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Department
of State
bulletin April 1979

The Official Monthly Record of United States Foreign Policy / Volume 79 / Number 2025

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Department of State bulletin

Volume 79 / Number 2025 / April 1979

The Department of State Bulletin, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

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

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through January 31, 1981.

NOTE: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. The BULLETIN is indexed in the Readers' Guide to Periodical Literature.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

Price:

12 issues plus annual index —
\$18.00 (domestic) \$22.50 (foreign)

Single copy—
\$1.40 (domestic) \$1.80 (foreign)

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30th ANNIVERSARY OF NATO

A Proclamation

Thirty years ago in Washington on April 4, 1949 the North Atlantic Treaty was signed. From that act grew the North Atlantic Treaty Organization, or NATO, an alliance welded together by a common dedication to perpetuating democracy, individual liberty and the rule of law.

For three decades, NATO has successfully deterred war and maintained stability in Western Europe and North America, thus securing the well-being and prosperity of its fifteen member states: Belgium, Canada, Denmark, France, the Federal Republic of Germany, Greece, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, Turkey, the United Kingdom, and the United States of America.

Though collective defense against possible aggression was the most urgent requirement at its founding, NATO has always been much more than just a military pact. The spontaneous political development of the Alliance demonstrates that true security is far more than a matter of weaponry and armed battalions. In the final analysis, true security flows from the freely-given support of the people and their willingness to participate in the defense of common ideals.

Since NATO's inception, the international situation has evolved in many respects and NATO has adapted to these changes—militarily, politically, and economically. Today the Alliance remains as relevant and centrally important to our security and way of life and to the independence of the United States as it was in 1949.

Then as now, the firm support of Congress and the American people for NATO reflects their deep conviction that NATO is the cornerstone of United States foreign policy.

As NATO moves forward into another decade of achievement, we look toward the future with confidence, aware that continuing Allied cooperation will provide the international stability and security upon which our ideals, our civilization, and our well-being depend. As NATO begins this new chapter in its distinguished history, I am proud to rededicate the United States to the NATO objectives which have served the cause of peace so well.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby direct the attention of the Nation to this thirtieth anniversary of the signing of the North Atlantic Treaty; and I call upon the Governors of the States, and upon the officers of local governments, to facilitate the suitable observance of this notable event throughout this anniversary year with particular attention to April, the month which marks the historic signing ceremony.

IN WITNESS WHEREOF, I have hereunto set my hand this twenty-second day of March, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER

No. 4648 (text from Weekly Compilation of Presidential Documents of Mar. 26, 1979).

NATO—30 YEARS AFTER

Thirty years ago—April 4, 1949—representatives of 12 nations gathered in Washington, D.C., to sign the North Atlantic Treaty, the cornerstone of NATO.¹

At its founding, NATO's immediate task was to construct an effective system of collective defense. The close harmony of allied views, however, insured that NATO quickly became much more than a military alliance. From the beginning, it has been as much a political alliance, designed to promote wide cooperation in political, economic, and social fields as well as security.

As NATO passes its 30th anniversary, its founders should be celebrated for their vision. So successful has NATO been in securing the peace and stability necessary for the growth of the West's economic and political institutions, that the alliance too often is taken for granted—until a crisis reminds us how centrally important it is to our foreign policy.

Today, NATO stands as the strongest defensive alliance in history, protecting some of the world's most dynamic democratic political institutions and the greatest concentration of economic strength on the globe.

In our open societies, we are so diligent in our examination of the problems of the alliance, we tend to lose sight of the almost incomprehensible strength, size, and energy of the NATO nations. We are:

- 570 million civilized people, living on
- 8.6 million square miles of land, producing annually
- \$4 trillion (\$4,000,000,000,000) worth of goods and services, and
- \$7,000 average GNP for each person; we are able to spend
- \$180 billion a year on our defense (an estimated \$30 billion more than the Warsaw Pact at current levels) and still have an estimated
- \$3.82 trillion (\$3,820,000,000,000) left over for non-defense spending.

Within this community, NATO's crucial function remains: the collective defense of Western Europe and North America.

It is this central aspect of NATO which should be studied as we enter the fourth decade of the alliance, for our perceptions of the North Atlantic defenses weigh heavily as we consider other great events of this era: SALT II and detente, Iran, the Middle East peace agreements, Africa, and our new relationship with China. NATO does not exist as a thing apart; it has always been shaped according to our perceptions of ourselves and the Communist forces in Eastern Europe. Those perceptions have changed over the years in some important ways and so have our defense policies. The collective defense of 15 countries and half a billion people pose enormous practical problems.

Through three decades, these policies have been hammered out under pressures of a variety of conflicting interests.

From the start, NATO's central European strategy was based on holding the enemy as close to the East German boundary as possible—the concept of forward defense, as it eventually was labeled—under which the territory and people of Western Europe would receive maximum protection. Obviously, such a strategy has meaning only if the defending forces have the strength to absorb the impact of an initial surprise attack without breaking.

NATO'S 30TH ANNIVERSARY

On April 4, the United States, along with the other 14 members of the North Atlantic Treaty Organization, observed the 30th anniversary of the North Atlantic Treaty. That anniversary is a significant milestone in the West's history since World War II.

For three decades the defensive purpose of the alliance has successfully preserved Europe and North America from the devastation of war. By securing peace, NATO has assured the stability under which the allies' democratic and economic institutions have strengthened and prospered.

Over the years, NATO has proved resourceful in meeting new challenges. Its ability to deter aggression cannot be measured by numerical comparisons alone. Today, as the alliance enters a new decade, its strategy of forward defense and flexible response remains valid, as does its military capability to carry out that strategy.

NATO is and will remain the cornerstone of our foreign policy. The commitment of the United States to the alliance is unshakable. Our freedoms, our security, and our well-being are irrevocably tied by history, culture, and civilization to the destiny of our European allies with whom we share an unparalleled commonality of interests.

The increasing interrelationship between our policies and interests and those of our allies has extended the scope of alliance consultation far beyond traditional military concerns to encompass political, economic, and social developments in many parts of the globe. Today issues of deep interest to the alliance cut across a wide range of the geographical and functional concerns of our government, especially the Department of State. NATO's consultative mechanisms offer us an unrivaled forum for simultaneously reaching 14 nations whose support is important in achieving U.S. policy objectives around the world. As President Carter has observed: "Our alliance has never been an end in itself. It is a way to promote stability and peace in Europe and, indeed, peace in the world at large."

This 30th anniversary offers us all the occasion to celebrate the success of the alliance. More importantly, it presents us with an opportunity to reflect on how we can strengthen our contribution to NATO as it meets the challenges of the coming decade.

CYRUS R. VANCE

As the Soviet Union acquired nuclear weapons, NATO strategy was adjusted to take into account the possibility that any major aggression might involve the use of nuclear weapons at an early stage. This led, in turn, to the stockpiling in Europe after 1957 of tactical nuclear warheads for infantry and airborne weapons to strengthen NATO's defensive and deterrent capabilities.

In the mid-1960's additional considerations had appeared, affecting NATO's strategic concepts.

⊙ Tensions between East and West were relaxed somewhat.

- Increased Soviet penetration of the Mediterranean posed a new threat on NATO's southern flank.

- The ballistic missile became the principal means of delivering nuclear warheads. Hundreds of hardened launch sites on both sides, as well as nuclear-propelled ballistic missile submarines, made it possible for either side to receive a surprise nuclear attack and retaliate within a matter of minutes. Even the most destructive surprise attack could result in a reciprocal annihilation of an equally large proportion of the attacker's own population and industry. Considering these developments, NATO Defense Ministers met in December 1967 and adopted a more flexible strategic concept than that of massive retaliation.

The new concept—called flexible response—while retaining the principle of forward defense, was based on the requirement that a credible military response of all kinds is necessary, and this must be secured through a wide range of forces equipped with a well-balanced mix of conventional weapons and tactical and strategic nuclear weapons.

The flexible response is based on two principles:

- Deterrence of attack through the possibility of escalation and
- The capability to retaliate to an attack with direct defense at approximately the same level, while retaining the option to escalate.

Keystone of the strategy is that an aggressor must be convinced of NATO's readiness to use nuclear weapons if necessary, yet he must be uncertain as to the timing or circumstances. While this policy involves, as before, the

possibility of escalation to nuclear war, it is based essentially upon controlling the progress of escalation of any conflict rather than planning to meet any attack with instant massive retaliation.

In 1960 another important change was made. The problem, as some viewed it, was that the Soviets might be tempted to attack relatively lightly-defended, smaller countries on the flanks of NATO in a quick limited aggression against purely national defending forces in the hope of facing the alliance with a fait accompli. This possibility increased the danger of war by miscalculation.

NATO's solution was to form Allied Command Europe's Mobile Force, a brigade-size combat force made up of well-equipped land and air units from a variety of NATO countries. This multinational force would be immediately available for dispatch by air to any part of the alliance. Their rapid deployment, committing the combined armed forces of NATO, would insure against the mistaken notion that a Norway or a Greece or Turkey might stand alone in case of attack.

Each change in defense policy has reflected an unchanged national policy on the part of all NATO governments: to secure our lands, deter aggression, stabilize Europe, and encourage peaceful solutions to outstanding problems. As Secretary of State Cyrus Vance says in his message to NATO:

Over the years, NATO has proved resourceful in meeting new challenges. Its ability to deter aggression cannot be measured by numerical comparisons alone. Today, as the alliance enters a new decade, its strategy of forward defense and flexible response remains valid, as does its military capability to carry out that strategy.

There still are areas of obvious concern; major problems to be solved in political, economic, and military spheres. However, looking back over the past 30 years and comparing the assets of the alliance then and now, the people of the North Atlantic community can take a large measure of satisfaction that the job has been well done. □

¹Belgium, Canada, Denmark, France, Iceland, Italy, Luxembourg, the Netherlands, Norway, Portugal, the United Kingdom, and the United States. Greece and Turkey joined in 1952 and the Federal Republic of Germany in 1954.

**NATO-WARSAW PACT
BALANCE SHEET**

Displays of comparative statistics can be misleading. For example, a comparison of U.S. and Soviet navies by number of surface units shows one thing, but by tonnage a different picture is presented. Another completely different picture can be seen when the ships of not the two countries but the two alliances are compared. The reason is simply that America's European allies are more numerous, more prosperous, and, generally, better armed than are the Soviet allies.

If we compare total NATO figures with total Warsaw Pact figures, the popular image of Communist "superiority" in various areas is brought into a more realistic perspective. For example:

- *The massive land area of the Soviet Union as shown on most maps can create an impression that the combined land area of the Warsaw Pact countries is considerably greater than that of NATO countries. In fact, there is very little difference—about 5%.*
- *There are 54% more people in NATO countries than in the Warsaw Pact countries.*

• *A comparison of economic strength shows an even greater disparity—NATO's combined gross national products is nearly three times as large as that of the Warsaw Pact group, and NATO's per capita GNP is nearly twice as large.*

• *In total regular military manpower, although the Warsaw Pact has an estimated 8% advantage, the disposition of those forces presents different kinds of problems and advantages to each side.*

Any attempt to achieve symmetrical, point-by-point comparisons of complex military and geopolitical data must be treated cautiously. What follow are rough approximations to give the reader a sense of the current order of magnitude of the two most powerful military alliances, not a precise, detailed description. (Note: Where official military data are unavailable because of security classification or other reasons, the data used are drawn from The Military Balance, 1978, published privately by the International Institute for Strategic Studies, London.)

	NATO	WARSAW PACT
LAND AREA (sq. mi.)	8.6 million	9 million
POPULATION	570 million	370 million
GROSS NATIONAL PRODUCT	\$4 trillion	\$1.4 trillion
PER CAPITA GNP	\$7,000	\$3,000
DEFENSE BUDGET		
Current Annual Rate	\$180 billion	\$150 billion
% of GNP	4.5	11-14
%GNP AVAILABLE FOR NONDEFENSE SPENDING	95	86-89
SEAPOWER		
Combat Surface Ships		430
Submarines (all types)		249
		270
		207
PERSONNEL, STANDING MILITARY FORCES	4.8 million	5.2 million
CENTRAL EUROPE		
Ground Forces (Approx. figures include five French divisions not under NATO command but affecting balance of forces in F.R.G.)	900,000	900,000
Main Battle Tanks	7,000	20,000

Heavy Antitank Weapons n.a. n.a.
(Figures unavailable for publication, but NATO is believed to have significant superiority in numbers.)

DIVISIONS—PEACETIME

Central & Northern Regions 29 67

Southern Europe (NOTE: NATO divisions generally have about 50% more combat personnel than Warsaw Pact divisions. They also incorporate more "tail," or support units, giving them greater stamina in prolonged combat.) 41 33

TACTICAL AIRCRAFT

Central & Northern Regions

Light bombers/fighters/ground attack	1,400	1,600
Short-range interceptors	400	2,000

Southern Europe

Light bombers/fighters/ground attack	450	300
Short-range interceptors	275	700

THEATER NUCLEAR WEAPONS

7,000 3,000

STRATEGIC MISSILES 2,200 2,600

STRATEGIC BOMBS 400 150

STRATEGIC WARHEADS 10,000 5,000

THE PRESIDENT: *Remarks Before a National Foreign Policy Conference*

*Remarks and question-and-answer session before a foreign policy conference for editors and broadcasters held at the Department of State February 22, 1979.*¹

Before I take your questions this afternoon, I'd like to give you some of my own thoughts about the uses of American power in a changing and sometimes turbulent world.

Recent events, particularly in Iran and Southeast Asia, have touched off a national debate about what America's role should be in dealing with turbulence and in trying to guide inevitable change. We've been going through debates like this ever since our first President served—George Washington, whose birthday this happens to be.

Looking back over the last several years—particularly the last 2 years—I've been struck by the increasing complexity, however, of international affairs. I'm encouraged by what I judge to be a willingness on behalf of the American people to attempt to understand complex issues, not to oversimplify them, and to support policies and decisions that basically and openly address these complex issues responsibly and realistically.

Of course, there has never been any change in America's determination or our willingness to maintain a strong military capability or to promote the economic health and vitality of our country or to deal with and enhance the political and moral strength of our nation. Those commitments have always been constant and unswerving. But we must also see issues that are complex very clearly. And we must devise intelligent and thoughtful responses to them.

Neither of the two events that have been so newsworthy the last few weeks—turmoil in Iran, the conflict in Southeast Asia—were of our own making. But both events place great demands on me as President and on our ability to define and to act upon the true interests of the American people. And there are likely to be many more events like this in the future.

As the world becomes more complex, it's more important than ever before that we do not oversimplify events abroad. Bad analysis inevitably leads to bad policy. Instead, we need to be aware of the deep historical forces at work in other countries. We need to be

well-informed. The revolution in Iran, for example, is a product of Iranian social, political, economic, religious factors, all intertwined. To ignore these realities or fail to understand them would lead us into taking actions that might be ineffective or irrelevant or even dangerous.

But in addition to understanding the complexity of individual nations, we must also understand how changes taking place in those nations can affect the future, both of that particular region, the entire world, and especially my responsibility, the United States of America.

We need to resist two temptations: to see all change as inevitably against the interests of the United States, as kind of a loss for us or a victory for them; or to imagine that what happens in a country like Iran will not have consequences for us and for other regions as well. We need to see what is happening not in terms of simplistic colors, black and white, but in more subtle shades; not as isolated events, but often as part of sweeping currents that have broad significance.

At this moment there is turmoil or change in various countries from one end of the Indian Ocean to the other: some turmoil as in Indochina is the product of age-old enmities, inflamed by rivalries for influence by conflicting forces. Stability in some other countries is being shaken by the processes of modernization, the search for national significance, or the desire to fulfill legitimate human hopes and human aspirations.

For us in the United States, change itself is not the enemy. Our concern is twofold. We must work to dampen conflict, to maintain peace, and we must make clear that it's dangerous for outside powers to try to exploit for their own selfish benefits this inevitable turmoil. That kind of exploitation can damage not only the integrity and independence of the nations that happen to be in a transition phase but also can damage the effort to build a more secure and a more peaceful world for us all. Let me repeat what I said at Georgia Tech earlier this week: "... in the Middle East, in Southeast Asia, and elsewhere in the world, we will stand by our friends, we will honor our commitments, and we will protect the vital interests of the United States ..."²

The United States continues to be the most powerful nation on Earth—militarily, economically, and politically. And I'm committed to preserving and even enhancing that power, not for its own sake, but for the sake of the values and the ideals of our nation. We will make responsible use of that power where our interests are directly involved or where we can help to create conditions for peace and for the independent development of other nations and for the realization of the hopes of human beings who live there.

We have forces in readiness, as you well know, which we will use if necessary. I hope that that need will never rise. I am proud that no member of the Armed Forces of our country has had to give his life in combat during my Administration. And I'm determined to do all in my power to keep this precious peace. But let there be no mistake, our will and our determination are firm; our commitment to protecting our vital interest is unshakable. We must therefore, be very clear about where our true interests lie.

In Iran, our interest is to see its people independent, able to develop, according to their own design, free from outside interference either by us or from any other power.

In Southeast Asia, our interest is to promote peace and the withdrawal of outside forces and not to become embroiled in the conflict among Asian Communist nations. And, in general, our interest is to promote the health and the development of individual societies, not to a pattern cut exactly like ours in the United States but tailored rather to the hopes and the needs and the desires of the peoples involved.

To these ends we will broaden our cooperation with our friends in the Middle East and Southeast Asia, supporting their efforts to maintain national stability and independence. We'll consult closely with Congress to determine the need for additional military aid in this troubled region of the Middle East, to be used where it can be most effective. And we have called and will call on our allies to help whenever they can or will, working in partnership with us.

We are working hard for peace between Israel and its neighbors and also in other troubled areas of the world. In the future, I feel sure that we will find demands on the United States to be in-

creasing and not diminishing. We continue to bear the burdens of maintaining a strong defense, of supporting traditional allies who depend upon us, and working to reduce the spread of conventional and nuclear weapons.

But we also face a twilight world of change and sometimes of turmoil. We will increasingly be called upon to deal with events that do not represent basic challenges to our security but still which require the responsible use of American influence and American power.

We have the strength and the will to act where need be, and I'm confident that as a nation we have the wisdom to act wisely.

That's my responsibility in brief terms, a responsibility which you share with me.

Q. I'd like to know what we're going to do to insure the stability of small oil-producing states in the Middle East during this time of instability in that part of the world?

A. I've just sent Secretary of Defense Brown into that region, as you know, to meet with the leaders of four nations: Saudi Arabia, Jordan, Egypt, and Israel. We have the top officials of Oman here consulting these last few days with Secretary Vance. And in the Emirates, in Bahrain, and other small countries we've assured them that our influence, our power as a nation, will be used to preserve the basic security of that region free from any outside political or military power.

We are trying to bring them together in a spirit of peace and harmony and a recognition that their own national independence ought to be preserved by them and also preserved by us.

As I said in my brief remarks earlier, I am consulting with the Congress now, based on the reports that Harold Brown brought back, about how we might increase to some degree our military assistance efforts for those small countries that feel insecure, so that through their own strength they might feel better able to withstand any internal and outside disturbances that are unwarranted.

There are some nations that provide major stabilizing efforts. Egypt is a strong, powerful nation in the Arab world; Israel's strength is part of our own security. Iran, we hope and pray, in the future will still be a factor for stability in their region—in a different character, obviously, than it was under the Shah, but we hope will be independent and determined to maintain kind of a rock of stability in that region, impervious to outside influence and attack.

Working with individual nations, working collectively to reduce tensions among them and making sure they have adequate military capabilities, and using our own influence to prevent some major outside power from having an inordinate influence—those are some of the things that we can do.

The last one, obviously, is to try to bring some peace between Israel and its own neighbors. I think if the Arab world, in a united way, working with us, perhaps with Israel in a peaceful pursuit, could face any outside disturbance rather than to focus their animosity, as it has been in the past, on Israel, it would certainly be a very stabilizing factor.

We derive great benefit from free access to oil from that region. Some of our allies and friends in Europe and Japan rely much more heavily, and we are trying to get them to use their own influence to parallel ours in maintaining the independence of individual nations and the stability therein.

There are a few instances in that region where economic aid—either through direct grants, which are fairly rare, or through guaranteed loans on a multilateral basis or through international lending institutions—can also help. That's kind of a gamut of things that we explore and use with varying degrees of priority and emphasis.

Q. Many observers of the Middle Eastern situation believe that the failure of Egypt and Israel to sign the Camp David agreements as originally conceived this fall, and, in fact, the subsequent delays in signing any agreement, are directly related to the lack of pressure by the United States not on Israel and Egypt, but on Jordan and Saudi Arabia to join the talks or at least to lend support to the negotiating process. Would you please comment on this?

A. I think in a spirit of complete candor we have approached our limit on legitimate influence—perhaps even pressure in a proper way—on the countries in that entire region to support the Camp David accords and to participate in future discussions.

We have sent delegations to Jordan, to Saudi Arabia, even this past week, to encourage their tacit or public or active support of these accords. And I've used my own personal influence to a maximum degree within the bounds of propriety in the same pursuit.

As you know, my own involvement in the Camp David negotiations has been substantial. There is no other single item that has addressed my attention as President on which I've spent more time, more effort, more

study, more prayer than to bring peace between Israel and its neighbors. We believe the Camp David accords are a very firm and well-advised foundation on which to predicate, first of all, an agreement between Israel and Egypt, combined with a comprehensive settlement as part of the same procedure that relates to Israel and its neighbors. And whatever we can do—to use the word again—within the bounds of propriety, recognizing the independence of other nations, we have done, are doing, and will do to bring about peace between Israel and its neighbors.

Q. If the Soviet troops decide to help Vietnam in their struggle, how will this affect normalization and the Taiwan question, which is also being questioned as to its defenses?

A. The normalization of relations between our country and the People's Republic of China is an accomplished fact. It will not be affected one way or the other by combat among the Asian Communist countries. We have used every bit of influence that we could with Vietnam, with China, with the Soviet Union to bring about a withdrawal of attacking forces whenever they've crossed an international border and to bring about an end to combat there.

My hope is that this combat will rapidly be concluded. And even today we introduced to the United Nations a request for a complete analysis or debate of this question calling upon Vietnam to withdraw their troops after they have invaded Kampuchea, and also calling upon China to withdraw its troops from Vietnam.

But I would say that the recognition of the Peking government as the Government of China is already an accomplished fact and will not be abrogated nor will there be any interference with it.

Q. Some columnists and commentators have come to regard the implementation of your foreign policy as a failure. They point specifically to the lack of a clear direction, a steady course. Aside from those areas covered in your opening remarks, what do you think has created that perception? Do you think it's possible that you yourself may have contributed to that problem? [Laughter]

A. I think that this allegation is to be anticipated. It's not unexpected for us.

There is a marshaling of public support in almost every instance when a President takes forceful action at a time when our nation's security itself is endangered—obviously, in time of a

war. When people feel that our nation's security is challenged, there's a patriotic response to a President in a time of forceful action. It's not quite so easy to marshal overwhelming, enthusiastic, dedicated support in a time when a President's been able to search out a path and maintain peace. But I hope that that will be my achievement throughout the rest of my term.

In retrospect, I can't see that we should have done anything differently in the basic questions from what we have done. We have had some notable challenges.

I think that on a worldwide basis we've increased our friendships substantially with nations that are emerging as leaders. We have greatly repaired the dispirited nature and the relative weakness of NATO. I think there's now a renewed commitment to the strength of our alliance there.

Our relationships with Australia, New Zealand in the ANZUS agreement are very strong. For the first time in my lifetime, as a matter of fact, we now have better relationships with the three leading Asian countries than do the Soviet Union leaders; that is, India, Japan, and the People's Republic of China.

We've injected ourselves, I think, in a well-advised way in trying to resolve disputes among nations that might erupt into a broader conflict. I have just covered the part of my effort in the Mideast. We've tried to bring peace to Cyprus. We've worked with the British trying to resolve the problems in Rhodesia, to give majority rule, a democratic government there, to end the racial discrimination that has existed.

We've worked very closely with four other major allies—Canada, France, West Germany, Britain—to bring about majority rule and independence of Namibia. And in other areas of the world we've tried to add our influence whenever we could in a constructive way to insure stability, peace, and the realization of legitimate aspirations of people who are involved.

And the fact that we haven't a crisis, that we haven't had to go to war, that we have been successful in maintaining peace, I think is an achievement.

But it hasn't required, yet, and I hope never, a demonstration of courage on my part to call out the Armed Forces or to participate in an armed attack against other people.

Q. Secretary of Defense Brown has just returned from the Middle East, and it's reported that Egyptian President Anwar Sadat, concerned about the role of the Palestinians in

Iran, is interested in becoming the region's policeman—which is how some newspapers are describing it—in return for heavy infusions of U.S. weapons. What's the likelihood for this?

And, also, Sadat has said that he would not use the equipment in conflict with Israel, but how can we be sure that if he's called upon by his Arab brothers to fight Israel that he wouldn't use it?

A. I think Sadat has demonstrated in a very dramatic way, and also a consistent way in the last few years, his peaceful intentions toward Israel. His trip to Jerusalem, his participation, successfully, in the Camp David negotiations, I think, is proof of his good intentions toward having peaceful relations with Israel.

