. In the interest of encouraging South Africa's leaders to embark upon a new course, President Carter now has authorized me to state that the United States is prepared to join with the other members of this Council in imposing a mandatory arms embargo (under Chapter VII of the charter) on South Africa which would require all states to cut off sales or transfers of arms, spare parts for previously delivered equipment, paramilitary police equipment, and material for the maintenance and production of arms and munitions.

In addition, we are undertaking a thorough review of relations with South Africa in all areas, including the area of nuclear cooperation. The possibility that South Africa might explode a nuclear device and develop a nuclear weapons capability has been of gravest concern to my government as it has to all the members of the international community. Such a step would be a serious blow to the security situation in Africa and also to the global effort to prevent the further proliferation of nuclear weapons. Since my government has no priorities which it takes more seriously than these, we have given the most serious consideration to the steps which might be taken individually or in concert with others to keep nuclear weapons from the African Continent. I would like to share with you our thoughts on a practical and effective approach to this goal.

First, as President Carter reiterated at the International Nuclear Fuel Cycle Evaluation conference in Washington, October 19, the United States supports the concept of nuclear weapon free zones.³ We strongly believe that Africa should remain free of nuclear weapons.

Second, we are urging South Africa as well as others who have not yet signed the Non-

proliferation Treaty to do so promptly and to put all their nuclear facilities under full international safeguards.

Third, our cooperation with all nations in peaceful uses of nuclear energy is based on the premise that the opportunity for cooperation is an important incentive to keep nuclear facilities under international inspection. This has, of course, been the case with all of our cooperative programs.

Finally, I am sure you are aware of the assurances [South African] Prime Minister Vorster has given President Carter concerning their nuclear program. We take these assurances seriously and would respond promptly and vigorously in concert with others should it appear that South Africa does not intend to honor them.

In part because my own government's policies on this subject have sometimes been misunderstood or distorted in South Africa, I believe it is essential that, as we take these major steps, we make it clear to South Africa what we are and what we are not asking it to do.

First, we are not, as some South African officials contend, asking that South African society destroy itself. Without condoning the philosophical underpinning of the South African state, we must admire the accomplishments of the talented people of South Africa—black and white—in developing a modern industrial economy which could, if its leaders so desired, bring great benefits not only to the people of South Africa but to the rest of Africa as well.

Second, we lay out no predetermined formula for the solution of South Africa's problems.

Third, we do not ask—nor has any African spokesman in this Council—that white South Africans forsake the country they have helped to build. What we do challenge is the blanket denial of the rights of the black majority to participate in the shaping of their destiny, a denial which not only violates the obligations of the Government of South Africa under the charter but which also poses grave threats to stability and peace. We hope that white South Africans can understand

³For texts of President Carter's remarks and related material on this conference, see BULLETIN of Nov. 14, 1977, p. 659.

that the aim of my government, and I believe of this Organization, has been and remains to help South Africa embark on a new course, a course aimed at ending racial discrimination and the establishment of a more just social and economic order.

The outside world can help, but the answer to South Africa's problems must be found by South Africans themselves. A dialogue must be started among all the peoples of South Africa with a view to achieving a more just and stable society. Failing that, we can see only heightened danger and a continuing threat to the security of all in the region.

I wish to underscore that the purpose of our policy is not to exclude South Africa or to isolate it from the rest of the world. We are anxious to see the kind of change within South Africa that will permit it to play the role in the international community that it deserves. Yet, by their policies of increasing racial oppression, the South African leaders are succeeding in progressively isolating their country from the rest of the world. This process, if allowed to continue, will lead to a situation in which cooperation between South Africa and the rest of the world in any area will be increasingly difficult, if not impossible.

Looking back over the 17 years since Sharpeville, one is tempted to be pessimistic. South Africa's response to the calls of the United Nations, individual member countries, and its own citizens to change its course has been consistently to press ahead with policies that increase tension instead of reducing it.

Yet, my own government, notwithstanding the profound disappointment we feel as a result of the October 19 measures, remains hopeful of South Africa in part because of the voices we hear from the South African people themselves. I would like to quote from some of South Africa's own native sons—some that South Africa itself refuses to listen to. Percy Qoboza [detained editor of *The World*, the largest newspaper for blacks in South Africa]:

Yet I still have faith that we have not reached the point of no return. I am optimistic and convinced that we can still turn frustration into hope. We can still douse the flames of anger and bitterness that raged

through Soweto and other parts of South Africa and replace them with genuine brotherhood and understanding.

It is never too late to do the right thing. It is never too late to transform the might of South Africa into the might of justice and dignity for all. It is never too late to build a South Africa where people of all races can live together in mutual respect and tolerance.

Or Dr. C. F. Beyers Naude of the Christian Institute who says:

It is my clear conviction that, despite all efforts that the government might currently or in the near future undertake to establish independent states, black majority rule for South Africa is inevitable either in a unified or in a federated state. Continued determined opposition to this development, although initially successful because of the tremendous political, military, and economic power which the white minority still wields in South Africa, cannot but fail in the longrun, and the sooner the white minority realizes this and starts making the necessary concessions to insure a meaningful sharing of political power, economic wealth, and land ownership the more peaceful this period of transition will proceed.

The next 2-3 years will be the crucial periods of decisionmaking in this regard, as I believe that white South Africa has only another 5-6 years to put its house in order. And even if this estimate is wrong and the period extended to 10 or 12 years, it is imperative that steps should be taken immediately by the white minority group to bring about the fundamental peaceful change so urgently required in our country.

Or the late Steven Biko [black South African critic of the apartheid policies of the South African Government who died in September 1977 in detention]:

We are looking forward to a nonracial, just, and egalitarian society in which color, creed, and race shall form no point of reference. We have deliberately chosen to operate openly because we have believed for a very long time that through a process of organized bargaining we can penetrate even the deafest of white ears and get the message to register that no lie can live forever.

In doing this we rely not only on our strength but also on the belief that the rest of the world views the oppression and blatant exploitation of the black majority by a minority as an unforgivable sin that cannot be pardoned by civilized societies.

These are the voices South Africa has refused to hear, banning two and killing a third for daring to state these most merciful and visionary ideals.

But as Donald Woods [white South African newspaper editor under banning orders] has previously warned:

They think the enemy is words, but the enemy is thoughts. You can't legislate against thoughts. You can't detain them or ban them or restrict them, and that is why the present rulers of South Africa cannot survive. The thoughts of many are against them, and ultimately they themselves are too few.

The ideas of men like these will prevail, for though they may be silenced, the power of these ideals have been implanted in the hearts of men and women by their creator.

South Africa—A Profile¹

Geography

Area: 472,359 sq. mi. (includes the enclave of Walvis Bay—434 sq. mi.); about twice the size of Texas.

Capitals: Administrative—Pretoria (pop. 563,000), Legislative—Cape Town (1,108,000), Judicial—Bloemfontein (182,000).

Other Cities: Johannesburg (1,441,000), Durban (851,000).

People

Population: 26.1 million (1976 est.)

Annual Growth Rate: 2.5%

Density: 53 per sq. mi.

Ethnic Groups: Africans—18.6 million, whites—4.3 million, coloreds—2.4 million, Asians—746,000.

Religions: Traditional African, Christian.

Languages: English and Afrikaans (official), Zulu, Xhosa, Tswana, North and South Sotho, others.

Life Expectancy: Africans—58 (f), 51 (m); whites—72 (f), 64 (m); coloreds—56 (f), 49 (m); Asians—64 (f), 59 (m).

Government

Official Name: Republic of South Africa.

Type: Republic—parliamentary in form with franchise limited to white adults.

Independence: May 31, 1910 (Union of South Africa was created); became a sovereign state within the British Empire in 1934. On May 31, 1961, South Africa became a republic and, in October 1961, left the British Commonwealth.

Constitution: May 31, 1961

Branches: *Executive*—State President (Chief of State), elected to a 7-yr. term; Prime Minister (Head of Government). *Legislative*—bicameral House of Assembly consisting of 171 Members (including 6 Representatives from Namibia)

¹Taken from the Department of State's June 1977 edition of the BACKGROUND NOTES on South Africa. Copies of the complete NOTE may be purchased for 50¢ from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (25% discount is allowed when ordering 100 or more NOTES mailed to the same address).

Repression only serves as a motivator which demands that those ideas be expressed even at the price of death.

Racial justice will come to South Africa. My government will continue to extend the hand of cooperation to all people of South Africa in their efforts to build a just, free, secure, and prosperous nation where all can work together for mutual benefit. I ask the

elected for maximum of 5 yrs., and Senate consisting of 55 Members (45 elected by provincial electoral colleges, the remainder appointed) who serve for 5 yrs. *Judicial*—Supreme Court consisting of the Appellate Division in Bloemfontein and 4 provincial divisions.

Major Political Parties: National Party, United Party, Progressive Reform Party.

Suffrage: Whites over 18.

Administrative Divisions (first level): Provincial governments of the Transvaal, Orange Free State, Cape of Good Hope, Natal, and separate "homelands" administered in areas set aside for Africans.

Economy

GDP: \$35.3 billion (1975 est.)

Agriculture: Products—corn, wool, dairy products, wheat, sugarcane, tobacco, citrus fruits (self-sufficient in foodstuffs).

Industry: Products—mined products, automobiles, fabricated metal, machinery, textiles, chemicals, fertilizer, fish.

Natural Resources: Nearly all essential minerals except oil.

Trade: *Principal trading partners*—U.K., U.S., Japan, F.R.G. *Exports*—\$5.3 billion (1975 est.): wool, diamonds, gold, corn, uranium, sugar, fruit, hides, skins, metals and metallic ores, metal products, asbestos, fish products. *Imports*—\$7.6 billion (1975 est.): machinery, electrical equipment, transportation equipment, base metals, metal products.

Official Exchange Rate: South African rand R1=US\$1.14.

Economic Aid Received: None from any country. Export-Import Bank transactions are limited essentially to insurance and guarantees for the U.S. exporter.

Membership in International Organizations

U.N. and many related agencies, Intelsat, GATT.

Principal Government Officials

South Africa: State President—Nicolaas Diederichs, Prime Minister—Balthazar Johannes Vorster, Minister of Foreign Affairs—Roelof Frederick Botha, Ambassador to the U.S.—Donald B. Sole. United States: Ambassador to South Africa—William G. Bowdler.

international community to join us in such a pledge for we cannot win the progress we want without holding out some hope of reconciliation in return.

SECOND STATEMENT OF OCTOBER 31

USUN press release 91 dated October 31

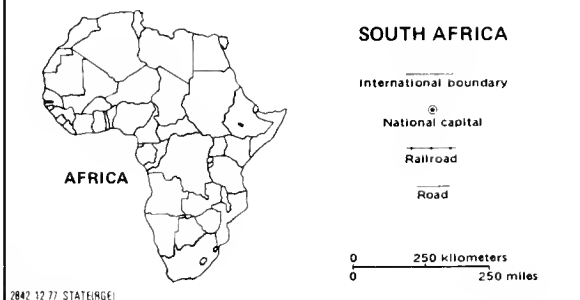
I want to associate myself with the remarks by the distinguished representative of the Canadian Government. On Friday the United States indicated in informal conversations with a number of African and other delegations how we would vote if the four resolutions before the Council were put to a vote. I want to confirm what we have said in this regard, regarding our inability to support three of these resolutions.⁴

We believe that the Security Council should pronounce itself on those measures

that can unite us, not those that would divide us. I would point with pride to the actions of this Security Council in working together this entire year, of our attempts not only to reach a declaration which, while it did not reach a vote, nevertheless did bind us in a working consensus which was followed up by a very effective conference in Maputo in which all of the members of this Council and some 90 member nations of this Organization were represented.⁵ We continued in our work in the conference in Lagos which was an even bigger display against the philosophies and policies of apartheid, and I think that we have been willing to take a step—in fact several steps—which heretofore have been impossible for us.⁶

I think one of the reasons we are able to take these steps is that we of the Western nations, Western members of this Security Council, have been able to work together. And I think part of the approach that seeks to put these four resolutions to a vote is an attempt to divide us, and I'm afraid that just is not tactically wise. And from the point of view of my government, it doesn't really help for us to vote something that we might not be able to enforce, only to have an American-owned subsidiary in another country do the same thing which we prohibited doing in this country. There are very practical reasons for our working together; those reasons for working together are in the interest of advancing our approaches to the problems in southern Africa.

I also would like to say that one of the things that I struggled against in this country, and one of the things that's also a problem in South Africa, is people writing laws for other people that don't apply to them-



⁴The draft resolutions which were not adopted were contained in U.N. docs. S/12310/Rev.1, S/12311/Rev.1, and S/12312/Rev.1; for the resolution which was adopted, see p. 865.

⁵For material on the U.N.-sponsored conference in Maputo, Mozambique, May 16-21, 1977, see BULLETIN of July 11, p. 55.

⁶For material on the U.N.-sponsored conference in Lagos, Nigeria, Aug. 22-26, 1977, see BULLETIN of Oct. 3, p. 446.

selves. Unfortunately, because we happen to be the guilty parties that are involved with South Africa, I think it's necessary that any laws or any guidelines or resolutions affecting our actions have to be written and taken into consideration in keeping with the laws of our lands, which are the laws that would enforce them. It would be quite inappropriate for me to be writing laws about what OPEC [Organization of Petroleum Exporting Countries] should be doing in regard to South Africa. I would be certainly glad to write some laws for OPEC, but it doesn't affect my country at all, and yet we haven't heard anything about that. We have people writing laws for the West, or resolutions for the West, and those resolutions are not, thank God, going to affect a single African country.

As we have struggled with the problems of our own country, and as we have struggled with the problem of our country's relationship to the Government of South Africa, I think everybody around this Council knows that there has never been an Administration in the United States that has struggled more determinedly against these policies of apartheid. Our resolution remains undiminished. Our commitment will not be affected one way or another by what this Council decides. We have made our judgment in regard to southern Africa. The only question is, do we have the united voice of this Council that enables us to enforce those mandates against member and nonmember states alike. Can we, in fact, close up the loopholes that have existed in an arms embargo, and I think for that, some action on the part of this Council is called for. But that action which would help us to approach positively the problem in South Africa is not likely to be fulfilled by our attempts to pursue these resolutions.

I hope that following this vote, or even before, if you see fit, we might have preliminary discussions that would enable us to come to some consensus on this Council that would not deny the suffering people of South Africa. It is very easy for people outside of South Africa who are not suffering to say we have suffered long enough. We have not suffered here at the United Nations! And the message we are sending is not to delegates of

the United Nations; the message we are sending is to the people of South Africa who are suffering and for whom one day additional suffering makes all the difference in the world. Now, I think that we are being rather callous and insensitive in not paying attention to the sufferings of South Africa and sending an undivided message to the South African Government and John Vorster by dealing with the problems in the way that we have been dealing with them this day.

STATEMENT OF NOVEMBER 4

USUN press release 101 dated November 4

I would like to begin by expressing my admiration for the skillful manner in which you have led us in the successful conclusion of our work since you assumed your responsibilities as President of this Council on Tuesday. I would also like to take this opportunity to thank the distinguished Permanent Representative of India for his leadership and insight in bringing this draft to such a successful conclusion.

We can all take satisfaction in the resolution which we have just adopted. This resolution represents a genuine compromise in which the members of the Council demonstrated a willingness to adjust their views to the necessity of reaching an agreement. Given the importance of the issue and the strong feelings which it has generated, our success in reaching a compromise and the excellent work of the Security Council Presidents of October and November, the Permanent Representatives of India and the Libyan Arab Jamahiriya demonstrate once again the viability of this Council as a means for responding to situations which threaten international peace and security.

As I pointed out in my remarks last Monday, it is important that the members of the international community, including the Government of South Africa, have a clear understanding of why this resolution has been adopted and what it means.

This is the first time that chapter VII sanctions have been adopted against a member of this Organization. We have just sent a very clear message to the Government

of South Africa that the measures which were announced on October 19 have created a new situation in South Africa's relationship with the rest of the world. There should be no further doubt in Pretoria today that the continuation of the course on which the Government of South Africa is now embarked can only lead to further strains on ties between South Africa and the other members of the international community.

I am very pleased to say that this unanimous vote on the part of this Council was accompanied by an overwhelming majority of 347 to 54 [with 5 voting "present"] in the House of Representatives of the U.S. Congress also expressing its concern and condemnation of the acts in South Africa.

At the same time, however, we must stress the other side of the picture and make clear to the Government of South Africa our desire for reconciliation provided South Africa is willing to begin progress toward the end of apartheid and full participation for all South Africans in the political and economic life of their country.

As Secretary Vance pointed out two days ago [in a news conference], the United States has offered no blueprint for social reform in South Africa, and we have offered no timetable for progress. These matters are up to the people of South Africa, and it is our fervent hope that the Government of South Africa will finally begin to talk and listen to its own people—black and white, Asian and colored, English and Afrikaan speaking—and work with them in moving away from the disaster which threatens that country.

As far as the United States is concerned, we look forward to the day when progress in South Africa will make it possible for this Council to remove the stigma which this resolution places on South Africa. We look forward to early South African adherence to the Nuclear Nonproliferation Treaty and a decision to put all its facilities under international safeguards. We look forward to the day when South Africa will no longer be an issue before this Council. Let us hope that our resolution will not mark the beginning of a process of increasing international sanctions against South Africa but rather the end of a period of

growing confrontation between South Africa and the rest of the world.

TEXTS OF RESOLUTIONS

Security Council Resolution 417 (1977)⁷

The Security Council,

Recalling its resolution 392 (1976), adopted on 19 June 1976, strongly condemning the racist régime of South Africa for its resort to massive violence against, and wanton killings of, the African people, including school children and students and others opposing racial discrimination, and calling upon the South African racist régime urgently to end violence against the African people and take urgent steps to eliminate *apartheid* and racial discrimination,

Noting with deep anxiety and indignation that the South African racist régime has continued violence and massive repression against the black people and all opponents of *apartheid* in defiance of the resolutions of the Security Council,

Gravely concerned over reports of torture of political prisoners and the deaths of a number of detainees, as well as the mounting wave of repression against individuals, organizations and the news media since 19 October 1977,

Convinced that the violence and repression by the South African racist régime have greatly aggravated the situation in South Africa and will certainly lead to violent conflict and racial conflagration with serious international repercussions,

Reaffirming its recognition of the legitimacy of the struggle of the South African people for the elimination of *apartheid* and racial discrimination,

Affirming the exercise of the right to self-determination by all the people of South Africa as a whole, irrespective of race, colour or creed,

Mindful of its responsibilities under the Charter of the United Nations for the maintenance of international peace and security,

1. *Strongly condemns* the South African racist régime for its resort to massive violence and repression against the black people, who constitute the great majority of the country, as well as all other opponents of *apartheid*;

2. *Expresses* its support for, and solidarity with, all those struggling for the elimination of *apartheid* and racial discrimination and all victims of violence and repression by the South African racist régime;

3. *Demands* that the racist régime of South Africa:

(a) End violence and repression against the black people and other opponents of *apartheid*;

(b) Release all persons imprisoned under arbitrary security laws and all those detained for their opposition to *apartheid*;

(c) Cease forthwith its indiscriminate violence

⁷Adopted by consensus on Oct. 31, 1977.

against peaceful demonstrators against *apartheid*, murders in detention and torture of political prisoners;

(d) Abrogate the bans on organizations and the news media opposed to *apartheid*;

(e) Abolish the "Bantu education" system and all other measures of *apartheid* and racial discrimination;

(f) Abolish the policy of bantustanization, abandon the policy of *apartheid* and ensure majority rule based on justice and equality;

4. *Requests* all Governments and organizations to take all appropriate measures to secure the implementation of paragraph 3 above;

5. *Further requests* all Governments and organizations to contribute generously for assistance to the victims of violence and repression, including educational assistance to student refugees from South Africa;

6. *Requests* the Secretary-General, in co-operation with the Special Committee against *Apartheid*, to follow the situation and report to the Security Council, as appropriate, on the implementation of this resolution, and to submit a first report not later than 17 February 1978.

Security Council Resolution 418 (1977)⁸

The Security Council.

Recalling its resolution 392 (1976) strongly condemning the South African Government for its resort to massive violence against and killings of the African people, including schoolchildren and students and others opposing racial discrimination, and calling upon that Government urgently to end violence against the African people and take urgent steps to eliminate *apartheid* and racial discrimination,

Recognizing that the military build-up and persistent acts of aggression by South Africa against the neighbouring States seriously disturb the security of those States,

Further recognizing that the existing arms embargo must be strengthened and universally applied, without any reservations or qualifications whatsoever, in order to prevent a further aggravation of the grave situation in South Africa,

Taking note of the Lagos Declaration for Action against *Apartheid* (S/12426),

Gravely concerned that South Africa is at the threshold of producing nuclear weapons,

Strongly condemning the South African Government for its acts of repression, its defiant continuance of the system of *apartheid* and its attacks against neighbouring independent States,

Considering that the policies and acts of the South African Government are fraught with danger to international peace and security,

Recalling its resolution 181 (1963) and other resolutions concerning a voluntary arms embargo against South Africa,

Convinced that a mandatory arms embargo needs to be universally applied against South Africa in the first instance,

⁸Adopted by consensus on Nov. 4, 1977.

Acting therefore under Chapter VII of the Charter of the United Nations,

1. *Determines*, having regard to the policies and acts of the South African Government, that the acquisition by South Africa of arms and related materiel constitutes a threat to the maintenance of international peace and security;

2. *Decides* that all States shall cease forthwith any provision to South Africa of arms and related materiel of all types, including the sale or transfer of weapons and ammunition, military vehicles and equipment, paramilitary police equipment, and spare parts for the aforementioned, and shall cease as well the provision of all types of equipment and supplies, and grants of licensing arrangements, for the manufacture or maintenance of the aforementioned;

3. *Calls* on all States to review, having regard to the objectives of this resolution, all existing contractual arrangements with and licences granted to South Africa relating to the manufacture and maintenance of arms, ammunition of all types and military equipment and vehicles, with a view to terminating them;

4. *Further decides* that all States shall refrain from any co-operation with South Africa in the manufacture and development of nuclear weapons;

5. *Calls upon* all States, including States non-members of the United Nations, to act strictly in accordance with the provisions of this resolution;

6. *Requests* the Secretary-General to report to the Council on the progress of the implementation of this resolution, the first report to be submitted not later than 1 May 1978;

7. *Decides* to keep this item on its agenda for further action, as appropriate, in the light of developments.

U.N. Emergency Force in the Sinai Extended for One Year

Following is a statement made in the U.N. Security Council by U.S. Deputy Permanent Representative to the United Nations James F. Leonard on October 21.

USUN press release 81 dated October 21

The action of the Council today in extending the mandate of the U.N. Emergency Force (UNEF) for one year is a constructive contribution to the maintenance of peace and stability in the region.¹ During the past year intensive diplomatic contacts and negotiations have taken place with the aim of reconvening the Geneva conference by the end of 1977. It is an eloquent testimony to the

¹ The Council on Oct. 21 adopted Resolution 416 (1977) by a vote of 13 to 0 (the People's Republic of China and Libya did not participate in the voting).

effectiveness of the U.N. Emergency Force that this diplomacy could proceed in an atmosphere reflecting the urgency and importance of the issue but without a sense of emergency or military confrontation. The presence of U.N. peacekeeping forces in the Sinai and on the Golan Heights have helped to make this possible.

We are gratified that the parties have once again agreed to the extension of UNEF. In doing so, we believe they have reaffirmed their commitment to the cease-fire and disengagement, as well as to the larger goal of a peaceful settlement in the Middle East. We would hope that the parties would continue scrupulously to observe their responsibilities in regard to the cease-fire and the disposition of their forces and that they will also continue to cooperate fully with the U.N. commanders in the field.