As you probably know, Egypt is a very powerful element in the Arab world, economically; their population is very great; their military strength is great, compared to many other countries. And I think they can be a legitimate stabilizing force. They now have five divisions or more on the eastern side of the Suez confronting Israel. Part of the Camp David accords, part of the negotiated points that have already been concluded on the Sinai agreement would call for the withdrawal of these forces. They would perhaps never be used. But at least any entity that threatened to attack another country in the Mideast would be faced with the prospect that those Egyptian forces might very well be used to preserve the peace. I'm not predicting that this would happen, but the potential would be there for Egypt to help to protect relatively defenseless other Arab countries or to preserve peace in the Mideast.

I don't want to try to comment on any nation being a policeman for the region nor for the world. I think that's a very serious mistake.

There obviously have been requests made by many nations around the world for military or economic assistance that is in excess of what our nation could provide. That situation might apply to the request that President Sadat has recently made. But he certainly wouldn't be unique in that respect.

As you know, the two nations that receive the most aid from our country at this time, and for many years in the past, have been Israel and Egypt. And I think that the greatest single step we could take to preserving stability and peace in the Mideast, although it might be unpopular with some other Arab countries, would be a peace treaty be-

tween Israel and Egypt. That's our top priority, and we'll continue with that pursuit.

Q. How strained is the relationship now between the United States and Russia because of the recent events in Afghanistan, Iran, Rhodesia, and Vietnam? And, two, how does that strain, if there is any, translate into how easily the Senate might accept a SALT agreement, if and when it gets there?

A. I think it's inevitable for the foreseeable future that we will have competition with the Soviet Union for influence in nations which are either unaligned or which don't want to be completely under the domination of any other country. We have no desire to dominate another nation. But we would like to see each nation be independent, to be at peace, and to see the legitimate aspirations of those people be realized.

There have been changes made in the last 15 years or less that affect both our countries. I think it is true that the regime in Afghanistan, a nation under Soviet influence, was replaced by a regime more closely aligned with the Soviet Union. Angola, it was completely under the domination and influence of the Soviet Union. And perhaps Cuba is now reaching out feelers or a hand of friendship to some of the Western nations. I think the same thing might apply to Mozambique, Tanzania.

This, I think, is a normal evolutionary process. In the past under Mrs. Gandhi, India was very closely aligned with the Soviet Union. Their relationships with our country were strained. I would say that under Prime Minister Desai, this has changed considerably. It wasn't too long ago that China and the Soviet Union were the closest of political and military allies. Now China has normal relationships with us and is very sharply estranged from the Soviet Union.

In the past, Egypt, the most powerful Arab nation, was an ally almost exclusively with the Soviet Union. Now it has an equally close friendship with us and is estranged from the Soviet Union. I think NATO in the past, immediately following the Vietnam war, was weakened. I know that some of our great Members of Congress—Mike Mansfield—was calling for the withdrawal of all U.S. troops from Europe. Now I think there's been a revitalization of NATO, a strengthening of our alliance there which is very crucial to our own security.

I think, in balance, the trends in the last number of years have not been adverse to our country. But it's easy to

News Conference of February 27 (Excerpts)

single out one or two individual places like Afghanistan where those trends have been against our best interests. The point I'm trying to make is that the fluidity of this situation over a period of years is inevitable, and we can't freeze the world situation at any particular time or any particular region or country where it might be temporarily or historically to our advantage.

And we cannot say to the Soviet Union: "Unless all Cuban troops are removed from Angola we will never sign a SALT agreement with you."

Our negotiating of the SALT treaty has been in the best interest of the United States. It's in our best security interests. It lays a basis for enhanced prospects for peace. It gives us greater flexibility to use our conventional forces to carry out the purposes of our nation that I recently, last few minutes ago, described to you.

I think every potential altercation or difference or competition with the Soviet Union in a troubled region of the world—and, as I say, these are inevitable—would be greatly exacerbated if we fail to conclude a SALT agreement or if we, on our own, refuse to negotiate with the Soviet Union to bring about a lessening of dependence upon nuclear weapons.

I consider the SALT treaty to be well negotiated in its present form, approaching a conclusion, I hope, in the best interests of our country standing on its own. And we could not permit the Soviet Union to say to us: "Unless you withdraw all your troops from South Korea, unless you reduce your military strength in NATO, unless you sever your relationships with Egypt, unless you permit us to come into the Mideast situation as a full negotiating partner, we will not sign a SALT agreement." We would consider that to be an absolutely unwarranted intrusion on the freedom of our country to make our own decisions based on what's best for our people.

And I think for us to claim that we can demand the same sort of restraint on the part of the Soviets as a prerequisite to the conclusion of a SALT agreement, that we consider it to be in our own best interest, is unwarranted and ill-advised and, obviously, unacceptable to them or in our own best interests.

Obviously, we will have to cooperate with the Soviets whenever we can, to lessen tensions, to cooperate on trade, to try to detect common purpose where we can cooperate, to conclude agreements that might lessen tension and improve the possibility for peace. At the same time, we will compete with the Soviet Union when we have differ-

In my 2 years as President, I've spent more time and invested more of my own personal effort in the search for peace in the Middle East than on any other international problem. That investment of time and effort was and is appropriate because of the great importance of peace in that region to our own country and the vital importance of a peace agreement between Israel and Egypt to those two countries.

Some progress was made in the talks at Camp David last week—4½ days of talks. I do not share the opinion that the proposals that we put forward were contrary to the Camp David agreements of last September or that they would make an Egyptian-Israeli peace treaty meaningless.

Based upon the developments of last week and the recommendations of all the parties involved, I had hoped to be able to convene, without delay, negotiations at a level which would permit the early conclusion of a peace treaty between Israel and Egypt, as a first step toward a wider settlement for the entire Middle East.

I regret that such direct negotiations are not possible at this time. I'm concerned about the impact of this development upon the prospects for peace. However, it was the belief of all those at Camp David—Secretary Vance and all the negotiators from Israel and Egypt—that the conclusion of an Egyptian-Israeli peace treaty is an urgent necessity. I share that view completely.

If we allow the prospects for peace that seemed so bright last September when we came back from Camp David to continue to dim and perhaps even to die, the future, at best, is unpredictable. If we allow that hope to vanish, then the judgment of history and of our own children will of necessity, and rightly, condemn us for an absence of concerted effort.

ences with the fullest confidence that we will continue to be successful.

And I think those two ideas are not incompatible for a strong, secure, able, confident, enlightened nation like the United States. □

¹Texts from Weekly Compilation of Presidential Documents of Feb. 26, 1979.

²For full text of the President's address on Feb. 20, see BULLETIN of Mar. 1979, p. 21.

For that reason, I spoke personally this afternoon with Prime Minister Begin and with President Sadat. I've invited Prime Minister Begin to join me as soon as possible for a frank discussion of all the issues involved. I'm hopeful that these talks will lead to an early resumption of direct negotiations.

Prime Minister Begin has accepted my invitation. He will be arriving here Thursday evening for discussions with me.

I will then consider asking either Prime Minister Khalil or President Sadat to join in further discussions. I recognize that the public interest in this matter is intense. However, I have made it clear in the past that any premature public discussions of these very sensitive issues serve no useful purpose. For that reason, I will have no further comments to make on the Mideast peace negotiations this afternoon, but I will be happy to answer any further questions on other matters of interest to the American public.

Q. Well, I really think you should answer a couple of questions. One, are you saying that Camp David is back on track or you are trying to get it on? And also, were you led to believe by your own advisers or by the Israeli officials that Begin would come, or did you labor under some false assumption on your part?

A. I won't have any other questions to answer on that subject. I think I've covered it adequately. And Prime Minister Begin is making a simultaneous announcement in Israel, and I don't think it would be constructive for me to answer any questions further.

Q. Does the escalating price of oil and gasoline, which is continuing—does that cause you to have any second thoughts now about your prediction of inflation for the year?

A. Obviously, the unpredictable shortage of oil on the international market, caused by the Iranian disruption of supply and other factors, has caused the price of energy to go up faster than we had anticipated. This adds inflationary pressures. The situation with supplies and prices is serious; it's not critical.

I have made proposals to the Congress for standby authority to take action, when necessary in the future, on a mandatory basis. Early next month we will present to the Congress, also for

their approval, matters that I can take—action that I can take to deal with the temporary Iranian disruption.

As you know, we had in 1973 about a 2½ million barrel-a-day shortage brought about by the embargo. We now have a shortage of about 2 million barrels per day. But I think it's accurate to say that our own country and the international consuming nations, including us, are much better organized to take care of these changes that have been taking place. Inflationary pressures do exceed what we had anticipated. I think we are much better prepared to deal with them.

Q. Some of your critics are saying that you are exhibiting weakness and impotency in your conduct of foreign affairs; that is, in your reaction to crises around the world. And although you argue that your policy is one of prudent restraint, is there not something to the idea that the perception itself adds to the problem of this country's interests, and, if so, is there anything you can do about it?

A. Obviously, perceptions have some importance in political terms and also in diplomatic terms. There is no doubt in my mind that the United States is adequately protecting its own interests, that we are adequately protecting the interests of our allies and friends as commitments bind us to do. We've had no complaints about them in this respect. And I think that an exercise of prudence in trying to contain our regional disputes and combat among other nations is in the best interest of our own country.

We are a strong nation, the strongest on Earth—militarily, politically, economically. I'm committed to preserving that strength of our nation, even enhancing it. And I think it would be completely improper for us, for instance, to inject ourselves in any active way into the combat that's presently taking place among Communist Asian nations, or to try to intrude in a completely unwarranted fashion into the internal affairs, political affairs, of other nations. And I have no intention of making these foolish decisions and taking foolish action to the detriment of our nation's interest, just to assuage some who criticize me because we have not become actively involved in these kinds of circumstances.

Q. Given all of that, when the United States was displeased with the action that the Soviets had taken in the Shecharanskiy case, we held up the sale of some oil-drilling equipment to the Soviets. Given the fact that we have condemned the Chinese

attack into Vietnam, why is it that Treasury Secretary Blumenthal is now in China negotiating new trade agreements with the Chinese?

A. That's a completely different circumstance. We've not had any bilateral disharmony between ourselves and the Chinese. We are changing our Interest Offices into Embassies on the first of March, and I need a major representative of our country to be there when that change is made. Our new Ambassador, Leonard Woodcock, has just recently been approved by the Senate—yesterday—and will not be able to arrive on time.

We do not agree with many of the actions that the Soviets take in dealing with other countries. We've not let that disrupt our bilateral relationships with the Soviets. Our SALT talks, for instance, have never been interrupted nor delayed. And we have expressed our very firm disapproval to the Chinese about their crossing the Vietnamese border, and we have expressed our strong disapproval to the Soviets and to the Vietnamese for the Vietnamese crossing of the Cambodian border.

But for us to terminate bilateral relationships because a major country—the Soviets, or the Chinese—do something contrary to our desires would certainly be counterproductive. And I think the trip to China to establish relationships with the Chinese for the future by Secretary Blumenthal is proper and was well-advised.

Q. Recently Secretary [of Defense Harold] Brown was in the Middle East and met with the leaders of those countries, particularly Saudi Arabia. And you have expressed the need and the desire for the United States to strengthen the defensive perimeter of that part of the world to safeguard the flow of oil. There have been public reports that the Saudi Arabian Government has refused an offer by the United States for the stationing of U.S. troops. I can't vouch for that report, but could you tell us what your plans are for that area and what we would be willing to do to safeguard the world's oil supply?

A. We have no desire to open military bases in that area or to station American troops in Saudi Arabia. And this proposal has not been made. That part of the report was erroneous.

However, we do want to strengthen the combined responsibility and capability of our friends and allies who seek moderation and peace and stability, to

preserve the integrity of that region. Secretary Brown visited Saudi Arabia, Jordan, Egypt, and Israel for this purpose, and his trip was very successful.

It's important also for those nations and for others in that region to know that we have a real interest—a real national interest—in the stability and peace of that region and, particularly, for the supply of oil, the routes through which the oil is delivered to ourselves and to our allies and friends throughout the world.

But any sort of action that we take would be contributory to peace, would not encroach on the prerogatives of individual nations. And we do not intend to become involved in the internal affairs of another country. We have no plans to establish military bases in that region.

Q. Half a dozen OPEC [Organization of Petroleum Exporting Countries] countries have announced, or are threatening to do so, some kind of oil price hike in the last couple of weeks. It gives the impression that the United States is at their mercy and that we are helpless. Are we?

A. We have no control over prices that other nations establish for their products, including oil. This is a subject that I have addressed as forcefully as possible, since April of 1977 when we presented to the Congress a comprehensive energy proposal. Our best approach is to reduce exorbitant waste of oil and other energy products that presently exists in our country, to increase the production of oil and gas and other energy products within our nation, and to use our legitimate influence when it can be exerted to minimize any increase in prices. But we cannot control other nations in this respect.

I might say that we are much better able now, as a world-consuming community, to deal with these increases than we were back in 1973 and 1974 when the price was quadrupled overnight, without any warning, and before the consuming nations were working in harmony to provide reserves on hand, to increase exploration and production, which has since then occurred in the North Sea, in Mexico, obviously, in Alaska, and other places.

But we have no control over it. We deplore it. We would like for them to hold down the prices as much as possible. Our best response is to use energy in our own nation efficiently, to cut out waste, and to increase our own production.

Q. In view of what you've just said

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about the energy situation, why are you uncertain about whether you will impose the new conservation measures as soon as Congress gives you the authorization? It would seem that the country might be waiting for some sort of signal that things are really serious and that consumers must cut back.

A. If the Iranian production is not restored, then we would face a half-million-barrel-a-day shortage, more or less, possibly increasing later on to 700,000 barrels a day. By the first of next month, in addition to the request to Congress that I've just put forward, we will have measures outlined for taking this action when it is necessary. As a matter of fact, we don't want to have stringent restraints placed on our economy that might cause very severe disruptions, high unemployment, and very adverse reactions not only in our country but throughout the world.

But with the standby authority, then I would have the responsibility, as authorized by Congress, to take action based upon the severity of the need.

We have, I think, a matter of judgment to be made in that respect. But to commit myself ahead of time to greatly constrain the American economy when it's not necessary would not be in the best interest of our country.

Q. What is our government doing, if anything, to try and influence the new Iranian Government to increase production, keep prices down and, generally, how would you describe the relationship between our Government and the Khomeini government?

A. The Khomeini government has made it clear ever since it came into power, through our direct negotiations with Prime Minister Bazargan and our Ambassador and through their emissaries who have even today talked to Secretary Vance, that they desire close-working friendly relationships with the United States.

They have also announced that oil production in Iran will be increased and that very shortly exports will be recommenced. And my own assessment is that they have strong intentions to carry out both these goals and that they are capable of doing so.

Q. There is, or there appears to be starting, a public debate on the question: "Who lost Iran?" I noticed that former Secretary Kissinger was suggesting that your Administration should bear some responsibility; former Under Secretary of State George Ball suggested that the Nixon-Kissinger Administration did

AFRICA: FY 1980 Assistance Proposals

by Richard M. Moose

*Statement before the Subcommittee on Africa of the House Committee on Foreign Affairs on February 14, 1979. Mr. Moose is Assistant Secretary for African Affairs.*¹

I appreciate this opportunity to discuss with you the security assistance programs which the President has proposed for sub-Saharan Africa in FY 1980.

It is my intention and that of the Bureau of African Affairs to consult fully and frankly with you on the entire range of issues confronting us on the African Continent. By studying and working together, we can contribute to a U.S. policy which protects and promotes our nation's interests.

much to destabilize Iran with their billions in sophisticated military hardware. My question was, I suppose, do you agree with Ball? Who lost Iran, or was Iran ours to lose in the first place?

A. It's obvious that Iran was not ours to lose in the first place. We don't own Iran, and we have never had any intention nor ability to control the internal affairs of Iran.

For more than 2,000 years, the people in the Iran area, the Persians and others, have established their own government. They've had ups and downs, as have we. I think it's obvious that the present government in Iran, as I just answered, would like to have good relationships with us. I don't know of anything we could have done to prevent the very complicated social and religious and political interrelationships from occurring in Iran in the change of government. And we'll just have to make the best of the change.

But, as I say, we cannot freeze the status quo in a country when it's very friendly to us. When the change is made by the people who live there, we do the best we can to protect American interests by forming new alliances, new friendships, new interrelationships, new trade relationships, new security relationships, perhaps, in the future, with the new government, and that's the best we can do.

But to try to lay blame on someone

Our African policy is based on finding peaceful solutions to the numerous problems which today shape events in Africa.

We have heard much about the Soviet and Cuban military adventures in Africa and seen figures on the massive amounts of military equipment the Soviet Union has put into Africa. Our security assistance proposals do not attempt to match the Soviets rifle-for-rifle, tank-for-tank. We believe our interests and those of Africa are better served by addressing the root causes of discontent.

Our diplomatic initiatives in Namibia and Rhodesia are intended to support the attainment of majority rule and racial justice in southern Africa.

Our assistance is designed to meet the pressing needs of economic de-

velopment having been established in Iran, I think, is just a waste of time and avoids a basic issue that this was a decision to be made and which was made by the Iranian people themselves.

Q. In view of the fact that we have some arrangement to support Israel in the event that they have oil shortages, do you view Iran's lack of desire to supply oil to Israel as creating problems for us in terms of our support for Israel in securing secondary sources?

A. When the supply of Iranian oil to Israel was interrupted, I immediately notified Prime Minister Begin and the Israeli Government that we would honor our commitment to them. So far, the Israelis have been able to acquire oil from other sources in the Sinai and also on the world markets from different countries.

We will honor that commitment. I think that the total Israeli oil consumption is only about 1% of the consumption in the United States. Even if Israel should have to depend upon us for a substantial portion of its oil, we would supply that oil from our country or from sources in other nations without disruption of the American economy.

For full text, see Weekly Compilation of Presidential Documents of Feb. 5, 1979, p. 364.

velopment, provide shelter and food to the thousands of refugees escaping conflict in their homelands, and, in selected cases, help countries meet their legitimate self-defense needs.

Our assistance programs to Africa are designed to bring various resources to bear on these unique needs. Total assistance proposed is about \$600 million. This figure includes \$322 million in development assistance, \$100 million for security supporting assistance (SSA) for southern Africa, over \$140 million in PL-480 assistance (both title I and II and our contribution to the World Food Program), \$45.4 million in foreign military sales (FMS) credit, and \$3.4 million for African participation in the international military education and training (IMET) program, a modest real increase over levels appropriated for FY 1979 (\$496.3 million) when U.S. inflation rates are taken into account.

Development Assistance

Yesterday Goler Butcher [AID Assistant Administrator for Africa] described to you the \$322 million which we are proposing for development assistance in FY 1980. It would be used for agriculture and rural development, health and family planning, training, and special activities such as alternative energy projects. Of the \$322 million, \$105 million is proposed for the eight countries participating in the Sahel Development Program, a unique coordination effort between donors and recipients.

U.S. food aid to Africa under PL-480 has been increasing. Last year we programmed \$57 million in title I concessional sales and \$85 million in grant food aid to the needy. This year we plan to increase the title I program to \$84 million, with approximately the same level proposed for FY 1980. A major concern is to secure a closer integration between food aid and other forms of assistance in order to have the maximum impact on agricultural development.

In addition to our bilateral assistance, the United States supports African economic development through our contributions to international development lending institutions such as the World Bank group and the African Development Fund.

The security assistance program which I am here today to support, together with the development assistance proposals presented to you yesterday by Goler Butcher, represents the financial underpinning of our African policy—an important earnest of our intentions.

Security Supporting Assistance (SSA)

The link between policy and resources is most vivid in southern Africa—between our efforts to achieve peaceful solutions to the problems of Namibia and Rhodesia and our proposal for SSA for southern Africa. For FY 1980 we are proposing \$100 million in SSA for southern Africa. Although this is a considerably larger amount than we requested in FY 1979 (\$45 million), it is basically a return to the level of FY 1978 when \$100.7 million was obligated.

The southern African region is important to us for its resources, because of our support for the peoples' quest for self-rule, and for its political significance throughout Africa. Our own position in the future in that region will be determined by the positions we take today and how we relate to the people on the scene. They must know that we stand with them, are cognizant of their problems, and can be counted on to help.

We learned after the war in Europe the importance of resources to back up our policy choices. Just as we see in the Middle East today how resources buttress our diplomacy, so too are they imperative to our southern African diplomacy.

The majority-ruled states of southern Africa have serious and unique development problems. Six of the countries are landlocked and suffer serious transportation bottlenecks. Lesotho, Botswana, and Malawi have been designated as relatively least developed countries—although Botswana has recently been experiencing significant growth—and Mozambique has per capita income of only \$170 (1976). Life expectancy is less than 45 years in all six countries. Literacy is especially low in Mozambique and Malawi. Per capita food production has been deteriorating in Mozambique and Zambia. All six countries in the region are undergoing rapid population growth.

I know that some of our proposals for security supporting assistance in southern Africa may raise some questions so let me deal with them here and now.

The largest chunk of our southern African program is earmarked for Zambia. We see in President Kaunda a force for peace and stability. Zambia is suffering very directly from the effects of the conflict in Rhodesia, and no one wants to see peace more than Kenneth Kaunda. He is a key to the peaceful solution.

We disagree with those who think we should not be helping Mozambique.

We do not believe that Mozambique can be characterized as being "in the Soviet camp." In our view its President, Samora Machel, is a pragmatic leader who is interested in the development of his country. He is interested in opening his country to U.S. trade and investment, because he knows that it is one way to help his people. When I last saw him, in early December, this was the subject which was uppermost in his mind. We have found that we can talk and work with President Machel about political problems affecting the area. By refusing to help him and Mozambique, we are passing up an opportunity to enhance our influence and promote our interests.

The struggle for racial justice by the people and governments of southern Africa has been costly to the economy of this area. This program will provide the means of assisting the countries in the region which have suffered severe economic dislocations and hardships as a result of the struggle.

This security assistance is considerably more developmental in orientation than most such programs. Included in it is assistance for refugees and displaced persons. It will also help countries of the region meet their transportation as well as other developmental needs.

For FY 1980 we seek \$100 million in SSA, which is slightly less than the \$105 million appropriated for the region in FY 1978. In the coming fiscal year we wish to initiate a modest \$3 million agricultural assistance program for Mozambique. The largest element of the proposed program is \$31 million for Zambia—equal to the amount appropriated in FY 1978. It will be used to ease that country's severe balance-of-payments position and allow the importation of critically needed agricultural inputs. Of this, \$6 million is for diversification into agriculture and training. Other elements of the FY 1980 program are basically extensions of existing programs in the fields of agriculture, rural development, education, alternative energy programs, and maintenance of refugees of the area.

In coping with the exigencies of the southern African situation, this program will provide us with much needed flexibility not readily available in regular development assistance projects.

Foreign Military Sales (FMS)

Soviet and Cuban activities have induced some very real concerns in many African countries with regard to their security. In certain cases, there has been a concomitant requirement to

meet legitimate defense needs, and our friends in Africa must be reassured that they can count on our support. Words alone are not always convincing.

Our FY 1980 FMS proposals have been formulated in conformity with President Carter's May 19, 1977, directive on arms transfers and our human rights policy. This year's program for six countries totals \$45.4 million, \$19.2 million more than last year. The doubling of the Kenyan program accounts for most of this increase.

For **Botswana**, our only new FMS program, we are asking \$500,000 FMS and \$80,000 for the international military education and training (IMET) program. Why Botswana? A quick glance at the map of southern Africa should provide the answer. Bordering as it does on Rhodesia, Namibia, and South Africa, Botswana maintained no defense force at all until FY 1977. Unfortunately the increase in fighting in Rhodesia forced it to establish one to prevent a spillover of the conflict from neighboring Rhodesia. Its government has played a constructive role in the pursuit of a peaceful resolution of that conflict and has resisted pressure to choose sides in it. I would also note that Botswana's moderate pro-Western government's record for respect for human rights is considered one of the best in Africa.

Certainly our modest FMS program for the purchase of some trucks, jeeps, and tactical communication systems will not tip the scales, but it will indicate our support and recognition of Botswana's fidelity to principles that we share.

The \$2 million in FMS and \$50,000 in IMET for **Cameroon** is again intended to show our support and friendship for that moderate government.

Our largest program in Africa is **Kenya**, for which we are asking \$26 million in FMS and \$550,000 in IMET. Here we are looking at a stable pro-Western state which has consistently been supportive of our goals and objectives in Africa, which finds itself nearly surrounded by neighbors which have been heavily armed by the Soviet Union, and two of which have at one time or another made claims on its territory.

The Kenyan Government reluctantly concluded that its concentration of resources on economic development, while remarkably successful, has led to a degradation of its defense posture relative to its neighbors. It has now embarked on a program to modernize its defense establishment and achieve a credible defense deterrent.

When then-Vice President and now

President Moi was here last March, President Carter indicated that the United States would be sympathetic to Kenya's military needs. At President Moi's request, a U.S. military survey team was sent to Kenya last year, and the team's recommendations are reflected in the FY 1980 FMS program proposal.

Kenya would like to purchase 15 helicopters equipped with antitank missiles and 17 commercially equipped helicopters. The total cost phased over 3 years will be \$44 million.

I would add, however, that defense cooperation with Kenya is not a one-way street. Mombassa is one of the few ports on the Indian Ocean littoral to welcome and provide facilities to the U.S. Navy.

As this committee knows an historic and special relationship exists between the United States and **Liberia**. Liberia regards its security as part of that special relationship. It has depended exclusively on U.S. support for its defensive requirements. The port, airfield, and communications facilities extended to us by Liberia far exceed the value of our modest contributions to its defense.