All of us are deeply indebted to those nations whose forces are participating in UNEF. We salute the officers and men who are serving in the Sinai with such distinction. It is appropriate that Lt. Gen. Siilasvuo be singled out for particular praise for the integrity and skill with which he has represented the Secretary General in the Middle East and led the forces under his command. I wish also to pay tribute to UNEF commander Maj. Gen. Rais Abin who has performed his duties in a manner that brings credit to his profession and has furthered the cause of peace in the area.

Report on 1976 U.S. Participation in the U.N. Transmitted to Congress

*Message From President Carter*¹

To the Congress of the United States:

I am pleased to send to the Congress this 31st annual report on the principal activities of the United States in the United Nations and its constituent organizations during calendar year 1976.

This report describes the main UN activities concerning issues affecting the security and well-being of the American people,

such as the Middle East, Southern Africa, Cyprus, law of the sea, North-South economic relations, food, the environment, drug control, science and technology, human rights, terrorism, and disarmament. It emphasizes the work of US representatives in these forums and the positions they adopted, and it explains our government's stand on the issues. In sum, the report portrays an active year during which our country worked hard with others in the UN to advance the causes of peace, economic progress, and justice.

In the area of peace and security, the United Nations continued to serve as a valuable forum for the discussion of political disputes even where progress on the underlying issues was not always possible. In the Middle East and Cyprus, UN peacekeeping units performed their vital tasks while the search for a durable peace continued. The Security Council also worked to defuse other problems in such areas as Southern Africa, Djibouti, and the Comoros. In all, the Security Council met 113 times in 1976—more often than in any year since 1948, and twice as often as in 1975.

The 31st General Assembly adopted a number of resolutions in the area of disarmament and arms control. The two most significant of these were a resolution opening the Environmental Modification Convention for signature and one calling for a special session of the General Assembly in 1978 devoted to disarmament issues.

On the recommendation of the Security Council, and with US support, Secretary General Kurt Waldheim was reappointed by the 31st General Assembly to a second five-year term.

In the area of economic cooperation, the developing and developed countries continued efforts begun at the Seventh Special Session of the General Assembly to find

¹ Transmitted on Nov. 1, 1977 (text from Weekly Compilation of Presidential Documents dated Nov. 7); the report, entitled "U.S. Participation in the UN—Report by the President to the Congress for the Year 1976," is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402 (Department of State publication 8916).

common ground on a wide variety of issues. The UN Conference on Trade and Development (UNCTAD) held its fourth ministerial session in Nairobi and reached partial consensus on the critical issues of commodities, technology transfer, debt, and assistance to the poorest countries. The General Assembly also devoted considerable attention to economic questions. The United States co-sponsored a resolution in the General Assembly calling for a UN Conference on Science and Technology for Development to be held in 1979.

The UN's record with respect to human rights was disappointing. The unwarranted linking of Zionism with racism was an impediment to serious consideration of human rights matters and the US continued to resist it by all possible means. In a number of cases, failure to take effective action belied the commitment to human rights that all UN members have accepted. International concern over human rights issues continues to broaden, however, and the acceptance of an international competence to consider these issues has become more firmly established.

During 1976, the United States participated in the International Labor Organization under the first year of its two-year notice of intent to withdraw from the organization. A favorable development was the increased cohesion of the industrialized free market countries at the June 1976 conference, but I have yet to decide whether sufficient progress has been made to justify continued US membership.

These were some of the most dramatic developments in the United Nations during the last year but there are a great many other UN activities discussed in this report. Much of this work—the “quiet side” of the United Nations—is not well known to the public because it is noncontroversial and seldom reported in the news media. But these economic, social, and technical activities, which account for the use of nearly 90 percent of the total resources of the UN system, are of great importance to our prosperity, security, and well-being. They include such activities as:

—Establishing safety standards for international civil aviation;

- Maintaining a World Weather Watch;
- Improving health conditions and standards worldwide;
- Combating ocean and air pollution;
- Improving international food standards and preventing the spread of plant and animal disease;
- Providing assistance to the less-developed countries; and
- Working to curb illicit drug production and abuse.

Since assuming the Presidency, I have pledged my Administration to full support for the work of the United Nations and to greater use of its machinery in the conduct of our foreign relations. The wide-ranging activities described above show clearly the importance of the work done by the UN and its associated agencies. It is work that cannot be accomplished by nations acting alone or even through bilateral diplomacy. It is only through multi-lateral forums such as the UN that many of the world's most pressing issues can be effectively approached.

I am proud of America's role in creating the United Nations, in advancing global cooperation through its various agencies, and in providing, over the years, the largest share of its financial support. As the UN begins its 33rd year, I welcome the opportunity to submit this report to the Congress and to reaffirm my Administration's commitment to this increasingly vital institution.

JIMMY CARTER.

THE WHITE HOUSE, November 1, 1977.

United States Discusses Environmental Problems

Following is a statement made in Committee II (Economic and Financial) of the U.N. General Assembly by U.S. Representative John Clifford Kennedy on October 20.

USUN press release 80 dated October 20

We have before us the report of the fifth session of the U.N. Environment Program (UNEP) Governing Council [U.N. doc. A/32/25]. The decisions taken at the fifth

session were by consensus, and in large measure this reflects governmental recognition of the growing maturity of UNEP as an organization under the able leadership of its Executive Director, Dr. Mostafa Tolba [of Egypt]. Operationally it has also shown institutional growth as demonstrated in its ability to work in cooperation with other entities in the U.N. system toward a common objective. This capacity was exemplified in the preparatory process for the Desertification Conference.¹

UNEP is gaining confidence as an institution and has set its sights high. As it does so, however, it must continue to focus on its primary mandate which is to serve as the crucial coordinating and catalytic body in the field of international environmental cooperation. We believe a strong environment infrastructure exists now at the national level and also at the international level. The principles of Stockholm [Conference on the Human Environment, June 1972] 5 years later have gained wide acceptance and become a matter of routine in many instances, and we can take pride in past accomplishments as we dedicate ourselves to new tasks.

It is my government's view that a solid basis exists for bringing to fruition the 21 priority goals identified by the Executive Director at the fifth session over the next 5 years. In terms of this future program and the Environment Fund, debate centered on the level of resources necessary to effectively carry out program goals for the medium-term plan, 1978-81; and a compromise was reached which approved Fund activities at the levels recommended by the Executive Director through 1981. Responding to those needs, the U.S. Congress has legislation before it which would appropriate \$10 million for the Environment Fund in fiscal year 1978. We hope this will be approved shortly.

Let me touch briefly upon the subject of human settlements, a matter dealt with primarily under item 12 of this Committee's agenda as part of the ECOSOC [U.N. Eco-

nomie and Social Council] report but also discussed at the UNEP Governing Council. As we know, a special ad hoc committee of the 63d ECOSOC was established and met during that session in Geneva to deal specifically with this subject. While it did not arrive at a consensus, the issue was explored in depth. This Committee will consider the relevant materials on human settlements provided under that agenda item and hopefully reach a decision on how the U.N. system can best be organized to deal with human settlement matters in terms of appropriate policies and programs.

Regarding the U.N. Conference on Desertification, let me begin by congratulating Dr. Tolba and the conference Secretariat as well as the distinguished conference President, Dr. Kiano of Kenya, on the matter in which the Desertification Conference was conducted. This conference, along with the Water Conference in Argentina [March 14-25, 1977], reflects the desire of member governments to deal in a serious manner with global resources—their use and preservation for the benefit of mankind.

My government was very satisfied with the results of the Desertification Conference, and much of its success can be attributed to the high quality of the analyses and documentation of desertification causes and effects presented to the conference. We were particularly pleased with the overall tone and content of conference deliberations and the workmanlike attitude that permeated the meetings. While some extraneous political issues were injected in the debate, we believe the conference was, on the whole, apolitical and kept to its substantive agenda. It is our view that the conference achieved its principal goals as set forth by the General Assembly and conference organizers; namely, to raise worldwide awareness of the very serious and growing desertification problem and to agree on an internationally coordinated Plan of Action for combating this phenomenon.

Let me now turn to specific matters contained in the desertification report. Regarding the Plan of Action [U.N. doc. A/Conf. 74/36] approved by the conference, we generally support and endorse the recommenda-

¹For material on the conference, held in Nairobi, Kenya, Aug. 29-Sept. 9, 1977, see BULLETIN of Oct. 10, p. 453.

tions to governments, U.N. agencies, regional organizations, and nongovernmental bodies, and commend these recommendations for early consideration and implementation.

We, along with others, however, had reservations about certain international structural aspects of the Plan of Action. These reservations reflected our intentions in Nairobi, as they are in this forum, to seek the most practical means to implement substantive components of the Plan of Action. It is in this spirit that we will listen to the debate in the Second Committee on institutional and financial arrangements.

Let me say, however, that the United States endorses the concept of assigning principal responsibility for followup activities and coordination to UNEP, utilizing the Environmental Coordination Board (ECB) and the UNEP Governing Council. Further, we agree that the UNEP Governing Council and ECB should be assisted by a very small staff, clearly identified within the UNEP Secretariat and drawn from the various U.N. agencies concerned and financed from existing funds.

We also support the conference recommendation that the UNEP Governing Council be invited by the General Assembly to carry out an analysis of alternative measures to finance the Plan of Action, such as funds-in-trust and international taxation schemes, using a "group of high-level specialists in international financing." We believe that such a study can provide useful insights into the best and most efficient approaches to financing future desertification programs. We, therefore, urge that the full range of funding alternatives—both mechanisms currently in use as well as possible new approaches—be evaluated.

With regard to the conference decision to call for the establishment of a new consultative group, it is our view that any such group should serve principally as a review, assessment, and advisory mechanism. We believe this to be the context in which such a group could conceivably make a useful, nonduplicative contribution. In developing

the terms of reference and composition of the consultative group, special attention must be paid to its relationship to consultative groups, consortia, and advisory bodies already active in areas related to the desertification process.

The Plan of Action recommends that the U.N. Economic Commissions undertake responsibility for the design, coordination, and execution of intraregional programs emanating from the conference. We assume that the regional commissions would execute projects only in situations in which the relevant countries agree to a lead role for the regional commissions and where the particular commission has the necessary capabilities.

On the matter of the special account, my government abstained in the vote in Nairobi because, as other delegations have said, the establishment of yet another international fund is not susceptible to increase the efficiency or total volume of resources made available for concrete measures. It should be realized that the financing of larger programs and projects within the Plan of Action will have to come from general aid appropriations in donor countries and be decided within the context of country programming and the overall priority setting on the part of affected countries.

The sponsors of the special account resolution pointed out that the proposed account differs from a special fund. We were not convinced in Nairobi—and remain unconvinced—that there would be significant differences, particularly in the absence of details on the organization, location, and operation of a special account.

We believe at this point that the most sensible approach would be to have this type of financing mechanism included within the framework of the study of financing mechanisms which the conference recommended to be carried out by the UNEP Governing Council. This would seem to be further justified by the fact that one of the modes of financing the proposed account—international taxation—is also one of the mechanisms which has been referred to the

UNEP Governing Council for inclusion in its study. Parenthetically, whatever we do in this field must be consistent with, and take fully into account, the major effort of governments to rationalize and restructure the economic and social sectors of the United Nations.

To insure that the Plan of Action is intensively reviewed, discussed, and converted into specific near-term actions tailored to the unique requirements of individual countries and regions, the conference recommended a series of post conference meetings at the regional level. The United States strongly endorses this approach. We believe that the optimum timing for these meetings is early next year—after governments have had sufficient time to study the conference results and before the next session of the UNEP Governing Council which will clearly have to make major decisions on how to carry out the important new mandate it will receive.

We would like, at this point, to call attention to para 17 of Document A/32/257 [report of the Secretary General on the U.N. Desertification Conference] which refers to actions at the regional level. The language in that paragraph is somewhat at odds with the conference decisions set forth in the conference report since the consensus in Nairobi was that interregional consultations should be held to define need and next steps, including the possible strengthening and expansion of regional institutions.

Based on country statements in Nairobi, it is clear that there are a great number of institutions already in existence that can play major roles in the implementation of the Plan of Action. My delegation believes that the conference decision was to determine *inter alia* how existing institutions can be upgraded and utilized; and that the regional meetings would address this opportunity and not solely the siting of new institutions as is implied in A/32/257.

With respect to the world map on desertification, our delegation agrees with the conference consensus that it represents a good

and useful "first approximation" but that additional work should be carried out by governments and appropriate U.N. bodies to develop more detailed presentations of the extent and trends of desertification.

In closing let me clearly state—as our delegation did in Nairobi—that the United States is committed to a worldwide fight against desertification. This is reflected, on the one hand, by our historic participation in a wide variety of international programs of arid lands research, protection, and rehabilitation; our current major role in the Sahel development program; and our commitment in Nairobi to "do more."

At the Desertification Conference, the United States announced a series of new activities it is prepared to implement, including additional training and education programs for developing countries on anti-desertification measures; priority application of LANDSAT [Earth resources technology satellite] data to desertification problems; a new program to develop, demonstrate, and apply small-scale energy systems for rural areas; and a new Peace Corps program focused on the desertification problem. Further, the United States indicated in Nairobi its willingness to work with other countries and regional groupings to implement high priority actions which they decide to pursue based on their postconference review and assessment of the Plan of Action.

The problem we are addressing—the continued spread of the desertification phenomenon—is one that will require heightened sensitivity, cooperative action, and continued vigilance by all affected nations. The recent U.N. conference very successfully focused the eyes of the world on the problem; the Plan of Action points the way toward solution. The United States, for its part, intends to utilize the opportunity presented by the conference to intensify its efforts to fight desertification both as it exists within the United States and as it affects the lives and well-being of millions of people elsewhere in the world, particularly those in the poorest nations.

U. S. Contributions to UNDP and Other Development Funds

Following is a statement made in the 1977 U.N. Pledging Conference on the U.N. Development Program, the Capital Development Fund, and the Revolving Fund for Natural Resources by U.S. Representative Melissa Wells on November 2.

USUN press release 92 dated November 2

The annual pledging conference is always an important session as nations join together in expressing their confidence in and support for the U.N. Development Program (UNDP) and ancillary activities through announcements of their financial contributions. These indications of support are crucial to the future planning and execution of development projects.

I am pleased to announce that the United States contribution to the UNDP for the coming year will be \$115 million, or \$15 million more than in 1977. We hope the Program will receive additional financial support from all sources, including from the relatively wealthier nations in which the UNDP is active.

I wish to emphasize my government's concern that the forward planning and valuable work of the UNDP continue to be seriously hampered by the problem of arrearages. While we note in the report of the Board of Auditors for 1976 that on March 31, 1977, arrearages had declined somewhat, a total of \$30.1 million remained outstanding. We urge member countries to do their best to dramatically reduce or eliminate these arrearages by next summer's Governing Council.

The same report identified a 27-percent increase in the volume of nonconvertible, nonusable currencies—to \$35.6 million—between the beginning and end of 1976. The United States believes that arrangements must be made to permit these funds to be used for their original purposes.

To this end we will support any reason-

able nonpreferential proposal. We are looking forward to the Administrator's report, due in January 1978, on nonconvertible, nonusable currencies and expect it will take into account the decisions reached at the 23d and 24th Governing Councils in this regard.

The United States is pleased to note the capable and effective leadership of the Administrator, Mr. Bradford Morse, who has succeeded in overcoming the financial problems of 1975-76 which caused a temporary retrenchment in the level of delivered assistance. Having instituted numerous managerial reforms, Mr. Morse is leading UNDP to new levels of activity in terms of program value, innovative approaches, greater efficiencies, and improved evaluation.

Clearly the issues of managerial efficiency, coherence, and coordination will continue to receive close attention by all governments. We are very encouraged by recent improvements and are confident that the Administrator will be able to continue this trend.

The United States actively strove for a redefinition and confirmation of UNDP's central funding, programming, and coordinating role during the 24th Governing Council and the 63d ECOSOC earlier this year. We support the decision reached at the Governing Council and endorsed at the ECOSOC on UNDP's future role and activities.

My government's bilateral development assistance strategy increasingly is being directed toward programs designed to help developing countries meet the basic human needs of their poor majorities. We note with pleasure that UNDP's efforts, in considerable measure and increasingly, have a similar focus.

Turning to ancillary programs, the United States is gratified to make its initial pledge to the U.N. Capital Development Fund in the amount of \$2 million for 1978. We believe this contribution will provide important support to the Fund's activities, including projects in small-scale industry and rural development.

Given a continuation of present trends, worldwide demand for natural resources in future years will grow more rapidly than supply, jeopardizing continued prosperous functioning of the global economy. It is in the interest of all countries to diversify and expand the global resource base of many natural resources. In recognition of this, the United States will contribute \$1 million for 1978 to help insure the successful development and operation of the Revolving Fund for Natural Resource Explorations.

TREATY INFORMATION

Current Actions

MULTILATERAL

Conservation

Convention on international trade in endangered species of wild fauna and flora, with appendices. Done at Washington March 3, 1973. Entered into force July 1, 1975. TIAS 8249.

Ratification deposited: Venezuela, October 24, 1977.

Accession deposited: Gambia, August 26, 1977.

Energy

Implementing agreement for the establishment of a project on the treatment of coal gasifier effluent liquors, with annexes. Signed at Paris October 17, 1977. Entered into force October 17, 1977; effective October 1, 1976.

Fisheries

Convention for the establishment of an Inter-American Tropical Tuna Commission. Done at Washington May 31, 1949. Entered into force March 3, 1950. TIAS 2044.

Notification of denunciation received: Mexico, November 8, 1977; effective November 8, 1978.

Maritime Matters

Amendment of article VII of the convention on facilitation of international maritime traffic, 1965 (TIAS 6251).

Adopted at London November 19, 1973.¹

Acceptance deposited: Italy, October 19, 1977.

¹ Not in force.

Australia

Agreement relating to the establishment, maintenance, and operation of a solar observatory at Learmonth, western Australia. Effected by exchange of notes at Canberra October 14 and 27, 1977. Entered into force October 27, 1977.

Chile

Agreement relating to a cooperative meteorological observation program in Chile. Effected by exchange of notes at Santiago February 23, June 2, and September 7, 1977. Enters into force when the two governments inform each other that they have completed the necessary legal procedures for entry into force.

Egypt

Agreement amending the grant agreement of June 30, 1976, (TIAS 8517) relating to a program to develop and apply advanced water management practices in selected regions of Egypt. Signed at Cairo September 20, 1977. Entered into force September 20, 1977.

Project loan agreement relating to installation of irrigation water pumping facilities, with annexes. Signed at Cairo September 27, 1977. Entered into force September 27, 1977.

Project grant agreement for a hydrographic survey of the approaches to the Suez Canal, with annexes. Signed at Cairo September 27, 1977. Entered into force September 27, 1977.

Project loan agreement relating to restoration and maintenance of agricultural irrigation canals, with annexes. Signed at Cairo September 27, 1977. Entered into force September 27, 1977.

Project loan agreement relating to a grain, tallow, oil, and fats project, with annexes. Signed at Cairo September 28, 1977. Entered into force September 28, 1977.

Project loan agreement relating to rehabilitation of the Alexandria wastewater system, with annexes. Signed at Cairo September 29, 1977. Entered into force September 29, 1977.

Project grant agreement for integrated social work centers project, with annexes. Signed at Cairo September 29, 1977. Entered into force September 29, 1977.

Project grant agreement relating to improvement of agricultural development planning capability, with annexes. Signed at Cairo September 29, 1977. Entered into force September 29, 1977.

Project loan agreement relating to water treatment and distribution in Cairo, with annexes. Signed at Cairo September 29, 1977. Entered into force September 29, 1977.

Project grant agreement relating to a coordinated rice research and training program, with annexes. Signed at Cairo September 29, 1977. Entered into force September 29, 1977.

Project loan agreement relating to rehabilitation and expansion of urban electric distribution systems, with annexes. Signed at Cairo September 30, 1977. Entered into force September 30, 1977.

Project grant agreement for family planning project, with annexes. Signed at Cairo September 30, 1977. Entered into force September 30, 1977.

First amendment to the loan agreement of July 31, 1976, (TIAS 8700) for the construction of gas turbine generator plants near the cities of Helwan and Talca. Signed at Cairo September 30, 1977. Entered into force September 30, 1977.

First amendment to the grant agreement of May 30, 1976, (TIAS 8335) relating to construction of a thermal power plant near Ismailia. Signed at Cairo September 30, 1977. Entered into force September 30, 1977.

Indonesia

Memorandum of understanding concerning mapping, charting, and geodesy cooperation. Signed at Jakarta October 21, 1977. Entered into force October 21, 1977.

Mexico

Agreement extending the air transport agreement of August 15, 1960, as amended and extended (TIAS 4675, 7167). Effected by exchange of notes at Mexico and Tlatelolco October 21 and 24, 1977. Entered into force October 24, 1977.

Romania

Agreement relating to reciprocal simplification of procedures for issuance of diplomatic and official visas. Effected by exchange of notes at Bucharest September 12 and October 10, 1977. Entered into force October 10, 1977.

Agreement relating to reciprocal facilitation of visa issuance. Effected by exchange of notes at Bucharest September 1 and October 10, 1977. Entered into force October 10, 1977.

Switzerland

Agreement modifying the interim agreement of August 3, 1945, as amended, (TIAS 1576, 1929, 3781, 7008) relating to air transport services to permit experimental implementation of low-cost fares. Effected by exchange of letters at Bern November 4, 1977. Entered into force November 4, 1977.

Spain

Agreement modifying the air transport agreement of February 20, 1973, (TIAS 7725) to permit experimental implementation of low-cost nonaffinity/incentive group fares. Effected by exchange of notes at Madrid November 2 and 3, 1977. Entered into force November 3, 1977.

Thailand

Agreement amending the agreement of December 29, 1975, as amended, (TIAS 8288) relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Bangkok October 6, 1977. Entered into force October 6, 1977.

Checklist of Department of State Press Releases: November 21-27

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

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| 520 | 11/21 | Communique of U.S.-U.S.S.R. Standing Consultative Commission on the Review of the Treaty Between the United States and Union of Soviet Socialist Republics on the Limitation of Anti-Ballistic Missile Systems of May 26, 1972. |
| 521 | 11/21 | U.S., Canada exchange notes on nuclear cooperation use of Canadian-origin uranium in U.S. civil nuclear reactors. |
| 522 | 11/21 | Vance: arrival statement, Buenos Aires, Nov. 20. |
| 523 | 11/21 | National Research Council engaged for background studies for U.S. paper for 1979 U.N. Conference on Science and Technology. |
| 524 | 11/22 | Vance, Argentine Foreign Minister Montes: remarks to the press following meeting in Buenos Aires, Nov. 21. |
| 525 | 11/22 | U.S., Argentina joint communique, Nov. 21. |
| 526 | 11/23 | Vance: departure statement, Buenos Aires, Nov. 22. |
| 527 | 11/23 | Vance: arrival statement, Brasilia, Nov. 22. |
| 528 | 11/23 | U.S., Belgium sign civil aviation agreements. |
| 529 | 11/23 | E. Gregory Kryza sworn in as Ambassador to Mauritania (biographic data). |
| 530 | 11/23 | Ellsworth Bunker to speak on Panama Canal issue, Louisville and Lexington, Dec. 5-6. |
| 531 | 11/25 | Vance: departure statement, Brasilia, Nov. 23. |
| 532 | 11/25 | Vance: arrival statement, Caracas, Nov. 23. |
| 533 | 11/25 | Vance: remarks to the press, Caracas, Nov. 23. |
| 534 | 11/25 | Vance: remarks on arrival at Andrews Air Force Base, Nov. 23. |

* Not printed.

† Held for a later issue of the BULLETIN.

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THE 1978 BULLETIN

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THE DEPARTMENT OF STATE BULLETIN

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December 19, 1977

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

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New Momentum for Middle East Peace

*Address by Warren Christopher
Deputy Secretary of State¹*

I am delighted to be back home in California and honored to be with you at this important moment in the history of Israel and of all the peoples of the Middle East. I am pleased to be able to discuss with you the prospects for peace between the Arab nations and the State of Israel.

These prospects are real—more real than at any time in the past 30 years of conflict. They must be nourished by evidence of tangible progress toward peace, to give those who speak for peace hope to sustain their efforts and to overcome the doubters, the cynics, those who remain prisoners of the past, and the opponents of peace who unhappily are still a force in the Middle East.

With all our hearts, we must pray that the opportunities now presented are not lost. With courage and ingenuity, leaders of vision in the Middle East must seek to maintain the momentum now begun in the Holy City of Jerusalem. We are prepared to use the good offices and full influence of the United States to help them.

All Americans share the emotions, the sense of excitement over the dramatic developments of the past days—developments which no one of us have confidently expected just a short fortnight ago.

The leader of the largest of the Arab states has stood in the Knesset of Israel, has met face-to-face with political leaders whom a generation of Arabs refused ever to acknowledge. President Sadat deserves not only our congratulations but our praise and

respect for his courage in taking this step to break the frozen attitudes of the past and open new prospects for peace. Prime Minister Begin has also demonstrated his statesmanship in the warmth of his welcome for President Sadat.

At one stroke President Sadat's trip has broken through the psychological barrier of distrust and suspicion which previously had prevented the participants in this 30-year conflict from making peace. The speeches in the Knesset on Sunday, and the private talks which have followed in Jerusalem, dramatized beyond all doubt one single fact: The leader of the largest Arab state and the leaders of Israel are united in their genuine desire for peace.

In the words of President Sadat to his Israeli audience: "As we really and truly seek peace, we really and truly welcome you to live among us in peace and security, in fact and in deed."

We see this initiative as a beginning. It foreshadows the face-to-face negotiations which must come between all the participants in the conflict if the vision and imagination displayed in Jerusalem over the past few days are to be translated into reality.

Many commentators have noted that the speeches to the Knesset have left open the basic issues to be negotiated. This of course misses the essential point.

It is the fact of the visit that is important. A new ingredient has come to the peace process. Both President Sadat and Prime Minister Begin have taken action to prove their determination to work for an overall settlement. They want to get to the forum

¹Made before the Union of American Hebrew Congregations in San Francisco on Nov. 22, 1977.

which already exists for that purpose—the Geneva Middle East Peace Conference—where all the parties can be represented and peace treaties can be negotiated dealing with all the issues that separate Arabs and Israelis. What we know from the events of the past few days gives us hope that the momentum for reconvening that conference can continue to build.

I want you to know that President Carter, Secretary Vance, and those of us involved in making and executing this country's foreign policy believe that, despite all the pitfalls and difficulties, we now have the best chance since 1948 for real peace in the Middle East. I mean the kind of peace which is not just a temporary armed truce. I mean the kind of peace which will safeguard Israel's integrity and security and open the way to cooperation among all the peoples of the Middle East. I mean the kind of peace in which new generations of parents in Israel and in the Arab countries will no longer live with the certainty that many of their children will be killed in a future Middle Eastern war.

The search for that kind of peace has been a long one. All of us have vivid recollections of the drama of those momentous first years after the Second World War. There was the rise of a national spirit among the survivors of the holocaust, and there was the heroism of the years of immigration into Palestine. There was the struggle, in this country and around the world, to gain support for the idea of a Jewish homeland. The outcome of that struggle, we all recall, often seemed very much in doubt, but against all odds Israel was born.

At midnight on May 14, 1948, the Provisional Government of Israel proclaimed a Jewish state. Only 11 minutes later, on President Truman's instruction, the United States gave recognition to the provisional government. Now, almost three decades later, we see a dramatic opportunity to move from a state of confrontation to a state of the peace. This is what we want. This is what we are working for now. This is what we saw begin to happen last weekend. It will be a

long journey. We will have to pass many way stations. But we will persevere.

We are not undertaking our efforts in the misguided belief that we can impose a settlement of our own choice upon the nations involved. In the end those nations themselves must achieve a settlement which satisfies their own varied interests.

Now that the pace of Middle East diplomacy is clearly quickening, it is useful to pause a moment and review what this Administration has been trying to accomplish this year.

Recent Accomplishments

Our efforts began with Secretary Vance's trip to the Middle East last February and continued with the meetings during the spring between President Carter and the Middle Eastern heads of state. This initiative achieved the following:

—Agreement among the parties to seek an overall settlement of their conflict;

—Their agreement to try to reconvene the Geneva conference this year; and

—Their agreement that the settlement must resolve three core issues: First, the nature of the peace to be established between the parties; second, withdrawal of troops from occupied territories and agreement on secure and recognized borders for all the states as set forth in U.N. Security Council Resolutions 242 and 338; and third, resolution of the Palestinian question.

In all our discussions, then and now, we have made clear that Resolutions 242 and 338 remain the agreed basis for the Geneva conference. On this foundation we began to move from the general to the specific, from defining the issues to seeking agreement on how to reconvene the Geneva conference.

This endeavor has involved intensive, almost daily, contacts by President Carter and Secretary Vance with chiefs of state and foreign ministers of the affected nations regarding the procedures for reconvening the Geneva conference. The endeavor to promote the negotiating process continues.

With all the difficult decisions and calcu-

STATEMENT BY PRESIDENT CARTER*

The arrival of President Sadat in Israel is an historic occasion. The hopes and prayers of all Americans are with these two men as they seek progress toward peace for the people of the Middle East and, indeed, for the entire world.

* Made on Nov. 19, 1977, following the arrival of Egyptian President Sadat in Tel Aviv for talks with Prime Minister Begin (text from Weekly Compilation of Presidential Documents dated Nov. 28).

lated risks this effort inevitably involves, one unchanging fact will remain the cornerstone of American policy. In pursuing negotiations, Israel can do so confident that America's commitment to its security is unshakable. That commitment goes beyond mere words of support; as Secretary Vance has said, it is a commitment of the heart as well as of policy.

Since 1973, the United States has provided almost \$10 billion in military and economic assistance to Israel. That aid is now running at \$1.8 billion annually.

In the first 6 months of the Carter Administration, more than \$500 million in new military equipment was authorized for Israel, bringing to \$2.5 billion the total amount of military supplies running on schedule in the pipeline to Israel.

Israel need not fear any U.S. withdrawal of essential support—now, at Geneva, or in the future. We will not jeopardize Israel's security by trying to exert pressure through withholding military or economic assistance.

Against this backdrop, let me discuss two matters which I know are of deep importance to you as well as to me: the role of the Soviet Union in the forthcoming negotiations and our approach to the Palestinian issue.

Soviet Role and Palestinian Issue

It would be wrong and shortsighted in these weeks of intense diplomacy to pretend that the Soviet Union, as cochairman of the Geneva conference, does not have an interest in the Middle East; or to pretend it does not have a role to play in the outcome of negotiations—a constructive role or a troublesome role.

That is why, through our recent joint statement, we sought to engage the Soviets on the most constructive basis at this most critical moment.² We do not take lightly the Soviet commitments implied in that statement. As one cochairman of the Geneva conference, we continue to impress upon the other cochairman the responsibility we both

have to use our influence to help negotiations for a Middle East settlement to move forward.

Neither the Soviet Union nor the United States wants a new war in the Middle East which would carry with it the threat of confrontation between the two nuclear superpowers. Recognition in certain Arab countries that this is the Soviet attitude should help hasten peace.

Just as we cannot avoid the reality of Soviet interest and participation, we cannot avoid the Palestinian question—not if we want a real chance for peace.

Israel recognizes, as we do, that the Palestinian issue must be addressed and, in time, resolved. It has agreed in our discussions about a reconvened Geneva conference that Palestinians should participate as part of a unified Arab delegation.

President Carter has endorsed the concept of a Palestinian homeland or entity. He has stated, however, that the United States does not prefer an independent Palestinian state and that our preference would be for such an entity to be linked with Jordan.

Of course this issue, like the others, is for the parties themselves to decide, but we believe that no negotiated settlement could endure if it did not offer the Palestinians the hope of a future better and more productive than their past. Let me assure you at the same time of President Carter's and Secretary Vance's firm commitment that the legitimate rights of the Palestinians will not be realized at the expense of Israel's rights to sovereignty and security.

²For text of the statement issued on Oct. 1, 1977, see BULLETIN of Nov. 7, p. 639.

THE 1978 BULLETIN

NEW DESIGN NEW PRICE NEW SCHEDULE

Beginning in January 1978, the redesigned DEPARTMENT OF STATE BULLETIN will be published monthly at a new subscription rate of \$18 per year—a saving of \$24.50 from the old rate of \$42.50.

Despite the shift from weekly to monthly publication, there will be no reduction in the total amount of material published each month; to the contrary, with the flexibility of our new three-column format we expect to augment the traditional foreign policy articles and speeches with more charts, graphs, tables, photos, and other appropriate information material useful to BULLETIN readers.

Most BULLETIN subscribers—whether in libraries, offices, or home—will find filing and handling 12 copies a year much simpler than 52 copies. An index will be published at the end of each calendar year.

—The page dimensions will be slightly larger, and the new typefaces we have selected will enhance readability.

—The cover will have a new look and will continue to highlight the major articles.

—Each issue will contain a complete table of contents.

—Substantive contents of this official record will not change. We will continue to include texts of all major foreign policy speeches, statements, and news conferences of the President, the Secretary of State, and senior Department officials; White House, State Department, and U.S. Mission to the U.N. press releases; and U.S. treaty actions.

The new rates established by the Superintendent of Documents, U.S. Government Printing Office, are: \$18 (domestic) and \$22.50 (foreign) for annual subscriptions and \$1.40 (domestic) and \$1.80 (foreign) for single copies. Current subscribers' service will be extended by the Superintendent of Documents.

U.S. Goals

In sum, I want to make clear to you that our positions on the Palestinian issue and on the role of the Soviet Union pose no threat to the security of Israel. On the contrary, we see these as necessary steps to assure a settlement which will end the tension and threat of war which have surrounded the State of Israel for these many years. Our goal is a peace in the Middle East in which there can be:

—Open borders;

—Normal commerce, trade, and tourism;

—Open communications;

—Diplomatic relations—the full range of official and unofficial contacts;

—Free navigation through waterways;

—An end to all boycotts;

—Secure and recognized borders, bulwarked by such security arrangements and guarantees as may be agreed upon by the parties; and

—A resolution of the Palestinian problem that does not leave a residue of irredentism which could threaten the peace.

And beyond that, there is the hope of peaceful economic cooperation—in which the land may be made more fertile, in which the money now spent on arms may be spent for homes and schools and human happiness. Scarce water supplies of the desert could be fairly and fruitfully shared, and technology could be passed among all the region's peoples for the betterment of their daily well-being.

That kind of peace will not be easy to achieve. It can only be achieved by the countries and peoples of the Middle East themselves. It will involve courage and sacrifice by all. But, given the opportunity which now exists—and may not exist again soon—I believe we must pursue it.

The alternatives, ranging from continued tension and armed truce to war of expanding proportions, are flatly unacceptable. I know you share that judgment.

The United States has a choice in this situation. We can make a passing try to support the efforts of the parties to bring about negotiations but give up when the issues get

difficult; or we can make a determined effort to avoid all the human tragedy and material waste of another war, making the effort because it is right to do so, regardless of how difficult our way may be.

Speaking for myself and for this Administration, let me say that we have made our choice.

We shall continue to be actively engaged, as the parties desire, in efforts to produce fruitful negotiations. While we are still assessing the full results of the historic meeting in Jerusalem, we believe it can advance the process of negotiations significantly. Both President Sadat and Prime Minister Begin have expressed the desire to pursue these negotiations as soon as possible through the existing forum of the Geneva conference. With their encouragement, the President does not intend to miss this moment. He intends to build on the momentum of this weekend to help move toward the goal we share with Arabs and Israel alike: a just and lasting peace in the Middle East.

President Carter's News Conference of November 30

Following are excerpts relating to foreign policy from President Carter's opening remarks and a question-and-answer session from the transcript of a news conference held on November 30.¹

In the last few days we have seen, I believe, an historic breakthrough in the search for a permanent lasting peace in the Middle East because of the true leadership qualities that have been exhibited by the courage of President Sadat and the gracious reception of him in Israel by Prime Minister Begin.

This has been already a tremendous accomplishment. I think the importance of it is that there has been an initiation of direct person-to-person negotiations between Israel and the major power in the Mideast among the Arab

nations who are Israel's neighbors. Lebanon, Syria, Jordan have a total population of about 12 million. Egypt has a population of 36 million and has by far the greatest military force. And the fact that this strongest Arab country and the nation of Israel are now conducting direct negotiations is a major accomplishment in itself.

Two of Israel's most cherished desires have already been met. One is this face-to-face negotiation possibility and the other one is a recognition by a major Arab leader that Israel has a right to exist. In fact, President Sadat said, "We welcome you in our midst."

The United States has been very pleased to see this reduction in distrust and a reduction in fear and a reduction in suspicion between the Arabs and the Israelis. We have played a close consultative role with both of these leaders. We have on several instances recently acted as intermediaries at their request. Both Prime Minister Begin and President Sadat have publicly expressed their reconfirmation that these exploratory talks are designed to lead toward a comprehensive settlement, including Israel and all her neighbors.

Sunday President Sadat called for a conference in Cairo. This is likely to be held around the 13th of December—about the middle of December. We will participate in that conference at a high level. Assistant Secretary [for Near Eastern and South Asian Affairs Alfred L.] Atherton will represent our nation.

We look on this as a very constructive step. The road toward peace has already led through Jerusalem, will now go to Cairo, and ultimately we believe to a comprehensive consultation at Geneva.

It's not an easy thing to bring about a comprehensive peace settlement. Immediate expectations have sometimes been exaggerated. The definition of real peace—I think we've made good progress on that already. The resolution of the Palestinian question still has not been decided. And the solution to the problem concerning borders and national security has also not been decided.

We have played, I think, a proper role. I have tried to convince, in the past, Prime Minister Begin of the good intentions of Pres-

¹For complete transcript, see Weekly Compilation of Presidential Documents dated Dec. 5, 1977, p.1807.

Chronology of Recent Middle East Events

- November 9 President Sadat calls for a major effort to reconvene the Middle East Peace Conference in Geneva and declares his willingness to go to the Israeli Parliament itself and discuss it (address to Egyptian Parliament).
- November 10 Prime Minister Begin welcomes President Sadat's statement to go to Jerusalem to address the Knesset (remarks to reporters).
President Carter urges the Arab countries to follow Egypt's example and agree to immediately reconvene the Geneva conference (news conference).
- November 11 Prime Minister Begin says it will be a pleasure to welcome and receive President Sadat (statement broadcast by Israeli radio and television to neighboring Arab countries).
- November 12 Prime Minister Begin, upon being informed that President Sadat is awaiting a formal invitation, promptly invites President Sadat to Israel (remarks to a visiting French group).
- November 14 President Sadat says he is prepared to address the Israeli Parliament within the next week once he has received a formal invitation from Prime Minister Begin (satellite interview conducted by Walter Cronkite of CBS News).
Prime Minister Begin, when informed of President Sadat's comments, announces that he will ask the United States to convey the invitation on his behalf (subsequent satellite interview conducted by Walter Cronkite of CBS News).
State Department spokesman says that "... if it is the desire of both parties, we are willing to facilitate such a meeting" (noon press briefing).
- November 15 Israeli Parliament approves Prime Minister Begin's invitation to President Sadat to visit Israel and address the Knesset.
U.S. Ambassador to Israel Samuel Lewis receives the invitation from Prime Minister Begin for relay to the U.S. Ambassador to Egypt Hermann F. Eilts for delivery to President Sadat.
Israeli Ambassador to the U.S. Simcha Dinitz delivers a copy of the invitation to Secretary Vance, as well as a letter from Prime Minister Begin to President Carter.
President Sadat says that he is not setting any preconditions for visiting Israel (remarks to a delegation of the U.S. Congress).
President Carter says that President Sadat's visit will be a constructive step toward a Geneva conference (remarks to reporters).
- November 16 President Sadat flies to Syria for talks with President Assad.
- November 17 President Sadat returns to Egypt, without the support of the Syrian President for the trip to Israel.
President Sadat formally accepts Prime Minister Begin's invitation to visit Israel.
Egyptian Foreign Minister Ismail Fahmy resigns in protest; his replacement also resigns and Butros Ghali is appointed acting Foreign Minister.
Prime Minister Begin announces that President Sadat will arrive in Israel on Saturday, November 19 (remarks to a delegation of the U.S. Congress).
- November 18 Egyptian officials and technicians arrive in Israel to make preparations for President Sadat's arrival.
- November 19 President Sadat arrives at Ben Gurion Airport (Tel Aviv) at 8:00 p.m. (local time) where he is met by President Ephraim Katzir, Prime Minister Begin, and other Israeli officials. He goes to the King David Hotel in Jerusalem for a short meeting with Prime Minister Begin.
- November 20 President Sadat worships at the Al Aksa Mosque and visits the Dome of the Rock and the Church of the

Holy Sepulcher in the Old City of Jerusalem. He tours Yad Vashem, Israel's memorial to the victims of the Holocaust.

President Sadat and Prime Minister Begin hold a 90-minute meeting.

President Sadat goes to the Parliament building and places a wreath at the eternal flame that commemorates Israel's war dead.

President Sadat, Prime Minister Begin, and Shimon Peres (leader of the opposition Labor Party) address a special session of the Knesset.

President Sadat is guest of honor at a working dinner given by Prime Minister Begin.

President Sadat and Prime Minister Begin hold joint interviews with the three U.S. television networks.

November 21 President Sadat meets with Israeli political parties.

President Sadat and Prime Minister Begin hold a joint news conference and issue a communique.

President Sadat returns to Egypt.

November 22 Egyptian Representative to the U.N. walks out of the General Assembly during a speech by the Syrian Representative in which he denounces President Sadat's visit to Israel.

Syrian and PLO officials issue a statement condemning the visit and calling for an Arab conference to persuade President Sadat to change his policy toward Israel.

November 26 President Sadat invites all parties to

the Middle East conflict—plus the U.N., U.S., and U.S.S.R.—to send representatives to Cairo to discuss removing obstacles for a peace conference at Geneva (address to Egyptian Parliament).

Israel accepts the invitation to Cairo; Syria declines saying it will instead send representatives to a "rejectionist" conference in Libya.

November 27 President Sadat says he is ready to negotiate procedures for a Geneva conference with Israel alone, if necessary (interview on CBS "Face the Nation").

November 29 U.S. accepts Egypt's invitation to Cairo for informal meetings.

Soviet Union declines to participate in the Cairo meeting.

U.N. Secretary General Waldheim proposes that talks to prepare for a new Middle East Peace Conference in Geneva be held at the U.N. following the Cairo meeting. He also announces that the U.N. will be represented at the Cairo meeting (news conference).

November 30 President Carter endorses President Sadat's plan for talks in Cairo and announces that the U.S. will be represented by Assistant Secretary for Near Eastern and South Asian Affairs Alfred L. Atherton, Jr. He also announces that the Cairo talks will begin about December 13 (news conference).

Israel rejects U.N. Secretary General Waldheim's proposal to hold preparatory talks at the U.N. (statement by Israeli Foreign Ministry official).

ident Sadat and vice versa. When there has been no progress being made, the United States has taken the initiative. Now that progress is being made, a proper role for the United States is to support that progress and to give the credit to the strong leadership that's already been exhibited by Prime Minister Begin and President Sadat and to let our nation be used as called upon to expedite the peace process.

I believe that this is a move that the whole world looks upon with great appreciation and,

again, I want to express my congratulations and my appreciation to these two strong leaders for the tremendous progress already made and for their commitment to future progress.

Q. What is your reaction to [U.N.] Secretary General Waldheim's suggestion for a post-Cairo, pre-General Middle East conference at the United Nations or on some neutral ground?

President Carter: As you know, Secretary General Waldheim has also agreed to send a

high-level representative to the conference to be held in Cairo. I don't know yet what position our country will take toward a potential meeting at the United Nations. We've not received any invitation to it.

I noticed in the news this morning that Israel has said that they would not participate, but it's too early for us to decide whether or not we will go to any conference if one is actually held at the United Nations.

Q. Egypt and Israel can legitimately deal with themselves, but can Egypt really represent all the other parties when they're not even at the conference, and the Palestinians who've never had a say in their own political destiny?

President Carter: I think that President Sadat in his private communications with me, and even in his public statements, has said that he is trying as best he can to represent the Arab position concerning Israeli withdrawal from occupied territories and also the resolution of the Palestinian question.

Obviously, the leaders in Syria—even Jordan, certainly the PLO [Palestine Liberation Organization]—have not recognized that Egypt is speaking for them adequately. I think, though, that in his speech to the Knesset, in his followup speech to the People's Assembly in Egypt, that President Sadat has evoked very clearly the basic Arab position that I have understood in my private conversations with President Asad from Syria and with the King of Jordan, Hussein.

So I believe that this is an exploratory effort that does accurately represent the basic differences between Israel and all their neighbors, and the fact that Jordan and Syria have not been willing to participate I don't think has dampened President Sadat's commitment or enthusiasm at all. It is constructive, and I think what he discovers in his already completed discussions with Prime Minister Begin and those that might be taking place in Egypt in the middle of next month will certainly be conducive to pursuing the Arab cause.

I think it's constructive because for the first time the Arab position on those controversial issues has been spelled out very clearly for

worldwide understanding, and I think the differences that have been faced by us and others for long years are now much more clearly understood by the public. The differences are still sharp. The resolution of those differences is going to be very difficult. I think that to the best of his ability President Sadat is speaking for the Arab world.

Q. If the other Arabs refuse—continue to refuse not to sit down with Israel—would the United States oppose it if Egypt and Israel somehow worked out some sort of separate agreement? Would that be a good thing, and what would our position be on that?

President Carter: We and Egypt and Israel have all taken the position publicly, and the same position privately among ourselves, that a separate peace agreement between Egypt and Israel to the exclusion of the other parties is not desirable. This is predicated upon the very viable hope that a comprehensive settlement can be reached among all the parties involved. If at some later date it becomes obvious that Jordan does not want peace, or that Syria does not want peace, or that Lebanon does not want peace in a settlement with Israel, then an alternative might have to be pursued. But we've certainly not reached that point yet.

I think that the other Arab leaders do want peace with Israel. And I am certainly not even considering, and neither is Sadat nor Begin, any assumption that the possibilities for peace have narrowed down to just two nations.

Q. There has been criticism of your earlier decision to bring the Soviet Union into the Middle East—the peace negotiating process—and the Soviets have indeed refused to go to Cairo. Would you please explain to the American people why you think it's important that the Soviets be involved in these Middle East peace negotiations?

President Carter: The Soviets have been involved in the peace negotiations ever since 1973. The entire Geneva conference concept was established through the United Nations with the United States and with the Soviet Union as cochairmen. So this has been established now for at least 4 years. And this is a

concept that has been adopted and approved by all the parties involved, including the United Nations, overwhelmingly, perhaps even unanimously.

In the past, I think it's accurate to say that the Soviets have not played a constructive role in many instances because they had espoused almost completely the more adamant Arab position. My own feeling is that in recent months the Soviets have moved toward a much more balanced position, as a prelude to the Geneva conference.