The very modest (\$1.4 million FMS and \$230,000 IMET) program will continue funding begun this year (\$1.2 million) of a much-needed force modernization program. Basically it will be used to replace some rather obsolete equipment—radios, vehicles, and a Cessna aircraft.

Sudan has become a force for moderation in the Horn of Africa. It has been supportive of the Camp David accords and our efforts to promote peace in the Middle East. Through his current leadership of the Organization of African Unity, President Numeyri has been a positive force on the African Continent.

Our \$5 million FMS request will cover only a very small portion of Sudan's needs; a Saudi-financed commercial purchase program will address Sudan's larger and immediate defense requirements. Our limited contribution frankly serves as the earnest of U.S. interest in Sudanese security and is valued by other interested parties such as the Saudis. Other Western allies

such as the United Kingdom, Germany, and Canada are also participating in the modernization of Sudan's military.

Our program for **Zaire** will complement those of our Belgian and French allies, whose commitment far exceeds our own. We are asking \$10.5 million in FMS and \$1 million in IMET. We regard Zaire as a key country in terms of its location, minerals, and potential; pro-Western in orientation, mismanaged, and a victim of two invasions in 2 years, it presents a troublesome dilemma.

It represents a fundamental conflict of objectives—the quest for stability versus human rights and democratic principles. However, it is not an either/or situation. We are capable of nuance in our policy. Our programs are designed to enhance security and provide incentives for the Zairian Government to institute essential reforms.

The FMS program at its proposed level will be used for follow-on logistical support for the Zairian Air Force C-130 and Cessna aircraft and Navy patrol boats and some spare parts for U.S. provided vehicles and communications equipment.

In each of the six countries that I have just covered, we have IMET programs. There are 10 additional countries for a sub-Saharan total of \$3.4 million which is actually less than the 2 previous years (FY 1978—\$3.6 million and FY 1979—\$3.5 million).

For the most part these are very small programs, but they are, nevertheless, an important tool serving U.S. interests in Africa. The 16 countries scheduled to be included in the FY 1980 IMET are moderate in their policy orientation. Provision of even modest amounts of training is taken as a sign of U.S. interest and an indication of a willingness to help meet their security concerns. Furthermore, they are useful in providing access to a cadre of which has great influence on the political and economic development of their countries.

Through this U.S. training we have an opportunity to expose future and present leadership to values which we consider important, such as a respect for human rights.

Before concluding, I wish to assure you that the human rights performance of the proposed recipient countries was carefully taken into account and are reflected in the level of program requests. □

Letter of Credence

On February 26, 1979, President Carter accepted the credentials of Sidi Bouna Ould Sidi of Mauritania as his country's newly appointed Ambassador to the United States. □

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.

Horn of Africa

by Richard M. Moose

Statement before the Subcommittee on Africa of the House Committee on Foreign Affairs on February 28, 1979. Mr. Moose is Assistant Secretary for African Affairs.¹

I welcome the opportunity to meet with you to discuss our security assistance programs and their relationship to events in the past year in the Horn of Africa and American policy in this important area.

Soviet and Cuban activities in the Horn of Africa have focused international attention on this area of the world over the past 18 months as never before. The political conflicts in the Horn which provided the Soviet Union and Cuba with the opportunity for intervention still continue unresolved, both in Eritrea and the Ogaden region of Ethiopia. The Cuban troop presence in Ethiopia remains. So does Soviet military support for Ethiopia.

The choices which have confronted the United States in the Horn in the current political environment have been difficult and complex. Our policy objectives of promoting peace and stability in the region have been complicated by the Soviet and Cuban presence, by deep-seated historical and ethnic rivalries, as well as political changes which have brought new antagonisms with old friends, as in Ethiopia, or new opportunities for those nations which were once less sympathetic to a U.S. role in the region, as in Somalia.

The Horn of Africa is also a region whose developments have an effect not only upon African affairs but upon the Arab world as well. Three of the countries of the Horn—Somalia, Djibouti, and Sudan—are members of the Arab League. Their security is a matter of concern for our Arab friends as well, who interpret American actions in the region in the light of their own security interests.

For the purposes of our discussion today, I would like to focus our attention on the five countries of Sudan, Ethiopia, Djibouti, Somalia, and Kenya. Other countries such as Saudi Arabia, the Yemens, Egypt, or Tanzania follow developments in the Horn closely, but the five core countries are the principals in the Horn, and it is to the actions and reactions between these countries that I want to concentrate in this review with you.

Background to the Present Conflict

In mid-1977, at a time when Ethiopia was in transition and a new revolutionary government had replaced the Haile Selassie regime, Somalia saw an opportunity for ending Ethiopian rule over the Somali peoples of the Ogaden. Insurgents of the Western Somali Liberation Front, supported by units from the Somali National Army, launched a campaign in the Ogaden region of Ethiopia to "liberate" this area from what it called Ethiopian colonialism.

At the same time, Eritrean rebels in the northernmost province of Ethiopia had succeeded in liberating most of this territory from Ethiopian domination. The Eritrean liberation movements, which include both Muslim and Christian elements, had been waging an insurgency for over a decade in their efforts to bring self-determination to the Eritrean people. The Eritrean separatists have been supported for years by neighboring Arab states in the region.

In addition to these ethnic claims or disputes, there are also longstanding communal antagonisms between the populations of the Ethiopian highlands, which are predominantly Christian, and the Muslim people of the lowlands, both in Eritrea and in the Ogaden. Ethiopian fears of Arab encirclement and domination are of course longstanding.

The demands of the Eritrean and Ogaden peoples for self-determination create a serious dilemma for the Organization of African Unity (OAU) and others in their attempt to promote a peaceful resolution to these problems of conflict. One of the fundamental tenets of the OAU is the territorial integrity of existing African states.

As most of you know, tribal boundaries in Africa seldom, if ever, coincide with national boundaries. Virtually all African states, with the exception of Somalia, include within their borders a great many ethnic or tribal groups. The granting of self-determination to various ethnic minorities because of their economic or ethnic grievances would require the rewriting of many African boundaries. Accordingly, African nations in the OAU have insisted upon the territorial integrity of existing African states over the rights of self-determination of those peoples with political or ethnic grievances like the Eritreans and Somalis.

There is little possibility that African states would support a political resolution to the problems in the Ogaden or Eritrea unless the Ethiopian Government itself were willing to recognize that a problem exists and that a negotiated settlement is required. This, however, appears to be most unlikely under present circumstances. This conflict in the Horn continues today.

In the Ogaden region of Ethiopia, Somalia continues its support for the Ogaden insurgents. The Ethiopian military government has been unable to end the guerrilla war, which continues at a low level.

In Eritrea the Mengistu regime continues its pursuit of a military solution to the Eritrean conflict. We have seen no evidence that the Eritreans have yielded in their demands for full independence or that the Mengistu regime is prepared to reduce its military actions in favor of negotiations.

We, nevertheless, continue to believe that the problems in the Horn must be resolved peacefully if an enduring settlement is to be achieved. In our judgment the continuing Soviet and Cuban military presence tends to encourage military solutions which cannot resolve in any final way the causes of the conflict.

U.S. Goals

This then is the political and military context in which the United States seeks to pursue its policy goals in the Horn of Africa. Those goals are:

- To maintain cordial relations with all the countries in this area;
- To assist within the limit of our resources in improving the well-being of the people in these countries;
- To lend our support to the creation of an atmosphere that will eliminate the need for the large import of military weapons and that will encourage the pursuit by Ethiopia of a truly nonaligned foreign policy;
- To support efforts aimed at finding political or negotiated solutions to the longstanding problems of the area, which we hope would remove opportunities for foreign intervention; and
- To provide military assistance when it serves legitimate defensive purposes but to continue our policy of arms restraint in the Horn. We have not and we will not provide arms in situations which fuel local conflicts.

In Kenya we have been impressed at the strength of Kenyan political institutions and how this facilitated the transition to new political leadership after the death of their great leader Mzee Jomo Kenyatta.

We are working with Kenya to es-

establish a credible defensive military deterrent through the provision of a total of \$44 million in foreign military sales (FMS) credits over a period of 3 years for 32 helicopters (15 equipped with antitank missiles) to be used primarily as antitank weapons and in FY 1979, \$400,000 for an international military education and training (IMET) program. We had earlier provided FMS credits for 12 F-5 airplanes.

In **Sudan** President Nimeiri pledged Sudan's support for the Camp David accords and has consistently sustained Middle East peace efforts. Through his current leadership of the OAU, President Nimeiri has been a positive force on the African Continent.

The Sudan-U.S. Business Council, at meetings in Khartoum and last fall in Washington, have stimulated interest in private investment in Sudan and strengthened the ties between the business communities of our two countries. U.S. Agency for International Development (AID) programs are expanding to help Sudan exploit more rapidly its immense agricultural potential.

We are sympathetic to Sudan's defensive concerns, but its larger and immediate defense requirements will be met by a Saudi-financed commercial purchase program. Our \$5 million in FMS credits is being allocated by Sudan to the purchase of engineering equipment to allow the Sudanese army to participate in nation-building programs.

In **Ethiopia** the provisional military government has launched on a campaign to resolve its formidable economic problems.

Discussion is well underway of our bilateral problems, such as compensation for nationalized U.S. businesses and the settlement of issues involved in our past military program, which include payments due us by Ethiopia as well as credits owed Ethiopia for military materiel we have not delivered.

The Soviet-Cuban presence remains in Ethiopia and may encourage Ethiopia to seek military, rather than negotiated, settlements of its problems.

In **Somalia** regular troop units have withdrawn from the Ogaden, but the insurgency continues.

We have initiated economic assistance programs which will total over \$50 million when completed, as well as a PL-480 food assistance program in FY 1979 of over \$11 million.

We have opened a Defense Attache office in our Embassy and, after an interregnum of nearly 10 years, U.S. naval ships are again calling at Somali ports. We have remained firm in our resolve not to supply arms to Somalia

because of its involvement in the continuing high-level of violence in the Ogaden, but we are discussing with the Somalis other areas of mutual cooperation.

Finally, in **Djibouti** we have opened a small Embassy headed by a Charge d'Affaires to establish working relations with this new government.

A modest U.S. AID program of \$1 million has been initiated, and U.S. naval ships continue, as in the past, to be welcomed at the port on a regular basis.

As the foregoing outline suggests, difficult problems remain to be resolved in the Horn of Africa. Soviet and Cuban influence remains significant in Ethiopia. Two of the most persistent conflicts—guerrilla operations in the countryside of Eritrea and the Ogaden—continue unabated despite the Ethiopian recapture of the major towns in both areas. Ethiopian-Somali hostilities remain active; relations between Sudan and Ethiopia are also strained. Our relations with Ethiopia are plagued by suspicion and mistrust. Kenya continues to fear the Somali threat.

We can report, however, that during the past year the human rights performance in these five countries of the Horn has improved. There is still room for further improvement in nearly all of these countries, but it was a positive year, and this aspect of the situation has been reflected in our policy in part by the level of program requests. □

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.

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ARMS CONTROL: *Preserving Freedom and Peace in a Nuclear Age*

by Vice President Mondale

Address before a conference cosponsored by the Department of State, the Greater Minneapolis Chamber of Commerce, and a consortium of other Minnesota organizations in Minneapolis on February 22, 1979.

Today I want to talk with you about how our nation can preserve its freedom, its beauty, and its peace in a nuclear age.

Our own Hubert Humphrey once said that: "In this world, disaster is but a step away. There is no margin for error." Returning to a dark age of unrestrained nuclear arms competition would reduce that margin. Allowing any nation to gain military advantage over the United States would be equally dangerous.

We must not—and we will not—let either happen. This is the determination of the Carter Administration. This is the view of the vast majority of the American people—who overwhelmingly support both an arms control agreement and a strong national defense. And I am confident that Congress shares this view as it prepares to consider both the strategic arms limitation treaty and our proposed defense programs.

There are some Americans, however, who fear that we are not strong enough as a nation to move ahead with SALT. That view—of the current military balance and of SALT—is wrong, and it can lead us in the wrong direction. It not only underestimates America's overwhelming nonmilitary advantages, it seriously misjudges both our relative military strength and the effect of a SALT agreement.

Our military position today is secure, and we are taking steps to assure that it remains secure. And a sound SALT agreement will make us stronger as a nation because it will contribute to that security.

Let me make that point again. The SALT agreement we hope to present to the American people is not a gift to the Soviets; it is an agreement which serves the security interests of our nation and of the world. It does not weaken us; it strengthens us.

We have watched carefully the steady growth of Soviet military power in recent years. In some areas, the Soviets are ahead of us; in others, we

are ahead of them. What matters for us is not whether the two forces are identical, but whether they are in an overall balance—for that is the basis of security today.

For example, the Soviets have always had a larger land army. But we do not need to match them man-for-man because the strength of our more numerous allies. The Soviet Union has always had more tanks. But we have three times as many antitank weapons in Western Europe as there are Soviet tanks in Eastern Europe.

The critical question is not whether we match the forces the Soviets have built to meet their own security needs but whether we meet U.S. and allied security needs. Without question, our forces meet those needs.

U.S. Strategic Advantages

To begin with, the United States has certain strategic advantages.

- We have friendly neighbors on our borders. The Soviet Union has far longer and far more vulnerable borders.

- We have only one major adversary. The Soviets face two. Fully 25% of its combat forces are deployed on the Soviet-Chinese border.

- We have easy access to the sea. The Soviets are restricted by narrow

We must continue to protect our own and our allies' interests. We are strengthening our forces in Europe. We are improving our ability to speed additional ground and air forces in the event of a crisis. And our European allies, who provide most of NATO's combat forces, are steadily improving their forces' readiness and effectiveness.

But it is the awesome power of our nuclear weapons that I want to emphasize this afternoon.

Many of you here today remember the shuddering reality of our first atomic bomb. Today, the United States has over 20,000 nuclear weapons.

- Each warhead on one of our Poseidon missiles is two times more destructive than the atomic bombs dropped on Hiroshima and Nagasaki. One Poseidon submarine carries more than 140 warheads. Each Poseidon can deliver more destructive force than all the bombs—nuclear and conventional—that were dropped during World War II. We have 31 of these Poseidon submarines.

- More than half of our 1,000 Minuteman missiles are equipped with multiple independently-targetable reentry vehicles (MIRV's)—which enable one rocket to carry a number of warheads and thus strike at several different targets. Each of the Min-

[SALT II] will establish equal limits on the number of missiles and bombers capable of delivering nuclear weapons

straits, by a long and icy winter, and by other natural barriers.

Our military capabilities today are enormous and growing stronger. And our allies and friends significantly increase our overall strength.

Nor are we standing still. Because of steady growth in Soviet defense spending and capabilities over the past decade—particularly in central Europe—we have had to reverse the pattern of shrinking American defense efforts. We and our allies committed ourselves last year to increasing individual defense expenditures. The defense budget President Carter submitted to Congress last month reflects that commitment.

uteman warheads carries eight times the force of the first atomic bomb. And soon we will double that destructive power.

We have 348 heavy bombers which can carry 2,000 megatons of total power. Let me illustrate what that means. If every car of a train that extended from Minneapolis to Winona were filled with TNT and blown up, that would be one megaton.

I cite these facts to give you a sense of the enormous scale—and the great diversity—of America's nuclear strength.

The Soviets, of course, also have a large arsenal. But the factor that keeps us at peace is not simply what each of

us has: it is whether there is any possibility that a nuclear attack on us or our allies would not mean massive destruction for the Soviets.

Let me take the worst case. It is possible that, in the early to mid-1980's, the Soviets—with a surprise attack—could destroy most of our land-based missiles while keeping a large number of their missiles in reserve. In doing so, they also must consider the grim possibility that we would have already launched our missiles before theirs arrived. The possibility, even theoretical, that our missiles would be vulnerable is something we are working very hard to avoid.

But even if our land-based missiles were vulnerable to a surprise attack, we could still totally destroy the Soviet Union as a viable society with the rest of our nuclear arsenal. No sane leader could expect to gain an advantage from launching such a suicidal attack.

Modernization and Restructuring

To assure that our strategic forces will be a convincing deterrent in the future, we are carrying out the most extensive modernization and restructuring of our nuclear forces in over a decade.

First, we have put three-quarters of our strategic warheads in our largely invulnerable submarines and mobile bombers; three-quarters of the Soviet Union's warheads are on more vulnerable fixed land-based missiles.

Second, we are adding to the capabilities of our strategic bombers. Our B-52 force is being equipped with long-range cruise missiles. That force eclipses Soviet air defense expenditures. These missiles will enable our B-52's to remain outside Soviet air defenses and still strike significant Soviet targets with extraordinary accuracy.

Third, we are placing more powerful, sophisticated missiles in our existing submarines. We are about to launch our new, longer-range Trident submarine; and we are developing a still more powerful and accurate missile for these Trident submarines.

Fourth, we are substantially improving our land-based missile force. Our Minuteman III's will be considerably more accurate. We are accelerating development of a new and much larger land-based missile called the M-X. And we are carefully analyzing the alternatives available for making our intercontinental ballistic missiles (ICBM's) less vulnerable. The SALT agreement now being considered

will not constrain a single one of these alternatives. Indeed, it will help make these alternatives feasible and safe.

We will continue to maintain a convincing deterrent with a nuclear weapons force. But in a world of nuclear weapons, more is not necessarily better. We are not more secure today because we and the Soviets have tens of thousands of warheads rather than thousands.

For the stark reality is that neither of us can win an all-out arms race. It is a futile search for a temporary advantage. We will match what they do, and they will do the same, in a spiral of ever-increasing risk and cost.

Thus the power we share with the Soviet Union carries this imperative for our security: We must slow, and ultimately reverse, this dangerous and burdensome competition. That is an imperative recognized for nearly three decades. Every President since the beginning of the nuclear era—and both major political parties—have understood that security depends on both a sound defense and sound arms control.

Background to SALT II

Building on the efforts of Presidents Truman and Eisenhower, President Kennedy concluded the first arms control agreement with the Soviet Union in 1963—halting poisonous nuclear-weapons testing in the atmosphere.

SALT Treaty

WHITE HOUSE STATEMENT, FEB. 24, 1979¹

The President expects that a verifiable agreement on strategic arms limitations which protects American strategic interests can be negotiated and will be ratified.

The President's position is that this agreement will be submitted for Senate ratification as a treaty. If the Soviet Union, in the absence of a SALT treaty, were to engage in a significant arms buildup, the President would, of course, match it appropriately. By the same token, it is the President's intention not to escalate the arms race unilaterally in the absence of a treaty, if comparable and verifiable restraint is shown by the Soviet Union. □

¹Text from Weekly Compilation of Presidential Documents of Mar. 5, 1979.

Later we reached agreements that banned nuclear weapons from the ocean floor and from outer space.

The 1968 Nuclear Nonproliferation Treaty now binds more than 100 nations. It has not yet removed the specter of nuclear proliferation, but it has advanced that objective significantly.

Since first proposed by President Johnson, we have been engaged in broader Strategic Arms Limitation Talks. During the Nixon Administration, these negotiations severely restricted both sides from building new antiballistic missile systems. These systems would have cost billions of dollars and added new dangers to the arms race.

Under President Nixon, SALT I placed the first limits on the number of strategic offensive missiles. It prevented the Soviets from continuing to increase the number of their missiles by several hundred each year.

For the past 6 years, three Presidents of both parties have been negotiating the next step in arms control—the SALT II agreement. The negotiations have been intense. We have proceeded carefully and deliberately. And we are near agreement.

What SALT II Will Accomplish

Let me explain what this agreement will accomplish.

First, it will establish equal limits on the number of missiles and bombers capable of delivering nuclear weapons to the other side. The first SALT agreement in 1972 froze the number of strategic missiles, leaving the Soviets with a numerical advantage which was then offset by U.S. technological superiority. The new agreement firmly establishes the principle of equal numbers.

Second, these limits will be lower and more encompassing than those in the first SALT agreement. The new overall limits would force the Soviets to eliminate over 250 strategic missiles and bombers. This is a 10% reduction and about 750 fewer than they are likely to have in the absence of SALT. On the other hand, because we are below the new limits, we would actually be able, if we chose, to increase the overall number of our strategic weapons in operation.

Third, the agreement will place lower limits on specific weapons, including those with more than a single warhead.

Fourth, for the first time, we will curb the number of new systems and

begin to limit the race to make existing systems more deadly. Only one new ICBM will be permitted to each side. The number of warheads on a single missile would be limited. And there would be restraint on increasing the size of land-based missiles.

What would be the major effect of this agreement on our security? Instead of an estimated 3,000 Soviet strategic weapons by 1985, there would be 2,250. The strategic balance will be more stable and, therefore, safer. We will have greater confidence and certainty in our own defense planning. And the defense programs that we and our allies need and have planned can proceed forward on schedule.

Verification and Competition

But how do we know the Soviets will not violate the agreement? The answer is—we can see for ourselves.

We have powerful and varied systems for observing the Soviets. Besides our photographic satellites, we have other highly sensitive and, therefore, highly classified means of verification. The large size and limited number of bases for intercontinental missiles, heavy bombers, and nuclear submarines eases our task.

And the SALT agreement itself makes a major contribution. SALT II would forbid any interference which would impede our ability to verify compliance with the treaty. And for the first time the Soviets have agreed to regularly exchange precise data with us on each country's missiles.

This is not a new and uncertain challenge. We have monitored Soviet compliance with SALT I. We know what we can see. And we know that we can detect any violation large enough to affect the strategic balance—and do so in time to respond effectively.

Yet with all this, some critics suggest that we should not move ahead with SALT, even if it strengthens U.S. and allied security. They contend that

Soviet actions elsewhere—in the Third World or on human rights—compel us to withhold approval of SALT II. This would be a profound mistake.

As President Carter said two days ago, we ". . . cannot let the pressures of inevitable competition overwhelm possibilities for cooperation any more than [we can permit] cooperation to blind us to the realities of competition" And the President said this:

It is precisely because we have fundamental differences with the Soviet Union that we are determined to bring this most dangerous dimension of our military competition under control.¹

We will continue to compete peacefully with the Soviets. In this competition, we hold many cards—not only our military aid but our economic ties,

SALT II would forbid any interference which would impede our ability to verify compliance with the treaty.

our understanding of diversity, and, most of all, our support for the determined sense of independence in emerging nations around the world.

But as we compete, we must also cooperate to limit the most dangerous competition—nuclear weapons. This is in our calculated self-interest. SALT is not a reward for Soviet good behavior. It is a benefit for ourselves and for mankind.

With or without SALT, competition with the Soviets in many areas will continue. We will respond to any Soviet behavior which adversely affects our interests. Without SALT, that competition becomes more dangerous, and the possibilities for cooperation are dimmed.

We must recognize our overwhelming strengths as a nation. We must see the future not as a threat but as an opportunity to make our children's lives safer and more rewarding than our own. The emerging SALT agreement represents such an opportunity.

Military competition today is carried out in highly technical terms. The debates on SALT will be very complex. Let us not, as we explore the technicalities in all the detail they deserve, lose sight of these simple truths: A nuclear war would destroy much—if not all—of what we love. We must do everything in our power to see that it never happens. We prevent it today with a military defense strong enough to deter our potential adversaries. We will maintain that deterrence.

But that alone will not make us secure. We must also, at long last, reverse the dangerous race in nuclear weapons that each year increases nuclear stockpiles and each year makes us less safe. That is what SALT is about.

With the vision that set him apart from other men, Hubert Humphrey defined our present challenge over a decade ago. He not only cared deeply, he thought deeply about the nature of America's security in a nuclear world.

Nuclear power has placed into the hands of men the power to destroy all that man has created. Only responsive statesmen—who perceive that perseverance in the pursuit of peace is not cowardice but courage, that restraint in the use of force is not weakness but wisdom—can prevent international rivalries from leading to an incinerated world.

Let us have Hubert's wisdom—and summon Hubert's courage—as we set the course which will help define our future for years to come. □

¹For the full text of the President's address at Georgia Tech on Feb. 20, 1979, see BULLETIN of Mar. 1979, p. 21.

EAST ASIA: FY 1980 Assistance Proposals

by *Richard C. Holbrooke*

Statement before the Senate Foreign Relations Committee on March 1, 1979. Mr. Holbrooke is Assistant Secretary for East Asian and Pacific Affairs.¹

I am pleased to have the opportunity to discuss our FY 1980 assistance programs in East Asia and the Pacific. I think you will agree that profound changes have occurred on the face of Asia since the beginning of this Administration. At that time among our Asian friends there was a "crisis of confidence" in U.S. policy toward the region. We subsequently concentrated on overcoming that crisis and on putting into place long-term, sustainable policies that emphasize national self-reliance, supplemented by continued U.S. support, and no U.S. interference in the internal affairs of other countries.

By last March, thanks to the coordinated actions of the executive branch and Congress, we had largely succeeded in overcoming the "crisis of confidence" by continuing our economic and security assistance programs at a modest but adequate level, by personal contacts with many key Asian leaders, by a strong strategic presence in the area, and by a substantial increase in economic exchange between the United States and Asia. Thus, during the following year, the United States was able to concentrate primarily upon reinforcing the programs and policies already begun. At the same time, new problems arose in the security field, and persistent economic problems remained unresolved.

Our basic policies remain sound, but in order to meet these challenges we will need to make a greater effort during the year ahead.

This past year has been particularly eventful. Let me first cite the major positive events, from an American point of view, that have taken place.

Positive Developments

The United States has maintained its close ties with Japan, the cornerstone of our entire posture in Asia. Despite knotty economic problems, the fundamental strength and depth of the relationship remain unimpaired. Our security relationship continues stronger

than ever, accompanied by a new awareness of defense matters among the Japanese Government and public and with an increased Japanese contribution to its own security goals and to the support of U.S. forces.