We have tried to spell out very clearly—certainly since I've been in office and I think my predecessors as well—the U.S. position. We disagree in some of those issues with the Soviet Union. We've not concealed those differences. We disagree in some instances because of the procedural items that are being discussed. But there is no division between us and the Soviet Union now that didn't exist before, and I would say that their positions have been much more compatible recently.

I wish that the Soviets had decided to go to Cairo. They've decided not to. But we'll make as much progress as we can, following the leadership of Sadat and Begin, to make real progress in Cairo with the Soviets not present. And my belief is that the desire of the whole world is so great for peace in the Middle East that the Soviets will follow along and take advantage of any constructive step toward peace.

The fact that we do have differences of opinion is well known, and I don't think this is an obstacle to eventual peace in the Middle East. But we did not bring the Soviets in. They have been in since the very initiation of a Geneva conference.

Q. Do you think you can have peace in the Middle East without the Soviets involved?

President Carter: I think that we or the Soviets ought to play a constructive role. And I think both of us will. We have been the nation then, and I think now, that is uniquely trusted by all the parties involved to act fairly and consistently concerning the Middle East questions. I don't believe that the Soviets occupy that position.

And I don't have any doubt that if the na-

tions surrounding Israel can work out an individual peace settlement with Israel leading to peace treaties, that the Soviets will play a constructive role certainly at that point. It would be contrary to their own interest to be identified as an obstacle to peace. I don't think they are trying to be an obstacle to peace. Their perspective is just different from ours.

Q. Is the U.S. Government taking any concrete steps with some of the other governments that have been reluctant—such as Syria, the PLO which is not a government, and the other countries—to bring them into this process that has been initiated by Israel and Egypt? And if so, what steps are we taking?

President Carter: Yes; not with the PLO. We have no contact with the PLO. But with Jordan and with Syria, with Lebanon, and in a supportive role with the Saudi Arabians and others, we have played, I think, an adequate role. At the time we discovered that President Sadat was going to make a proposal to go to Jerusalem, we immediately began to use whatever influence we had available to us to encourage the other nations not to condemn President Sadat. This particularly applied to Saudi Arabia, to Jordan, to the European countries, to the Soviet Union, and to Syria. In some instances, either they decided not to condemn him or our influence was successful.

We would like very much to keep any of the nations involved in the immediate Middle Eastern discussions from rejecting an ultimate peace settlement and withdrawing from the prospect of going to Geneva. This includes, of course, Prime Minister Begin and President Sadat. They have not rejected the concept that there must be a comprehensive settlement.

In the meantime, we don't see anything wrong; in fact, we look with great favor on the bilateral negotiations between Israel and Egypt. In the meantime, we are trying to induce the Syrians, the Lebanese, the Jordanians, and—as I say again—in a supportive role, the Saudis and others, to support both the ongoing negotiations that will continue from Jerusalem into Cairo and also to avoid

any condemnation of Sadat that might disrupt his influence and put an obstacle to peace in the future.

That's about all we can do. We have no control over any nation in the Middle East. When we find the progress in the Middle East being stopped, we use all the initiative that we can. When we see progress being made by the parties themselves, we support them to move on their own.

I think it's much more important to have direct negotiations between Egypt and Israel than to have us acting as a constant dominant intermediary. I think this is a major step in the right direction. We hope later that Jordan and Syria and Lebanon will join in these discussions, either individually or as a comprehensive group dealing with Israel directly.

Q. You used the word "induce." What inducements is the U.S. Government offering to Syria and the others?

President Carter: We are not offering them any payment of money or anything, but we primarily capitalize on their clear determination, their clear desire to have peace. There is no doubt in my mind at all that President Asad, who's been one of the most highly critical leaders of what Sadat did—there's no doubt in my mind that President Asad wants peace with Israel, and there is no doubt in my mind that King Hussein wants peace with Israel. And sometimes it's very difficult for them to communicate directly with Israel.

We act as an intermediary there. We meet with those leaders on both sides. Obviously, if there should be a breakthrough in the future, similar to what occurred between Egypt and Israel—let's say, for instance that if King Hussein said he would like to negotiate directly with Prime Minister Begin, we would support that enthusiastically and offer our good offices to encourage such an interchange. But we don't have any inclination or ability to dominate anyone nor to require them to take action contrary to what they think is in the best interests of their nation.

Initiatives for Peace in the Middle East

Following is a statement by Andrew Young, U.S. Ambassador to the United Nations, made before a plenary meeting of the U.N. General Assembly on November 24.

USUN press release 122 dated November 24

We are meeting to discuss the situation in the Middle East at a crucial and perhaps pivotal time in the history of that region. A remarkable event in the political life of the Middle East has just occurred. We are all acutely aware that the politics of the area will never be the same as they were before Egyptian President Anwar Sadat visited Israel.

President Sadat came in peace, was welcomed in peace by Prime Minister Begin and the Israeli people. By that simple yet dramatic act, the prospects for a just and durable peace have been significantly advanced if all concerned have the vision and the will to recognize and build upon the psychological transformation it has made possible. My government urges all of the parties to maintain the new momentum toward peace.

We in the United States have long been convinced that the peoples of the Middle East would like to put the past behind them and to live peacefully together in the context of a just and agreed solution to their political differences. President Sadat's journey for peace and the wholehearted—yes, even emotional—responses of the Israeli and Egyptian nations have emphatically confirmed that judgment.

It is important, however, to recognize that this was not just an isolated act of political vision, without a solid base in the recent past or significance for a future that is both desirable and attainable. President Sadat's visit was unexpected and unprecedented, but it was a logical extension of the solemn undertaking of the Arab states and Israel in the wake of the 1973 war that they would engage—immediately, we should recall—in negotiations aimed at implementation of [U.N.] Security Council Resolution 242. With their acceptance

of [U.N.] Security Council Resolution 338, the Arab states and Israel agreed that they would seek to resolve their differences through discussion, compromise, and mutual accommodation.

The decision in 1973 to engage in negotiations between the parties marked a major turning point in the Arab-Israeli dispute. The first Geneva conference [December 21-22, 1973] convened under the compulsion of effecting a military disengagement in a situation which threatened an imminent resumption of hostilities. While three subsequent disengagement agreements were effected [January 18, 1974; May 31, 1974; September 1, 1975], serious negotiation of the overall peace envisaged in Resolution 242 has yet to begin in earnest.

Since this Assembly discussed this issue 1 year ago, the Middle East has been an arena of intense diplomatic activity aimed at a single and simple goal—the resumption of direct negotiations between the parties in order to achieve a comprehensive peace. While the setting of the goal—a Geneva conference by the end of the year—was easy, achievement of that goal has proved elusive. All of the parties are agreed that the key substantive questions to be addressed were the nature of peace, Israeli withdrawal, agreement on final borders and arrangements to make those borders secure, and the Palestinian question—for which representatives of the Palestinian people as well as of the governments concerned must be included in the negotiating process.

Procedural problems remain to be resolved, but let us remember that procedural arrangements do not in themselves determine the outcome of negotiations—only the negotiations themselves produce agreements. I repeat that the momentum of the past week

must not be allowed to slip away. Let us capture the mood of change. Let us build on hope and goodwill. If we do so, fundamental, serious, and unconditional negotiations could begin in the very near future.

What do the events of the past weekend mean for us here in New York? President Sadat has reminded us that many of the obstacles to peace in the Middle East are psychological. Both President Sadat and Prime Minister Begin have demonstrated the need to shed the bonds of the past if we are to avoid repeating the mistakes which have led to so much suffering and violence. We believe that this General Assembly can contribute to the process of peace as it deals with the remaining items relating to the Middle East to be brought up for discussion this year.

But we should measure our performance by a new standard. If some of those who are so directly involved can discuss their differences in reasoned tones in an effort to make progress, ought not the rest of us declare a moratorium on the extreme rhetoric of the past which breeds hatred and violence? If we genuinely want to support the search for a just and durable peace in the Middle East, can we afford to repeat the practice of passing resolutions to score pyrrhic victories regardless of their ultimate effect—resolutions that seek to prejudge issues which can only be resolved through negotiations between the parties, all the parties concerned?

We have seen a demonstration of rare vision which has caught the imagination of the world. Psychologically, peace seems closer to our grasp. If we demonstrate similar courage and readiness to break with the rituals and taboos of the past, we believe the United Nations can make the contribution the world expects of it.

Under Secretary Habib Interviewed on "Face the Nation"

Following is the transcript of an interview with Philip C. Habib, Under Secretary for Political Affairs, on the CBS television and radio program "Face the Nation" on November 20. Interviewing the Under Secretary were George Herman, CBS News correspondent; Murrey Marder, senior diplomatic correspondent for The Washington Post; and Murrin Kalb, CBS News diplomatic correspondent.

Mr. Herman: We have now heard the speech by President Sadat; we've heard a speech by Prime Minister Begin. We've heard a lot of observers say there's a great change, things will never be the same in Middle Eastern diplomacy again, and so forth. Is that true? Has something happened?

Under Secretary Habib: There's no question that something important has happened. President Sadat has taken an imaginative step; it's a very courageous step for him. And Prime Minister Begin has responded to that step with considerable vision. President Sadat's visit to Jerusalem can fundamentally transform the situation. The psychological atmosphere is obviously affected, and that is what I mean when I say that there is imagination and a fundamental chance for forward movement.

This is all part of a process; it's part of the process of seeking Arab-Israeli peace. It's part of a process that has been going on for some time to achieve a negotiated settlement of the Arab-Israeli disputes. The visit can help dispel mutual suspicions and distrust, I think, as one can hope that their barriers fall away, people talk to each other. Remember, this is the first time that the leaders have sat down in this way, face-to-face—or will be sitting down. It's a harbinger of the importance

of negotiations between the confrontation states and the Israelis.

Mr. Herman: In your first answer, you called the events of today, among other things, a harbinger. My question is, is it really a harbinger? Is it the first step in a process which will see other Arab leaders following the course, or is it going to turn out to be an isolated event as far as anyone can guess?

Under Secretary Habib: It's another step in a long process that's already seen a lot of steps. This one happens to be a very big step. I think there are undoubtedly going to be other steps. The process is a continuing one; it didn't begin with this visit, and it didn't begin—and it isn't going to end with this visit.

There's no question, however, that the visit has dramatized the significance and the importance of discussion between the principal parties. There's no substitute for that. There's no way in which you can get a settlement of the Middle East dispute without the parties sitting down and talking about the issues. They all know what the issues are; they've confronted them for a long time. I'm quite certain that the issues will be discussed during this visit, and they'll be discussed in future meetings between the various parties concerned.

The necessity is to get the meetings, to get the parties talking to each other. Mr. Sadat's visit is a major step in this long process, because it does get the parties talking to each other.

Mr. Marder: What does the United States now do? Does it wait on the sidelines and see what emerges from this meeting, or is there

something specific, positive, the United States is going to do at this stage?

Under Secretary Habib: Certainly for the moment, one would, in due courtesy, wait for the visit to conclude before one decides what next step should be taken. This is a very important element in the process, and we will be awaiting its results. They're not yet known. They will undoubtedly become known. Then, as in the past, the United States will exercise its responsibilities, both in the interests of the United States and the interests, as we see it, of general peace and stability in the area and in the pursuit of our long-term objective—a just and lasting peace in the Middle East.

Mr. Kalb: *Is it your view now that it is as important for the United States to proceed as the middleman in the negotiation, or has the Sadat visit and talks with Prime Minister Begin, to a degree, lessened that kind of requirement?*

Under Secretary Habib: The capacity of the United States to act, as you call it, as a middleman depends upon the desire of the parties concerned for it to act as a middleman. In the past, the parties have made it very clear that they welcome the role that the United States plays. We, fortunately, have the—have had and I hope will continue to have—the trust and confidence of the parties concerned on both sides. I don't see that changing. The U.S. objective is an objective which is conducive to peace and stability in the area.

We're convinced that the parties in the area genuinely desire peace. As they seek to achieve that peace, I have no doubt they will continue to turn to us and turn to other powers. There is a framework, as you know, which has been established to deal with these issues; that framework will be sustained.

Mr. Kalb: *Exactly, that's what I'm trying to get at. The—President Sadat—it's very difficult to get it through the translation, and I don't know Arabic but in the translation it came through as direct confrontations—I assume he meant meetings—between Egyptians and Israelis as the most effective means of communication. If that is the most effective*

means, then, clearly, the effort of a middleman to get to a Geneva conference might not be the most effective effort.

Under Secretary Habib: The effort of the middleman is divided into many parts. First of all, you can help get the parties together to where they talk. And then, we've always made it clear—the Secretary of State has stated this on a number of occasions—that we are prepared, where necessary and desirable and are wanted, to make our own views known. The President has indicated—at the beginning of his Administration—that the United States sees the Middle East question as a matter of primary interest in our foreign policy.

Mr. Marder: *Could you be specific at all about what the United States has been doing in the last few days before this—before this momentous meeting began? Has it been treading water? Has it been active in any significant diplomatic fashion?*

Under Secretary Habib: You know very well the United States doesn't tread water in foreign policy. This Administration takes its responsibilities in this momentous period very seriously. We have quietly, and in proper diplomatic fashion, made clear our expectations, both with regard to the visit and with regard to what follows it. I—and I know you appreciate that I can't be very specific about the exchanges that have been held, but you are aware of the conversations the President has had over the telephone with both Prime Minister Begin and President Sadat. You are aware of the general support we've given to the purposes of this visit. You can expect that the United States has and will continue to assert and exert its influence in the direction of a just and lasting peace.

Mr. Kalb: *That report took a couple of days in coming, though. It seemed that for a period the United States stood stunned and surprised and inarticulate.*

Under Secretary Habib: On the contrary, I don't know where people have gotten that impression. I think from the very beginning—

Mr. Kalb: *From the public statements.*

Under Secretary Habib: From the very beginning, if you'll carefully go over the statements made by the official spokesmen of the State Department and the spokesmen of the White House and the statements made by the President himself, the position of the United States, which saw this move as momentous, imaginative, bold, and conducive to the process of reaching peace in the Middle East—it's been clear from the beginning. I haven't quite understood where this impression has gotten around.

Mr. Herman: There's a kind of a language of diplomacy which those of us who are outside the field don't always understand. Let me call upon you as a translator and an assistant in some of these matters.

I listened very carefully to President Sadat, and I heard him talk about Palestinian rights. I did not hear him mention the Palestinian Liberation Organization. Did you?

Under Secretary Habib: No, he didn't mention it. He mentioned the Palestinian question and Palestinian rights. You're absolutely right.

Mr. Herman: Did he say anything about a Palestinian state, or did he just talk about their rights?

Under Secretary Habib: Yes, he did. He spoke of Palestinian statehood in his speech.

Mr. Herman: Does that—

Under Secretary Habib: You know—let me say one thing at this point, which I think is very important for all of us to have.

Instant analysis and instant interpretation is neither my bag nor, I think, appropriately anybody else's bag. This is—the statements that were made today, just a few minutes ago, which I heard and you heard—are not conducive to that kind of instant analysis. We're going to study them carefully. All of the parties on both sides are going to study them carefully for their meaning, for their significance.

Now one can say, generally speaking, that there is no question that the appeal to peace, and the appeal to people for peace, came through strongly in both statements, and in-

cluding the third statement made by the leader of the opposition, Mr. Peres. This is an important element.

Now to parse every sentence, to determine the nuances of what might or might not have been said, is going to be the task of the analysts over the next week or two. But I don't think we're in a position to do it completely today.

Mr. Herman: As you must be very well aware at the State Department, as everybody is aware who's been reading papers and listening on the air, there've been a great many threats on President Sadat's life as a result of this. Some Palestinian organizations have promised that they will eventually assassinate him. What does this do to his position? Does this—with other—among other Arab leaders? Does this weaken him? Does this strengthen him? Does this put him out on a limb? Where does he stand now? In danger, presumably.

Under Secretary Habib: There's no question; it's a matter of fact that the initial reaction has demonstrated—among—in the Arab world—has demonstrated a degree of divisiveness, but—and I wouldn't call that fortunate. We—as far as the United States is concerned, that would generally be unfortunate. However—and there's no question that negotiations in the pursuit of peace has a better chance of succeeding, and beginning, in fact, if there is unity among the moderate leaders of the Arab world.

Now what we hope is that the initial reactions, which were to a certain extent critical, and to varying degrees critical—there is no unanimity of criticism—that there will be a reassessment of positions; there are opportunities that derive from President Sadat's visit to Israel, will be recognized and that will open the way for the kind of discussion and negotiation by dropping—helping to drop—the psychological barriers to make it clear that everything is negotiable, that things can be talked about—will open the way to that kind of discussion.

Mr. Kalb: How—in what way?

Under Secretary Habib: Certainly, as far as statement of positions with respect to a

readiness to accept peace, and all that goes with peace—the visit has carried that forward.

Mr. Kalb: I understand that, but how does the discussion continue?

Under Secretary Habib: The discussion would continue, in the first instance, in this case with the remainder of this visit. Both President Sadat and Prime Minister Begin indicated that they were prepared to continue this discussion in the larger forum. You all know that the Geneva forum exists to continue the discussions within the terms of precedent and on mutual understanding. We have been seeking to reach that stage. There is no question that the forum is there, and it will provide the means by which the parties can talk to each other directly.

Mr. Marder: Although it's the U.S. position which you've just restated that this will enable the American strategy to continue, you're aware, of course, that Mr. Shimon Peres, speaking at the Knesset, said that he believed this represents a new start of a negotiating process, a change of procedures from yesterday. At least from the standpoint of the Israeli Labor Party, they evidently are not taking the view that this is locked into Geneva, because he also mentioned the fact that it is not necessary that negotiations continue in Geneva, but they could be in Cairo or Damascus or other places.

Is it not possible, at least, that the United States may have, as a result of this sequence, to make a fundamental recalculation of the whole state of the diplomacy here in terms of procedure, process, or even substance?

Under Secretary Habib: Recalculations don't occur on such immediate notice. I think the President stated it clearly this morning when he indicated that he thought that this visit would contribute to the process of negotiations and would contribute to the success—the ultimate success, we hope—of the Geneva conference.

Now it's quite obvious that we believe that President Sadat's visit helps clear the way. It provides an opportunity for imaginative response. It certainly opens up the prospects of negotiation dramatically. It certainly focuses

attention on the desire and the demand for peace. Peace will derive from negotiations.

The Geneva format is a flexible one. It permits direct—and as you all recall that which has already been said about the organization, or the possible organization, of a Geneva conference—would permit the kind of direct talks between the parties concerned which is envisaged in some of the statements that you quote and which has always been included as part of the negotiating format.

Mr. Kalb: Is the imaginative response, that you just talked to, to come from Israel?

Under Secretary Habib: I wouldn't want to say which side has to make which response. Quite obviously, it's going to take movement by both sides to reach agreement. All you have to do is to listen to the positions put forward, and you realize that the gap between them—the task to be achieved before you reach peace—is very great. And that's going to require movement from both sides. Now exactly which side has to move when—that's part of the negotiating process. We haven't attempted to define exactly what needs to be done at what moment by each party.

Mr. Herman: Is there a role for the United States in this process? Or is this something now which is strictly between the parties?

Under Secretary Habib: No, as I said earlier the role of the United States has always been the role, basically, which the parties give it, and the parties have given the United States a substantial role. History and our responsibilities have given us a substantial role. The parties have welcomed that role. I think they will continue to welcome that role, because our role has been a constructive one. It has not been one that has interfered with the process of achieving peace.

Mr. Kalb: What about the Soviet role at this point? Do you define it as constructive as well?

Under Secretary Habib: I would—we would continue to hope and expect that the Soviet Union, as a cochairman at Geneva and precedent to any such possibility of exercising influence directly—would continue to play

a constructive role. Whether they have been or they at the moment may be taking courses that are of any major difference from our own is irrelevant if you look upon the problem as one of responsibility. And we intend to exercise a responsible role—to play a responsible role—and we call upon them to play a responsible role. A responsible role means to further the process of peace through negotiations. That is a responsible role.

Mr. Marder: Would it be responsible for them to attack the Sadat mission?

Under Secretary Habib: We're not particularly pleased with the criticisms of the Sadat mission that have been put forth by the Soviet Union, but we have our position, they have their position. I have not seen in our position anything that denies our sense of responsibility, and we would continue to hope—to find the same sense of responsibility in the direction of peace on the part of the Soviet Union.

Mr. Herman: In this delicate balance that you have now with things in a state of transit, is there a role to be played by presidential voyaging, presidential traveling around, visiting the Middle East and so forth?

Under Secretary Habib: That's the kind of speculation which hasn't really arisen at this point.

Mr. Marder: One possibility that was under consideration very strongly just a week or two ago was that Secretary of State Cyrus Vance might make a trip to Europe when he will be going for the NATO conference and have proximity talks with the Arab and Israeli Foreign Ministers. Do you see that more or less likely at this point?

Under Secretary Habib: At the moment, there has been no decision in respect to any kind of traveling on the part of the Secretary or any kind of meetings. I think at this stage what we really want to do is to examine the results of what is now going on and—the United States will maintain its interest in the process. We wouldn't make any decisions now on how best to proceed next until we know the results of the current visit. And we will,

of course, be maintaining continuing consultations with the various participants. So a number of options, in effect, are under consideration, as you very well know, but no decisions have been made.

Mr. Kalb: Could you explain for us what is wrong with a separate deal, so-called, between Egypt and Israel? Both sides have gone to great length to say that they are not interested in that kind of a deal, but what's wrong with it?

Under Secretary Habib: The very fact that both sides have made a point of emphasizing their interest in pursuing a wider settlement is, in itself, significantly illustrative of the importance they attach to the overall issues that are involved.

The fundamental question, which both sides are interested in and which we are interested in, is how to get to peace. It isn't a question only of process; it's a question of how do you define the issues, how do you deal with the issues, and how do you get to peace. There are many roads to peace.

What we have sought and what they have sought is to deal with the issues. Now the issues are well known. The principal issues are well known to you. There is the question of the nature of peace that would arise from these discussions—any discussions. There is the question of borders and the territorial questions thereby involved and there's the Palestinian question. These are the fundamental elements of a peaceful settlement. The parties are going to address those elements—they've already begun to discuss those elements. They can't help but discuss them in the search for peace.

Mr. Kalb: No, but a separate agreement between Egypt and Israel, which of course happened in 1975, is not necessarily inconsistent with an effort to get at an overall peace, and the language today could be rhetoric disguising a private effort to move in that direction. Don't you see that?

Under Secretary Habib: I don't find it in the language today. As a matter of fact, if one looks at the language today, particularly the language used by President Sadat and the language used by the Prime Minister, it

is quite clear that they recognize the overall nature of the elements involved in—in true peace in the Middle East. The parties concerned are going to find their way of dealing with those issues that I mentioned a moment ago. How they do it, precisely how they find their way to discussing with each other the solutions to those problems is not yet fully discernible. There is a forum that is readymade for this. The parties know it's available and they continue to pay due regard to that forum. That was clear. How they develop their positions—the events of this weekend will help influence it. What follows will help influence it.

Mr. Herman: Mr. Secretary, in the course of his peroration while he was talking about a journey of peace, Mr. Sadat said, "I fully realize that this is a great risk," and I understood him to mean not a risk to himself—of personal life and limb and so forth—but a risk to the chances of peace. What could go wrong? Why could this journey turn out to the detriment of peace?

Under Secretary Habib: Obviously, any bold, imaginative new step has in it certain risks. That's already been demonstrated to a certain extent, in terms of the reaction of various people. But, it's quite clear that whatever risks existed, the parties who took those risks felt they were worthwhile. Certainly, we believe that—if there—whatever risks existed were worthwhile if the end result is to bring the parties closer together, to bring them to deal with the issues in a forthright manner, if it permits the issues to be defined more clearly, if it permits the continuation of what has been clearly a major effort on the part of all the powers in the Middle East, that is, the achievement of a peaceful settlement.

The one thing that comes through clearly is that everybody wants peace. Now that has been true since—for some time now. It didn't occur this weekend. We have been attempting to build upon that desire for peace through our own efforts.

Mr. Marder: Is the United States doing anything to try to prevent other nations—from splitting off from the talks?

Under Secretary Habib: The United States will continue to use its influence to further the process of peace.

The Middle East

Following are remarks by Alfred L. Atherton, Assistant Secretary for Near Eastern and South Asian Affairs, made before the Anti-Defamation League of B'nai B'rith in Washington on November 21.

Today I think it is clear that all of us are living, and rightly living, under the impact of what has happened this past weekend in Jerusalem. It takes time for the human mind to assimilate and to adjust to radical departures from past patterns of behavior and past patterns of thought. In this age of simultaneous visual communication, the old adage that "seeing is believing" almost comes into question.

We saw—all of us—the President of Egypt arrive at Ben Gurion Airport in Israel. We saw him greet and be greeted by all the living leaders of the state that the Arab world for so long said that it would not recognize, would not negotiate with, and would not make peace with. We saw President Sadat address the democratically elected representatives of the people of Israel. And I wonder how many of you said to yourselves, as I found myself saying as I sat in front of the television screen: "I can't believe it." And yet it did happen.

One can only, I think, stand in awe as one tries to imagine the thoughts that must be going through the minds of the leaders of Israel, of Egypt, and of the other Arab countries today, trying to comprehend the significance—not only the drama but the long-term significance—of what happened over the last 48 hours.

In the immediate glow and the drama of this moment of history, it is difficult to think or to talk about anything else. And yet we all know that we must look not only at the snapshots of a dramatic moment but at the dynamic process or, if you will, the motion picture of which the events of this past

weekend were a part. And I think in the brief time available today perhaps the best contribution that I can make is to try to explore, at least tentatively, how this dramatic moment can be a part of the process of peace and how it relates to the interests of the United States and to the pursuit of our diplomacy in the Middle East.

I've been amazed over the past week to hear speculation in the media that President Sadat's visit to Israel was received with reservations or with doubts by your government—that it somehow cut across and got in the way of what the United States was trying to do with respect to the Middle East problem. The truth, of course, is that nothing could have been more welcome to this country and to this government than President Sadat's bold initiative to visit Israel and Israel's bold statesmanship in welcoming this initiative.

To see why this is so, why we did welcome this development, let me just review very briefly with you the policy of this Administration, since it took office, toward the Middle East problem. Basically the Administration began with three fundamental premises for policy. The first premise—and this has been a premise of policy of this country ever since the State of Israel was established—is an unshakable commitment to the security and the well-being of Israel. A second premise—and one that I think has become increasingly obvious in recent years to all of us—is the need for the United States to have the best possible relations with as many states as possible in the Arab world. The third premise really flows logically from these two: In the long run, American interests require peace in the Middle East, and it has to be an imperative of the policy of this country to work to do what we can to bring about that peace. President Carter early in the Administration determined that this issue, this problem, this area of diplomacy would have the highest priority, and it has ever since.

The second factor in our calculations, having started with these premises, is the question of the role of the Soviet Union in the search for peace in the Middle East. The

Soviets, of course, are in the Middle East; they have been there for a number of years; and they are a cochairman of the Geneva Middle East Peace Conference. As diplomatic efforts proceeded toward reconvening the Geneva conference, we felt it important to seek to engage the Soviets in the process. Clearly the Soviets can play a helpful or they can play a troublesome role. We will be watching in the period ahead, and reserving our judgment, to see whether or not they will, in fact, act constructively in the efforts to move the negotiating process forward.

Thirdly, let me describe very briefly what seem to me three stages through which our Middle East diplomacy has gone since President Carter took office in January.

The first stage was the period of, in a way, getting to know each other—the Secretary of State's first trip to the Middle East [February 14–21, 1977], the visit to Washington by the heads of state of the key Middle Eastern countries to meet with President Carter¹—a period when we were exploring with them their visions of the future, trying to understand what their imperatives were, what they could and could not do in terms of forward movement, and at the same time beginning to develop and to express some of our own views and our own visions of what the elements of a fair and just peace in the Middle East might look like.

Out of this first stage came a number of things. I think it is fair to say that there was agreement among all of the parties to the conflict that there are three core issues which have to be dealt with and have to be resolved if there is to be a peace settlement.

—First of all, there is the question of the nature of peace; what will be the relationships that will exist between Israel and its Arab neighbors when peace is achieved? What would be the substance and the content of peace—going beyond simply the legalistic

¹Prime Minister Rabin of Israel visited Washington Mar. 6–9, 1977, President Sadat of Egypt Apr. 3–6, King Hussein I of Jordan Apr. 24–27, Crown Prince Fahd of Saudi Arabia May 23–27, Prime Minister Begin of Israel July 18–21; President Carter met with President Asad of Syria in Geneva on May 9.

ending of a state of war or the establishment of a formal state of peace?

—The second core issue is the issue of withdrawal from occupied territories as part of an overall peace settlement and agreement on secure and recognized boundaries between Israel and its Arab neighbors, as well as agreement on whatever security arrangements, systems of guarantees, and so forth the parties feel would, as a result of their negotiations, be useful to them.

—The third core issue is the Palestinian question, a solution of which I think all are now agreed must be part of a final settlement if the settlement is to be a viable and a durable one.

In addition to agreement on how to define the issues, the parties and we also agreed in the first stage that the objective should be a comprehensive peace settlement in the Middle East dealing with all of the issues and all of the countries involved. And they also agreed that the goal should be the reconvening of the Geneva peace conference by the end of 1977.

This first stage was followed by a stage that I would describe as going from the general to the specific—an attempt to begin to define quite precisely in our discussions with the parties, and our conveying of their views back and forth to each other, what the areas of agreement might be, to try to narrow the areas of disagreement and to begin to talk rather specifically about the kind of detailed formulas, or terms of reference, that would be needed in order to get a peace conference under way.

The third stage is really an extension of the second. It began when the foreign ministers of the key countries came to the United States during the General Assembly in September and early October and met with the President in Washington, in New York, and met with the Secretary of State on repeated occasions, to begin to try to get agreement on a very precise formula for the reconvening of the Geneva conference.

Now, because there is so much preoccupation with the specifics, the details—sometimes very technical details—I think it's important to simply reiterate and to recall

that the goal of our policy does remain a comprehensive peace settlement. And this is also the stated objective of all the parties themselves. Secondly, the process for getting to that settlement is and has to be a process of negotiations between the parties themselves. And on this too there is agreement.

President Sadat's visit to Jerusalem was a step that can advance, and I think advance significantly, that process of negotiations. It has been a major contribution to fulfilling what we have been seeking to accomplish for many years. I think it's terribly important at this stage to not let the momentum that has been achieved be lost. There are real prospects for peace—perhaps the best prospects that there have been at any time in the past 30 years. But they must be nourished by evidence of tangible progress toward peace to give those who speak for peace hope to sustain their efforts and to overcome the doubters, the cynics, those who remain prisoners of the past, and the opponents of peace, who, unhappily, are still a force in the Middle East.

The forum for the negotiating process that hopefully is being set in train is the Geneva Middle East Peace Conference. But it is important to remember this is a framework, and it is a framework that can be flexible and within which a great many things can become possible. President Sadat, Prime Minister Begin, and all of the leaders of the countries involved in the dispute and in the search for peace have agreed that this is the framework and the forum for the negotiations.

I watched this morning one of the many interviews—joint interviews—that President Sadat and Prime Minister Begin held with various news correspondents. Both Prime Minister Begin and President Sadat reaffirmed that the objective should be to get to Geneva and to get there as quickly as possible. And both of them also made clear that they had welcomed and would continue to welcome the help that President Carter has given to their countries, to their governments, and to the peace process through his efforts over these past months.

As a cochairman of the Geneva conference, the United States will continue to do all that

it can, and it will play as active a role as the parties themselves want us to play, in efforts to move forward, and as rapidly as possible, in the spirit that has been created over this weekend toward a just and lasting peace in the Middle East.

Human Rights in Iran

Following is a statement by Charles W. Naas, Director of the Office of Iranian Affairs, made before the Subcommittee on International Organizations of the House International Relations Committee on October 26.¹

I welcome the opportunity to appear before the subcommittee this morning. In his testimony last year Assistant Secretary [for Near Eastern and South Asian Affairs] Atherton sketched out the historical, economic, cultural, and political context within which we view the subject of human rights in Iran.² I will not repeat the important points Mr. Atherton made. They are now part of the official record. However, my comments today should be seen in that context.

Mr. Butler [William Butler of the International Commission of Jurists] has testified about the important changes made in the military court system which would improve substantially due process protection of the individuals who come into that system because of their involvement, or suspected involvement, in crimes against state security.

Briefly, changes in the law provide that: (1) persons arrested must be arraigned or released within 24 hours; (2) the defendant may select a civilian lawyer of his own choice; (3) the defense counsel will be given adequate time to prepare his brief; and (4) except in unusual circumstances, trials will be open to the public.

The Iranian Parliament approved the

amendments in August 1977. Implementing regulations have now been prepared, and the law will become effective November 7. The revisions are partly retroactive in the sense that they will apply to individuals who were arrested but not tried before enactment of the legislation. During the summer a law was passed which provides penal measures—6 months to a year and heavy fines—for discrimination on grounds of race, creed, or sex.

Finally a bill is presently before the Iranian Parliament which is designed to streamline the civilian court system and improve the administration of justice.

A number of developments concerning prisoners should be placed on the record in this status report. Late last year BBC was permitted access to one of the prisons to film interviews with some security prisoners. At about the same time, a Belgian journalist of *Le Soir* asked to interview, by name, a number of prisoners whom opponents of the regime in Europe had claimed were crippled by torture or in fact executed. He was given access to these prisoners for interview and permitted to photograph them to insure their identity. All of the prisoners were in good health.

In April of this year, a public trial was held for a number of prisoners who had been arrested in December 1976 for Communist activity. This was the first public trial of security prisoners in 5 years, and the Iranian press gave extensive coverage to the event. A number of foreign observers, including an American, were present.

The total number of prisoners who had been found guilty of state security crimes has been substantially reduced since the turn of the year by the government's amnesty program. An additional 131 are to be released today—the birthday of His Imperial Majesty—thus bringing the total held to around 2,200, down from the 3,700 held at one point in 1976.

Earlier this year the Iranian Government requested the International Committee of the Red Cross (ICRC) to carry out a thorough survey of Iran's penal institutions and to report to the Government of Iran on what improvements should be instituted. This action

¹ 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.

² For text of Assistant Secretary Atherton's statement on Sept. 8, 1976, see BULLETIN of Oct. 4, p. 429.

is quite unusual and represented, in part, the government's desire to put to rest the allegations about prison conditions which have been made in Europe and the United States. Such reports are, according to ICRC practice, confidential and for the use only of the government which has requested the study. The ICRC just recently completed a second visit to follow up the earlier report.

As you know, Amnesty International has been an outspoken critic of human rights practices in Iran. The Shah of Iran met with Martin Ennals, the president of that organization, to discuss human rights and the perspectives of his organization.

One of the more significant occurrences was the visit of Mr. William Butler to discuss with the Shah certain aspects affecting human rights.

Finally a number of individuals with particular interest in human rights, including at least four Americans, visited Iran and met with various Iranian officials.

In your letter to Secretary Vance requesting the appearance of a Department spokesman at this hearing, you asked that comment be given on "other internationally recognized human rights in Iran."

A few months ago, the Shah of Iran publicly commented that he had previously ordered the ending of the use of torture. We have had no reports of the use of inhumane treatment against prisoners this year.

I will address briefly your question about freedom of opinion and expression, including freedom of the press. Foreign newspapers and magazines containing criticism of the Government of Iran have long circulated freely in Iran. Increasing relaxation with respect to internal criticism is clearly visible. The evidence of this more relaxed attitude is best exemplified by two open letters—one to the Shah and the other to the Prime Minister—articulating liberal aspirations. The letter to the Shah was signed by senior members of the former National Front. The second letter, which called for increased intellectual freedom and the reestablishment of the Writers Guild, was addressed to the Prime Minister by 40 intellectuals.

In addition three government bodies have been resurrected to examine governmental operations—the Imperial Commission, the Imperial Inspectorate Organization, and the Study Group of Iranian Problems. Each group has been given a wide mandate, sometimes overlapping that of the other. The Imperial Commission is to focus on overseeing economic development, eradicating waste, and eliminating corruption; the Imperial Inspectorate Organization is to monitor the progress of the administrative revolution and to continue unannounced spot inspections of government ministries and offices; and the study group is to debate and evaluate governmental problems and policies and to forward their criticism and reports to the Shah. The meetings of the Imperial Commission, in which attacks against various deficiencies of the government are articulated, are regularly televised.

Iran is a one party state. Within the Rastakhiz Party [Resurgence Party of the People of Iran] there is considerable opportunity for political debate and criticism of governmental performance. A major stated goal of this relatively new organization is to expand further such opportunities.

Let us turn briefly to organized labor. The Iranian Workers Organization represents 17 federations, which in turn are composed of 750 unions having about 600,000 members. Strikes are illegal, but a substantial number of wildcat walkouts do occur.

Progress in the field of women's rights continues, although not without the opposition of conservative forces. Of the 268 seats in the lower body (the Majlis) of Parliament, 21 are held by women, and two women are in the Senate which has 60 members. The employment of women is growing, but slowly; by next year it is estimated that 14 percent of all women will be in the labor force. Also, by next year literacy among women will be in the 45-50 percent range.

Although you did not specifically request comment on this point, I believe it important to note for the record that the Government of Iran has continued with full steam the major programs to meet the social and economic

needs of the people. Like every rapidly developing nation, Iran has had, and will continue to have, difficult social-economic problems as its traditional society, whose economic infrastructure was very limited, moves toward a modern industrial state. The government has given a very high priority to meeting the needs of its people with respect to health, education, and the variety of social services.

Last year Mr. Atherton discussed the terrorist movement in Iran. The terrorist threat continues, and you have seen the press reports of the attempt to assassinate Princess Ashraf, the sister of the Shah, in France last month. Encounters between the police and terrorists in Iran have resulted over the last year in the death or capture of about 100 members of the terrorist groups. Two terrorists were executed after trial. One of them was convicted of the murder of a local employee of our Embassy who was mistaken for a U.S. official whom he resembled.

As I said earlier, these actions and developments, taken cumulatively, reinforce the gratifying trend which we noted last year. We shall watch developments with interest.

U.S.-Canada Maritime Boundary and Resource Negotiations

Press release 478 dated October 21

The Governments of Canada and the United States have approved a Joint Report by Chief Negotiators on Canada-United States Maritime Boundaries and Related Resource Issues. The report recommends principles for resolution of maritime resource issues with a view to facilitating settlement of the maritime boundaries between the two countries. The governments have directed the negotiators—Ambassador Marcel Cadieux for Canada and Ambassador Lloyd N. Cutler for the United States—to continue their negotiations with a view to recommending detailed terms for a comprehensive settlement by December 1977.¹

The report of the chief negotiators, which is being made public,² recommends the estab-

lishment of a joint fisheries commission for the cooperative management of fish stocks of common concern. It also sets out proposed arrangements for the sharing of hydrocarbon resources in boundary areas. The negotiators express the hope that with satisfactory resolution of resource issues, mutually acceptable agreement on the two countries' maritime boundaries will be possible.

The fisheries commission proposed by the negotiators would comprise separate Atlantic and Pacific Coast panels composed of members appointed by the two governments. Fish stocks off the two coasts would be divided into three management categories, depending upon stock patterns and the relative interests of the two countries. The categories would provide, respectively, for joint management of some stocks; for jointly agreed management for other stocks based on proposals submitted by the country with the primary interest; and for independent national management of stocks in the third category subject only to consultation. For all stocks, firm entitlements for each country would be fixed in advance by negotiation between the two governments; these entitlements could be changed by mutual agreement.

The fisheries panel would review annually, and as appropriate recommend to governments, regulatory measures for the relevant stocks. With stocks under joint management, if either of the two governments do not agree with panel recommendations, a procedure would be established for prompt conciliation and, if necessary, binding arbitration of outstanding differences. Differences over interpretation and application of the agreement

¹The United States and Canada subsequently have agreed to extend the period for completion of the maritime boundary and resource negotiations to the end of January 1978 (press release 535 dated Nov. 28). Since a long-term agreement will not be in effect by January 1, 1977, when the current interim Reciprocal Fisheries Agreement expires, the United States and Canada have also agreed to consider interim agreements. These would allow fishermen of the two countries to continue fishing in each other's waters pending the coming into force of a comprehensive agreement.

²Copies of the report are available from the Office of the Chief Negotiator, Ambassador Lloyd N. Cutler, Rm. 5517, Department of State, Washington, D.C. 20520.

would also be subject to the arbitration procedure.

On the U.S. side, it is planned that membership in each of its panels would include two government members and a total of four representatives from the concerned regional fishery management councils on the relevant coast. It is proposed that by enabling legislation, the vote of the U.S. panel would be cast by the Secretary of Commerce only with the support of a majority of the council members on the panel. The regional councils, themselves, would participate fully in preparing the U.S. proposals submitted to a panel and in reviewing panel recommendations to governments.

The negotiators' proposals for dealing with hydrocarbon resources call for establishment of "share-access zones" in boundary areas. Each country would be responsible for licensing and development in its portion of the zone but would follow an agreed timetable for exploration and, if appropriate, for development.

Each country would be entitled to one half of the oil and gas production from the entire zone. The country producing the larger share would sell the other, at world market prices, amounts necessary to balance the account. Details of the negotiators' recommended arrangements are included in the joint report.

The joint report on proposed principles approved by governments concludes the first phase of their effort. In the second phase of their negotiations, the chief negotiators will seek to work out detailed provisions for the fisheries commission, including assignment of stocks to the three management categories and hydrocarbon-sharing arrangements they have proposed. They will also address delimitation of the four maritime boundaries shared by the United States and Canada.

During the first phase of discussions, the chief negotiators and their aides consulted closely with their respective provincial, state, and industry interests. Representatives of the fishing communities and of interested regional entities participated in the negotiations. Continuing close involvement by regional and industry interests in phase two of the negotiations is expected.

Concern Expressed on Recent Events in South Africa

Following is a statement by Richard M. Moose, Assistant Secretary for African Affairs, before the Subcommittee on Africa of the House Committee on International Relations on October 26.¹

Just a week ago today, on October 19, the Government of South Africa arbitrarily acted against a group of its citizens—black and white—in a manner which has profoundly stirred the conscience of the American people. This reaction is not confined to this country. The debate now going on in the U.N. Security Council gives a measure of the concern manifest throughout the world.

The actions in South Africa on the morning of October 19 produced this response because they reflect a blatant suppression of legitimate expression of political thought and violation of the rights of the individual. The fact that they followed on the death of black leader Steven Biko [South African critic of the apartheid policies of the South African Government] while in detention [September 1977] has heightened our indignation and concern.

Let me review what took place on October 19 for certainly it will rank as a major landmark in the suppression of the aspirations of the black people of South Africa to be heard and to play a role in shaping the destiny of their own country.

—In one stroke the South African Government placed a good portion of the active and effective black leadership in preventive detention. Close to 50 such leaders now find themselves in jail.

—Major publications which the black com-

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.

munity regarded as its own and to which blacks looked for inspiration and as outlets for their grievances and aspirations were closed. The powerful voice of Percy Qoboza [detained editor of *The World*, the largest newspaper for blacks in South Africa], that moderate exponent of black aspirations, momentarily fell silent.

—The banning of 18 organizations working to encourage black identity and self-help has forced them to close their doors and cease their activities.

—Orders served on six white lay and church leaders who have been outspoken in their support of the cause of black rights have banished them for a period of 5 years.

—More serious than the individual measures is the collective message they carry: That in South Africa there is no room for dialogue between the minority which dominates the country and genuine leaders of the majority which is forced to suffer the indignity of apartheid and the humiliation of being denied the right of political participation.

I fear that the death of Steve Biko in detention and the South African Government's mishandling of that tragic affair, along with the bannings and detentions, are seriously diminishing what chance exists for moderation in South Africa. Those whose voices have been stilled are not extremists but persons who have been searching for peaceful ways to bring justice and harmony to their troubled land. By its actions against these courageous people, the government has once again shown its unwillingness to begin a process of real consultation with blacks, coloreds, and Indians.

This kind of dialogue among all segments of South African society is, in our view, a crucial prerequisite to any peaceful transformation and lasting social tranquility. In taking the actions that it did October 19, the South African Government has further closed channels to a process which would lead to solutions of the deep problems that beset South Africa.

By giving a clear impression that there is no remedy through moderation, rationality, and intelligent petition, the government en-

courages extremism. As Vice President Mondale has noted: "If present social injustice continues in any society, it will inevitably lead to growing tensions, violence, suspicion, despair, the destruction of rational dialogue, the destruction of the ability to take time to work those out carefully and with due regard for everyone."

The Administration's attitude toward apartheid and the laws which uphold that system have been expressed clearly on a number of occasions. In brief, we hold that if our relations with South Africa are not to deteriorate, it must move away from apartheid and at the same time toward a goal of full political participation by all South Africans.

We are not trying to tell South Africa what it should do. We have not prescribed particular courses of action or set forth a timetable. We have, however, made it clear that it would be increasingly difficult for the United States to maintain the relationship it has had with South Africa—a relationship we would like to see improved—unless there are significant steps taken toward a progressive transformation of South African society.

Let me emphasize that our policy is not threatening or punitive, as some in South Africa have stated. The policy reflects fundamental American principles regarding the rights of individuals. It seeks to affirm that our relations with South Africa must be shaped by the attitude of the American people. Americans can accept neither the South African system of institutionalized discrimination based on race nor the draconian measures necessary to enforce it.

We did not lay down a threat to the South African Government. We posed it a choice. Unfortunately the choice made a week ago can only be regarded as a step backward. For that reason the Administration is considering what adjustments in our relationships are required and what responses are appropriate to make in concert with other nations. We will make our decision known very soon.

It is important that the South African Government be fully aware that Americans were deeply distressed by Steve Biko's tragic death. The Administration continues to be-

lieve, as it has stated, that there must be a full investigation into the circumstances surrounding Mr. Biko's death. The actions the government took on October 19 to detain or ban persons and organizations have also shocked the American people.

I believe it extremely important that the Congress, in reflecting the views of the American people, demonstrate to the South African Government the deep concern with which recent events are viewed. Accordingly, the Administration would fully support a resolution expressing this concern. Widely supported in the House and Senate, such a resolution would represent a highly useful and effective means of communicating to the South African Government the strong opprobrium of the American people for the actions of the South African Government and our strong support for legitimate aspirations of the black, colored, and Indian peoples of South Africa.²

Congressional Documents Relating to Foreign Policy

Nuclear Antiproliferation Act of 1977. Report from the House Committee on International Relations, together with additional views, to accompany H.R. 8638. H. Rept. 95-587. Aug. 5, 1977. 43 pp.

Study mission to Latin America. Report pursuant to S. Res. 221 of July 15, 1977, prepared for the consideration of the U.S. Senate. S. Doc. 95-67. Sept. 1977. 15 pp.

Progress in Cyprus Negotiations. Message from the President of the United States transmitting a report on efforts to resolve the Cyprus dispute. H. Doc. 95-207. Sept. 7, 1977. 1 p.

Sale of AWACS to Iran. Communication from the President of the United States transmitting a statement in support of the Administration's proposal to sell Iran seven airborne warning and control systems (AWACS). H. Doc. 95-216. Sept. 8, 1977. 5 pp.