Perhaps more dramatic, as we have already discussed, the United States embarked on a new era in our relations with the People's Republic of China with the formal establishment of full diplomatic relations; simultaneously our ties with Taiwan have been placed on a new basis which, although unofficial, will be durable and mutually beneficial.

We put behind us a period of major strain in our relationship with Korea. The withdrawal of our ground troops began; but further withdrawals are in abeyance until we complete our reassessment of North Korean military capabilities. South and North Korea have taken a first step to resume their long-interrupted dialogue. National elections were held, and prominent political prisoners were released.

The Association of South East Asian Nations (ASEAN) continued to mature as an economic and political grouping, and it expanded its relationships with the United States, Japan, and the European Community. Its members also advanced in mutual confidence and cohesion in the face of common challenges. The statements by ASEAN Foreign Ministers calling for withdrawal of foreign troops from Kampuchea and Vietnam and respect for territorial integrity reflected this cohesion.

We and the Philippine Government have agreed to an amendment of the 32-year-old Military Bases Agreement that is more in keeping with Philippine sovereignty and at the same time permits continued and unhampered U.S. military operations at the facilities which we retain. This places on a firm footing the ability of our forces to operate effectively in the Pacific and Indian Oceans, protecting vital sea lanes and ready to support our friends and allies.

Close congressional consultation was vital in enabling the Administration to develop its position. Congressional contacts with the Government of the Philippines were important in bringing the negotiations to a successful conclusion. As President Marcos said on February 16: "If the United States of America will be remembered in history

it will not be merely for its power, not only for its military might, but because of its noble objective to attain peace in the world."

A number of Pacific island states have peacefully become independent. These new countries have been assisted in their emergence by the moral and material support of the United States, Australia, and New Zealand, which together continue to comprise one of the most durable and strongest treaty organizations—ANZUS—in the world.

Negative Development

The major new negative development in Asia was the boiling over into full-scale warfare of the long-simmering conflicts between Vietnam and Kampuchea [Cambodia], Vietnam and China. The interests of the United States are not immediately threatened, and we will not get directly involved in a conflict between Asian Communist nations. However, the continuation and possibly escalation of these conflicts between Communist states is potentially dangerous to the region. Therefore, we shall use whatever means are at our disposal to encourage restraint, bring an end to the fighting, and prevent a wider war.

We are working with other nations bilaterally and at the United Nations to seek the immediate withdrawal of Vietnamese forces from Cambodia and Chinese forces from Vietnam. We continue to assert the important international principles of territorial integrity and noninterference in the internal affairs of other nations.

Together with the conflicts in Indochina, there is the explosion of the refugee exodus from Vietnam, an exodus deliberately provoked by the policies of the Socialist Republic of Vietnam and one from which that government derives material benefit at the expense of tens of thousands of suffering people and of those Southeast Asian governments which continue their humanitarian policies of providing temporary asylum.

We support the concept of a truly independent and neutral Cambodia. The Kampuchean people clearly deserve at long last a genuinely representative government responsive to their aspirations. Neither Pol Pot nor the Vietnamese-installed Heng Samrin regime fulfill these criteria.

Even though the fragility of the equilibrium of which I spoke last year has become more apparent, the position of the United States in Asia remains a highly favorable one. The tensions and conflicts that do exist in Asia are essentially between Communist states—an "East-East" conflict—in which our efforts are directed at containing the effects. Our traditional friends in the region continue to move toward increased stability and prosperity but in the face of challenges both old and new. In our status as an Asian and Pacific power, we share in these challenges—challenges to peace and stability and to improvement of the human condition in Asia.

The progress that we have made together with those friends in the last 2 years has positioned us jointly to meet these challenges confidently and effectively. For our part, therefore, while we must work even harder, we do not need at this time to undertake any dramatic or major departures from our current policy course in order to maintain our favorable position in East Asia. We believe we are on the right course, and we should persevere.

But in order to meet the challenges of today and the foreseeable future, we will have to apply on occasion increased resources—diplomatic, economic, and military, government and private. This will mean selective increases in security assistance and economic assistance.

It will also mean increased attention to promotion of U.S. trade and investment in Asia and recognition of the growing economic power of the

region—power which has created both substantial opportunities and formidable problems for the United States.

Indochina

The United States is concerned over the increasing tensions in Asia that have resulted from the invasion and continuing occupation of Kampuchea by over 100,000 Vietnamese troops, and from the subsequent Chinese attack on Vietnam.

We have no intention of taking sides among the parties to these conflicts, but we do wish to see an end to the present fighting, withdrawal of Vietnamese troops from Kampuchea and of Chinese troops from Vietnam, and a general reduction in the dangerous level of tensions that now prevails.

Our position has been made clear to all of the parties concerned on numerous occasions, in public and private, over the past several months. Beginning in September, we expressed our concern to the Vietnamese and asked for clarification of their intentions in light of their troop buildup along the Kampuchean border. On November 1 we sent a letter to the U.N. Security Council expressing concern over rising tensions between Vietnam and Kampuchea, as well as the possibility of involving other countries, and asking that the Council consider how it might deal with this situation. Subsequently, we supported Security Council action on both the Vietnamese and the Chinese attacks.

Our reasons for initially drawing U.N. attention to the growing tensions

in Indochina and later for supporting Security Council actions calling for withdrawal of all foreign forces from the region were twofold.

- We were concerned that the volatile nature of the conflicts posed a wider threat to regional peace. This indeed was the case, and the Vietnamese attack on Cambodia was soon followed by the Chinese attack on Vietnam.

- We were concerned over the tragic waste of limited resources, which would have been much better employed to meet the real needs of the Vietnamese and Cambodian peoples, rather than being used to support another round of cruel fighting.

With the expansion of the fighting to the Vietnamese-Chinese border, squandered national resources and economic dislocation have become even greater. Even more important, however, is the loss in human terms, as people die in disputes which we believe could, and should, be resolved through negotiation or mediation.

Refugees

Another tragic aspect of the predicament of Indochina is the situation which impels so many citizens of those countries to want to flee them. Since the Communist victories of spring 1975, over 400,000 persons have fled to non-Communist countries from Laos, Vietnam, and Cambodia, exacting an incalculable toll in human suffering and misery and putting a heavy burden on the other countries of the region that receive them. Thailand and

SECURITY ASSISTANCE PROGRAM—EAST ASIA

(millions of U.S. dollars)

	FY 1978			FY 1979			FY 1980 REQUEST			
	MAP ¹	FMSCR ²	IMET	MAP	FMSCR	IMET	MAP	FMSCR	IMET	SSA
Burma	—	—	—	—	—	—	—	—	.031	—
Indonesia	15.0	40.0	3.064	—	32.0	2.0	—	35.0	2.0	—
Korea	—	275.0	1.493	—	225.0	1.8	—	225.0	1.8	—
Malaysia	—	16.5	0.596	—	7.5	0.5	—	7.0	0.305	—
Philippines	18.1	18.5	0.704	15.6	15.6	0.65	25.0	50.0	0.7	20.0
Taiwan	—	23.5	0.556	—	—	—	—	—	—	—
Thailand	8.0	29.5	1.050	—	30.0	0.8	—	25.0	0.9	—
TOTAL	41.1	403.0	7.463	15.6	310.1	5.75	25.0	342.0	5.736	20.0

¹ MAP figures do not include supply operations.

² FMS credits.

April 1979

Malaysia have borne particularly heavy loads and have paid an economic and a political price for their humanitarian policies toward refugees; both countries deserve our approbation and support.

That the outpouring of refugees continues, in spite of the certain hardships and possible death that await them after they have left their homelands, is mute but eloquent testimony to the conditions there. The Government of Vietnam recently announced its intention to implement procedures that would allow its citizens who wish to emigrate to do so in a more orderly and humane manner. We have no indications yet that there have been any practical results from this announced intention. For the sake of the countries of first asylum, and for the sake of those people who wish to leave Vietnam, we earnestly hope that the Vietnamese Government will follow through.

In keeping with our humanitarian tradition, we took the lead in the consultations on Indochina refugees called by the U.N. High Commissioner for Refugees last December in an effort to emphasize the international nature of the problem and to bring forth a greater response from countries which have not matched the efforts of Australia, France, Canada, and the United States in providing permanent resettlement. We are somewhat encouraged by the response of other countries, but the task is immense.

For our own part, we will continue in the American tradition of providing a haven for those fleeing political repression; we have offered permanent resettlement to over 200,000 Indochinese refugees since 1975. We will be consulting Congress on plans for the year ahead. We will make our program more efficient and responsive through the appointment of the distinguished Dick Clark, former Senator, as Ambassador at large, with the mission of integrating and overseeing all refugee programs and interests of the U.S. Government.

We have been very pleased by congressional participation in the Geneva consultations on refugees and subsequent working tours by congressional delegations to review first hand the refugee situation on Southeast Asia, including Vietnam itself. This can only lead to a better mutual understanding of the problem by the legislative and executive branches and an improved long-term refugee policy.

Military Balance

Although the main sources of actual and potential conflict are presently

between the Communist states, our military posture in the region and the defensive capabilities of our friends and allies are of prime and continuing concern to us.

Our military presence in Asia and the western Pacific remains strong, particularly in view of qualitative factors and the continuous process of upgrading of forces there. As an indication of our determination to maintain military sufficiency in the region, and an indication of our flexibility in meeting changing strategic challenges, let me just catalogue some of our recent actions.

In the wake of the Vietnamese invasion of Kampuchea, we increased and made more responsive our security assistance to Thailand. We concluded mutually beneficial amendments to the Military Bases Agreement with the Philippines. We are undertaking qualitative upgrading of air and naval forces in the Pacific. New organs for coordination of military planning in Japan and Korea make our combined efforts in those countries more efficient.

In addition to our own forces in the region, those of our allies are also significant. Our treaty commitments to the mutual defense of Japan, South Korea, the Philippines, and Japan are unshakable. Our treaty tie with Australia and New Zealand is one of the most basic and durable such relationships in history. Our commitment under the Manila pact remains valid, as the President affirmed to Thailand's Prime Minister during his visit. We remain dedicated to the security and well-being of the people on Taiwan.

We are keeping a careful eye on the development of Soviet forces in Asia. In addition to those along the border with China, which have grown by more than one-third in the last decade, the Soviet Pacific Fleet has also been strengthened. We also see this fleet ranging farther from its home ports for extended periods, including exercises in the Philippine Sea and the current deployments in the Gulf of Tonkin.

While the Soviet Pacific Fleet is not a match for U.S. naval forces in the Pacific, such developments require our careful attention and underscore the need for Congress to appropriate the funds necessary to enable us to continue to improve our own military forces and to contribute to the defense of our allies.

Japan

We have already discussed the dramatic new ties with China; in counterpoint to that stands our longstand-

ing, fundamental relationship with Japan. No relationship is more important, none more basic to U.S. interests. The U.S. alliance with Japan remains the keystone of our policy in Asia. It joins our two nations together in a durable, dynamic, and constructive relationship which is a vital element in the preservation of peace, security, and economic progress in the region.

The alliance has enabled Japan to play an increasing economic and political role in the region and the world without having to develop strategic capabilities of its own. But Japan also contributes substantial resources toward its own defense—the Japanese defense budget for 1979 is projected at \$10.5 billion, an impressive figure even though it is small as a percentage of Japan's large GNP (Japan ranks about eighth in the world in absolute size of defense budget). Much of this defense expenditure is being devoted to qualitative improvements in the self-defense forces, including the purchase of F-15 fighters and P-3C patrol aircraft. Japan's defense budget includes a substantial sum—around \$700 million—which will be contributed in 1979 to the support of U.S. forces stationed there.

I should also note a welcome degree of greater openness in discussing defense issues in Japan and a greater public appreciation of the security environment in Asia and the role of the U.S.-Japan security relationship in that environment.

While our overall relationship with Japan remains strong, there are clearly contentious problems in the economic field, especially those relating to Japan's large global current account surplus and to market access.

The Japanese trade surplus has been gradually declining in recent months. We welcome that. A continuation of the trend is of great importance. There have also been a certain number of steps forward in opening up market access in Japan, although less than we would hope.

There is, of course, much more to be done by both sides, and this year will be a critical one in U.S.-Japanese economic relations. We will work cooperatively with the Japanese to assure continuing progress. The importance of such progress transcends our bilateral relations and involves the health of the entire world trading system.

Korea

Our most immediate security concerns in Northeast Asia are focused on the Korean Peninsula. In the broader context, our relations with South Korea

are returning toward a more harmonious state after a very difficult 2 years. I do not wish to suggest that the time of testing is entirely behind us. Yet the fundamental soundness of our relationship augurs well for the future.

We have long been on record as favoring efforts to reduce tensions on the peninsula either through direct North-South talks or through meetings of all the nations directly concerned, including South Korea as a full participant. South Korea has made, over the years, several proposals for direct talks and concrete forms of cooperation with the North, but the North has historically been unwilling to participate. In January, however, the North publicly welcomed President Park's proposal for talks without preconditions, although the North tried to bend the proposal to its own conditions.

As you know, the first contacts took place at Panmunjom on February 17, and since that date the North and South have also started discussions for the South's participation in the international table tennis championships in Pyongyang, the North Korean capital, in April. The second round of political contacts is set for next week. Although it is still far too early to tell whether the North will move beyond posturing to allow fruitful results, we are cautiously hopeful.

In the meantime, neither we nor our South Korean allies can relax our vigilance against the possibility that the North will seek to reunify the peninsula by military means. The U.S. intelligence community is currently engaged in a reassessment of the data available on North Korean military strength and deployments. Because that analysis is still in progress, it would be premature to draw any definitive conclusions; however, it is already clear that we will significantly increase our estimates of some categories of North Korean strength. Certainly there is more there than is required for legitimate defensive purposes.

We continue to believe that our policy of gradually withdrawing American ground combat troops is reasonable and appropriate. It in no way diminishes the strength of our commitment to the security and well-being of South Korea as embodied in our mutual security treaty. However, as the President recently noted, further reductions will be held in abeyance until we can assess new developments, including the new intelligence data on North Korean strength, U.S.-China normalization, and the evolution of a North-South dialogue.

Meanwhile, steps have been initiated to compensate for the reduction in

ASEAN-U.S. Business Council

DEPARTMENT STATEMENT, FEB. 8, 1979¹

The Chamber of Commerce of the United States met February 8 with American business leaders active in Southeast Asia to establish the U.S. section of the ASEAN-U.S. Business Council.

The council will be a joint undertaking between private business groups in the nations of Association of South East Asian Nations (ASEAN) and the U.S. Chamber of Commerce. It is similar in organization and purpose to Business Councils created jointly with the private sectors in Japan, the European Communities, India, Egypt, and a dozen other countries. The council's main objectives are: (1) insure a high level of awareness of bilateral relations among businessmen, (2) serve as a forum to promote economic relationships, and (3) recommend ways to improve economic relations.

The Department of State believes that formation of the ASEAN-U.S. Business Council is a timely and welcome event which will contribute to and strengthen U.S. relations with ASEAN members.

The first ASEAN-U.S. Business Conference is scheduled for July 22-24 in Manila and will be cosponsored by the Chamber of Commerce of the United States and its counterpart organization.

combat power. An additional squadron of U.S. F-4 aircraft has arrived in Korea, for example, and the Congress has approved the transfer of essential U.S. equipment to Korea as U.S. forces there are redeployed. The United States and R.O.K. forces have also inaugurated a Combined Forces Command (CFC), which will improve the quality and flexibility of tactical planning and enable the Korean forces to shoulder more of the responsibility for their own defense.

Security Assistance Program

Our security assistance is considered by the nations of East Asia to be of great material and psychological value. The overall objective of the FY 1980 security assistance program which we are requesting for East Asia is to pro-

This joint endeavor is a tribute to the cooperation of the five nations—Indonesia, Malaysia, the Philippines, Singapore, and Thailand—which comprise ASEAN. This Association has created a stable, prosperous regional group of nations. It has emerged as one of the most attractive areas for international direct private investment in the developing world.

ASEAN is one of the United States' most important trading partners, with a two-way volume of trade of over \$12 billion. The member countries have enjoyed substantial rates of economic growth in the 1970's based on government support for and reliance on private investment and foreign trade.

The Department of State places high priority on maintaining U.S. competitiveness in Southeast Asia and contributing to its economic growth. We welcome expansion of two-way trade and private investment. The council will enhance U.S. business community awareness of the ample trade and investment potential offered by the region. The ASEAN-U.S. Business Council presents an excellent opportunity to work creatively toward these ends. □

¹Made available to news correspondents by Department spokesman Hodding Carter III.

vide access to the military wherewithal to cope with internal and external threats and to provide psychological reassurance of U.S. dedication to the goal of regional security and stability. As can be seen from the accompanying table, security assistance in East Asia has been declining in recent years. Especially in light of recent developments in Indochina and Korea, it is evident that there is no room for any reductions. Leaving aside the major increases in the program for the Philippines resulting from the amendment to the base agreement the level of foreign military sales (FMS) credits has decreased by 24% compared to FY 1978; the military assistance program (MAP) has been phased out except for the Philippines. The international military education and training (IMET) program has decreased by 23% in the same

period. Inflation and changes in accounting procedures have made real decreases much larger.

Indeed, the evolving security situation in Asia gives cause for concern over the levels of our security assistance program in the region. The President spoke to this in his February 20 speech at Georgia Tech [Atlanta] when he said that: "Many nations are troubled—even threatened—by the turmoil in Southeast Asia . . . To stand by our friends and to help meet their security needs in these difficult times, I will consult with the Congress to determine what additional military assistance will be required."²

We continue to give special emphasis to support of Korean security efforts in general and their 5-year force improvement plan in particular through FMS cash sales and FMS credits. For FY 1980 these credits amount to \$225 million. We will also provide the necessary grant training through the IMET program in the amount of \$1.8 million in FY 1980. This combination of FMS credits and IMET is, indeed, the bare minimum necessary to help compensate for the troop withdrawal and to support the Korean efforts to achieve greater self-sufficiency in the conduct of the defense of their country.

For the first time since 1971, we are requesting a small amount of IMET funds (\$31,000) for Burma, reflecting modest but growing U.S.-Burma cooperation.

I would like to point out also that these programs for East Asian countries have infinitesimal impact on Federal spending and even less on inflation, particularly the FMS financing program in which only 10% of the program amount is actually appropriated—for East Asia this would only be \$34.2 million in FY 1980. The foreign policy benefits in terms of regional stability and confidence in the United States far outweigh the costs in appropriated funds. This is particularly true of the IMET program, which gives us a unique opportunity to secure lasting contact and influence with military decisionmakers in friendly countries.

As the President said in Atlanta, America's fundamental security responsibilities include standing by our allies and our friends and supporting the national independence and integrity of other nations. In that spirit, I feel that it is essential, at the least, that the security assistance program I have outlined be authorized and implemented.

Philippine Bases

The Governments of the United States and the Republic of the Philip-

pines announced last December 31 that agreement had been reached on an amendment of the 1947 Military Bases Agreement. Consultations with Congress, and indeed congressional participation, were key elements in the process which led up to agreement on the future conditions of U.S. use of facilities at Clark Air Base and Subic Navy Base complex. While you are personally well aware of the history and outcome of the negotiations between our two countries, let me set forth for the record some of the more prominent features.

The final negotiations in a process that can be traced back to 1969 were carried out by representatives of the United States and the Philippines with the aim of implementing the principles in the joint statement issued by President Marcos and Vice President Mondale during the latter's visit to Manila in May 1978. Those principles were:

- The United States affirms that Philippine sovereignty extends over the bases;
- Each base shall be under the command of a Philippine base commander;
- The United States shall be assured effective command and control over U.S. personnel, employees, equipment, material, the facilities authorized for their use within military bases, and unhampered military operations involving their own forces; and
- There should be a thorough review of the agreement and amendments thereto every 5 years (the agreement continues in force through 1991).

Due to the goodwill and persistence of the negotiators during the period June-December 1978, mutually accepted terms for the amendments were worked out. I would pay particular tribute to the men on both sides who resolved in a few months issues which had, in some cases, been thorns of contention for years.

Concerning compensation, President Carter has sent a letter to President Marcos promising that the Executive Branch will make its "best effort" over the next 5 fiscal years (1980-84) to obtain for the Philippines \$50 million in grant military assistance, \$250 million in FMS credits, and \$200 million in security supporting assistance (SSA). This was the approach suggested to us during congressional consultations as an alternative to the previous U.S. proposal of \$1 billion in a treaty commitment. Members of this committee were closely consulted. In this first year, we are requesting \$25 million in grant military assistance, \$50 million in FMS financing, and \$20 million in SSA.

The SSA program for the Philippines is new. Like existing SSA programs elsewhere in the world, it will be administered by the Agency for International Development (AID). It will supplement, not supplant, our on-going AID programs in the Philippines of development assistance and PL-480 commodities.

The SSA program in the Philippines will be implemented in the form of specific projects, and we will inform the Congress of the nature of those projects. Because the program is so new, the guidelines are still being developed. We have identified three general types of projects which we believe correspond to the criteria of the congressional mandate and for which the administrative and support apparatus is already largely in place.

One of these is the construction of typhoon-proof classrooms throughout the country. The Philippines has a serious shortage of classrooms, and many existing ones, built years ago, need to be replaced.

A second field is that of public health. We have in mind helping the Philippine Government to build and equip health centers in rural areas which would emphasize preventive health care, probably using paramedical personnel.

The third type of project would involve the improvement of social and economic conditions in Angeles and Olongapo cities, just outside the gates of our facilities at Clark Air Base and Subic Naval Base, and in adjacent municipalities. AID has already conducted "shelter sector assessments" for both cities and has identified requirements for sites and services in those communities. And there is clear need for other types of developmental activity as well, such as reforestation, agricultural resettlement, flood control, land reclamation, vocational training, and social services.

These are projects about which President Marcos has expressed personal interest, and our desire to institute programs to upgrade conditions in those communities is recorded in the diplomatic notes exchanged at Manila on January 7, 1979, and in an accompanying letter from Secretary Vance to Foreign Minister Romulo.

I should like to explain why we chose to incorporate SSA—a program whose main focus is economic and social development—in our security assistance "package" for the Philippines. You may be aware that the Philippine Government had long hoped for a multiyear assistance commitment in conjunction with the amendment of the Military Bases Agreement. No such

commitment was possible, of course; the best we could and did offer was an undertaking by the President that the Administration would make its best effort, over a period of years, to seek authorization and appropriation for the Philippines of specified amounts of security assistance, and we were influenced in choosing this approach by our consultations with a number of Members of Congress a year ago or more.

In putting together our assistance package, we had to take into account the prospect that the military assistance program might be phased out in the near future and the fact that funding levels for traditional bilateral economic assistance programs have been declining in recent years. We, therefore, conceived the SSA program for the Philippines in part as a substitute for those more traditional forms of assistance and as one that could reasonably be expected to last through the 5-year life of this assistance package.

Another factor in our decision was that an SSA program is intrinsically more flexible than traditional development assistance programs. An SSA program can be developed relatively quickly, with less extensive bureaucratic preparation on the American side, and tailored to take advantage of an existing apparatus and to the needs of specific geographic areas. We made clear, in our consultations with the Congress a year ago, our intention to include an SSA program as part of our assistance package, and we received encouragement to do so from virtually everyone with whom we consulted.

We intend to administer the SSA program in the Philippines with no increase in our ceiling on American personnel permanently assigned to the AID mission in the Philippines, although we may need some temporary-duty help to get the program started. We will establish procedures to insure full accountability of the funds expended under the program. Finally, we will insure that projects funded under the SSA program will be consistent with the congressional mandate for all foreign assistance programs, will complement our on-going development assistance programs in the Philippines, and will help to meet our long-term goal of aiding the poor people of that country.

I expect you are aware that the Philippines declined an assistance package which the United States offered in 1976. It is difficult to make a clear comparison between the two offers. The 1979 package does not include development assistance or PL-480 commodities, whereas the 1976 offer did. In terms of international se-

curity assistance, however, the two packages are equal in amount—\$500 million—although somewhat different in their internal composition.

I would stress, however, that the 1979 amendment contains a number of intangible features that were not envisioned or not guaranteed in the 1976 negotiations: full and visible recognition of Philippine sovereignty; a very extensive reversion of land and water areas to the Philippines; provision of special operating rights for the United States in some of those reverted areas; and continued and unhampered operational use by our forces of the facilities which we retain.

I believe that the security assistance program that we are proposing in connection with the amendment to the bases agreement is an appropriate acknowledgment of the long and friendly relationship which we have had with the Philippines, the durability of our defense relationship, and the importance of our facilities in the Philippines to the flexibility and economical operation of our forces in the western Pacific and contiguous areas such as the Indian Ocean. I strongly urge you to authorize the full amount so that this historic agreement can begin on a successful note.

Economic Aspects

Our economic relationships with the countries of Asia and the Pacific form the centerpiece of our role in the region. The free-market economies of Asia constitute the most dynamic economic region in the world. Taken together they are doubling real gross na-

tional product every 12 years, with some of the fastest achieving this doubling every 6 or 7 years. We conduct about one-fourth of our foreign trade with East Asia—more than with all of Western Europe. U.S. exports to the world as a whole grew 19% during 1978; our exports to East Asia increased 26%. Included among the goods that we receive from Asia in exchange for our exports is about 10% of our petroleum imports, a fact that may become of increasing importance in the wake of recent events elsewhere in the world.

The breadth of our economic relationships reflects the broad diversity of economic circumstances encompassed by this vital region. I have already referred to the fundamental importance of our economic relationship with Japan, and many have spoken of the challenges and potential benefits arising from the entry of China into the world economy.

Our longstanding economic links with the developed economies of Australia and New Zealand are also an essential part of our close friendship with those staunch allies in the western Pacific. Our trade and investment with Taiwan and South Korea are at all-time highs.

ASEAN

One economic relationship which I would especially like to highlight is that with the Association of South East Asian Nations, which is continuing to emerge as a significant factor in the world political economy. At its inception in 1967 and until a very few years

Military Bases Agreement With the Philippines

LETTER TO PRESIDENT MARCOS, FEB. 16, 1979

I extend my best wishes to you, President Marcos, and to the Philippine people on this important occasion marking the first step toward implementation of the January 7 amendment to the Military Bases Agreement.

That amendment emphasized my Government's recognition of full Philippine sovereignty over the bases and your Government's willingness, in view of mutual benefits, to grant certain facilities for use by American

armed forces.

The Philippines and the United States pursue the common objectives of advancing world peace, regional stability and national independence. We have stood together as comrades in arms in meeting the major challenges to peace in this century.

It is my hope that the relations between our two nations will continue to be inspired by the spirit of harmony, understanding and mutual respect which characterized our recent negotiations and that our countries' historic ties will grow stronger with each passing year.

JIMMY CARTER □

ago, few outside observers believed that ASEAN would be successful. Yet today the organization commands political and economic respect throughout the world. No longer do leaders of those nations speak simply as Thais, Filipinos, Indonesians, Malaysians or Singaporeans; they speak also as members of ASEAN.

ASEAN has established relationships with Australia and New Zealand, with Japan, with the European Economic Community, with Canada, and with the United States. In August of last year Foreign and Economic Ministers from the ASEAN countries traveled halfway around the world for consultations with U.S. officials. They met with the President and Vice President, key members of Congress, and half of the Secretaries of Cabinet Departments, tangible evidence of the high-level attention being given by both sides to this growing relationship. The understandings and commitments endorsed by that ministerial meeting established a broad framework for cooperation that is adding a regional dimension to our enduring bilateral ties with these old friends.

The ASEAN region is economically important to the United States for its potential, as well as for present, relationships. These are among the most dynamic economies in the world. ASEAN total GNP in 1977 was nearly \$100 billion. Average annual growth rates since 1968 have ranged from 6% to 11%. The ASEAN economy supports a total population of 245 million—greater than that of South America—on a land area twice that of the European Economic Community. Average per capita GNP is over \$350, ranging from \$2,700 in Singapore to \$240 in Indonesia, the world's fifth most populous nation.

We are counting on American business to act energetically to realize the potential of ASEAN and especially to increase two-way trade both in terms of level and of U.S. market share. We must strive to expand our commercial relations in an area which is outward-looking and committed to close cooperation with the Western countries. We in government will assist, as directed by the President's export expansion policy. Highly successful visits to the ASEAN countries last fall by the Chairman of the Export-Import Bank and an Overseas Private Investment Corp. investors mission helped spotlight the promising opportunity that awaits U.S. business. The inauguration of the U.S. section of the U.S.-ASEAN Business Council in Washington 2 weeks ago is a hopeful sign.

Trade and Adjustment Problems

It is clear that 1979 will see the Administration engaged in extensive consultations with both the Asian countries and the Congress over problems of trade and adjustment, particularly as concern Japan and the advanced developing countries of Asia.

Congress will be faced with some of these problems when issues related to the multilateral trade negotiations (MTN) come before you. The coming year is a particularly critical year for these trade-related problems. While we have reached agreements with most industrial nations, during this year we must still reach agreement with East Asian less developed countries on reductions in trade barriers through the MTN; we must present MTN legislation before Congress; and we must deal with a protectionist sentiment that appears stronger than at any time in recent memory.

For all to realize the gains from trade, we must protect an open and liberal world trading order. This policy brings increased benefits and challenges, and we must strengthen the ability of the United States to gain its full share of the benefits.

To this end the President has embarked the United States on a campaign to increase the competitiveness of U.S. exports and to enable us to maintain and expand our position in foreign markets. This campaign will be especially important in Asia. For it to succeed will take some adjustment of attitude and management from both the U.S. Government and U.S. business. If either the United States or other countries resist imports through overt or indirect protectionist devices, then the system will not work to full advantage of all, and we will all be hard put to prevent protectionist retaliation.

Economic Assistance

The United States can take great pride in the role its economic assistance has played in supporting sound and equitable growth in the region. The more advanced of the developing economies have largely outgrown the need for bilateral development assistance, including two of the star graduates of U.S. aid programs—Korea and Taiwan.

Our bilateral economic assistance is currently concentrated on a trio of the less advanced Southeast Asian market-economy nations—Indonesia, the Philippines, and Thailand. In our FY 1980 program for these countries on which Administration officials will

testify in detail later, we are seeking a total of \$124.4 million in development assistance (exclusive of \$20 million in SSA for the Philippines) and \$154.1 million PL-480 food aid.

Despite impressive achievements, Indonesia's development needs remain formidable. An estimated 60% of the population of 140 million live at a level that does not provide basic human needs. Underemployment and unemployment are as high as 30-40%. Our bilateral assistance focuses on assisting the Government of Indonesia's determined efforts to increase agricultural productivity; to improve incomes, employment opportunities, and living conditions in rural areas; to stem population growth; and to train critically needed personnel. PL-480 continues to meet critical food shortages and provides local currency for Indonesia's development budget.

The emphasis in our bilateral aid programs in the Philippines and Thailand is on helping to assure that the benefits of development are extended to the rural poor. We are assisting the Government of the Philippines, for example, in projects targeted on small-scale rice and corn farmers and programs to improve health services and nutrition in rural areas. Food through PL-480 will permit more maternal-child and student feeding programs and benefit thousands of malnourished Filipinos.

We are giving special attention in Thailand to encouraging an integrated approach in programs to raise the incomes and living standards of subsistence farmers, squatters, and hill tribes. This assistance gives tangible evidence of our support for the strong commitment the Government of Prime Minister Kriangsak has given to expanding rural development efforts.

A request for \$40 million for PL-480 sales to Korea is linked to a previous commitment which we hope to complete in FY 1981. We are also engaged on a regional basis in modest development cooperation efforts with the South Pacific island countries and ASEAN.

Conclusion

Our military position is strong, and we have stable and progressive friends and allies in the region. The dark clouds in the Asian sky result from conflicts between the Communist states in the area—conflicts which have dangerous potential but which we are working to see do not expand to reach that potential. The economic picture is likewise generally bright, although there are dark spots and chal-

Security Assistance Report on Korea, 1978

Secretary Vance, on behalf of the President, transmitted the following report on January 15, 1979, to Thomas P. O'Neill, Jr., Speaker of the House of Representatives; John C. Stennis, Chairman of the Senate Armed Services Committee; and Frank Church, Chairman ad interim of the Senate Foreign Relations Committee.

INTRODUCTION

This report is submitted in accordance with Section 668 of the Foreign Assistance Act of 1961, as amended.

This is the third in a series of annual reports submitted under section 668; the information provided herein is supplemental to that provided in the two earlier reports. The 1976 report had a historical focus, describing the U.S. military role in Korea since 1945 and summarizing U.S. security assistance during that period. The 1977 report provided an account of President Carter's decision to withdraw U.S. ground combat forces from Korea, the considerations on which the decision was based, and an assessment of the implications of the decision for the preservation of peace and stability in the Northeast Asia region and the continued deterrence of North Korea aggression.

The preface of this 1978 report provides a brief overview of the current military situation on the Korean Peninsula and the U.S. policies designed to assist the Republic of Korea in countering the threat from the North. Part I reviews the progress made by Korea over the past year in modernizing its armed forces. Part II describes the role of the United States in mutual security efforts with the Republic of Korea, and part III reports on the progress of steps designed to implement the President's

decision gradually to withdraw U.S. ground combat forces from the peninsula in a way that will not be destabilizing.

PREFACE

The Republic of Korea (R.O.K.) occupies about half the land area of the peninsula and contains about two-thirds of the population. Over the past 15 years, it has made impressive economic progress by pursuing a strategy of economic growth linked with the world trading community. During this period it has put comparatively little emphasis on the development of defense industries, choosing instead to rely for the most part on the United States for defense materiel requirements, initially through grant military assistance and more recently through the foreign military sales (FMS) program. Of late the R.O.K. has turned its attention to the development, with U.S. assistance, of indigenous defense industries, and greater emphasis will be given to this effort in the future.

In sharp contrast, the Communist regime in the North has concentrated its development efforts on heavy industry, with particular emphasis on military-related sectors. Under the cloak of secrecy and isolation which characterizes North Korean society, it has developed and deployed a massive military capability for a nation of its size, including domestically produced tanks, armored vehicles, long-range self-propelled artillery, and a wide range of ships and submarines. North Korea continues to increase its offensive strength through, among other things, the production of modern weapons and the expansion of its military industry.

The U.S. commitment to Korean se-

curity and the U.S. and Korean combined forces on the peninsula have provided an effective deterrent to North Korean attack. Further, the U.S. Government has concluded, as noted in the 1977 report, that the decision to withdraw U.S. ground combat forces, if carefully phased over a 4-5 year period and accompanied by appropriate measures to strengthen and modernize R.O.K. forces, can be implemented without endangering the peace and stability of the region. This conclusion remains valid. In close consultation with Congress, the R.O.K. and our other Asian allies, however, we will continually assess changes in the situation, and our plans will be adjusted if developments so warrant.

We must remain alert to changing circumstances. Intelligence analysis currently in progress has led to the conclusion that the North Koreans are substantially stronger than had been estimated earlier. Because the analysis is still in progress, it is premature to discuss details of the new estimates. When the new estimates are ready they will, of course, be factored into our on-going assessment of conditions on the peninsula. The extraordinary secrecy of North Korean society has made it difficult to detect increases in the number of men under arms or their deployment. North Korea's precise military intentions are also extraordinarily difficult to ascertain on a timely basis. We can anticipate that North Korea will continue to develop and operate its defense establishment in a surreptitious way.

Because the military threat from North Korea remains serious, and given Pyongyang's intransigent posture and rejection of repeated R.O.K. initiatives to decrease tensions on the peninsula, the United States must continue to assist the R.O.K. in its efforts to strengthen its own defense capabilities. Coupled with the direct U.S. commitment to defend the R.O.K., our assistance is designed to make clear to North Korea and others that any attack will meet with an immediate and strong response, that no armed attack can succeed, and that constructive, peaceful cooperation in the search for means of reducing tensions on the peninsula is the only fruitful approach to the Korean question.

I. Progress Made by the R.O.K. to Modernize Its Forces

The 5-year force improvement plan (FIP) initiated by President Park in mid-1975 is now more than half com-

Assistance Proposals (cont'd)

plishes which will make the next year a crucial one in our relations with Asia.

The past year has seen events of lasting historical significance that underscore the unalterable position of the United States as an Asian and Pacific power. I do not have to proclaim that fact of geopolitical life which is by now unmistakable to all. To maintain our favorable position in Asia will require constant and imaginative policy

formulation and management. In that regard I look forward to continued consultation and cooperation with the Congress, and particularly with this committee. □

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 Mar. 1979, p. 21.

pleted. As of September 1978 the Korean Government had allocated funds for about 65% of the \$5 billion earmarked for FIP. About a third of the 124 projects involved have been completed, and most of the remaining projects are in active stages of development and/or acquisition. As a part of the FIP, the R.O.K. is proceeding with a vigorous program to expand domestic defense production and to decrease reliance on foreign sources of supply and ultimately to reduce the defense sector's demands on scarce foreign exchange resources. The drive toward greater self-sufficiency is being pursued, however, with the understanding and the assurance that the United States will continue to serve as a source for defense supplies and equipment, particularly of major sophisticated weapons systems required to counter North Korea's unremitting efforts to strengthen its offensive capabilities still further.

Between 1970 and 1978 Korean GNP grew at a compound annual rate of more than 10% in real terms, and the share of this expanding output devoted to defense rose over the same period from 4% to 6.5%. (In current prices defense spending increased from \$300 million in 1970 to \$2.6 billion in 1978.) In 1979 defense expenditures are expected to increase again in absolute terms, but the defense share of GNP is expected to be held to about 6.2%. This reflects efforts by the government to balance the budgetary requirements of the essential defense sector against those of other important programs, including industrial development, housing, education, and health.

We continue to believe that the FIP is economically feasible and consistent with U.S. security objectives. The continuing high rate of growth of the Korean economy will enable the government to support the local currency costs of the plan without diverting an unacceptably large share of resources

from economic growth and social programs, the critical importance of which we endorse. However, the R.O.K. may have difficulty in providing foreign exchange in the quantities and at the times required to cover all the costs of needed major weapons systems, such as aircraft and improved antiarmor capability. With this in mind, we have informed the Korean Government that we anticipate requesting from the Congress again in FY 1980 authorization for substantial foreign military sales credits. These credits will be an important supplement to the far larger amount supplied directly by the R.O.K. U.S. plans to withdraw ground combat forces from the R.O.K. have given rise to some restructuring of the FIP and will be a critical element in the formulation of a second 5-year FIP for 1981-86.

In 1978 the R.O.K. placed new FMS orders for about \$390 million worth of defense equipment, including the following major items: AIM 7-E missiles, tank upgrade kits, precision guided munitions, and communications equipment for command and control networks. In addition, the R.O.K. purchased large quantities of spare parts and maintenance packages for equipment already in its inventory. Major equipment deliveries during the year included TOW antitank missiles, UH-H helicopters, an additional destroyer, Harpoon ship-to-ship missiles, F-4 and F-5 aircraft, and air-to-air missiles. The R.O.K. procured from U.S. forces in Korea two additional Nike-Hercules batteries.

The program to develop and expand the defense industries sector has made impressive strides in the past year. A major achievement was the opening of an integrated facility for rebuilding older M-48 tanks, upgrading them to the M-48A3 and M-48A5 configurations. The R.O.K. Air Force's maintenance depot has increased its capacity and level of technical skill, and considerable gains have been made in the

production of artillery and components to rehabilitate artillery already in the R.O.K. inventory. Production continues of air defense weapons, light helicopters, infantry weapons, and naval patrol craft.

II. Role of the U.S. in Mutual Security Efforts

The central contribution of the United States to mutual security efforts in Korea lies in its treaty commitment to Korean security. This commitment is unaffected by the decision gradually to withdraw U.S. ground combat forces. The United States and Korea will continue to work together to maintain a strong deterrent. U.S. forces will only be withdrawn in a way which does not reduce the overall combat capability, and important U.S. components—including Air Force, logistic, and intelligence capability—will remain in Korea.

In 1978 the United States also provided support to Korean security efforts in the form of FMS cash sales, FMS credits amounting to \$275 million, and a \$1.5 million military education and training grant. This financial assistance has been in support of the FIP, and it is anticipated that the Korean requirement for such assistance will extend through FY 1981 when the FIP is expected to be completed.

The Congress acted in 1978 to authorize the transfer to R.O.K. forces of defense articles from withdrawing units. That authorization was essential to our ability to implement the withdrawal program in a way that is not destabilizing to the peninsula or the region. The transfer of equipment will take place over the several years of the withdrawal process. The Congress also authorized provision of defense services, including training related to the transfer.

Another major U.S. contribution to mutual security efforts in the next several years will be to support the transition of the greater defense burden to Korean forces as U.S. ground combat forces are withdrawn from the R.O.K. It is essential that U.S. and Korean officials at all levels work together to insure that the combination of R.O.K. forces and those remaining U.S. elements retain at least the same combat capability as forces now in the R.O.K. To do this, Korean personnel must be trained, in some cases for extended periods, either in the United States or with U.S. or R.O.K. units in Korea, in sufficient time to take over U.S. weapons and equipment to be transferred.

**NATIONAL AND DEFENSE BUDGETS
1970-79*
(% OF GNP)**

	70	71	72	73	74	75	76	77	78	79
National	17	17.3	18.2	13.3	15.6	18	19.5	18	18.6	18.5
Defense	4	4.3	4.5	3.7	4.5	5	6.2	6.2	6.5	6.2

*Data are the latest published by the R.O.K. Economic Planning Board. Differences from data presented in previous reports may be due to differences in totals being compared (e.g., estimated, preliminary, or final GNP) and to the time at which the data base was selected (e.g., original budget submission, original budget plus supplemental, or actual expenditures).

U.S. security assistance to Korea continues to emphasize the development of a modern resource management system, keyed to Korean needs, embracing the fields of planning, procurement, logistics, education, and defense research. Particular emphasis has been placed on management information and quality assurance to facilitate decisionmaking by R.O.K. defense officials at all levels and to aid in the development of the indigenous Korean defense effort along balanced, rational, and cost-effective lines. As the R.O.K. defense structure becomes more complex, such skills are essential both within the defense establishment and to insure smooth working relationships with the industrial sector.

III. Actions to Implement the Withdrawal Program

On April 21, 1978, the President announced a modification of the withdrawal schedule described in the 1977 report. The revision affected the first phase of the withdrawal schedule, involving 6,000 men, which is now scheduled to be implemented in 1978 and 1979 rather than entirely in 1978. By the end of 1978, 3,400 men were withdrawn, including 850 from the 2nd Infantry Division. The remaining 2,600 men involved in the first phase are scheduled to leave Korea in 1979. Their departure will involve transfer to Korean forces of equipment and weapons for one Honest John surface-to-surface missile battalion, three antitank companies, and one engineer battalion. The authorized combined U.S. force level in Korea by January 1, 1980, will be 36,000.

The President's decision to stretch out the implementation of the first phase of the withdrawal recognized the importance of congressional approval of the equipment transfer package to the successful implementation of the withdrawal. Congress had not yet acted at the time of the President's announcement but subsequently authorized the equipment transfer which will allow the withdrawal to proceed with confidence. The second and third increments will be carefully phased to maintain an undiminished combined U.S.-R.O.K. combat capability through the withdrawal period and will take account of the ability of R.O.K. forces to absorb the equipment being turned over to them.

As previously planned, in November the 60 U.S. F-4 aircraft already stationed in Korea were augmented by the addition of 12 more F-4's.

Visit of Thai Prime Minister Kriangsak

Prime Minister Kriangsak Chomanan of Thailand made an official visit to the United States February 4-16, 1979. While in Washington (February 4-8), he met with President Carter and other government officials. Following is the text of a joint press statement issued on February 7.¹

At the invitation of the President of the United States of America and Mrs. Carter, the Prime Minister of the Kingdom of Thailand Kriangsak Chomanan and Madame Khunying Virat Chomanan are visiting the United States officially during the period February 4 to February 16, 1979. In addition to Washington, D.C., the Prime Minister and his party will also extend his official travel to New York City, Los Angeles, and Honolulu.

The President's invitation to the Prime Minister was extended last May by Vice President Mondale during his visit to Thailand and Southeast Asia.

Purpose and Significance

The President welcomed the Prime Minister recognizing particularly the long and close relations between the United States and Thailand. The two countries have had diplomatic contact for nearly a century and a half and the fabric of

U.S. and Thai relations has been particularly close for over 30 years.

The visit enabled the two leaders to discuss directly recent events in Asia and Southeast Asia and the efforts of the two governments to pursue regional peace and stability. The President was able to hear first-hand views from one of the leaders of ASEAN [Association of South East Asian Nations], a dynamic organization recognized internationally as dedicated to peace, stability, and economic growth in Southeast Asia. ASEAN has the active support of the United States as well as Japan, Australia, New Zealand, Canada, the EEC [European Economic Community], and other nations.

The Meetings

The President reviewed the U.S. role as an Asian and Pacific power and noted recent developments, including the normalization of U.S. relations with China and the new agreement on U.S. bases in the Philippines, which contribute constructively to the future of the region.

The Prime Minister outlined his view of current developments in Indochina and the policies which the Thai Government is pursuing to support a peaceful system of independent states in the region, a goal which the United States shares. He welcomed U.S. relations with China as a positive contribution. Both the Prime Minister and the President agreed on the importance of an independent Cambodia to regional stability.

Before the end of 1978, the United States and R.O.K. inaugurated the R.O.K.-U.S. Combined Forces Command (CFC). The Commander in Chief, CFC, who is also CofC, United Nations Command/Commander U.S. Forces Korea, exercises operational control of R.O.K. and designated U.S. forces in defense of the republic. Strategic guidance and direction for the CFC is provided by the R.O.K. and U.S. national command and military authorities through the R.O.K.-U.S. Military Committee. The CFC represents a significant action which is integral to the implementation of the withdrawal program.

We have continued to consult with the Korean Government on the military threat, the development of R.O.K. capabilities to meet the threat, and other developments affecting peace and stability in the region. In the past year, we have expanded joint military exercises and have provided, in consonance with U.S. laws and regulations, sup-

port to South Korean industry in selected areas of defense production.

We intend, as the withdrawal program proceeds, to sustain an effective deterrent to war in Korea based on our firm and continuing defense commitment, assistance to R.O.K. efforts toward greater self-sufficiency, and with constant review of the withdrawal process and its effects. North Korea remains an intransigent and heavily armed adversary. The North continues to build up its military arsenal at a rate which clearly involves major sacrifices for the North Korean people. We will continue to support South Korean efforts to resume the moribund dialogue with Pyongyang as well as other initiatives to reduce tensions on the peninsula. But lacking any sign from the North that it is willing to revise its consistently hostile attitude toward the R.O.K., we will continue to assist the R.O.K. in deterring any efforts by Pyongyang to reunify the peninsula on its own terms. □

American and Japanese Interests in Southeast Asia

by David D. Newsom

Address before the International Study and Research Institute, Inc., in New York City on January 11, 1979. Ambassador Newsom is Under Secretary for Political Affairs.

I wish to talk today about the U.S. and Japanese relationships with Southeast Asia from the standpoint of those most directly concerned—the nations of Southeast Asia. Their perceptions of the respective roles and attitudes of the United States and Japan are important to the shaping of the basic relationships.

At the beginning, let me address my remarks to the relationship and perspectives of the five members of ASEAN—the Association of South East Asian Nations [Indonesia, Malaysia, the Philippines, Singapore, and Thailand]. The nations of Indochina present different and complex elements bearing on this subject. I shall discuss them separately.

The United States enjoys a basically favorable position in each of the five nations of ASEAN. While there have been differences with each in the past, these are largely minimized today. Our relationship with the Philippines is still marked by the vestigial feelings of a former colonial tie, but our cooperation remains close. Only last week we completed negotiations on the continu-

ing U.S. efforts with other nations to do more.

The President congratulated the Prime Minister on current progress to combat narcotics production and trafficking in and through Thailand, particularly the creation of innovative crop substitution programs. They agreed on the need for expanded cooperative efforts in this area of such importance to the United States and Thailand as well as other affected countries.

Prime Minister Kriangsak invited President Carter to visit Thailand. The President expressed pleasure and said he would seek a mutually convenient time. □

¹ List of Thai officials accompanying the Prime Minister and U.S. officials who participated in the meeting with the President omitted (text from Weekly Compilation of Presidential Documents of Feb. 12, 1979). For remarks made at the arrival ceremony on the South Lawn of the White House and an exchange of toasts at the state dinner on Feb. 6, see Weekly Compilation of Feb. 12, pp. 221 and 226 respectively.

ation of our military bases in that country.

Indonesia looks to us as a major trading partner. We take almost 40% of Indonesia's oil exports and are a major purchaser of their rubber, tin, and coffee. Indonesia is disappointed at the very slow process of our decision on taking their liquefied natural gas as another source of energy.

Our links to Thailand have been close throughout the postwar years. We are looking forward to the visit of Prime Minister Kriangsak to Washington next month.

Singapore and Malaysia are close friends. Our business firms have found a climate that encourages mutually beneficial trade and investment.

There are also problems.

U.S.-ASEAN Political and Military Issues

On the political side, there is an ambivalence toward the United States. Consistent with their nonaligned posture, the nations of ASEAN do not encourage a wider formal security role for the United States in the area. Malaysia is the primary formulator of the idea of a zone of peace, freedom, and neutrality in the region. While the Filipinos have agreed to the continuation of our base agreement, they have insisted strongly on a much greater assertion of Philippine sovereignty than in the past.

During the 3½ years since the end of the Indochina conflict, these five countries have adjusted well to the reduction of U.S. military forces in Southeast Asia and to their consequent need to become more self-reliant. Their increasingly close mutual cooperation within ASEAN—an economic and political but not a military organization—has significantly increased their strength and stability, both individually and collectively.

While eschewing any military relationship between the United States and ASEAN, these nations clearly do not wish to see a weakening or withdrawal of an American presence, symbolized largely in the continued activity of our 7th Fleet in the waters of the region. They regard the intentions of the United States essentially as benign and have been concerned that, following the collapse in Vietnam, the United States would take a less active role in

The President stated that the United States supports the integrity of Thailand both in terms of the historic US-Thai friendship as well as our interest in Thailand as a stable, secure, and peaceful nation in Southeast Asia with an important role in regional peace and cohesion. He confirmed the continuing validity of U.S. commitments in the Manila Pact.

The Prime Minister stressed that Thailand's policies are based on self-reliance and independence. Foreign economic and military assistance are important but must be complementary to Thailand's own policies and efforts.