Suspension of the Import Duty on Synthetic Tantalum/Columbium Concentrate, and Other Matters. Report from the Senate Committee on Finance to accompany H.R. 2982. S. Rept. 95-420. Sept. 9, 1977. 6 pp.

²House Concurrent Resolution 388, expressing concern about the recent acts of repression by the South African Government, passed by a vote of 347 to 54 with 5 voting "present" on Oct. 31, 1977.

Accounting For Missing Persons in Vietnam

Following is a statement by Frank A. Sieverts, Deputy Assistant Secretary of State for Human Rights and Humanitarian Affairs and Coordinator for Prisoner of War and Missing-in-Action Matters, made before the Subcommittee on Asian and Pacific Affairs of the House Committee on International Relations on October 27.¹

I am glad to appear again before this subcommittee to report on our continuing efforts to obtain an accounting for our personnel lost in Indochina. It is reassuring to know that this subcommittee has carried forward the responsibility for this subject earlier handled by the Select Committee on Missing Persons in Southeast Asia. All of us with responsibilities for our missing men have an obligation to work together toward the shared goal of securing the fullest possible accounting.

It may be useful for me to begin by reviewing our efforts on the overall MIA [missing-in-action] problem since my last appearance here in July with Assistant Secretary [for East Asian and Pacific Affairs Richard C.] Holbrooke.² Shortly after that date we entered into further correspondence with the Vietnamese concerning the return of the remains of the 22 Americans about whom they had informed us during our May and June meetings in Paris. At that time the Vietnamese said not all of the remains had been actually recovered and that it would take additional time to prepare them for return.

At the Paris talks and subsequently, we sent the Vietnamese additional case folders on our men, and we made clear our interest in continuing our discussions about their MIA accounting and recovery efforts when we went to Hanoi to receive the remains. We

¹Part of an introductory paragraph and two closing paragraphs are omitted. 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.

²For text of statement by Mr. Holbrooke, see BULLETIN of Sept. 12, 1977, p. 359.

also reminded the Vietnamese of our understanding that they would not publicly disclose the names until the identities had been confirmed by our Central Identification Laboratory in Honolulu. The Vietnamese agreed to these points, and the date for the recovery mission was set for September 30.

In addition to myself, the U.S. team for this trip included Frederick Z. Brown, our Country Director for Vietnam, Laos, and Cambodia; Lt. Col. Donald T. Mathes, Director of the Joint Casualty Resolution Center in Hawaii and several members of his staff; and Col. Archie W. Gratch (USAF) and Capt. John G. Colgan (USN), the heads of the casualty assistance offices of the Air Force and Navy who work directly with our family members. We made clear to the Vietnamese that we considered this to be a working-level delegation, consistent with our agreed position that the subject of a MIA accounting and the return of remains should be kept separate from the more political aspects of U.S.-Vietnam relations.

On our arrival in Hanoi we were met by Mr. Vu Hoang, Director of Consular Affairs in the Vietnamese Foreign Ministry and head of the office responsible for the search for the missing and the recovery of remains. Mr. Vu Hoang was first introduced to us in this capacity during the Woodcock commission visit,³ and I have met with him during each subsequent U.S.-Vietnamese meeting, in addition to a continuing exchange of correspondence. In Hanoi, Vu Hoang had with him for our meetings a number of personnel identified as specialists and experts from the Socialist Republic of Vietnam's office responsible for this subject. Officials from their Foreign and Defense Ministries also were present for our talks.

Our discussion covered such subjects as the MIA case folders that we have been providing which the Vietnamese said they find useful. Close to half the cases dealt with in 1977

have pertained to case folders we provided. We asked specifically about the cases of men listed as having died in captivity in South Vietnam. The Vietnamese reviewed the difficulties of the search effort in the south and acknowledged they were not as well organized for this purpose in that area. In response to questions from Capt. Colgan and Col. Gratch, Vu Hoang reaffirmed the statements made to the Woodcock commission that there are no living prisoners of war in Vietnam.

He outlined in greater detail than before the organization of their office for MIA's and recovery of remains which he described as an interagency office, with representation from the Foreign, Defense, and Health Ministries and branches in local authorities. He said they had found it especially important to mobilize public support for their efforts, especially among the local people where searches were taking place. He said their efforts had been hampered by other problems facing Vietnam, in particular food shortages and agricultural failures caused first by drought and cold weather, followed by a typhoon and flooding.

He said their efforts were now resuming and that he would inform us when more information is found. He added that what he called the "easy" cases have already been recovered and that it would probably take more time and be more costly to recover others. He noted that after we had informed him of the mixup in the case of Maj. Curtis Eaton, in whose place an apparently Vietnamese body had been returned, his office had made a major effort to look for Eaton's body to no avail. This was a case in which they thought they knew the exact place of burial but had not been able to find the correct remains.

The Vietnamese agreed to accept the return of the Vietnamese remains and showed considerable interest in discussing the identification process with the specialist from our laboratory who was with us. This discussion provided a further opportunity to impress on the Vietnamese the care and thoroughness with which we approach this subject and to renew our invitation for them to visit our Joint Casualty Resolution Center and the Central Identification Laboratory in Hawaii.

³Presidential Commission on Americans Missing and Unaccounted for in Southeast Asia chaired by Leonard Woodcock. For text of the commission's report on its trip to Vietnam and Laos (Mar. 16-20, 1977) and related material, see BULLETIN of April 18, 1977, p. 367.

Among other points covered were the need for the return of personal effects and other data, including the exact place of loss, the type of aircraft if known, and the date of loss—all of which are important aids to the identification process. We also said that the Vietnamese should inform us if they have searched a particular case or area without results, as this too is part of the accounting process.

While acknowledging the difficulties the Vietnamese described, we made clear our expectation that their efforts would continue and increase and that more information and remains would be forthcoming. There is no question that the Vietnamese are aware of this fundamental point. Near the start of our discussion, I reminded them of what they had been told by the Woodcock commission and by members of the select committee—that progress on accounting for the missing is seen by many Americans as the most important action the Indochina countries can take to improve relations between our countries.

Following our morning meeting and a brief lunch, we completed formalities for the return of the 22 sets of remains. The remains had been brought to Gia Lam Airport, and U.S. military personnel handled the transfer to our C-141 aircraft—the senior State and military officers forming a small honor guard.

As we had earlier requested, Mr. Brown and I met briefly with the representatives in Hanoi of the U.N. High Commissioner for Refugees and the International Committee of the Red Cross to continue discussions we had had during the Woodcock commission visit. These agencies are concerned primarily with refugees and family reunion questions, both of which are also of serious concern to our government.

After leaving Hanoi we flew straight to Honolulu, with an overnight stop en route at Clark Air Base in the Philippines. We reached Hickam Field on the morning of October 1 and were pleased to see your colleagues, Rep. G. V. Montgomery [of Mississippi] and Rep. Bob Dornan [of California], who had flown there to participate in the arrival ceremony. The remains were transferred from the aircraft with military honors

and taken to the Central Identification Laboratory. As was announced by the Defense Department October 25, identities of 21 of the 22 have been confirmed, including several cases which the Vietnamese had given to us as unidentified. We are continuing to analyze the 22d case and have asked the Vietnamese to give us any additional information they might be able to provide on this man.

This then was another chapter in a continuing process. There is no doubt that progress has been slower than we would like, but clearly there has been progress. A channel has been established which is working, and we expect it to continue to work. From our own experience in searching for remains in South Vietnam prior to 1975, we know the recovery process is often slow and difficult, even with a substantial investment of men and resources. We know the cooperation of the local population is essential. We also know that, even with good intentions, memories are fallible and that what may have been certain knowledge at one time may no longer be that now.

TREATY INFORMATION

Current Actions

MULTILATERAL

Automotive Traffic

Convention concerning customs facilities for touring. Done at New York June 4, 1954. Entered into force September 11, 1957. TIAS 3879.

Notification of succession: Tonga, November 11, 1977.

Customs convention on the temporary importation of private road vehicles. Done at New York June 4, 1954. Entered into force December 15, 1957. TIAS 3943.

Notification of succession: Tonga, November 11, 1977.

Bills of Lading

International convention for the unification of certain rules relating to bills of lading and protocol of signature. Done at Brussels August 25, 1924. Entered into force June 2, 1931; for the United States December 29, 1937. 51 Stat. 233.

Denunciation: United Kingdom and the Isle of Man,

June 13, 1977, effective June 13, 1978; Gibraltar, September 22, 1977, effective September 22, 1978.

Protocol to amend the international convention for the unification of certain rules of law relating to bills of lading signed at Brussels August 25, 1924 (51 Stat. 233). Done at Brussels February 23, 1968.¹

Extension: United Kingdom to Gibraltar, September 22, 1977, effective December 22, 1977.

Cultural Relations

Agreement on the importation of educational, scientific, and cultural materials, with protocol. Done at Lake Success November 22, 1950. Entered into force May 21, 1952; for the United States November 2, 1966. TIAS 6129.

Notification of succession: Tonga, November 11, 1977.

Customs

International convention to facilitate the importation of commercial samples and advertising material. Done at Geneva November 7, 1952. Entered into force November 20, 1955; for the United States October 17, 1957. TIAS 3920.

Notification of succession: Tonga, November 11, 1977.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976.¹

Signatures: Iraq, November 23, 1977; Swaziland, November 18, 1977; Turkey, November 17, 1977.

Ratifications deposited: El Salvador, Mexico, October 31, 1977; Pakistan, March 9, 1977; Romania, Tanzania, November 25, 1977; Swaziland, November 18, 1977.

Fisheries

International convention for the conservation of Atlantic tunas. Done at Rio de Janeiro May 14, 1966. Entered into force March 21, 1969. TIAS 6767.

Ratification deposited: Gabon, September 19, 1977.

Patents

Patent cooperation treaty, with regulations. Done at Washington June 19, 1970.

Ratification deposited: United Kingdom, October 24, 1977.

Enters into force: January 24, 1978, except for Chapter II.

BILATERAL

Canada

Agreement relating to United States-Canadian nuclear cooperation. Effected by exchange of notes at Ottawa November 15, 1977. Entered into force November 15, 1977.

Gambia

Agreement relating to the transfer of food grain to The Gambia. Signed at Banjul October 26 and 28, 1977. Entered into force October 28, 1977.

Guinea-Bissau

Agreement relating to the transfer of agricultural commodities to Guinea-Bissau. Signed at Bissau November 10, 1977. Entered into force November 10, 1977.

International Atomic Energy Agency

Agreement for the application of safeguards in the United States, with protocol. Adopted at Vienna by the Board of Governors September 17, 1977 and initialled by the United States and the IAEA November 18, 1977. Enters into force on the date on which the Agency receives from the United States written notification that statutory and constitutional requirements of the United States for entry into force have been met.

Japan

Agreement relating to acceptance of airworthiness certification. Effected by exchange of notes at Washington November 29, 1977. Entered into force November 29, 1977.

Agreement concerning the reciprocal acceptance of certificates of airworthiness for imported aircraft. Effected by exchange of notes at Washington February 1, 1963. TIAS 5290.

Terminated: November 29, 1977.

Morocco

Agreement modifying the air transport agreement of February 9, 1970 (TIAS 6877) to permit experimental implementation of low-cost fares. Effected by exchange of notes at Rabat October 18 and 31, 1977. Entered into force October 31, 1977.

Oman

Agreement amending the agreement of November 15 and 28, 1972 (TIAS 7614) relating to the establishment of a Peace Corps program in Oman. Effected by exchange of notes at Muscat May 4 and August 25, 1977. Entered into force August 25, 1977.

Paraguay

Guaranty agreement relating to a housing loan. Signed at Asuncion August 15, 1977. Entered into force August 15, 1977.

Poland

Agreement amending the agreement of November 6, 1975 (TIAS 8180) relating to trade in cotton textiles. Effected by exchange of notes at Washington November 21, 1977. Entered into force November 21, 1977.

Agreement extending the agreement of October 31, 1972 (TIAS 7565) on cooperation in science and technology. Effected by exchange of notes at Warsaw October 31, 1977. Entered into force October 31, 1977.

Portugal

Agreement relating to resumption of the investment guaranty program and interpretation of the agreement of May 22 and 25, 1953 (TIAS 2826). Effected by exchange of notes at Lisbon October 31 and November 10, 1977. Entered into force November 10, 1977.

¹ Not in force.

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| 535 | 11-28 | U.S.-Canada Maritime Boundary and Resource Negotiations. |
| 536 | 11-30 | Shipping Coordinating Committee (SCC), U.S. National Commission for the Prevention of Marine Pollution, working group on reception facilities, Dec. 21. |
| 537 | 11-30 | SCC, Subcommittee on Safety of Life at Sea (SOLAS), working group on radiocommunications, Dec. 20. |
| 538 | 11-30 | SCC, SOLAS, working group on the carriage of dangerous goods, Jan. 5, 1978. |
| 539 | 11-29 | Secretary Vance accepts task force report, launches equal employment drive. |
| 540 | 12/1 | Antarctic Marine Living Resources, open meeting, Dec. 20. |
| 541 | 12/2 | Foreign fisheries allocations determined for 1978. |

¹ Not printed.

² Held for a later issue of the BULLETIN.

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THE 1978 BULLETIN

Beginning in January 1978, the redesigned DEPARTMENT OF STATE BULLETIN will be published monthly at a new subscription rate of \$18 per year. For more details and an order blank, see p. 921.

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THE DEPARTMENT OF STATE BULLETIN

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December 26, 1977

The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses, and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

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U.S. Trade Deficit

*Statement by Richard N. Cooper
Under Secretary for Economic Affairs¹*

I am pleased to have this opportunity to appear before this subcommittee to discuss the U.S. trade deficit. The way in which we respond to the deficit could have serious implications for our foreign economic policy and for the economic health of our trading partners as well as our domestic economy. Well over half of the exports of Canada and Mexico and a significant percentage of the exports of many other countries go to the United States. We are therefore monitoring closely our balance-of-trade position.

I will in this statement briefly discuss the causes of the deficit as I see them. The major factors are, of course, the growth of petroleum imports and the fact that we have been growing faster than our trading partners. I will outline some of the long-term policies we need to pursue to attack the fundamental problems of the energy situation and the slow economic recovery abroad. I will then touch upon some of the implications of a continuing deficit of this magnitude. Finally, I want to discuss what we should and should not do in the short term to avoid any further stress on the international economic system so that the needed structural adjustments can take place.

Causes of the Deficit

To begin with, the trade deficit must be placed in the context of our overall payments

¹Made before the Subcommittee on Trade of the House Committee on Ways and Means on November 3. 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.

position. Our trade deficit of \$30 billion (at an annual rate) for the first three quarters of 1977 has been financed easily by our surplus on net investment and income and other services, which ran at an annual rate of \$17 billion in the first half, and by net capital imports at an annual rate of \$17 billion during the first half. During this period our exchange rate has not depreciated on a trade-weighted basis, although the exchange rate of some countries in surplus positions has appreciated significantly.

To return to trade, much of the deficit is a function of the energy situation. Large increases in the price of oil over the last 4 years have led to fundamental structural changes in the world economy. Thus to understand the true effect of the new energy situation on the balance of trade, we have to look beyond the \$45 billion or so of U.S. petroleum imports anticipated for this year. U.S. exports to the OPEC [Organization of Petroleum Exporting Countries] countries have also grown dramatically in recent years but the ability of these Countries in the aggregate to absorb imports has not been able to keep up with the growth in the value of U.S. oil imports. Still, only about 40 percent of the deterioration of the U.S. trade balance over the past 2 years can be attributed to our trade with the OPEC countries.

Another part, perhaps one-fourth, of the deterioration in our overall trade balance can be attributed to the slow growth in the domestic economies of our industrial trading partners, particularly Canada and the European Community. Japan's growth rate, while high in relation to that of other developed countries, is

U.S. Bilateral Trade Balances

(\$ millions)

| | Jan.- June 1975 | Jan.- June 1977 | Change | % Dete- rioration |
|--|-----------------------|-----------------------|--------|----------------------|
| TOTAL | +6279 | -12360 | -18639 | -100 |
| Developed Countries | +4598 | -205 | -4803 | -26 |
| <i>Canada</i> | -46 | -1515 | -1469 | -8 |
| <i>Japan</i> | -855 | -3483 | -2628 | -14 |
| Oil-Exporting Developing Countries | -4208 | -11800 | -7592 | -41 |
| Oil-Importing Developing Countries | +5004 | -1418 | -6422 | -34 |
| <i>Mexico</i> | +1085 | -268 | -1353 | -7 |
| <i>Brazil</i> | +759 | -81 | -840 | -5 |
| <i>Taiwan</i> | -115 | -724 | -609 | -3 |
| <i>South Korea</i> | +372 | -139 | -511 | -3 |
| Communist Countries | +725 | +971 | +246 | -1 |

also well below previous experience. This slower growth has led to a worldwide lag in investments which has had a significant effect on U.S. exports because of the relatively large share of capital goods in our exports.

No group of countries has been squeezed harder by the present energy situation than the developing countries which import oil to meet their energy needs. While the cost of oil and many manufactured imports has soared, the exports of these countries have not grown in proportion because of the slow recovery from the recession. Some of these developing countries have experienced constraints on their ability to borrow externally and as a result have had to impose austerity measures which have resulted in a reduction of imports from the United States and elsewhere.

In addition, recent good harvests abroad have led to lower world grain prices and less dependence on U.S. supplies. So far in 1977, on an annual basis, our receipts from grain exports are \$2 billion less than in 1976. Thus the remaining component of our trade balance decline, more than one-third of the total, may be due to a leveling off—and in many cases an

absolute decline—in U.S. exports to those developing countries which are not members of OPEC. This category includes some major U.S. trading partners like Mexico and Brazil.

Therefore, if we look at our trade with the world other than the OPEC countries, we generally conclude that the large deficit has opened up not only because of increasing imports associated with faster domestic economic growth but also because of a broad-based slowdown in the growth of U.S. exports.

Long-Term Policies

Our deficit with the OPEC countries reflects a basic structural problem which will be with us for a long time. We do not, however, have an unlimited amount of time to make the needed structural adjustments in our economy. We must anticipate energy shortages and sharply higher prices by the middle of the next decade unless we take the difficult steps needed to reduce dependence on imported oil and encourage the development of other sources of energy.

Therefore, one of the problems that we must address is that of reducing our oil deficit. This is the goal of the President's energy program. To the extent that we can cut back on purchases of oil we will be also making a contribution to world financial stability. However, even with a maximum world effort in oil conservation, the oil-importing countries will continue to have a deficit vis-a-vis the oil exporters. The question then is how that deficit is to be distributed. We believe that the strength of our economy justifies the United States having a large share of that deficit. Our share has grown because our economy is growing more rapidly than that of our trading partners.

Recent developments in efforts to promote economic recovery in our trading partners have been favorable. Several European countries which had serious balance-of-payments problems late last year and early this year have instituted economic stabilization programs. As a result, inflation has declined and balance-of-payments problems are not as serious a constraint to growth. On the negative

side, investment is lagging and unemployment continues to be high both in North America and Western Europe, particularly among young people. Pressures for import restrictions and against trade liberalization continue to be a threat to a substantial recovery.

We do not consider it appropriate during this period of adjustment that financially strong oil-importing countries add to the problem by running large current account surpluses and we are urging such countries to move promptly to reduce or eliminate them. [West] Germany and Japan have announced substantial measures to help fulfill the growth targets which they promised to achieve at the Downing Street summit in May [7-8]. These measures should contribute to a reduction of the large current account surpluses they now have.

If we are to restore the rate of growth of our exports to the non-oil developing countries to more normal levels, we must come up with policies designed to accelerate growth in these countries and to increase their participation in a liberal trading system. Many will rely mainly on domestic savings and foreign capital and technology to promote growth. Others will continue to need bilateral and multilateral concessional assistance to improve their development prospects.

Implications of a Continuing Deficit

During the period of the sharp increase in the U.S. trade deficit, the value of the dollar in foreign exchange markets actually increased due to inflows of foreign capital. The question arises of how long it is appropriate for the United States to run a substantial trade deficit which is financed by capital imports. We are trying to make the necessary adjustments to reduce our oil imports, and if prospects for continued growth in exports to the OPEC countries are good, it is appropriate for us to borrow from abroad while these adjustments are being made.

A related question is whether the U.S. growth rate should be expected to exceed growth in Europe over the next few years, after being slower in the last few years. Such a

change would make it appropriate for us to continue to be capital importers with an excess of imports of goods and services. It is too early to be sure that such a trend will indeed prevail.

There has been a great deal of concern expressed that our international competitiveness is weakening. Let us first consider market shares. There have been small declines in our overall market share in the OPEC countries. In these markets, our previous shares may have been too high to be sustainable. We continue to be the most important source of OPEC imports.

A decline in the value of U.S. grain exports because of falling prices and good crops elsewhere is one factor explaining declines in our market share in certain other developing countries. Another factor is that there has been more rapid growth in Japan's major market, the Asian developing countries,

Growth Rates of U.S. Exports and Imports

(Annual Average from Jan. 1-June 30, 1975 to Jan. 1-June 30, 1977)

| | % Increase in U.S. Exports | % Increase in U.S. Imports |
|--|-------------------------------|-------------------------------|
| TOTAL* | 6.5 | 24.2 |
| Developed Countries | 7.9 | 16.6 |
| Canada | 11.3 | 17.2 |
| Japan | 4.1 | 23.5 |
| Oil-Exporting Developing Countries | 14.5 | 38.6 |
| Oil-Importing Developing Countries | -1.7 | 30.7 |
| Mexico | -9.7 | 27.7 |
| Brazil | -11.0 | 35.1 |
| Taiwan | 13.4 | 38.8 |
| South Korea | 9.4 | 46.9 |
| Communist Countries | 16.3 | 17.4 |

* For comparison, total U.S. exports grew an average of 17.7%/year over the period 1970-76, while total U.S. imports grew an average of 20.4% over that same period.

than in our major developing country market, Latin America. Secondly, we have found no evidence of any significant deterioration in our overall competitive position as measured by changes in relative prices of manufactured goods corrected for exchange rate changes.

Short-Term Policies

The policies I have described here are aimed at the structural causes of the deficit—oil imports, slow growth abroad, large current account surpluses in some other countries—and will thus take time to bear fruit. In the meantime, we are making a special effort to avoid additional strains on the international economic system.

First, we are encouraging the OPEC countries to exercise their new power with restraint and responsibility. More specifically, we are urging the OPEC countries not to raise the price of oil. The state of the world economy is still rather fragile, and such an increase could potentially do great damage to investor and consumer confidence.

Second, we are collaborating with other countries to assure that adequate balance-of-payments financing is available to countries which need it. This is being done by establishing a supplementary financing facility (the Witteveen facility) in the International Monetary Fund. If adequate financing is not available to countries which need it they may still be forced to adopt restrictive trade measures. Such measures would, of course, have an adverse impact on the exports of other countries, including the United States.

For this reason the United States has joined with other financially strong countries to supplement the resources of the International Monetary Fund, the major source of official balance-of-payments support for member countries. The availability of this financing will provide members with an opportunity to correct maladjustments in their external sector and to do so without resort to protectionist measures. Legislation is pending before Congress which would ratify U.S. participation in this effort.