Within the context of an ongoing military assistance program, the United States will expedite items of military equipment already ordered by Thailand and has increased military credits (FMS) [foreign military sales] for FY 1979. The United States will consider sympathetically new Thai requests. The President also stated congressional authorization would be sought for the cost-free transfer to Thailand of \$11.3 million of U.S. owned ammunition currently stored there.

The two leaders noted the success of Thailand's economic policies, its plan to continue rapid and equitable growth policies, and the dynamic aspects of the ASEAN region. The President was particularly impressed by the priority given to rural development during Thailand's 1979 "Year of the Farmer" and confirmed the continuing U.S. supplementary role in supporting the new Thai emphasis.

The Prime Minister welcomed the continuing economic interests of the United States and other nations in Thailand and ASEAN, particularly American investment and other business activities. He noted the favorable business climate offered by Thailand to foreign commerce and investment and discussed plans to improve the situation further. The President welcomed U.S. firms contributing to economic growth and trade with Thailand and hoped our business relations would expand as more American firms become aware of the opportunities in Thailand and the ASEAN region.

The Prime Minister of Thailand stressed the serious burdens in providing temporary shelter and care to Indochinese refugees. He urged the international community to take additional steps to ease the problem. The President appreciated the humanitarian policies of Thailand, outlined his commitment to a long-range systematic U.S. program of resettlement, and reviewed the con-

Prime Minister Kriangsak and President Carter.



Southeast Asia. To the extent that any major power needs to play a security role in the area, their preference is for the United States.

U.S.-ASEAN Economic Issues

The nations of the area also look to the United States as the second largest trading partner and second largest present and potential investor. They express disappointment in the U.S. attitude toward commodity agreements—including the common fund—which they see not only as stabilizing revenues but also as a strong hedge against inflation. They remember that 4 years ago the un-stabilized price of sugar shot up to 60¢ a pound.

They also express disappointment that the private sector of the United States does not recognize the potential of this rapidly growing and largely private enterprise oriented region. Nor does it give sufficient weight to the current importance of these markets and the vital resources which the region has to offer.

There is a general disappointment, too, that U.S. markets are not more available for many of the products of the ASEAN nations, particularly those of their new industries. Indonesia, in particular, has regretted that our Federal energy authorities are not more positive on liquefied natural gas imports. The congressional ban against generalized preferences for countries that are members of the Organization of Petroleum Exporting Countries also effectively excludes Indonesia from the benefits of the generalized preference provisions of our Trade Act.

These economic issues are now being addressed in the U.S.-ASEAN dialogue. Opened with the U.S.-ASEAN economic consultation in Manila in September 1977, a highly successful second round of the dialogue was held in Washington August 3-4, conducted at the ministerial level. The August meeting involved participation by President Carter, Vice President Mondale, five U.S. Cabinet officers, and 14 ASEAN ministers. The meeting established a broad framework for growing cooperation between the United States and ASEAN, with particular emphasis on expanding trade and business relations.¹

American business is welcome in the area. There is a general feeling that U.S. traders and investors have sought to respond to local sensitivities and to be imaginative and cooperative in bringing nationals of the countries into

their enterprises. Many in Southeast Asia see U.S. business, however, as less competitive than others, both in terms of credit and in terms of price and availability.

Japan-ASEAN Relations

The ASEAN perception of the Japanese is more complicated. There is no doubt that, despite the lapse of three decades, there are still feelings toward the Japanese that date from World War II.

They would not wish to see any other nation—including the United States—appear to approach Southeast Asia through Japan. The nations of the area wish to deal directly with key nations outside the region.

They clearly do not wish to see Japan rearm and welcomed Prime Minister Fukuda's assurances in this regard in Manila in 1977. They quietly welcome the U.S.-Japan defense treaty which makes this unnecessary.

But, while recognizing this, these nations generally feel there is no industrialized nation other than Japan which can do as well in providing the machinery, the expertise, and the financing for their development. Still, it is clear, as in the case of Indonesian liquefied natural gas, that none of these countries wish to depend exclusively on Japan as the only market for any major commodity. They all hope the United States will become more rather than less competitive. They very badly need the United States to act as a balance, a counterweight to excessive Japanese influence.

Thus, Japan has nearly 25% of the market of the ASEAN states, compared to 14% for the United States. In 1977 Japanese sales to ASEAN totaled \$6.9 billion compared to \$3.9 billion from the United States. In 1977 the European Economic Community nosed out the United States for the second spot; its share of the ASEAN market was 14.6%.

The visit of Japanese Prime Minister Tanaka to Bangkok and Jakarta in 1974 was accompanied by riots in both of these cities against the Japanese. If one grants that, in the Indonesian case at least, there were local reasons for the riots which had nothing to do with the Japanese; the manifestations, nevertheless, demonstrated underlying feelings toward the Japanese presence.

Since the Tanaka visit, Tokyo has sought to achieve a better understanding of the region and relate more effectively to national aspirations. There has been an increased tendency on the part of the Japanese in several of the coun-

tries to seek joint ventures with nationals of the country.

Japan was the second entity, after the European Economic Community, with which the ASEAN nations opened an economic dialogue.

Japan's new Prime Minister, Masayoshi Ohira, has already spoken of the importance to Japan of Southeast Asia and the Pacific and has promised to honor earlier Japanese commitments to double official development assistance during the next 3 years. During 1977 about 60% of Japan's total overseas development assistance was concentrated on Asia—mainly the ASEAN countries.

Japan in recent years has pledged substantial help to major projects with both political and economic significance in the ASEAN countries. One such is the giant Asahan project in Sumatra which will involve a substantial hydroelectric and alumina complex. Japan has committed \$1 billion to the five ASEAN joint industrial projects.

As with the United States, the nations of the area are unhappy with Japan's failure to reduce trade barriers or to give preference to the import of certain products of ASEAN nations. In October 1978, with 60% of its trade deficit with Japan, Thailand considered banning Japanese imports.

Having sketched the way in which each nation is seen from the ASEAN area, let me say a few words on the interrelationship of the United States and Japan in the area.

U.S.-Japan Interrelationship

Japan and the United States have a shared interest in the peaceful development of the nations of the region as stable, prosperous, progressive, and independent nation states.

We also share a major interest in insuring that the area is not dominated by any outside powers. The security of transit routes and access to markets and resources is important to us both. The access to resources on a reasonable basis is vital to Japan.

The reality of geography, the fact of commercial competition, and the influence of history mean that these interests are separately pursued. That, in no way, diminishes the basic common interests which underlie our relationship.

Given Japan's resource dependency, it must naturally place the utmost priority on protection of markets and sea routes for its oil tankers, access to raw materials of the area, and opportunities for new investment. That Japan

has nearly half of its overseas investment in the Southeast Asia region is testimony to Japan's interest in and commitment to the region.

U.S. interests are very similar to those of Japan. We seek closer cooperation with the nations and with Japanese interests in several areas, including increased investment, more effective economic assistance, energy resources, development, and more exchanges in the scientific and cultural areas.

We firmly believe that parallel efforts by the United States and Japan in Southeast Asia will contribute to the efforts by the countries of the area working toward their own development and an improvement in the condition of their peoples.

I have been speaking of the Japanese and U.S. relationship to the nations of ASEAN. Here the general progress of these countries, their true independence, and their concentration on their own development makes possible the kind of mutually beneficial cooperation we each seek.

There are other areas where this is less possible. I refer to the Indochinese states.

Indochina. Japan and the United States share common concerns over the current developments in these states. The continuation of conflict, the violation of the territory of one state by another, the human rights deprivations in Kampuchea, and the clear roles of outside powers are matters which have implications for the peace and security of the whole region.

Japan has, over the past years since the end of the Indochinese war, been able to exercise greater flexibility in its approach, particularly to Vietnam, than we. Japan, for example, has established diplomatic relations with Hanoi, and its businessmen have been demonstrating a keen interest in trade and development possibilities of all three states.

We are, of course, restricted in what we can do. Talks last year improved prospects of normalization with Vietnam, but, under present circumstances, we do not anticipate any movement on normalization. We had no dealings with the Pol Pot regime in Kampuchea, whose human rights policies we consistently condemned. There seems little prospect now for any U.S. relationship with Kampuchea in the immediate future. We do have, however, an Embassy in Laos with a small staff.

Current events in Indochina have an immediate impact on the states of ASEAN in two ways.

The aggressiveness of Vietnam, whatever may be the reasons or animosities in which the current conflict is based, has raised the concerns of the ASEAN nations over the longer range ambitions of Hanoi. These concerns died down after the end of the Vietnam war and indications that Hanoi was turning its attention to its internal reconstruction. That now may seem less certain to the nations of ASEAN. The degree of concern will undoubtedly be reflected in their discussions with us, as well as with the Japanese.

Events in Indochina have also resulted in an unprecedented flow of refugees southward to the nations of ASEAN. Confronted by numbers of refugees far beyond what they might have expected, these nations have turned to the United States, to Japan, and to others for help. Thailand and Malaysia are particularly affected.

The United States has responded by taking substantial numbers of refugees and by making substantial contributions to the funds of the U.N. High Commissioner for Refugees (UNHCR), who is charged with their resettlement.

Resettlement of Indochinese refugees presents a much more difficult problem for crowded Japan, but Japan is contributing financially to the work of the High Commissioner. After the United States, Japan is the second largest contributor to the UNHCR.

The stability of these countries neighboring on Vietnam could well be affected if we cannot, through cooperation with many nations, find ways to relieve them of this tragic human burden. The nations of the area face the prospect that, conceivably, as many as a million persons could leave Vietnam and other Indochinese states in the course of the coming months. The international community has a serious obligation to find ways of dealing with such possibilities.

People's Republic of China. In assessing the relations of Japan and the United States with Southeast Asia, one cannot fail to mention the People's Republic of China. Its potential impact on this area and on the relationship of Japan and the United States to the region can only be stated now in question form.

China's need for capital and technology today are as great as those of the nations of Southeast Asia. Perhaps China, too, in the future will become a major element in the political and economic futures of the nations of the region.

China will continue to follow closely

and to demonstrate an interest in the Chinese communities in each country, although the present regime in China has firmly supported the obligations of the overseas Chinese to the countries in which they reside.

The availability of large amounts of Chinese oil for markets in the Pacific—including both the United States and Japan—could have an impact on Indonesian petroleum sales prospects. But this is not regarded as a serious problem in the foreseeable future. Chinese may also come to compete with ASEAN and/or Asians for export markets, perhaps in textiles, as well as in seeking sources of external financing.

However, our general presumption is that the Chinese will continue to support the active presence of both Japan and the United States in Southeast Asia and will also support ASEAN. They will be even more inclined to do so in view of our own recent decision to normalize relations.

The picture that emerges, therefore, is relatively simple. The five nations of ASEAN, moving with considerable success to enhance their development and their prosperity, look to the United States and Japan as significant partners in the process. They look quietly to the United States as an important partner in their security.

Japan and the United States recognize this and, in parallel ways—acknowledging natural nuances of interest—seek to respond.

All share a concern over events in Indochina where continued warfare casts a shadow over hopes for a completely peaceful Southeast Asia.

With current limited influence on the policies of the Indochina states, both Japan and the United States can only hope that these nations will come to realize that their broad interests are not served by prolonged warfare, opening the possibilities for the interplay of outside powers as well as the postponement of any real improvement in the lives of their peoples.

There are few areas in the world outside Southeast Asia where any two major countries recognize and carry forward parallel common interest to the same extent. Despite differences in the area of bilateral trade policies and future growth, here is an area where the United States and Japan find common ground. We believe it is in our interest and in the interest of the nations of the area that we continue to do so. □

¹For material on this ministerial meeting, see BULLETIN of Sept. 1978, p. 19.

ECONOMICS: America's Stake in the World Economy

by Secretary Vance

Remarks before the Council on Foreign Diplomats at the Department of State on February 27, 1979.¹

The Executive Council on Foreign Diplomats has made an important contribution to our nation's relations throughout the world by translating an innovative idea into a valuable program. By assisting foreign diplomats to expand their American experience, you are enabling them to realize the richness of our culture, the diversity of our people, and the workings of our democracy.

Our support for the council's program is strong and enthusiastic. I want personally to express my appreciation to all of you for this most important effort.

I want to talk with you this afternoon about an issue of great importance to our future—America's stake in a healthy, outward-looking economy, one that is vigorously engaged in trade and investment abroad.

The President has spoken in recent days of the challenges of leadership in a world undergoing rapid change. Much of this change is the product of forces with which our nation is quite familiar: the determination of people around the world to live better lives; their drive to participate in the basic decisions of their government; and the pushes and pulls that often accompany modernization.

No nation—no matter how powerful—can always guarantee that change will work to its immediate advantage. But our strengths as a nation—and our ability to thrive in a world of change—are unsurpassed.

- Our military power is strong and flexible, and with reasoned increases in our defense programs and sound arms control measures, we will enhance our security.

- Our position as the leader in the search for peaceful resolution of conflict is unchallenged, and we are intensively engaged in efforts around the world to bring peace where there is now strife.

- The way of life of our people, and what we believe in as a nation, continue to have magnetic appeal around the world.

The foundation on which all these

rests is a vigorous and healthy national economy—one which continues to provide expanding opportunity for our people and continues to serve as an engine for creative change around the world.

Increasingly, the health of our domestic economy depends upon the ability of our private sector to seize opportunities for expanding commercial activity in a healthy world economy.

- One out of every eight manufacturing jobs in the United States depends on exports. For every one of those jobs, another one—in a supporting industry—is created.

- Exports are one of the fastest growing sectors of our economy. In at least 42 States, export sales of manufactured goods grew faster between 1972 and 1976 than domestic sales.

- Every third acre of farmland in the United States produces for export.

- Today, one out of every three dollars of U.S. corporate profits is derived from international activities.

What I have described is the profile of a nation whose prosperity depends upon a growing world economy and a healthy trading and investment climate.

Let me take a few moments to discuss with you Administration programs which can help build a climate for sustained economic growth in the United States and abroad—our efforts to fight inflation, to promote U.S. exports, and to strengthen our economic assistance abroad.

In discussing each, I particularly want to stress three basic points.

First, strong and effective anti-inflation and export programs are essential not only to our domestic prosperity but also to stable growth in the world economy which maximizes trade and investment opportunities.

Second, our foreign assistance programs serve not only to promote a more humane, stable, and equitable world, they also create new export markets and new sources of global growth.

Third, while government plays an essential role in the advancement of our economic objectives—be they domestic or international—business cooperation is essential to fight inflation and to seize new export opportunities.

Reducing Inflation

Reducing inflation is our top economic priority. It became clear by October of last year that strong measures were necessary to prevent sustained inflation at an unacceptably high rate. Although the acceleration of inflation has not been a major cause of our trade deficit—continued high levels of oil imports and slow growth abroad have been largely responsible—our efforts to reduce that deficit and to maintain a strong dollar are unlikely to succeed unless we can bring inflation under control.

Let me emphasize that the Administration's anti-inflation program does not envision putting the economy through the wringer of recession. Rather, it addresses the problem of inflation through a comprehensive package of mutually reinforcing measures designed to reduce the inflation rate by a percentage point or more this year, with further reductions in 1980 and beyond. The tight budget submitted by the President—which actually proposes a net reduction in existing levels of Federal operations and personnel—and firm and careful monetary restraint by the Federal Reserve Board are important aspects of this program.

If we tried to control inflation through fiscal and monetary policy alone, however, we would increase the risk of recession with little prospect for success in reducing inflation. Restraint on the part of labor and business is also necessary. Thus our anti-inflation program, as you know, includes a standard of 7% or less in annual increases in wage and fringe benefits and a standard limiting price increases this year to one-half of 1% below the average rate in 1976 and 1977.

I believe that this program is sensible and fair. The Administration is committed to seeing that it works. The record of compliance with these guidelines so far has been encouraging. I would note that we may well have to ride out some bad news, such as the recent large increase in consumer and wholesale prices. But if we can avoid a major crop failure or a sharp increase in the price of imported oil, we should see moderation in the U.S. inflation rate this year.

Promoting Exports

A successful anti-inflation program will also help us to maintain the enhanced competitiveness of our exports that has resulted from the depreciation of the dollar relative to the Japanese yen and the German mark.

Strong export growth in the months and years ahead is essential to reducing our large trade deficits and maintaining confidence in the dollar. This will require substantial and sustained effort both by business and government.

The President has made clear the importance we attach to export stimulation by undertaking a series of actions to provide greater incentives for exports and to reduce disincentives which now exist.

On the incentive side, our national export program provides additional funds for Export-Import Bank financing. It expands programs to help small businesses expand into overseas sales. The Departments of State and Commerce—despite overall net reductions in budget and personnel—are expanding their programs for export promotion, with particular emphasis on small and medium-sized firms.

In the area of disincentives, the national export policy will reduce domestic barriers to exports by creating a more sensible regulatory environment and by clarifying some of the ambiguities associated with the enforcement of certain of our laws. More specifically:

- All agencies will weigh more carefully any adverse effect that major administrative and regulatory actions would have on exports;

- The Department of State and other agencies will take export consequences fully into account when we consider the use of export controls for foreign policy purposes. We will give particular attention to the availability of the product from other suppliers; and

- Exporters will be given clearer guidelines on the full application of U.S. laws relating to foreign bribery, antitrust, and environmental matters.

There will, of course, be times when essential security and foreign policy interests are overriding—when our military security, our interest in halting the spread of nuclear weapons and slowing the growth of increasingly dangerous conventional weapons, our effort to fight international terrorism and systematic violations of basic human rights will require export controls. These cases, however, should not obscure our broad and continuing efforts to pursue also our national interest in expanding exports.

I want you to know that the State Department's Bureau of Economic and Business Affairs is at your service if you wish to pose questions about the implementation of our laws in this area.

Complementing our domestic efforts

to improve the competitiveness of our exports are our efforts in the multilateral trade negotiations to increase export opportunities. We are now in the final stages of these negotiations. We expect to resolve the remaining outstanding issues by this spring.

The objective of these negotiations is to reduce tariff and nontariff barriers to trade and to strengthen the overall trading system by improving trading rules and by developing effective mechanisms for settling disputes.

The nontariff agreements we are negotiating represent the first major international effort since the creation of the General Agreement on Tariffs and Trade (GATT) to curb these trade-restricting practices.

Let me just highlight two important pending agreements. First, a code on subsidies and countervailing duties would impose greater international discipline over trade-distorting subsidies, define more clearly a country's right to take counter measures, and, we hope, prevent this contentious issue from disrupting relations between friendly governments in the future. Second, a code on government procurement would open up as much as \$25 billion a year in foreign government markets now closed to U.S. exports.

By reducing trade barriers and improving trading rules, these agreements will create a better environment for expanding international trade.

Once the agreements are formally signed in Geneva, they will be presented to the Congress for approval. With the support of the Congress, we can move toward a fairer and more open trading system and resist a retreat to dangerous and self-defeating protectionism.

Strengthening Economic Assistance

As we look at ways to improve the performance of our exports, we must recognize that the developing countries provide our fastest growing markets. Between the early 1970's and 1977, sales of U.S. goods to developing countries, including members of the Organization of Petroleum Exporting Countries, increased by an average of 22% per year compared to 15% for sales to developed countries. We are finding that the economic performance of the developing countries is an increasingly important factor in the health of our own economy and those of the other industrial countries.

Our foreign assistance programs can make a modest but meaningful contribution to that economic performance. Furthermore, policies to increase pro-

ductive investment in developing countries not only increase our export opportunities but in many areas—such as food, energy, and raw materials—also reduce rising costs for these critical commodities.

I do not mean to suggest that the primary objective of our foreign assistance is export promotion. We seek to help nations achieve self-sustaining equitable growth, with particular emphasis on meeting the basic needs of poor people. We are committed to helping developing countries to help themselves—to build their national capabilities for development. And we seek to integrate the developing countries more fully and actively into the economic system.

But we must also see our foreign assistance program not only as an investment in the future of others but an investment in our own future as well.

In each of the areas I have mentioned, sound and responsible government policies are essential. But they are not sufficient by themselves. There must be a genuine partnership between the private and public sectors.

Only with your help can we reverse the momentum of inflation. Government can help create the conditions for growing international commerce but only dynamic and aggressive businesses can seek out and take advantage of export opportunities. Smaller and medium-sized firms, in particular, can take fuller advantage of important export opportunities that now exist. And we need the support of national leaders like yourselves for progressive trade measures and sensible foreign assistance programs which will serve our national interests.

With a strong and growing economy, with a firm commitment to maintain our military strength while we work for a more peaceful world, and with the vitality we derive from our free institutions, I believe we can face the future not with fear but with confidence. □

¹ Press release 49.

Economic Report of the President

*The following is an excerpt from the President's annual message to the Congress of January 25, 1979, transmitting the "Economic Report of the President . . . Together With the Annual Report of the Council of Economic Advisers."*¹

Developments last year reminded us once again of the interdependence of our economy and those of other nations around the world. Our trading partners are looking at our ability to deal with our economic problems at home as an indicator of the strength and leadership they can expect from the United States. We will not disappoint them.

Nineteen hundred and seventy-eight was a year of significant progress in the world economy. Real output began to pick up in industrial countries other than the United States. Important initiatives in the international arena occurred in trade policy, in balance of payments adjustment, and in financial markets—all influenced by the cooperation shown at the Bonn Summit.

Late 1978 and early 1979 will mark the culmination of the Tokyo round of Multilateral Trade Negotiations. These historic negotiations—which began in 1975 and were intensified in 1977—should lead to the first comprehensive overhaul of the rules of international trade since the 1960s.

The need for a revamping of the trading system is clear. Our large foreign trade deficit stems in part from a loss of American vitality in world markets. But it has also resulted from the tariff and nontariff barriers of our trading partners. Over the coming years, under a final multilateral trade agreement, barriers at home and abroad will be reciprocally dismantled.

During 1979 I will be working closely with the Congress to adopt the final multilateral trade agreement, along with implementing legislation, that will foster robust export growth and free and fair competition in world trade under rules that are both equitable and economically sensible. These measures will provide a framework for trade that will enhance our living standards in the decade to come.

In recent years, the United States has had a serious balance of payments deficit. Our imports surged as we grew rapidly and drew heavily on imported oil. Our exports lagged because of slow economic growth abroad. These factors contributed to a trade deficit rising from about \$10 billion in 1976 to an annual rate of almost \$45 billion in early 1978. As a result of the sharp increase in our external deficit and the acceleration of inflation in the United States, the value of the dollar in foreign exchange markets fell substantially last year.

We have taken important steps to correct the deficit

- In late 1978, Congress enacted the National Energy Act, the first comprehensive legislation for dealing with our energy problems. The effect will be to reduce our oil imports in 1985 by 2.5 million barrels per day.

- In 1978, I announced the first phase of a National Export Policy. By setting up a framework to increase support for exports and reduce disincentives to export, we can begin to increase our share of world commerce. Fundamental improvement in our trade position is critical to a healthy dollar.

- A strong and effective anti-inflation program has been put into place. An integral part of that program consists of monetary and fiscal policies that will moderate the rate of economic expansion. These actions will help reduce our large foreign trade deficit.

These policies were beginning to bear fruit by the end of 1978. Exports today are growing more rapidly than the domestic economy. The merchandise trade deficit declined from a \$38-billion annual rate in the first half of last year to about \$32 billion in the latter half of the year. Narrowing of the deficit should continue and we foresee a marked improvement in the more comprehensive current account measure.

Nineteen hundred and seventy-eight was also a year of unusual instability in international financial markets. In the fall, movements in the exchange value of the dollar became very disorderly, and its decline became clearly excessive.

On November 1, I announced a series of steps to restore order to the foreign exchange markets and to correct the excessive decline of the dollar. Up to \$30 billion in foreign exchange resources were assembled by the United States, to be used in coordination with other countries utilizing their own resources, to protect the dollar's value in currency markets. Domestic interest rates were raised significantly to help reduce inflation and strengthen the dollar in exchange markets. And the United States underlined its commitment to deal with its inflation problem and strengthen its underlying economic position.

These actions have improved the tone of the exchange markets and contributed to a rise in the value of the dollar. More importantly for the longer term, they are helping to create more stable conditions in the exchange markets, in which the value of the dollar can better reflect the fundamental strength of the U.S. economy.

Progress also was made in 1978 in achieving closer economic cooperation among the leading industrial nations. I met in Bonn with the leaders of the six major industrial countries to discuss major economic problems facing us. Out of this came a concerted action program to restore

greater balance and confidence in the international economy and in world financial markets. Together, we took the necessary steps to achieve those ends—the United States committed itself to combat inflation and reduce oil imports, Germany and Japan to increase growth and reduce trade surpluses, others to take measures on trade or inflation. Only through continued economic cooperation and sound policies can we attain the goal of full employment and price stability that is our ultimate objective.

JIMMY CARTER □

¹For full text of the message, see Weekly Compilation of Presidential Documents of Jan. 29, 1979, p. 110. The 306-page report may be purchased for \$3.50 from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. Remittance must accompany order.

Waiver of Countervailing Duties

MESSAGE TO THE CONGRESS, JAN. 15¹

I am today transmitting to the Congress a proposal for legislation to extend until September 30, 1979, the authority of the Secretary of the Treasury under Section 303(d) of the Tariff Act of 1930 to waive the application of countervailing duties. The Secretary's authority to waive the imposition of countervailing duties expired on January 2, 1979. Expansion of this authority is essential to provide the Congress with time to consider the results of the Tokyo Round of Multilateral Trade Negotiations (MTN). Failure to extend this authority is likely to prevent the reaching of a conclusion to these negotiations and could set back our national economic interests. Accordingly, I urge that the Congress enact the necessary legislation at the earliest possible date.

As stipulated by the Congress in the Trade Act of 1974, negotiation of a satisfactory code on subsidies and countervailing duties has been a primary U.S. objective in the Tokyo Round. We have sought an agreement to improve discipline on the use of subsidies which adversely affect trade. I am pleased to report that in recent weeks our negotiators have substantially concluded negotiations for a satisfactory subsidy/countervailing duty code which includes: (1) new rules on the use of internal and export subsidies which substantially increase protection of United States agricultural and industrial trading interests, and (2) more effective provisions on notification, consultation and dispute settlement that will provide for

EUROPE: FY 1980

Assistance Proposals for the Eastern Mediterranean

by Matthew Nimetz

Statement before the Subcommittee on Europe and the Middle East of the House Committee on Foreign Affairs on February 28, 1979. Mr. Nimetz is Counselor of the Department of State.¹

I am pleased to have this opportunity to discuss U.S. relations with the countries of the eastern Mediterranean region and to review the Administration's security assistance proposals for Greece, Turkey, and Cyprus for fiscal year 1980.

The past year has seen a number of important developments in our bilateral relationships with the countries and within the region itself. Most of these developments have been positive, although the major problems of the area remain a considerable distance from solution.

The goals of U.S. policy remain much as those stated by Secretary Vance when he appeared before the full committee almost a year ago: to strengthen our important bilateral relationships with Greece and Turkey; to strengthen NATO's southern flank; and to help in the search for a solution to the Cyprus problem.

Since Congress authorized the President to lift the arms embargo on Turkey we have sought to rebuild our relationships in the area and to help the parties confront the fundamental problems of

the region. Recent developments in Iran and Afghanistan have created an area of instability to the east of the region and made our tasks both more difficult and more urgent. These regional developments spotlight the importance of Greece and Turkey in the NATO alliance and give us an even greater incentive to help both countries in their efforts to maintain strong, vigorous, pro-Western democratic systems.

In dealing with the region in the early post embargo period, we have sought to follow an evenhanded policy toward Greece and Turkey to improve our relationships with both important NATO allies. We have also actively sought, in the months since the lifting of the embargo, to facilitate a new round of intercommunal negotiations on Cyprus. Such a patient, steady, and forward-looking policy in the region will pay great dividends.

The Administration recognizes that the International Security Assistance Act of 1978 contains an important statement of the principles which help guide U.S. policy in the eastern Mediterranean. In his letter transmitting the security assistance authorization bill for fiscal years 1980 and 1981, Secretary Vance, on behalf of the President, has made the certification required by Section 620(C)(d) of the Foreign Assistance Act of 1961, as amended, that requests for security as-

sistance for Greece and Turkey are consistent with the principles set forth in the act. A detailed explanation of the certification is set out in the country program documents, but I will address many of the same points in this statement.

Turkey

The lifting of the embargo by President Carter on September 26, 1978, as authorized by the Congress, removed the primary impediment to improved U.S.-Turkish relations. On October 9, 1978, the Government of Turkey authorized resumption of suspended U.S. activities at military installations in Turkey for a 1-year transitional period while a permanent agreement is negotiated. These negotiations formally commenced on January 18, 1979. I can inform the committee that our facilities in Turkey are now fully operational and that we and Turkish military authorities are cooperating well.

As part of our effort to rebuild and broaden the bilateral relationship, we have had a number of useful exchanges with the Government of Turkey. Many of you will recall that President Carter and Prime Minister Ecevit had good discussions during the NATO summit last May. More recently, the visit to Ankara by Deputy Secretary Christopher on January 10-11, 1979, provided an opportunity to review with Prime Minister Ecevit and other officials the whole range of issues which concern Turkey and the United States. We initialed a treaty for the transfer of prisoners and agreed to begin negotiations on an extradition and judicial assistance agreement as well.

The Government of Turkey reiterated its desire for a just and lasting settlement of the Cyprus problem.

I would also note in passing that during the recent troubles in Iran, the Government of Turkey cooperated in facilitating evacuation of American citizens from Iran. With the agreement of the Turkish authorities, helicopters and C-130 aircraft were prepositioned at Incirlik Air Base in contingency preparations for emergency evacuation.

The most important problem facing the Government of Turkey is its serious economic situation. Estimates place the current account deficit at over \$1.7 billion in 1978, and it may go as high as \$2 billion in 1979. Inflation is running at about 50%. Unemployment is estimated at 15-20%, and industry is only working at about half its capacity because Turkey cannot pay for needed raw material and component imports.

As you know, this problem was discussed at the Guadeloupe summit, and

timely resolution of disputes involving trade subsidies in international trade.

My Special Representative for Trade Negotiations has informed me that negotiations on almost all MTN topics have been substantially concluded, and that those agreements meet basic U.S. objectives. However, final agreement is unlikely unless the waiver authority is extended for the period during which such agreements and their implementing legislation are being considered by the Congress under the procedures of the Trade Act of 1974.

Under current authority, the imposition of countervailing duties may be waived in a specific case only if, inter alia, "adequate steps have been taken to eliminate or substantially reduce the adverse effect" of the subsidy in question. This provision and the other limitations on the use of the waiver authority

which are currently in the law would continue in effect if the waiver authority is extended. Thus, U.S. producers and workers will continue to be protected from the adverse effects of subsidized competition.

A successful conclusion to the MTN is essential to our national interest, as well as the continued growth of world trade. If the waiver authority is not extended, such a successful conclusion will be placed in serious jeopardy. Accordingly, I urge the Congress to act positively upon this legislative proposal at the earliest possible date.

JIMMY CARTER □

¹Text from Weekly Compilation of Presidential Documents of Jan. 22, 1979.

as a result the Federal Republic of Germany has taken the lead to organize help for Turkey on an emergency basis. Several friendly countries have indicated a willingness to help. The United States is participating fully in this effort.

Our budget request for Turkey for fiscal year 1980 is for \$200 million in foreign military sales (FMS) credits and \$2 million international military education and training (IMET) for a total military assistance program of \$202 million. We are also requesting \$98 million in economic supporting assistance to assist Turkey with its critical balance-of-payments problem.

The proposed 1980 military assistance program will help assist the Turkish forces to meet their NATO defense obligations. Turkey needs continued military assistance to conduct an orderly program of force modernization and rationalization to meet its NATO defense commitments. There is also significant need for support equipment and replenishment of spare parts inventories, which have been seriously depleted in recent years. The \$200 million FMS financing program will also have a beneficial impact on the supportability of current equipment and will make a limited contribution to the program for force modernization.

IMET is an extremely valuable program. In addition to providing needed training to Turkish personnel, it enhances contacts and communication between Turkish and U.S. military personnel.

Another important result of such programs is the rebuilding of a constructive dialogue between the officials responsible for foreign and defense policy questions in our two nations. This dialogue had all but stopped during the embargo period. Channels of communication are now being reopened and old habits of cooperation relearned. The fruits of such dialogue will be a stronger NATO in which U.S., Turkish, and other allied forces play complementary roles and in which scarce resources are more wisely used.

Because of the difficult economic circumstances which I mentioned, we believe it is extremely important for the United States, in conjunction with others, to support Turkey's efforts to strengthen its economy. Economic reform measures are critical to the solution of Turkey's problems and to assure that assistance is well used. We also believe continuing consultations with the International Monetary Fund are important.

Our assistance, along with that from other nations as well as from private and international financial institutions, will help provide needed resources and

11th Report on Cyprus

MESSAGE TO THE CONGRESS, JAN. 29, 1979¹

In accordance with the provisions of Public Law 95-384, I am submitting the following report on progress made during the past 60 days toward the conclusion of a negotiated solution of the Cyprus problem.

During this reporting period, further intensive efforts have been made to bring the two Cypriot communities back to the negotiating table for serious and sustained talks under the auspices of Secretary General Waldheim. The substantive suggestions that the U.S., the U.K. and Canada made available to the two sides and to the United Nations on November 10 appeared to have stimulated the negotiating process and were recognized as constructive by significant (although not all) elements in Cyprus, Turkey and Greece. In the context of recent developments—especially the new atmosphere created by the lifting of the arms embargo on Turkey, the U.S.-Canadian-U.K. suggestions, the United Nations debates, and a growing international consensus for a negotiated settlement—Secretary General Waldheim submitted to the two Cypriot parties a draft United Nations formula for the resumption of negotiations. As of the date of this report, it appeared that both the Greek and Turkish Cypriots were seriously and sympathetically considering the Secretary General's proposal.

The Government of Turkey has taken a constructive attitude towards these efforts to bring about a resumption of the intercommunal negotiations. Prime Minister Ecevit has publicly affirmed that the Turkish Cypriots are prepared to return to the table, and he has indicated that they could accept the suggestions of November 10 as an aid to negotiation if the Greek Cypriots were prepared to do likewise. During a

meeting with Deputy Secretary of State Christopher in Ankara on January 11, Mr. Ecevit emphasized his strong interest in seeing a resumption of the intercommunal talks and expressed the hope that some way for doing this could soon be found.

At the time of my last report, the United Nations Security Council was meeting at the request of the Government of Cyprus to consider the Cyprus issue. On November 27, the Council adopted a resolution by consensus that called upon the two Cypriot parties to cooperate in the implementation of Security Council resolutions on Cyprus "within a specific time-frame" and urged that intercommunal negotiations be resumed. The Secretary General was asked to report on both these aspects by May 30, 1979. The United States fully supports the goals of this resolution.

This Administration warmly welcomes the initiatives that Secretary General Waldheim has taken and is continuing to take to bring about sustained and productive negotiations on Cyprus. We have been encouraged by recent developments, and hope very much that a resumption of the talks will prove possible in the near future. The U.S.-Canadian-U.K. suggestions of November 10 have served a useful purpose in generating some of this forward movement and in stimulating fresh thinking on the substance of the problem, and it is our expectation that they will be actively considered in the negotiations.

A copy of Secretary General Waldheim's comprehensive report of December 1 to the Security Council on the United Nations operation in Cyprus is attached.

JIMMY CARTER □

¹Text from Weekly Compilation of Presidential Documents of Feb. 5, 1979.

impetus to support Turkey's stabilization efforts. While the proposed economic assistance is not dramatically large, especially when compared to Turkey's immediate balance-of-payments needs, we believe such support will constitute an important further step in helping Turkey deal with its economic problems.

We intend to provide our economic assistance on terms appropriate to Turkey's present circumstances with a repayment period of 20 years, including a 5-year grace period and an interest rate of 5%.

The total FY 1980 U.S. assistance program is designed to support defense and economic measures by the Turkish

Government which will strengthen NATO's southern flank and support democracy in a long-time ally. The maintenance of Turkey as a strong democratic NATO ally in the eastern Mediterranean is obviously important, not only in itself but also because an improved U.S.-Turkish relationship, as is developing in the post embargo period, can contribute over time to regional harmony and to other U.S. and Western interests.

Greece

In the past year, our relations with Greece continued to improve steadily. They are characterized by maturity and

a continuing, positive dialogue. We support firmly Greek democracy and the strengthening of Greece's ties with the West.

The most important bilateral consultations during the past year were those between the President and Prime Minister Karamanlis in May and more recently a visit by Deputy Secretary Christopher to Athens last October. I accompanied the Deputy Secretary and participated in his discussions with Prime Minister Karamanlis and other Greek leaders. The Greek leaders appreciate our efforts to facilitate the return of their forces to the integrated military structure of NATO. The Greek Government also welcomed and encouraged our efforts to help achieve a just Cyprus settlement.

We continue to have an ongoing and positive defense relationship with Greece. Our facilities in Greece continue to operate with the full cooperation of the Greek authorities; 6th Fleet ships are making regular calls at Greek ports, and we have had an exchange of high-level military visits.

We have also sought to broaden our relationship to include more collaboration in cultural affairs, scientific and technological exchanges, and expanded economic and commercial ties. Agreements have been signed between the National Science Foundation and the Nuclear Regulatory Commission and their Greek counterpart agencies. At the request of the Government of Greece, we are now examining the possibility of the negotiation of an agreement to coordinate and expand this type of cooperation. We believe this is especially important because while we have had a multiplicity of contacts and cooperation with Greece in many fields, public attention has tended to focus almost exclusively on political and security issues.

The strength of Greece's commitment to democracy since 1974 and the strong economic growth it has enjoyed have given the country a new confidence in international relations. Greece's accession to the European Community will strengthen this process as will Greek reintegration into NATO's military structure. As a member of the NATO alliance, we have been actively involved in ongoing efforts to arrange for the reintegration of Greek military forces into NATO on a basis satisfactory to Greece and the alliance.

The security assistance program we are proposing for fiscal year 1980 would provide \$158 million in FMS credits and \$1.8 million in IMET for a total military assistance program of \$159.8 million.

The proposed program will assist Greece in fulfilling its NATO obligations and help provide for Greece's self-defense. The program also is a continuing indication of U.S. support for a democratic Greece. It has also been formulated with a view to strengthening the southeastern flank of NATO at a time of particular concern in that region. In sum, the program for Greece will be fully consistent with the principles of the International Security Act of 1978 and will make an important contribution to the defense posture of a key ally.

Cyprus

With respect to Cyprus, the principal focus of our policy continues to be the promotion of a just and enduring settlement that will enable all Cypriots to live in peace and security and in harmony with one another. This objective was embodied in the Foreign Assistance Act, as amended by the Congress last year.

In our view, the most effective means of achieving a mutually satisfactory Cyprus settlement is through direct negotiations between the two Cypriot communities under the auspices of the U.N. Secretary General; hence, the thrust of our efforts over the past year has been to promote progress by assisting the Secretary General in bringing about a resumption of these negotiations—which have been suspended since the spring of 1977—on a sound and sustained basis.

Unfortunately, I am unable at this time to report to you that the negotiations have resumed. The reasons for the continued impasse are complex; no one is totally blameless nor totally responsible. I can report, however, that the United States has been actively involved, that there has been some movement in the right direction in recent months, and that our efforts are continuing.

Last September I undertook an exploratory mission to Cyprus in order to obtain a better picture of the attitudes of both sides. I met at some length with President Kyprianou, Foreign Minister Rolandis, and President of the House of Representatives Michaelides on the one side and with Turkish Cypriot leader Denktash and his associates on the other. I came away not only with a deeper understanding of their substantive positions on the issues but also with a renewed sense that both parties were prepared to resume their interrupted dialogue.

For this to occur, we concluded that a suitable catalyst would be required. In October we had the opportunity to

explore the views of both sides further when President Kyprianou and His Excellency Mr. Denktash visited the United States in connection with the U.N. General Assembly. President Carter met with President Kyprianou, and Secretary Vance met with both leaders.

At the same time, Turkish Prime Minister Ecevit made clear his strong support for an early resumption of intercommunal negotiations and indicated he was prepared to assist in this direction. I might also note that in a speech before the U.N. General Assembly on October 3, Turkish Foreign Minister Okcu reconfirmed his government's commitment to withdrawing all of its armed forces from Cyprus, except those mutually agreed upon by the parties concerned, in the context of a final settlement.

Against this background, and in an effort to supply the missing catalyst, we worked with the British and Canadian Governments to prepare a series of substantive suggestions for compromise formulations on the principal issues in dispute. These were submitted to both Cypriot parties and to the U.N. Secretariat on November 10. Our intention in taking this step was not, in fact, to prescribe a comprehensive solution to the Cyprus problem; rather, we asked that the Cypriot parties accept our suggestions as a basis from which direct negotiations could be conducted.

These substantive suggestions of ours were—unfortunately, I believe—leaked to the press almost as soon as we had put them forward, which gave them excess publicity and reduced the scope for diplomatic activity. All the same, they attracted strong and diverse international support and were accepted for their constructive nature by significant—although not all—political elements in Cyprus, Greece, and Turkey. Nevertheless it became evident before long that both Cypriot parties were reluctant to endorse them officially.

After an interval, the Greek Cypriots informed us that they could not at this time accept these suggestions as a basis for talks. Under these circumstances, and so as not to lose the favorable momentum that had developed, Secretary General Waldheim moved into the forefront of the effort to resume the intercommunal talks. After several meetings with Cypriot Foreign Minister Rolandis in mid-December, the U.N. Secretariat drew up a draft negotiating agenda, which made clear reference to our November 10 suggestions, and submitted this to both Cypriot parties for their comments. In response, the Turkish Cypriots presented on January

9 a counterdraft embodying their views, and on the following day the Greek Cypriots indicated that they accepted the initial U.N. draft unchanged.

For the past 6 weeks the U.N. Secretariat has been attempting to revise and update its original draft so as to achieve a mutually acceptable agenda. In our continuing contacts with both sides, we have urged them to maintain a flexible attitude and to respond positively and imaginatively to the ongoing U.N. initiative.

It would be premature for me at this stage to assess the prospects for success or failure of this effort to resume intercommunal talks on a sound and sustained basis. We will continue to exert our best efforts in support of the Secretary General. Both sides, we believe, would welcome meaningful negotiations; both express unhappiness with the impasse. There is a general expectation in the eastern Mediterranean that a fresh round of talks will, indeed, begin soon.

On the other hand, I would not want to underestimate the continuing broad differences between the two parties on matters of substance. The issues they face and the compromises they must make will be politically difficult and even painful for both sides. Neither has shown so far the degree of understanding, flexibility, and openness to undertake the courageous compromises that will be needed to achieve an enduring solution. We continue to believe the results would be worth the risks. We also are convinced that time is of the essence; it is important that negotiations resume as soon as possible. The *de facto* division of Cyprus must not be allowed to solidify into permanence; and yet another opportunity must not be lost.

The Administration is requesting \$2 million in FY 1980 security supporting assistance (SSA) funds as a U.S. contribution to the relief and rehabilitation of displaced persons in Cyprus. These funds would be made available to both the Greek and Turkish Cypriot communities, as in the past, for specific projects in such fields as housing, health care, vocational education, and agricultural development. And as in past years, the disbursement would be effected through the intermediary of the U.N. High Commissioner for Refugees. Since the hostilities in 1974, the United States has contributed \$102.5 million for the relief of displaced persons.

Symbolically, we believe that a continuation of assistance to Cyprus' displaced persons will constitute tangible evidence of U.S. interest in Cyprus and

FY 1980 Assistance Proposals for Portugal and Spain

by George S. Vest

Excerpted from a statement before the Senate Foreign Relations Committee on March 1, 1979. Mr. Vest is Assistant Secretary for European Affairs.¹

I am pleased to have this opportunity to meet with you. In accord with your request, I will use this occasion to outline the state of our relations with Portugal and Spain and to review the Administration's proposed security assistance programs for those nations for FY 1980.

Many of the objectives for U.S. policy in these countries remain constant. Those goals include strengthening our important bilateral relationships, bolstering the security of the area, and supporting the development of democracy.

Portugal

U.S. relations with Portugal have grown steadily stronger since Portugal established a democracy and ended its colonial wars in Africa. The United States applauds Portugal's fuller cooperation with Western democracies and international affairs—as shown in Portugal's negotiations for entry into the European Economic Community, its emphasis on an active role in NATO, and assumption of a seat on the U.N. Security Council.

During this last year, there have been several high-level bilateral consultations. President Carter met with President Eanes in May 1978; Secre-

of our strong commitment to promoting a settlement on the island. As Secretary Vance noted in his testimony before the full committee last year, we are prepared at such time as a settlement is achieved to consider requesting from the Congress additional funds to assist both Greek and Turkish Cypriot communities in making necessary economic, political, and social readjustments. □

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.

tary Vance met with former Foreign Minister Correia Gago in September; and Admiral Souto Cruz, Chief of the Portuguese military general staff, was received by high Administration officials in August.

Both the United States and Portugal have expressed their willingness to conclude negotiations on U.S. use of Lajes Air Base in the Azores. We expect that agreement can be reached in the near future for renewal of U.S. base rights.

In Portugal itself, the government is demonstrating a willingness to grapple with a wide range of thorny economic, political, and social issues. The reluctance of the democratic parties to force early national elections suggests that the present government stands a good chance of remaining in office until constitutionally mandated elections in 1980.

Portugal's major challenge now is its economy. Although the balance-of-payments deficit was reduced significantly in 1978, that improvement was not accompanied by a resurgence of the economy in general. Real growth in 1978 was only about 2.7%; present production levels have fallen below those of early 1978. The inflation rate is about 22%, and the unemployment rate is approximately 13%.

Serious as these economic problems are, the Portuguese Government is trying to address them. The government generally accepts the need to pursue the International Monetary Fund's stabilization program in order to reduce the nation's external deficit and establish a sound basis for sustained economic development. The government has also announced its intention to produce a medium-term plan.

Overall U.S. policy interests in Portugal revolve around the consolidation of fledgling democratic institutions, promotion of economic recovery and growth, the continued professionalization of the armed forces, and provision of an increased role for them in NATO. These number among the major goals that the Portuguese have set for themselves. We are pleased and encouraged by the progress the Portuguese are making in achieving them. Our programs for military and economic assistance are intended primarily to support these coincident U.S. interests and Portuguese objectives.

For FY 1980, we have proposed

funding for several programs. The requests include: \$50 million for security supporting assistance (SSA), \$40 million for PL-480, \$30 million for the military assistance program (MAP), and \$2.2 million for international military education and training (IMET).

We did not request economic support funds for FY 1979. The \$50 million SSA program for FY 1980 would support Government of Portugal efforts to decrease its balance-of-payments deficit; to initiate programs to address the priority needs in agriculture, education, housing, and the export industries; and to develop further the economic infrastructure in the Azores.

The PL-480 Title I program will be continued for FY 1980 to support Government of Portugal efforts to increase farm productivity, provide production credit for small farmers and cooperatives, and stimulate small agroindustry in rural areas.

The MAP funds will enable the Government of Portugal to secure additional basic items for its NATO-designated brigade and its air support and to continue progress in the modernization of the armed forces.

The IMET program will provide for professional military education and some equipment-oriented training, mobile training teams, and training aids.

Spain

The United States enjoys a close relationship with Spain. Our cooperation with Spain spans political, cultural, and scientific areas, as well as military matters. It serves our mutual interest in promoting Western security and democratic values. The framework for our relationship is provided by the Treaty of Friendship and Cooperation (1976). Its successful implementation is a major goal of U.S. policy toward Spain. In addition to our efforts to maintain a strong bilateral relationship, we support Spanish integration with the rest of Western Europe and continuing Spanish efforts to consolidate democracy.

Letter of Credence

On March 1, 1979, Knut Hedemann presented his credentials to President Carter as the newly appointed Ambassador from Norway. □

Spain has made tremendous progress in its transition to democracy over the past several years. A democratic constitution, approved by the major Spanish political parties and endorsed by national referendum last December, entered into force at year's end. New national elections are scheduled for today, March 1, with local elections to follow next month.

Whatever the composition of Spain's next government, it will continue to face demanding challenges. Spain has made significant progress in dealing with its economic difficulties, substantially lowering inflation from 26% in 1977 to 17% in 1978, apparently registering a surplus on its balance of payments after several years of large deficits and accumulating record foreign exchange reserves (about \$10 billion). But, further progress is needed and difficult economic problems await government action.

In addition, brutal terrorist attacks—aimed at destabilizing the democratic process—continue, and issues of regional autonomy and basic governance and institutional arrangements will have to be addressed.

Our support for Spain, as manifested by the Administration and the Congress and by our close bilateral relationship, is of assistance to the Spanish people and their representatives in their endeavors to realize the democratic ideals which we share. The demonstrated wisdom, patience, and perseverance of the Spanish people in pursuit of these ideals gives us cause for optimism that their success will continue.

U.S. assistance to Spain is intended to help support this continuing success. Our security assistance request for Spain for FY 1980 is consistent with the terms of the 1976 Treaty of Friendship and Cooperation, which was endorsed by both Houses of Congress. The treaty stipulates that the United States shall provide to Spain, during each of the treaty's 5 years, \$120 million in guaranteed FMS [foreign military sales] loans, \$2 million in IMET, and \$7 million in SSA, which provides for educational and cultural, scientific and technological exchanges.

In addition, the United States is obligated to furnish to Spain under the MAP program defense articles with a value of \$75 million during the life of the treaty. The major portion of our remaining MAP commitment—\$41 million—is being provided to Spain in FY 1979 in order to minimize erosion of purchasing power by inflation and to maximize the benefits to Spain of this portion of our assistance. For FY 1980, we are requesting \$3.8 million in MAP for supply operations and continuing

procurement programs. Any remaining MAP obligations under the treaty will be fulfilled in FY 1981.

The MAP, IMET, and FMS programs for Spain provide military equipment and training to support and supplement the modernization and improvement of Spain's equipment and to bring Spanish military capabilities closer to NATO standards. The types of equipment and training provided under the programs are consistent with the terms of the 1976 treaty. Likely Spanish purchases in FY 1980 under these programs include air-to-air missiles, communications equipment, spare parts, armored personnel carriers, and modern antitank weapons.

The SSA funding under the treaty supports a wide range of educational, cultural, and scientific exchanges and projects, including projects for the Spanish educational system, cultural seminars, research on water resources, land use, solar energy, and a number of other cooperative endeavors.

The point of U.S. assistance in Spain, as elsewhere in southern Europe, is similar: We provide assistance for the sake of both our security and the security of the recipients. In so doing, we help strengthen the defense of the entire transatlantic community. □

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.