Finally, we should not respond to the trade deficit by erecting barriers to trade. In the

Corrections

The editor of the BULLETIN wishes to call attention to the following errors which appear in the November 14 issue:

p. 696, col. 2: The third sentence of the fourth paragraph should read: "Extraordinary changes in either the developed or developing world—such as inflation in the major industrial countries or abrupt changes in raw material or energy prices—reverberate throughout the entire world economy."

p. 697, col. 1: The second sentence of the first paragraph should read: "We identify five elements of the agenda: demand management, financial stability, the trading environment, flows of investment and technology, and actions to alleviate poverty." On the ninth line of the second paragraph, "economics" should read "economies."

p. 697, col. 2: On the eighth line of the second paragraph, "economics" should read "economies." The second line of the third paragraph should read, "formed remarkably well under the sudden strains." The third and fourth sentences of the third paragraph should read: "An abrupt curtailment of economic growth in borrowing countries would also have complicated recovery of the world system as a whole. Given the alternatives, the concept of borrowing to avert what would have been a disastrous economic contraction can be judged to be prudent."

p. 699, col. 1: The word "real" should be omitted in the eighth line of the first paragraph.

p. 700, col. 1: The tenth line in the first paragraph should read, "structively any proposals for collaborative work."

p. 700, col. 2: The eighth line in the third paragraph should read, "tively in the work of the U.N. Commission on." The word "last" should be omitted in the second line of the fourth paragraph.

p. 701, col. 1: The first sentence of the first paragraph should read: "A code on technology transfer will serve no purpose, however, if its terms are so structured that the owners of technology have no incentive to engage in transfer or that it undermines their incentive to engage in the costly process of producing new technology."

p. 701, col. 2: The words "in real terms" should be omitted in the twelfth line.

final analysis, this would be self-defeating because most other countries have more serious financial problems than does the United States. Instead we should strive for continued liberalization of trade barriers as a means of stimulating the expansion of economic activity

both in the United States and abroad. Despite the substantial strains on the international trading system over the past few years, the industrial countries have largely adhered to their shared commitment to avoid trade restrictions.

There are also now promising signs of significant movement in the multilateral trade negotiations in Geneva which, if successful, can contribute substantially to increased growth by giving investors confidence in continued open markets. The process of adjustment in the world economy is facilitated by an environment as free as possible of barriers to trade and investment. The rationale for import barriers is usually to protect jobs. In fact they often cost us jobs by provoking foreign retaliation or by adding to inflation.

Trade problems cannot and should not be ignored. The President has directed that the Administration vigorously enforce U.S. laws aimed at unfair trade practices. The negotiation of tighter international rules on subsidy practices is a priority U.S. goal. In order to insure that the benefits of an open trading system are shared fairly in our society, we are giving considerable emphasis to the administration and improvement of our trade adjustment assistance program. We will continue to give considerable attention to sectoral problems, such as the current problems of the steel industry.

In sum, the U.S. trade deficit is cause for genuine concern but it is not cause for precipitous action even though it likely will persist into 1978 and beyond. Instead we need to begin to address the fundamental problems of adjusting to the new energy situation and maintaining continued growth in the world economy. We are also working to strengthen the international monetary system through the supplementary financing facility and the international trading system in the Geneva trade negotiations. We are urging all our international trading partners—OPEC countries, developed countries, and developing countries alike—to act responsibly to permit the necessary adjustments to the new situation. It is critical that the United States also act responsibly.

Shahanshah of Iran Visits Washington

His Imperial Majesty Mohammad Reza Pahlavi, Shahanshah of Iran, made a state visit to Washington November 15–16 to meet with President Carter and other government officials. Following are the texts of White House statements issued at the conclusion of the meetings between President Carter and His Imperial Majesty, together with an excerpt from their exchange of toasts at a dinner at the White House.¹

WHITE HOUSE STATEMENT, NOVEMBER 15

President Carter and His Imperial Majesty the Shahanshah of Iran met in the Cabinet Room for 90 minutes. The President was accompanied by Vice President Mondale; Secretary of State Cyrus Vance; Zbigniew Brzezinski, Assistant to the President for National Security Affairs; Alfred L. Atherton, Jr., Assistant Secretary of State for Near Eastern and South Asian Affairs; U.S. Ambassador to Iran William Sullivan; and Gary Sick, National Security Council staff member; and His Majesty, by Foreign Minister, His Excellency A. A. Khalatbary; and Iranian Ambassador to the United States Ardeshir Zahedi.

The President began by expressing his personal pleasure at meeting His Imperial Majesty for the first time, noting that this visit will enable them to establish close personal ties of friendship. The President expressed his appreciation for His Majesty's message of condolence to the families of those who lost their lives in the recent disaster in Georgia.

The President reaffirmed to His Majesty that he fully supports the special relationship

¹ Texts from Weekly Compilation of Presidential Documents dated Nov. 21, 1977. For an exchange of remarks between President Carter and His Imperial Majesty at the arrival ceremony on the South Lawn of the White House on Nov. 15 and the full text of their exchange of toasts that evening, see pp. 1780 and 1783, respectively.

which the two countries have developed over the last 30 years and gave his personal commitment to strengthen further our ties. The President emphasized the broad mutuality of our interests in the region and globally and expressed appreciation for the support which Iran has extended in achieving our shared objectives. The President reiterated the importance that he attaches to a strong, stable, and progressive Iran under the leadership of His Imperial Majesty. To that end, he emphasized that it remains the policy of the United States to cooperate with Iran in its economic and social development programs and in continuing to help meet Iran's security needs.

The President and His Majesty discussed in some detail the current situation in the Middle East. The President reviewed the diplomatic efforts the United States is making to bring about a reconvening of the Middle East Peace Conference in Geneva. The President noted that Iran has a unique position in the area in that it has good ties with all the countries involved and that Iran's economic assistance to several of these countries and its trade with them were valuable contributions to the stability of the area. The President welcomed the support Iran has extended for our diplomatic efforts to achieve peace in the area. They also discussed developments in the Middle East region as a whole and such matters of mutual interest as developments in Africa and South Asia and our discussions with the Soviet Union on SALT II [Strategic Arms Limitation Talks] and the Indian Ocean.

The President expressed his disappointment that it has been necessary to postpone his visit to Iran but reiterated his desire to make the trip as soon as possible. The President emphasized his determination to obtain the comprehensive national energy program, which is currently before Congress. His Majesty expressed his support for the President's effort. They gave special attention to the needs to develop alternative energy sources, including solar, and agreed that both countries would work closely together in this area. They agreed that effective energy conservation programs are essential to help meet

future world energy needs as oil supplies dwindle. In this discussion, they exchanged views on how to maintain a healthy world economy. The President emphasized the very great importance to the international community of maintaining world oil price stability and expressed his strong hope that there would be no oil price increase over the coming year. He expressed his pleasure at His Imperial Majesty's understanding of this issue.

The President also expressed his appreciation for the strong support we have received from Iran on nuclear nonproliferation matters.

His Majesty stated that he looks forward to receiving the President in the near future in Tehran.

The President and Mrs. Carter are giving a State dinner for His Majesty and the Shahbanou this evening, and the President will meet again tomorrow morning with His Majesty to continue their discussions.

EXCHANGE OF TOASTS (EXCERPT), NOVEMBER 15

President Carter

There's an old saying in the East that history is a mirror to the past and a lesson for the future. And if there was ever a country which has blossomed forth under enlightened leadership, it would be the ancient empire of Persia, which is now the great country of Iran.

When the Shah assumed a mantle of leadership in his own country 36 years ago, he faced a very dismal future. His country was occupied then by foreign forces. His father had started some social change that was very doubtful about its own success.

At that time, there were about 1,000 people in Iran who had advanced college degrees, and there are now 15 colleges and universities in Iran, 175,000 students in the college, and the Shah just told me that in 10 years, they'll have 500,000 college students in Iran. This is

a remarkable demonstration of leadership and growth in the spiritual and also knowledge of the people of that great country.

As you well know, Iran has always been kind of a crossroads. The cultural history of Iran is absolutely remarkable. And Empress Farah has taken on her own shoulders a responsibility for preserving that ancient culture so that they can learn from the past and preserve the beauty for the future.

There's also been a growth in the well-being of the people there. They've expanded the opportunity for good health care as well as education.

Just not much more than 15 years ago, their average per capita income in Iran was not much more than a hundred dollars per year. The Shah just told me it was now \$2,220 per year last month, and it's probably more this month. [Laughter] That shows what a tremendous job he is doing.

Iran has recognized that their great natural resources need to be husbanded and invested to guarantee a sound and a prosperous future in the years to come.

Iran is a country that is strong militarily, is strong politically, and is strong in the commitment and in the spirit of its people and also is at peace with its neighbors, is well respected.

Iran is a nation, and its leadership is epitomized by a man who has a trust of other countries. Even those that historically have been enemies now look upon the Shah and the people of Iran with a great deal of confidence and trust, recognizing that they are a stabilizing influence in that region—indeed, throughout the Persian Gulf, the Indian Ocean—and with a growing degree of influence, in the Western World, in Japan, and in Africa.

I had a chance today to listen to the Shah explain to me the perspective of the region and the rest of the world as viewed from the great country of Iran. And I learned a great deal from him as he talked about the history and the present and future possibilities of the people in Pakistan and Afghanistan, of

Burma, India, Iraq, other nations in the Middle East, in the Horn of Africa, things that I had not seen from that particular point of view. And it helped me greatly to understand the special challenges that face us as a great nation and the importance of the partnership that we have with the people of Iran.

We are bound together with unbreakable ties of friendship, of past history, a mutual commitment to the present and to the future. Our military alliance is unshakable, and it's an alliance that is beneficent in its impact on the rest of the world. Iran seeks no dominion over other people. They seek no territorial gains. They just want peace, and they have spread their influence, because of the great leadership of the Shah, very rapidly.

We look upon Iran's strength as an extension of our own strength, and Iran looks upon our strength as an extension of theirs. We derive mutual benefit from this close relationship. The Shah has been to our country more than a dozen times. His first meeting with an American President was in 1943, when President Roosevelt was in Tehran at a conference there; and subsequently he's met with every President we've had—with Truman and with Eisenhower, with Kennedy and with Nixon, with Ford, and myself, with President Johnson. And this is a continuation of a growing understanding of one another.

The Shah is very gracious in his attitude toward Americans. In addition to the 175,000 students in his own colleges, there are about 30,000 Iranian students in the colleges of the United States. And this guarantees an investment in the future of understanding of one another. We have about 40,000 Americans in Iran, and in a very gracious demonstration of friendship which was not well publicized at all, the Shah has provided extra allotments of funds and educational opportunities for American young students there—boys and girls who are at the grammar school and high school level. This is something that he didn't have to do, but it was just an extra demonstration of how valuable they consider our friendship with them.

I would like to say, in closing, that we look

Iran—A Profile ¹

Geography

Located in southwestern Asia between the Caspian Sea and the Persian Gulf and shares borders with the U.S.S.R., Afghanistan, Pakistan, Iraq, Turkey.

Area: 636,000 sq. mi. (slightly larger than Alaska).

Capital: Tehran (pop. 4.2 million—1976 est.).

Other Cities: Isfahan (575,000), Meshed (562,000), Tabriz (493,000), Shiraz (356,000), Abadan (306,000).

People

Population: 34.4 million (1976 est.).

Annual Growth Rate: 3.2% (1976).

Density: 50 per sq. mi.

Ethnic Groups: Iranians (Persians) 63%, Kurds 3%, Turkomans, Baluchis, Arabs; and Lur, Bakhtiari, Qashqai Tribes.

Religions: Shi'a sect of Islam 93%, Sunni sect 5%. Small minority of religious groups including Jews, Christians, Armenians, Assyrians, Bahais, Zoroastrians.

Languages: Farsi (Persian), Turki, Kurdish, Arabic, English, French.

Literacy: 40%.

Life Expectancy: 50 yrs.

Government

Official Name: Empire of Iran.

Type: Constitutional monarchy.

Date of Constitution: 1906.

Branches: *Executive*—Shah (Chief of State), Prime Minister (Head of Government), *Legislative*—bicameral Parliament of 268-member Majlis (lower house) and 60-member Senate (upper house), *Judicial*—Supreme Court (appointed by the Shah).

¹ Taken from the Department of State's December 1976 edition of the BACKGROUND NOTES on Iran. Copies of the complete NOTE may be purchased for 50¢ from the Superintendent of Document, U.S. Government Printing Office, Washington, D.C. 20402 (a 25% discount is allowed when ordering 100 or more NOTES mailed to the same address).

Political Party: Resurgence Party of the People of Iran (RPPI), formed March 1975.

Suffrage: Universal over 20.

Administrative Subdivisions: 19 Provinces, 3 Governorates.

Economy

GNP: \$53.2 billion (IFY 1975-76).

Annual Growth Rate: 2.7%.

Per Capita Income: \$1,600.

Agriculture: Land—14%; labor—37%; products—wheat, barley, rice, sugar beets, cotton, dates, raisins, tea.

Industry: Labor—27%; products—oil, petrochemicals, textiles, cement, food processing, steel, aluminum, metal fabricating, auto assembly.

Natural Resources: Oil, gas, iron, copper.

Trade (IFY 1975-76): *Exports*—\$21.8 billion: petroleum (87%), carpets, cotton, fruits, nuts, hides and leather, ores; partners—U.S., Japan, F.R.G., U.S.S.R., Eastern Europe. *Imports*—\$19.7 billion: nonmilitary items include machinery, iron and steel products, chemicals, pharmaceuticals, electrical equipment; partners—U.S., F.R.G., Japan, U.K., U.S.S.R.

Official Exchange Rate: 70.5 rials=US\$1.00 (Dec. 1976).

Economic Aid Received: Total: \$2.8 billion (none since 1971); \$1.1 billion from U.S. only.

Membership in International Organizations

U.N. and affiliated agencies, Central Treaty Organization (CENTO), Regional Cooperation for Development (RCD), Organization of Petroleum Exporting Countries (OPEC), International Atomic Energy Agency (IAEA), Colombo Plan.

Principal Government Officials

Iran: Monarch—Shahanshah Mohammad Reza Pahlavi, Prime Minister—Amir Abbas Hoveyda, Minister of Foreign Affairs—Abbas Ali Khalatbary, Ambassador to the U.S.—Ardeshir Zahedi, United States: Ambassador to Iran—William Sullivan.

upon Iran as a very stabilizing force in the world at large. We don't fear the future when we have friends like this great country.

There are some emerging nations who are assuming regional leadership roles which, in the past, has not been recognized. But I think that Iran is undoubtedly one of those great countries. And with the spreading of

their own influence, the world is guaranteed a greater degree of assurance for peace.

His Imperial Majesty

It is not very easy to speak after the warmth and the kind words that the Presi-

dent of the United States of America has pronounced toward my country, our people, and the Shahbanou and myself. But I would like to reemphasize once more that we look to your country, to your people, and today to the new President that you have elected, as such good and trusted friends that this gives us even more fortitude and courage to pursue our goals which are understood so well and which have been said so eloquently by your President.

My personal association with your country is a long one, but even before that the United States has always shown toward our country and our people what could be expected of a great, unselfish, humanitarian nation, which is standing by high principles of honor and dignity.

The reassuring words that the President has pronounced tonight will be felt deeply in my country with appreciation and gratitude. This is a world in which those who stand for the same ideals have to get even closer together. You can rest assured that with us you will find such people who, through any circumstances, will cherish their friendship and their ties with the United States of America and with their noble people.

I must say that since you took this high office, Mr. President, I was looking forward to meeting you, knowing you, and hoping to establish personal relationships. I can say with happiness and with pride that what I saw was absolutely equal, if not more than, anything that I could have expected.

I will take back with me to my country this memorable impression that I have had through my talks with you, through your great understanding of problems, through your vision of our present world and the world of tomorrow.

The important thing is that what we do for today could also serve the future. And I can see that you have that vision, and very clearly, too.

Because of your high position and the importance of your country, we only hope that you will continue to offer the leadership of your country, the potentials of your country, for a future world assured of peace and dig-

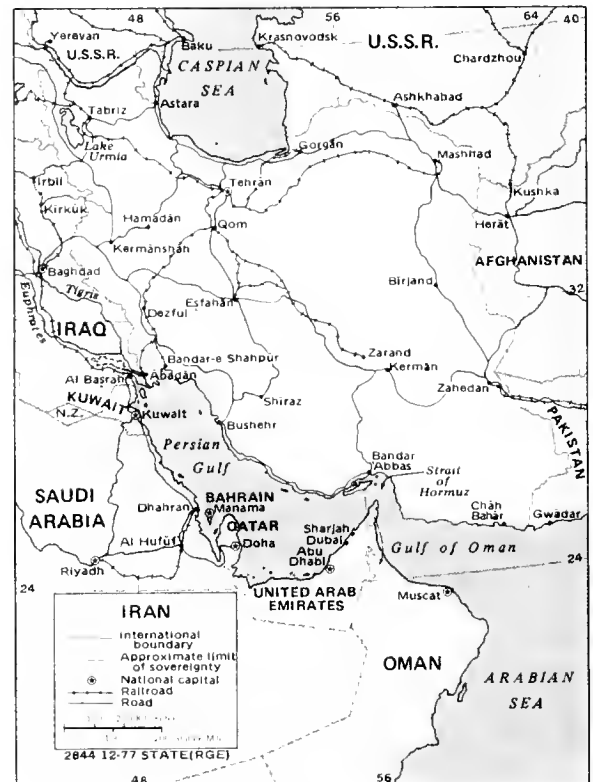
nity and the certainty that it will be a better world to live in, better chances for all people of every race, of every creed, of every belief, that, together, we can surmount all the difficulties that can face us by the turn of this century.

I would like to reassure you that you will always find in my country and my people wholehearted support in your noble task, which is to serve your country and also human mankind.

I have to express also our deep appreciation for your hospitality and the friendship that you have shown toward us and, through us, toward our people, and ask all the friends gathered tonight here to join with me in a toast to the President of the United States of America and Mrs. Carter.

WHITE HOUSE STATEMENT, NOVEMBER 16

President Carter and His Imperial Majesty the Shahanshah of Iran met November 16 in the Cabinet Room for 90 minutes. The Presi-



dent was accompanied by Vice President Mondale; Secretary of State Cyrus Vance; Zbigniew Brzezinski, Assistant to the President for National Security Affairs; Alfred L. Atherton, Jr., Assistant Secretary of State for Near Eastern and South Asian Affairs; U.S. Ambassador to Iran William Sullivan; and Gary Sick, National Security Council staff member; and His Majesty, by Foreign Minister, His Excellency A. A. Khalatbary and Iranian Ambassador to the United States Ardeshir Zahedi.

The President and His Majesty this morning, as well as in their discussions last evening, concluded their review of broad international developments of key interest to them both. In this discussion the President reviewed his approach to human rights throughout the world.

The meeting this morning centered largely on bilateral issues. They discussed the broad economic ties between our two countries and noted that the economic cooperation will continue to expand. In this part of the conversation, they examined the progress of our negotiations to reach accord on an agreement on the peaceful uses of nuclear energy. The President also offered suggestions for resolving some points that remain pending and expressed confidence that agreement can be achieved within his nonproliferation policy.

The President and His Majesty reviewed a number of military supply issues. The President again reaffirmed our support for a strong Iran, noting that Iran's security is a matter of the highest priority for this country. The President informed His Majesty that he would wish to work closely with Congress in meeting Iran's security needs.

The President concluded by expressing his great pleasure at the personal ties he and His Majesty had established during this visit. They agreed that these personal ties are valuable in maintaining the long standing and close relations between our two countries. They look forward to resuming their discussions during the visit the President hopes to make soon to Tehran.

United States Withdraws From the ILO

Following are the President's statement on the termination of U.S. membership in the International Labor Organization (ILO) read by Secretary of Labor F. Ray Marshall at a news conference at the White House on November 1 and an excerpt from that news conference.¹

STATEMENT BY PRESIDENT CARTER

Two years ago, the United States gave official notice that we would leave the International Labor Organization unless corrective measures were taken to restore that organization's commitment to its original purposes. Because such measures have not been taken, I direct that United States membership in the ILO be terminated. The United States remains ready to return whenever the ILO is again true to its proper principles and procedures.

SECRETARY MARSHALL

Q. What does the Administration say to those who claim that this is a precedent which will lead to the weakening and dilution and perhaps destruction of other U.N. agencies with which the United States is now aligned?

Secretary Marshall: I think there are two main points that need to be made. One is that there is no precedent because this is a unique organization. This is the only U.N. organization that is tripartite—that is, where workers and employers and governments are represented. And therefore, it establishes no precedent for any other organization.

I think the other main thing to be argued is that, of course, this has been going on in the ILO for some time. It was no secret that we

¹Text of President Carter's statement from Weekly Compilation of Presidential Documents dated Nov. 7. For full text of Secretary Marshall's news conference, see White House press release dated Nov. 1.

had these problems with the organization and there is no evidence that we consider this to be a precedent for any other organization.

In fact, I think the contrary is likely to be the case, and that is, far from weakening our commitment to other organizations, it probably strengthens our commitment to those organizations.

UNIDO Activities

Following is a statement made in Committee II (Economic and Financial) of the U.N. General Assembly by U.S. Representative Charles W. Whalen, Jr., on October 26.

USUN press release 83 dated October 26

My delegation wishes to join in thanking Dr. Khane [of Algeria, Executive Director of the U.N. Industrial Development Organization (UNIDO)] for his report to this Committee. We also wish to congratulate him and express our satisfaction with the accomplishments of UNIDO in the past year and with the work of the Industrial Development Board during its 11th session.

As we noted during the U.N. Economic and Social Council (ECOSOC) meeting in July, we regard the 11th session of UNIDO's development board in May and June of this year as one of the most productive sessions in recent years. Encouraging progress was made in a spirit of cooperation and consensus toward the objective of expanding and accelerating the industrialization of developing countries. As pointed out by the Executive Director, this included action on an impressive list of important matters such as the continued evolution of the UNIDO system of consultations; the launching of the Industrial Development Fund; the initiation of a program of action in the field of development, transfer, and application of appropriate industrial technology; the establishment of a pilot program for the industrial technological information bank; the approval of a resolution on recommendations and guidance

in the field of international cooperation in the transfer of technology; and the impulse given for the resumption of the drafting of a constitution for UNIDO as a specialized agency. The U.S. delegation took an active part in the development of these decisions, resolutions, and activities and made its views and concerns known regarding them during the work of the board's 11th session. We will be pursuing our interest in the network for the exchange of technological information and are pleased that work may now begin on a key component—the Industrial Technological Information Bank.

One of these activities has been considered one of the major tasks of UNIDO since the second general conference [Lima, 1975] and is actively underway at this moment—the program for developing a system of consultations in the field of industry. The United States, as a member of the UNIDO Governing Board, has taken an active part in developing the program, and participants from the United States have joined in the work of the consultations themselves. First consultation meetings have been held on iron and steel and fertilizers, and the board has authorized the Secretariat to convene appropriate working groups to pursue topics recommended by these meetings. There was also agreement on additional sectoral consultations in the leather and leather products industry and the vegetable oils and fats industry. My delegation supports these planned expansions and believes that the experience gained, if carefully evaluated and applied by those making decisions on resource allocations, can make an effective contribution to the achievement of the industrialization objectives of the developing countries as a new form of international industrial cooperation. My delegation also believes that the consultations' future effectiveness will depend on the widest possible participation from all interested sectors—including industry, labor, and consumer groups—and the full reflection of their views in the reports in order that the greatest advantage should be gained from the meetings.

While UNIDO must exert every effort to carry out the important new tasks and undertakings evolved out of the last board meeting,

it must also continue in its longstanding responsibilities. In this respect we take note of General Assembly Resolution 31/162 [December 1976] and of the Executive Director's report on strengthening the operational activities of UNIDO. The report is indicative of the importance that the Executive Director continues to place on this basic activity. The UNIDO Secretariat has demonstrated its commitment to these tasks by its performance in this past year in delivering technical assistance in 1976 in an amount about 9 percent above the previous year.

We note the Executive Director's statement that operational activities will continue to be handicapped, especially in the quality of technical assistance, as long as the senior industrial field adviser program is insufficient to cover all developing countries. We are gratified by the action of the U.N. Development Program (UNDP) in increasing the adviser posts to 36 in the year 1978 as a means of relieving this problem. The U.S. Government would prefer that funding for all adviser posts be channeled through the UNDP. If, however, it is not possible for UNDP to fund this additional activity, we would look to voluntary contributions as the logical source of additional support rather than the U.N. regular budget. In this respect, we wish to add our own appreciation to the Government of Japan for financing an adviser post.

The Executive Director also referred to the outposting of staff members to strengthen the regional commissions, a subject which was discussed in some detail at the last board meeting. We can agree with the description of this activity as enabling UNIDO to gain an overview of industrial developments in the developing countries; more complete and specific knowledge of the regions would contribute to the effectiveness of UNIDO's worldwide programs. We would expect that, if the outposting of UNIDO staff in the regional economic commissions becomes a form of operational activity in the sense of providing technical assistance, it would then be appropriate for the activity to draw its funding from sources other than the assessed budget.

Regarding the third general conference of UNIDO [scheduled for early 1980], my delega-

tion joins again in expressing appreciation for the offer of the Government of India to act as host for the Conference.

Concerning the important question of the resumption of the negotiations on a constitution to convert UNIDO into a specialized agency, my delegation wishes to make clear that the United States is prepared to continue to participate actively and constructively in an appropriate negotiating framework with a view to completing the task of drafting a new constitution for UNIDO. The United States believes it is essential that the framework for a plenipotentiary conference provides for the consolidation of agreements already reached during the five sessions of the inter-governmental committee and for the further negotiation at the technical working level of agreements on the remaining unresolved issues. My delegation supports the scheduling of these meetings as early in 1978 as may be appropriate to the U.N.'s calendar of conferences.

As I stated earlier, we consider this last year of UNIDO activity and in particular the results of the 11th session of the Industrial Development Board as highly productive and successful. We look forward again this year to the continued cooperation of all member countries for the support of UNIDO and the contribution it makes to the industrial development of the developing countries.

United States, Argentina Issue Joint Communique

Secretary Vance visited Argentina (November 20-22), Brazil (November 22-23), and Venezuela (November 23). Following is the joint communique issued by the United States and Argentina on November 21.¹

Press release 525 dated November 22

The Secretary of State of the United States, Mr. Cyrus Vance, visited the city of Buenos

¹Other press releases relating to Secretary Vance's trip are No. 522 dated Nov. 21, No. 524 dated Nov. 22, Nos. 526 and 527 dated Nov. 23, and Nos. 531, 532, 533, and 534 dated Nov. 25.

Aires at the invitation extended by His Excellency, the President of Argentina, Lt. General Jorge Rafael Videla, at his meeting in the city of Washington last September with His Excellency, the President of the United States, Mr. Jimmy Carter.

During the course of his visit, Secretary Vance was received by their Excellencies, members of the military junta Lt. General Jorge Rafael Videla, President of the nation and Commander-in-Chief of the Army, by Admiral Emilio Eduardo Massera, Commander-in-Chief of the Navy; and by Brig. General Orlando Ramon Agosti, Commander-in-Chief of the Air Force in separate meetings.

In the Ministry of Foreign Affairs and Worship, the Foreign Minister, Vice Admiral Oscar Antonio Montes, held conversations with the Secretary of State; there also were working sessions in which members of the visiting delegation, the Argentine Foreign Ministry and other state agencies participated.

During the course of these meetings there was an exchange of ideas with regard to the international situation, with special attention being paid to the role of Latin America in the world.

Both governments expressed their firm determination to promote a fruitful understanding between the two countries.

The Minister of Foreign Affairs and the Secretary of State exchanged views on important issues in the nuclear field. There was wide-ranging discussion of the evolution of international cooperation and existing problems in the field of transfer of nuclear technology in advancing the peaceful uses of nuclear energy, and of the shared interest in measures to prevent all forms of proliferation of nuclear weapons, including the bearing of these efforts on hemispheric security.

They discussed future cooperation in the peaceful uses of nuclear energy. They expressed their interest in increasing the present cooperation and enlarging the scope of their existing agreement for cooperation to include relevant technology and ways of meeting Argentina's heavy water needs as well as provision of fuel to be used in the research reactors that Argentina has proposed to export to

Peru, recognizing Argentina's potential as a significant nuclear supplier on the same basis as other suppliers.

Each side expressed satisfaction at the recent launching of an international fuel cycle evaluation [October 19-21], to which both plan to make significant contributions of scientific talent and effort. Confidence was expressed that this broadly-based international study would contribute to a better understanding of how nuclear energy needs can be met in ways that minimize the risk of proliferation of nuclear weapons.

The U.S. reiterated its commitment to continue efforts to halt the vertical proliferation of nuclear weapons. Secretary Vance noted recent encouraging developments in SALT [Strategic Arms Limitation Talks] negotiations and in negotiations relating to a comprehensive test ban treaty.

Minister Montes declared the intention of his government to ratify the Treaty for the Prohibition of Nuclear Weapons in Latin America. Secretary Vance welcomed this Argentine announcement, noting that the United States had previously ratified additional Protocol II to the treaty [in 1971]. Secretary Vance declared the intention of his government to ratify additional protocol I to that treaty.²

Minister Montes and Secretary Vance expressed joint support for the treaty's goal of creating a zone forever free of nuclear weapons, and for the objective of bringing the treaty and its protocols into full force for all of Latin America. They trust that all states whose actions are needed will promptly take the remaining steps to achieve this end.

The subject of human rights was dealt with at length. Both sides agreed that the protection and enhancement of human rights of all peoples is a major responsibility of all governments which adhere to the Universal Declaration on [sic] Human Rights. They affirmed that respect for the integrity of the individual person and for the rule of law are essential for governments to be able to assure to their people the full enjoyment of their human rights.

²President Carter signed Protocol I to the treaty on May 26 (see BULLETIN of July 4, 1977, p. 10).

There was also an evaluation of the impact caused by the latest outbreak of international terrorism in various parts of the world. Both parties firmly repudiated terrorist actions and agreed on the necessity of multilateral cooperation in this area.

They agreed to provide their full support, cooperation, and endorsement of the important work of the Inter-American Commission on Human Rights, noting the desirability of strengthening the commission through the effective application of the resolutions approved by the OAS General Assembly in Grenada [June 14-24].³ Both sides trust that international organizations will take into account, in making evaluations of human rights conditions, the influence which terrorism and social, economic, and cultural injustice have on the full enjoyment of human rights in a country.

Taking into account the spirit which inspired the achievement of the Panama Canal Treaties, the two parties expressed the hope that just solutions will be reached in other hemispheric questions. In the same spirit, both parties view with satisfaction the continuation of negotiations aimed at a just resolution of the sovereignty dispute existing between Argentina and the United Kingdom.

Encouraged by the expansion in bilateral trade which has taken place in recent months, the two parties affirmed their decision and commitment to achieve a broad and substantial increase in trade by both sides. The two parties expressed conviction that the meeting of the mixed [U.S.-Argentine economic] commission which will take place early in 1978 will find means to achieve this objective. The commission will also consider other subjects of cooperation in the bilateral as well as the multilateral field.

Considering that certain areas of this hemisphere have not yet achieved a satisfactory level of nutrition, the two parties agreed to cooperate in studying and developing means of alleviating the situation through the transfer of knowledge and techniques for the production, processing and distribution of food to the

affected areas. They agreed that officials of the two governments should meet soon to discuss useful forms of collaboration. In this way the two governments will work toward meeting human needs and improving the quality of life of the people of the world.

They agreed on the need for increasing cooperation between the two governments in curbing the illegal trafficking in narcotics and in improving drug rehabilitation programs. In so doing, they reaffirmed the memorandum of understanding [Memorandum of Understanding on Cooperation in the Narcotics Field] of 1972 which relates to the interdiction of illegal trafficking in narcotics.

Finally, the parties reiterated the faith of both governments in the guiding principles under which both nations were founded and are sustained: equality, justice, and full enjoyment of liberty.

U.S. Energy Cooperation With Developing Countries

Following is a statement by Louis V. Nosenzo, Deputy Assistant Secretary for Nuclear Energy and Energy Technology Affairs, made before the Subcommittees on International Economic Policy and Trade and on International Scientific and Security Affairs of the House Committee on International Relations on October 28.¹

I want to thank you for inviting me to testify on the subject of U.S. energy cooperation with developing nations. Due to late receipt of the request for testimony, a coordinated executive position could not be developed in time. However, we welcome the opportunity to provide State Department views at this time.

I would like to describe to you today the Department of State's involvement in a new program which, for lack of a better name, we

³For text of a resolution, Means To Promote Respect For and Protection of Human Rights, adopted by the Assembly and related material, see BULLETIN of July 18, 1977, p. 69.

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.

are calling the LDC [less developed countries] energy program—a program that we feel will make an important contribution to meeting a number of our major foreign policy objectives. After giving you some background on this program and its purpose, I would like to talk briefly about the selection of countries for cooperative efforts, the planned coordination between agencies, and conclude with some observations on the role I see for the program in our long-term strategies of energy cooperation with the developing world. Witnesses from the Department of Energy and the Agency for International Development will give details concerning their agencies' efforts in the field of energy cooperation and elaborate on specific activities being considered for the LDC energy program.

Background

The President has for some time been particularly concerned with the limited energy options open to developing countries. As early as May 1976, he noted that, "Many countries, particularly in the developing world, are being forced into a premature nuclear commitment because they do not have the knowledge and the means to explore other possibilities." In later statements on the proliferation issue, the President has continued to express the position that stringent safeguards and export controls on nuclear cooperation must be accompanied by a re-examination of energy alternatives at the world's disposal, recognizing that the energy needs of the developing nations—in comparison with those of developed countries—are even more pressing. The President, of course, has not been alone in suggesting an expanded role for nonnuclear energy; many Members of the Congress and of this committee, in particular, have been proponents of this thesis.

In March 1977, the President directed that a joint agency task force be formed to develop a program that would advance the use of nonnuclear energy alternatives and assist developing countries in meeting their energy needs. This task force was composed of the various concerned agencies including the Department

of State, Department of Energy, Agency for International Development, Federal Energy Administration, Environmental Protection Agency, Arms Control and Disarmament Agency, Office of Management and Budget, Council on Environmental Quality, and the Departments of Interior, Treasury, and Commerce. Based on the task force recommendations, the President recently approved a pilot program to assist selected developing countries in their short- and longer term energy programs, the first stage of which would be the support of a comparative analysis of *all* available energy options—conventional and unconventional—and energy needs, thus helping these countries make informed energy choices. This program is in the Department of Energy budget and is funded at \$3.5 million in fiscal year 1978.

Our overall objective is to assist developing countries that desire such assistance in meeting their valid energy needs in a manner that avoids premature and economically questionable commitments to major nuclear energy programs or that would increase world dependence on dwindling supplies of petroleum. We believe that the LDC energy program can be a first step toward meeting these objectives. Indeed, we believe that an increased awareness by developing countries of the energy alternatives available to them will, in itself, result in sounder energy decisions from which we will all benefit.

Country Selection

It should be clear from the budget allocation that this is a pilot program. The budget level will allow us to deal effectively with two or, perhaps, three countries. In addition, the program will then be reviewed carefully at the end of the year before a decision is made about its future. However, if it proves successful, and we sincerely believe it will, the program could then be expanded to include an increasing number of interested developing countries, as well as expanded, when appropriate, to include bilateral energy cooperation and joint projects with these countries in implementing their energy program and furthering U.S. foreign policy objectives.

The selection of countries will, of course, need to be responsive to a broad range of concerns. In general, possible countries for consideration can be viewed as consisting of two groups: those who do not, as yet, have a real economic and political commitment to nuclear energy and those whose commitment to nuclear energy has advanced to the point where they have plans for construction of substantial numbers of reactors and interest in other fuel cycle capabilities. To minimize the proliferation risks in countries in the latter category, the United States has already proposed a number of other initiatives to discourage the further spread of sensitive facilities and thus reduce proliferation risks.

The International Nuclear Fuel Cycle Evaluation is a prime example of such initiatives. It includes international initiatives for the development of credible assurances of long-term supply of nonsensitive nuclear fuels and development of more proliferation-resistant fuel cycle technologies to meet future energy needs. Thus, countries in this latter category do not appear to represent an effective use of these limited program funds.

However, we do intend to use the management skills associated with this program in applying other resources to cooperative projects on nonnuclear energy alternatives with these countries, whenever possible. In several instances, for example, bilateral mechanisms for cooperation already are in place and joint projects could be justified both on the basis of their contribution to domestic program goals and to our nonproliferation objectives.

The bulk of our efforts in the LDC energy program will, however, be devoted to those countries who, though perhaps interested in the nuclear energy option, are still at a point where they have the flexibility and willingness to examine other energy alternatives. Within this category of countries, we find two essential criteria for a successful program—receptivity of the country to such a program and availability of energy alternatives. Obviously, the program can only be of value and, therefore, successful in countries willing to cooperate. However, if the effort proves suc-

cessful, we should find more and more countries willing to make use of U.S. technical assistance and systems analysis capabilities in analyzing their energy needs and options.

Second, it is equally obvious that there must be some evidence that energy alternatives actually exist for the country, either indigenously or from regional sources, before it makes sense to propose a bilateral program to identify the future role of possible alternatives. For some countries, the viable energy options at their disposal are so limited that these nations would not particularly benefit from such a program.

Program Coordination

We have just established an interagency group, of which I am chairman, to guide this pilot program. The group's purpose is to assure that the program is meeting its objectives and to serve as a forum for resolving policy and operation issues. In particular, we hope that through this mechanism we can insure that this program and the related activities of agencies involved in this program are mutually supportive. The Department will provide overall policy and program guidance for the program and, in consultation with other concerned agencies, is responsible for strategy formulation.

I would like to emphasize again that this program should be seen as a pilot effort. Initially, we will generally limit activities to providing analytical and technical support in the area of energy planning and resource assessment to identify and evaluate energy options and match these to energy needs. If this effort succeeds, it will necessarily identify opportunities for strengthening our long-term energy cooperation with developing countries in non-nuclear energy areas in support of our foreign policy objectives, moving from systems studies and planning to potential programs of technical assistance, resource identification, and training.

This is clearly a modest first step and one that will profit from your interest and guidance.

MULTILATERAL

Consular Relations

Vienna convention on consular relations. Done at Vienna April 24, 1963. Entered into force March 19, 1967; for the United States December 24, 1969. TIAS 6820.

Accession deposited: India, November 28, 1977.

Optional protocol, to the Vienna Convention on Consular Relations, concerning the compulsory settlement of disputes. Done at Vienna April 24, 1963. Entered into force March 19, 1967; for the United States December 24, 1969. TIAS 6820.

Accession deposited: India, November 28, 1977.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976.

Entered into force: November 30, 1977.

Ratifications deposited: Canada, November 28, 1977; Finland, Thailand, November 30, 1977; Rwanda, November 29, 1977.

Health

Amendments to Articles 24 and 25 of the Constitution of the World Health Organization of July 22, 1946, as amended (TIAS 1808, 4643, 8086, 8534). Adopted at Geneva May 17, 1976.¹

Acceptance deposited: Tonga, November 28, 1977.

Judicial Procedure

Convention on the taking of evidence abroad in civil or commercial matters. Done at The Hague March 18, 1970. Entered into force October 7, 1972.

Signature: Israel, November 11, 1977.

Ocean Dumping

Convention on the prevention of marine pollution by dumping of wastes and other matter, with annexes. Done at London, Mexico City, Moscow, and Washington December 29, 1972. Entered into force August 30, 1975. TIAS 8165.

Ratification deposited: Netherlands, December 2, 1977.

Terrorism

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Done at New York December 14, 1973. Entered into force February 20, 1977. TIAS 8532.

Ratification deposited: Rwanda, November 29, 1977.

Whaling

International whaling convention and schedule of whaling regulations. Signed at Washington December 2, 1946. Entered into force November 10, 1948. TIAS 1849.

Notification of withdrawal: Panama, November 16, 1977; effective June 30, 1978.

Australia

Arrangement relating to an observer scheme of land-based whaling station at Cheynes Beach, west Australia. Effected by exchange of notes at Canberra October 25 and November 18, 1977. Entered into force November 18, 1977.

Belgium

Agreement amending the air transport services agreement of April 5, 1946, (TIAS 1515) extending the charter services memorandum of understanding of October 17, 1972, as amended and renewed (TIAS 7479, 8618), and relating to low-cost fares. Effected by exchange of notes at Brussels October 24 and November 16, 1977. Entered into force November 16, 1977.

India

Agreement amending and extending the agreement of August 6, 1974, as amended and extended (TIAS 7915, 8275), relating to trade in cotton textiles. Effected by exchange of notes at Washington November 29, 1977. Entered into force November 29, 1977.

Italy

Memorandum of understanding for cooperation in the field of health and medicine, with annex. Signed at Rome November 21, 1977. Entered into force November 21, 1977.

Administrative protocol for the implementation of the agreement on social security of May 23, 1973. Signed at Rome November 22, 1977. Enters into force on the date the agreement of May 23, 1973 enters into force.

Japan

Agreement concerning fisheries off the coasts of the United States, with agreed minutes. Signed at Washington March 18, 1977.

Entered into force: November 29, 1977.

Saudi Arabia

Project agreement for cooperation in the field of solar energy. Signed at Riyadh October 30, 1977. Enters into force upon dispatch by the Treasury Department of written confirmation that the initial Saudi funds described in article V have been deposited in the Trust Account and that the initial United States funds described in article V have been designated by the Department of Energy.

Union of Soviet Socialist Republics

Agreement amending and extending the agreement of October 18, 1972, as amended and extended (TIAS 7772, 8356, 8375), relating to establishment of the Temporary Purchasing Commission for the procurement of equipment for the Kama River Truck Complex. Effected by exchange of letters at Moscow July 14 and Washington September 27, 1977.

¹Not in force.

PUBLICATIONS

GPO Sales Publications

Publications may be ordered by catalog or stock number from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders. Prices shown below, which include domestic postage, are subject to change.

Background Notes: Short, factual summaries which describe the people, history, government, economy, and foreign relations of each country. Each contains a map, a list of principal government officials and U.S. diplomatic and consular officers, and a reading list. (A complete set of all Background Notes currently in stock—at least 140—\$21.80; 1-year subscription service for approximately 77 updated or new Notes—\$24; plastic binder—\$1.50.) Single copies of those listed below are available at 50¢ each.

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Pub. 7861 7 pp.
PanamaCat. No. S1.123:P 19
Pub. 7903 8 pp.

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Modernization and Improvement of the Mehalla El Kubra Facilities. Agreement with Egypt. TIAS 8578. 35 pp. \$1.40. (Cat. No. S9.10:8578).

Economic Development—Basic Inputs and Production. TIAS 8582. 19 pp. \$1. (Cat. No. S9.10:8582).

Agricultural Commodities. Agreement with Guinea. TIAS 8585. 24 pp. \$1.20. (Cat. No. S9.10:8585).

Telegraph and Telephone Regulations. Appendices and final protocol with other governments. TIAS 8586. 165 pp. \$2.75. (Cat. No. S9.10:8586).

International Regulations For Preventing Collisions at Sea, 1972. Convention with other governments. TIAS 8587. 156 pp. \$2.30. (Cat. No. S9.10:8587).

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Scientific and Technical Cooperation. Agreement with the Union of Soviet Socialist Republics. TIAS 8620. 10 pp. 70¢. (Cat. No. S9.10:8620).

Criminal Investigations. Agreement with Iran. TIAS 8621. 5 pp. 60¢. (Cat. No. S9.10:8621).

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THE 1978 BULLETIN

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Despite the shift from weekly to monthly publication, there will be no reduction in the total amount of material published each month; to the contrary, with the flexibility of our new three-column format we expect to augment the traditional foreign policy articles and speeches with more charts, graphs, tables, photos, and other appropriate information material useful to BULLETIN readers.

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—Each issue will contain a complete table of contents.

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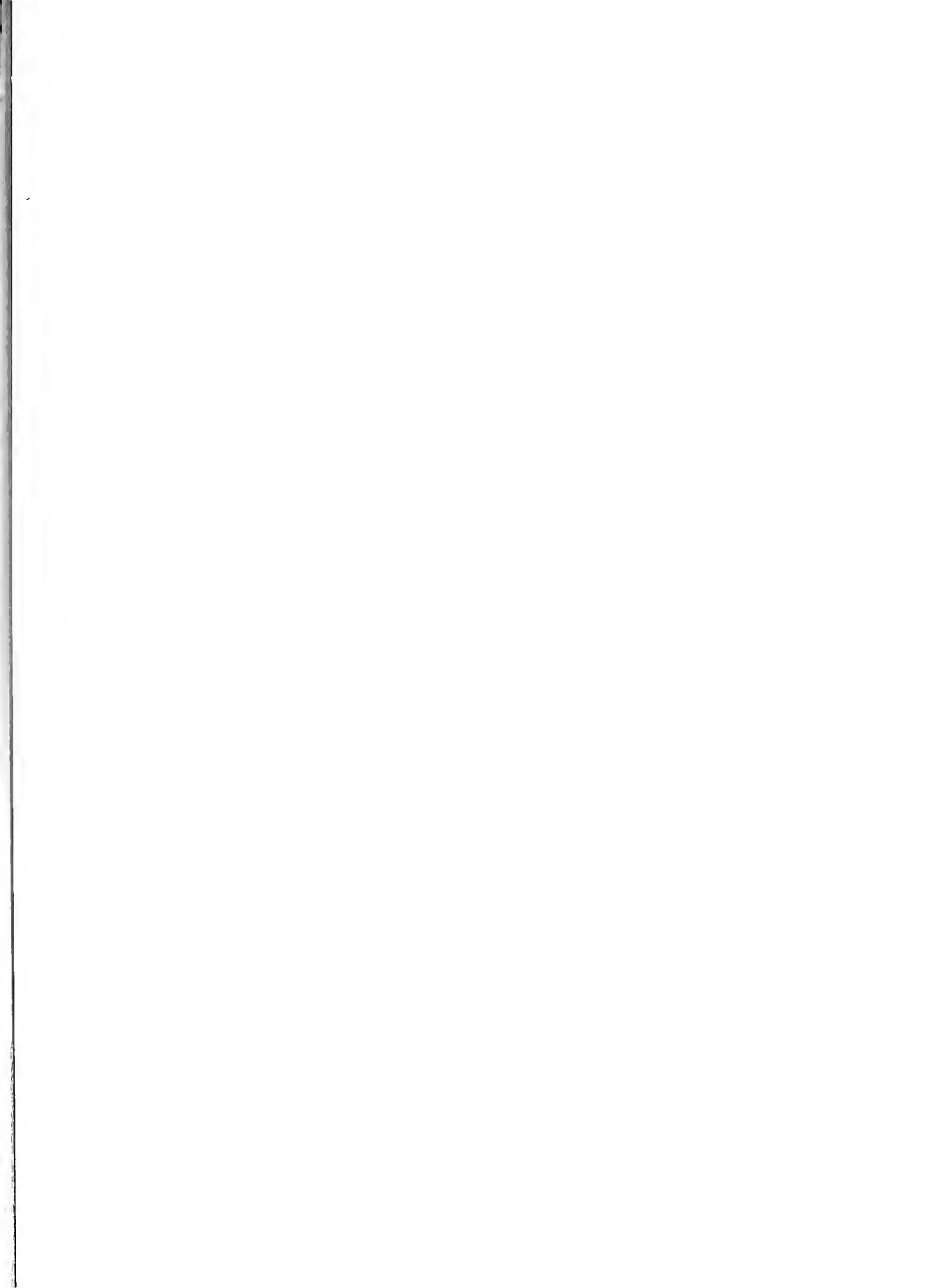
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