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MIDDLE EAST: FY 1980 Assistance Proposals

by Morris Draper

*Statement before the Subcommittee on Europe and the Middle East of the House Committee on Foreign Affairs on February 26, 1979. Mr. Draper is Deputy Assistant Secretary for Near Eastern and South Asian Affairs.*¹

I am pleased to be here today in support of the Administration's proposals for economic and military assistance programs involving four important countries in the Middle East.

As stressed in earlier testimony to the subcommittee, the Middle East region is in a period of increasingly rapid growth, change, and evolution. The dynamics in this situation hold many implications and lessons for the conduct of our foreign policy. The United States must face the issue of how we intend to respond to the challenges posed by change. Will we as a nation view these trends and developments as unwelcome, full of potential crises and danger, and shirk opportunities to influence events? Or will we view the period ahead as an opportunity to assist and encourage positive rather than negative trends and to help the nations involved emerge with increased stability and strength and with a lasting and consistent basis for solid cooperation with the United States?

Our assistance programs have specific goals and objectives in mind tai-

lored to each country. The underlying goal common to all our programs and policies in all four countries, however, is to help nurture a basic relationship of mutual trust and confidence, to promote trends and inclinations to look to the West, and to reinforce their commitments to find peace through negotiation and mediation rather than through conflict and confrontation.

There are critical decisions to be made with regard to our various assistance programs in this important area of the world. The specific questions are:

- Whether to work closely with the help of these assistance programs with states which have been friendly and cooperative, which value their association with us, and which have contributed to the achievement of important policy goals of the United States; or

- Whether to adopt in the process some negative measures which might be seen as either punitive or as a signal of disenchantment, thereby reducing our ability to influence future developments in a rapidly changing and dynamic area.

Three of the countries with programs we are addressing today—Jordan, Syria, and Lebanon—border Israel. A comprehensive settlement of the Arab-Israeli conflict will not be possible in the absence of full involvement by these three countries. We thus have strong interest in the directions their

policies will take over the period ahead.

As for North Yemen, our policy—and thus our military and economic assistance programs—reflects our interest in enhancing stability in another important geographic area, close to the sealanes which carry petroleum supplies from the Persian Gulf. Our policy reflects our interest in the security and integrity of the Arabian Peninsula as a whole and our desire to encourage cooperation among the moderate regimes of the peninsula, while assuring orderly economic and social development.

Lebanon

Our request for \$32.5 million in foreign military sales (FMS) credits in FY 1980 would close our planned \$100 million program aimed at helping to rebuild Lebanon's national army following its disintegration in 1976 during the civil conflict there. This third tranche in FY 1980 would follow \$25 million in FMS credits in FY 1977, all of which have been used, plus \$42.5 million made available in FY 1979. This three-tranche approach was developed after close consultations with Congress.

It is particularly important that the United States, through congressional endorsement of these proposed programs, demonstrate the depth of our commitment to the restoration of stability in Lebanon. Our programs can impart momentum, not only for the crucial rebuilding of a new national army but also for the strengthening of other national institutions needed to enhance security for all of Lebanon's communities and to provide direction and leadership.

The tensions and problems which befell Lebanon in 1978 seriously delayed progress toward achievement of these objectives. But renewed efforts at progress in the last part of 1978 and at the moment deserve our support. Some Lebanese army elements have now been moved into the volatile southern Lebanese region to work closely with the U.N. peacekeeping force in carrying out the U.N. mandate to reestablish Lebanese governmental authority in that area.

We are hopeful that more Lebanese army and security units can take over security duties in the capital, which has been the scene of many serious confrontations between the Arab deterrent force and independent groups.

The Lebanese Parliament currently is debating new legislation to reform the army structure in order to encourage, among other things, greater involve-

Editor's Note

The White House announced on March 5, 1979, that President Carter had accepted invitations from Egyptian President Sadat and Israeli Prime Minister Begin to visit Egypt and Israel to discuss the peace process, regional security, and bilateral issues. President Carter departed Washington on March 7 and returned March 14.

Following a meeting with President Sadat at Cairo International Airport on March 13 en route from Tel Aviv to the United States President Carter announced that the American proposals for resolving the remaining issues had been accepted by the two sides.

On March 22 the White House announced that President Sadat and Prime

Minister Begin had accepted President Carter's invitation to sign the peace treaty between Egypt and Israel at the White House on March 26.

For the convenience of our readers, all material relating to President Carter's trip and the treaty signing ceremony will be published as a "package" in the May 1979 issue of the BULLETIN including:

- President Carter's addresses before the Egyptian and Israeli parliaments;
- Remarks made on various occasions during his visit to Egypt and Israel;
- Texts of the treaty, annexes, agreed minutes, and maps;
- Remarks made by the three leaders at the treaty signing ceremony.

ment by Muslim officers in the army command structure. This legislation should mark a major turning point in the Lebanese Government's effort to develop a true national consensus on the direction the new Lebanon will take in the future.

We are also requesting for FY 1980 the sum of \$500,000 to provide training in the United States for Lebanese officers.

Members of the subcommittee may wonder why the Administration is not requesting economic assistance to deal with the humanitarian problems in Lebanon.

The United States has already provided more than \$100 million in assistance since 1975, and all has been devoted to meeting the most pressing human needs in the areas of medicine, public health, housing, and disaster relief. Some money is still in the pipeline, and some has been reprogrammed to meet special and urgent needs occasioned by the flight of displaced people from areas of fighting, most notably in southern Lebanon. We have made it clear, at the same time, that we are open-minded as regards new assistance, and we await with interest the Lebanese Government's presentation of a comprehensive reconstruction plan, which we expect will be submitted to various international donors and institutions.

In our allocation of our resources, we at present attach priority to military credit assistance in the hope that it will contribute to the resolution of basic problems of insecurity and tension as Lebanon asserts greater authority. Progress in these areas could promote movement toward a final political consensus and economic reconstruction. Our basic policy toward Lebanon remains that of supporting the independence, sovereignty, and territorial integrity of Lebanon; its national unity; and the cohesion of its peoples.

Jordan

We are proposing for FY 1980 a substantial program of economic and military assistance to Jordan. The total level of U.S. assistance for the country, however, is somewhat lower than the levels of the past few years. The proposals consist of \$30 million in grant military assistance, \$70 million in FMS credits, \$60 million in economic assistance, plus a specific allotment of \$38 million for the Maqarin Dam.

As Mr. Saunders [Harold H. Saunders, Assistant Secretary for Near Eastern and South Asian Affairs] made clear in his testimony to this subcommittee a few weeks ago, our proposed assistance programs for the Middle East are intended to advance movement

toward a comprehensive settlement of the Arab-Israeli conflict, but they also go beyond this to aim at reinforcing and expanding the kind of relationship the United States wants with the people of the Middle East. Our goal is to build a relationship which will endure through political ups and downs, providing the basis for lasting cooperation as we pursue our interests and they strengthen their national independence.

Jordan—its leadership, its continued economic and social development, its stability, and its ability to defend itself—is of high importance to the United States. We have assisted Jordan in resolving what was considered at the beginning of our close association as almost insurmountable economic problems. Throughout our association with Jordan, moreover, many challenges to the stability of the regime in Amman have been met, again with our help in some cases. Economic and social advancement in Jordan constitute a major success story. We can now predict that Jordan can become economically self-reliant, a prospect that only a few years ago seemed an impossible dream. Jordanians have embraced American technology, concepts, and education with enthusiasm.

With relatively few exceptions, Jordan has pursued a course of moderation and restraint through the years and has held in high value its relationship with the United States, even when Jordan's leaders were viciously attacked by others in the Arab world for their policies. We in turn appreciate the benefits our strong relationship with Jordan has brought the world, and we want to continue building on the firm foundation already established.

Members of the subcommittee may wonder why we are proposing this substantial program for Jordan when Jordan may be receiving a reported \$1.25 billion in annual subsidies as a result of decisions at the Baghdad summit last year. We believe we must bear in mind the lessons of the past, when foreign assistance contributors to Jordan postponed, cut, or eliminated their promised subsidies as a form of political pressure or intimidation, often in part because of Jordan's readiness to cooperate with the United States in moderate policies. Our programs in those days allowed and encouraged Jordan to pursue an independent policy. We believe the same considerations apply today, even in the highly unlikely event that all the subsidies promised at Baghdad materialize in a timely and regular way.

It has been disappointing to some Members of Congress and to many other Americans that Jordan has elected

Egyptian, Israeli, and U.S. Officials Meet at Camp David

Delegations headed by Egyptian Prime Minister Mustafa Khalil, Israeli Foreign Minister Moshe Dayan, and Secretary Vance met at Camp David February 21–25, 1979. Following is a statement President Carter made on February 25.¹

I have a statement to read, which has been drafted jointly by the Prime Minister of Egypt and the Foreign Minister of Israel, and it is expressed from my own point of view.

During the past week, I, as President, have kept in close touch with the negotiations at Camp David, and Secretary Vance, Prime Minister Khalil, and Foreign Minister Dayan have now given me a firsthand report on their talks.

In light of the developments in the talks at Camp David this past week, we are discussing with the two governments the possibility of moving these

negotiations to the head-of-government level later this week. Prime Minister Begin would then represent Israel, and Prime Minister Khalil, who has been authorized by President Sadat to conclude the negotiations on behalf of Egypt, would represent Egypt.

I would be going to Camp David with Prime Minister Begin and Prime Minister Khalil, accompanied by Secretary Vance. Prime Minister Khalil is leaving this afternoon for Cairo for consultations. Foreign Minister Dayan is returning to Israel this evening to report to the Prime Minister and to the Cabinet.

I am prepared to spare no effort in achieving the peace settlement foreseen in the Camp David accords reached last year. The other two partners in these negotiations share this determination. □

¹Made on the South Lawn of the White House (text from Weekly Compilation of Presidential Documents of Mar. 5, 1979).

not to join the negotiations outlined in the Camp David frameworks. At the same time, Jordan remains fully committed to a comprehensive settlement negotiated in accord with Security Council Resolution 242. While Jordan has been critical of the Camp David framework strategy for not setting forth in adequate clarity the final arrangements which would emerge at the end of the negotiating process, we are convinced that Jordan will remain fundamentally open-minded, will observe the progress achieved and new avenues opened as negotiations proceed, and will be ready to seize opportunities which it finds promising.

It is important to note in this connection that Jordan has made clear that it would pose no objections if Palestinians in the occupied territories decided to involve themselves more directly in negotiations concerning the West Bank-Gaza and the Palestinian issue.

It is in our interest to remain consistent, credible, and understanding in our relationship with this important country located in a turbulent region of the world. It is in our interest to demonstrate—not only in Jordan but in the wider Middle East region—that our friendships are consistent and that we are capable, as a government, of distinguishing between our common interests and goals and our short-run disagreements over how best to attain them.

Syria

We presented a request for \$60 million in economic assistance for Syria, compared to \$90 million in the last fiscal year. Syria is a key country in the Middle East, with a capacity to influence events far beyond its borders. Our assistance program in Syria has been welcomed by the Syrians. It is viewed as an earnest of our confidence in Syrian willingness to negotiate a comprehensive settlement of the Arab-Israeli conflict. Syria's commitment to such a comprehensive peace, based on Security Council Resolutions 242 and 338, remains an essential feature of its foreign policy.

Members of this subcommittee are aware that Syria has been sharply critical of President Sadat and his strategy in moving toward Middle East peace. Syrian leaders believe that President Sadat has split the Arab world and, in so doing, has lessened the possibilities that a just peace will be realized which satisfies all of the Arab world's concerns and interests, including those of the Palestinians.

While we disagree with the Syrian

Visit of Israeli Prime Minister Begin

Prime Minister Menahem Begin of Israel made an official visit to the United States March 1-7, 1979. While in Washington March 1-4, he met with President Carter and other government officials. The following White House statement was issued on March 4.¹

Over the past 4 days, the President and the Prime Minister, together with their advisers, have had 8 hours of intensive conversations. In a friendly, straightforward manner the two sides discussed the strategic situation in the Middle East and, in great depth, all the unresolved issues in the negotiations.

During the course of today's meetings, President Carter put forward suggestions designed to help resolve some of the outstanding differences between Egypt and Israel. Prime Minister Begin stated that he would seriously study these suggestions and consult with his colleagues.

In the meantime, President Carter will be in touch with President Sadat to review the situation in light of the American-Israeli discussions over the past few days. □

¹Text from Weekly Compilation of Presidential Documents of Mar. 12, 1979.

assessment, we remain confident that the Syrians are sincere in their willingness to negotiate a comprehensive peace with Israel. Committed to the principle of a negotiated peace, Syria has refused to accept the harsh "rejectionist" position asserted by others in the Arab world, "rejecting" both a negotiated peace and peace of any kind with Israel.

Almost equally important, Syrian actions and Syrian policies have a greater effect on the future destiny of Lebanon and on the direction of Palestinian behavior there than any other outside government. It is important, therefore, that the United States continue to promote a growing relationship of trust and confidence with Syria to help encourage Syria in policies that will parallel our own with regard to Lebanon. The Syrian role in Lebanon is still indispensable in preventing an all-out renewal of civil conflict between the various communities and groupings in that country.

While we shared with the Congress serious disagreement with Syria over

some actions during the series of confrontations last year in the Beirut area, it remains a fact that cautious and prudent Syrian actions have—on more than one occasion in the last year—prevented an outbreak of wider hostilities in the area, e.g., during Israeli military movement into southern Lebanon last March, at a time when 30,000 or more Syrian troops were carrying out their responsibilities only a short distance to the north.

Our economic assistance program in Syria has been an important element of the expanding relationship between our two countries. The top Syrian leadership has sought an expanded relationship and has taken the initiative in many respects to see that it has grown. Just last week, our two governments signed the cultural agreement which the Syrians originally proposed. President Asad personally has directed that a major new program of postgraduate training for Syrian students be conducted in the United States. Partly under the auspices of our economic assistance program, educators, engineers, technicians, and scholars have been visiting the United States in increasing numbers. Our English language training program has been enthusiastically received, and English training centers are springing up around the country as offspring of our model centers. Last year, a major delegation of the Ba'ath political party visited the United States for the first time in that party's history to meet with American politicians, primarily at the municipal, county, and state levels.

Just as cultural, educational, and political relations have improved, the trends in Syrian trade and commerce have dramatically shown an increasing shift over the past few years to the West, including the United States. More and more Syrians are seeing that, in a period of evolution and transition in the Middle East, Syria need not look exclusively to a single source for understanding or support as it seeks to pursue an independent policy. Although we cannot predict when the winds of change in the Middle East will be stilled or what political and economic shifts will result, we foresee major shifts taking place and wish to participate in shaping the direction of change.

Our policy toward Syria and the programs that are instruments of this policy are aimed at the long view. We must keep disappointments or differences in proper perspective lest they interfere with the progress that has been made in developing mutually beneficial ties since our resumption of diplomatic relations some 5 years ago.

We want a relationship with Syria which will encourage that key country to view us with a sense of confidence and to look to us as a source of technology, education, and opportunity for its people. We want a relationship which continues to offer positive benefits to both countries on a broad range of interests, so that our views on issues of special concern to us can be expressed within this context of shared interests. The assistance program contributes an important dimension to this type of relationship.

Yemen

Our overall policy toward North Yemen reflects our concern for the security and integrity of the Arabian Peninsula and our desire to encourage cooperation among the moderate peninsula states, to assure security and orderly development of the region, and to develop a strong bilateral relationship with North Yemen.

North Yemen

DEPARTMENT STATEMENT, FEB. 28, 1979¹

We have been concerned by the recent hostilities along the border between North and South Yemen and the indications that forces from South Yemen have entered North Yemen's territory and occupied some positions in North Yemen.

Our national interest in the security and national integrity in the Arabian Peninsula is clear.

In response to requests by the Yemen Arab Republic Government [North Yemen], we will be accelerating the delivery of defensive arms previously agreed for that country.

In addition, we have been working in cooperation with other governments in the Arabian Peninsula to relieve tensions and to strengthen elements of stability in this long troubled part of the peninsula.

In this connection, we support the Saudi Arabian appeal to end the fighting. It is in the interests of the international community that hostilities in this area cease, that occupying forces withdraw, and that all parties involved support the principle of nonaggression. □

¹Read to news correspondents by Department spokesman Hodding Carter III.

North Yemen, an extremely poor country, is still recovering politically and economically from the long civil war of the last decade. For much of the time since then, the Soviet Union has been North Yemen's principal source of assistance, including military equipment and training. Governments in North Yemen in recent years, however, have been turning toward the West politically and economically and have shown a corresponding desire for Western defense assistance.

I would like to stress that our relationship with North Yemen combines our concern for its development with a response to Yemeni security concerns. The Agency for International Development has been involved in Yemen's development since the early 1970's. Our program there is keyed to assisting the rural poor in better meeting their basic human needs through education, water projects, and nutritional care. We have an active and large Peace Corps program.

U.S. companies are increasingly aware of the investment possibilities in North Yemen and are beginning to play a larger role in capital development projects that will lay the foundation for the development of industries necessary for the creation of a healthy economy.

Our military supply relationship, which began in 1974, is designed to assist North Yemen, in cooperation with Saudi Arabia, to meet the threat posed by the Marxist regime in the neighboring People's Democratic Republic of Yemen (PDRY). The latter is well supplied with Soviet military equipment, qualitatively and quantitatively superior to that possessed by North Yemen. In the wake of events in North and South Yemen last summer—and the coup by pro-Marxist elements within the PDRY Government in Aden—both North Yemen and Saudi Arabia sense that the threat from South Yemen has intensified significantly; and they are deeply concerned about the intimate relationship the Soviets have with the PDRY.

We are in the process of delivering over \$100 million in military equipment—howitzers, recoilless rifles, Vulcan antiaircraft guns, LAW antitank weapons, and vehicles—which have been financed by Saudi Arabia. Also, small U.S. military mobile training teams are assisting the Yemen Armed Forces to operate and maintain this equipment. We have also agreed to the transfer of four F-5B trainers from Saudi Arabia to North Yemen and transition training on those aircraft has begun.

Further, in consultation and cooper-

ation with both the governments of Saudi Arabia and North Yemen, we have agreed to seek congressional concurrence for additional equipment for the Yemen Armed Forces. This equipment includes 12 F-5E aircraft, 100 M-113 armored personnel carriers, and 64 M-60 tanks.

Congressional informal notification on this program began on February 16. We believe that this equipment is important to help North Yemen meet its legitimate defense requirements. It is a manifestation of U.S. and Saudi support for the security and stability of North Yemen. In addition, two C-130 transport aircraft will be transferred to North Yemen from Saudi Arabia. □

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.

Sixth Report on the Sinai Support Mission

MESSAGE TO THE CONGRESS, JAN. 18, 1979¹

I am pleased to transmit, as requested by section 4 of Public Law 94-110 of October 13, 1975, the Sixth Report of the United States Sinai Support Mission, describing operations of the U.S. early warning system in the Sinai Desert. The Mission's activities are an important part of the disengagement arrangements between Egypt and Israel concluded in September 1975.

The cost of operating the Sinai Support Mission during Fiscal Year 1978 was \$11.7 million, about a half million dollars less than the amount appropriated. The estimated budget for Fiscal Year 1979 remains at \$11.7 million.

At the request of the Subcommittee on Europe and the Middle East of the Committee on International Relations, House of Representatives, this report includes a brief review of the applicability of the United States early warning system concept to other areas of the Middle East. It concludes that the basic approach to early warning employed in the Sinai could be successful elsewhere, provided the parties directly concerned want and are willing to support it.

Talks now under way in Washington between Egypt and Israel are likely to result in substantial changes in the United States' role in the Sinai. I will consult closely with the Congress as these and subsequent talks proceed, in order

SECURITY ASSISTANCE: FY 1980 Proposals

by Lucy Wilson Benson

Statement submitted to the Senate Foreign Relations Committee on February 28, 1979. Mrs. Benson is Under Secretary for Security Assistance, Science, and Technology.¹

I am pleased to have the opportunity to testify on the Administration's FY 1980 requests for international security assistance. We are requesting an appropriation of \$2,794 million to finance programs totaling \$4,236 million.

Let me state at the outset that this is a lean, bare bones request in keeping with the President's policy of budget austerity. It is the minimum request consistent with our national security and the security of our allies and friends abroad. I will return to this point later.

Developments in the Middle East and Southeast Asia have shown once again how the United States and friendly countries have shared concerns about security and defense. International defense cooperation is as important as ever.

The growing cost and complexity of modern defense equipment make it increasingly difficult for many allies and friends to meet all legitimate defense requirements by themselves. U.S. financial loans to help them acquire needed defense equipment and training involve modest sums but are of much significance.

Similarly, the need for cooperation in reinforcing regional stability by addressing social and economic problems in key countries has not lessened in importance, as the situation in the Middle East clearly demonstrates.

In my testimony, I will review our arms transfer policy, briefly explain the general purposes of our security assistance programs, place the FY 1980 re-

quests in an historical perspective, and describe regional and country programs and objectives.

Arms Transfer Policy

The President's arms transfer policy is almost 2 years old. It has been successful in both policy and procedural terms.

We have met the twin objectives of: (1) achieving demonstrable qualitative and quantitative restraint in transfers to the developing world while continuing to meet the legitimate needs of our allies and friends and (2) developing a decisionmaking and management process that includes better forecasting and determination of priorities, thorough policy analysis of major sales cases, and more accurate bookkeeping.

Let me briefly review the six qualitative controls which are the heart of the policy.

- The United States will not be the first supplier to introduce into a region newly developed advanced weapons which would create a new or significantly higher combat capability.

- The United States will not sell such weapons until they are operationally deployed with U.S. forces.

- The United States will not permit development of advanced weapons solely for export.

- The United States will not permit coproduction by other countries of significant weapons, equipment, or major components.

- The United States will not allow U.S. weapons or equipment to be transferred to third countries without U.S. Government consent.

- The United States will not permit U.S. Embassy, military, or industrial representatives abroad to promote the sale of arms.

Virtually all of the turnoffs or turndowns of sales as a result of the policy were based on these controls. However, because the policy explicitly provides for Presidential exception to the controls in extraordinary circumstances or to offset quantitative or other disadvantages to friendly countries where there is a threat to a regional balance, the controls have proved sufficiently flexible to permit sales considered important to our national security interests.

There is a great preoccupation with the arms transfer ceiling. Some allege that the 8% reduction in FY 1978 was achieved only by creative bookkeeping. Others claim that the ceiling is an arbitrary restraint, unrelated to U.S. national interests, that has prevented sales that ought to have been made.

In fact the ceiling is not a shibboleth but a tool to be used. It has been a valuable management tool which supplements the more substantive qualitative controls. It forces the decisionmaking machinery to think and act in new ways, reflecting the shift in the burden of proof from the opposers to the proposers of an arms transfer.

Moreover, by exempting NATO, Japan, Australia, and New Zealand from the ceiling, ample attention was paid to security needs, and the President provided the safety valve of an exception if circumstances warrant.

Obviously the ceiling cannot be reduced indefinitely in the absence of fundamental political changes or multilateral cooperation. The President has stated that a key factor in the determination of arms transfer levels for FY 1980 will be the extent of cooperation we received from others.

For FY 1978 the President set the ceiling at \$8.551 billion—an 8% reduction from the relevant arms sales total of the preceding year. The final year-end total of ceiling-related transfers was \$8.538 billion. Thus there was a decline in sales of over three quarters of a billion dollars from 1977 to 1978 adjusted for inflation. For the current fiscal year the President has established another 8% cut, which, when adjusted for inflation, provides for an FY 1979 ceiling of \$8.43 billion.

General Purposes of Security Assistance

Our military assistance, foreign military sales (FMS) financing, and international military education and training (IMET) programs directly support an important objective—to help friendly nations maintain adequate military establishments for their self-defense, thus contributing to both mutual security and maintenance of regional balances.

Our security supporting assistance (SSA) programs support the peaceful resolution of disputes by providing

Sinai Report (cont'd)

to insure that the peacekeeping efforts of the United States continue to advance the goal of permanent peace in the Middle East.

JIMMY CARTER □

¹Text from Weekly Compilation of Presidential Documents of Jan. 22, 1979.

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economic aid to nations in regions beset by serious conflict. They also promote the economic and political stability in selected countries and regions and support activities that further the national security interest of the United States.

All of our security assistance programs are designed to support our efforts to promote respect for human rights.

Our security assistance programs are not acts of charity; they serve mutual interests. Although the several military and SSA programs differ in content, they all contribute to the overriding U.S. foreign policy and national security interest—to shape a more peaceful world.

Unresolved conflicts in the Middle East, Southeast Asia, and southern Africa—to cite only a few—call for continuing efforts by the United States and others to support peaceful solutions. Security assistance programs reinforce U.S. political ties—many of longstanding and proven value—with key countries in these unsettled regions. In addition, our security assistance programs and mutual security arrangements—as with the Philippines, Spain, and Portugal—strengthen the global and regional security positions of the United States. Our steadfast support of these allied and friendly nations has proven beneficial to them and to us and will continue to do so.

Relationship to Human Rights

The FY 1980 programs continue this Administration's emphasis on the promotion of respect for internationally recognized human rights. We weighed the human rights practices of each proposed recipient country at each step of a rigorous budget process. Our requests are consistent with the President's policy guidance and all statutory requirements concerning human rights practices and security assistance.

FY 1980 Program in Historical Perspective

We are requesting an authorization of appropriations of \$2,794 million to finance a total FY 1980 security assistance program of \$4,236 million. This program is composed of \$2,063 million in foreign military sales (FMS) financing, \$145 million in grant military assistance program (MAP), \$33 million in international military education and training (IMET), and \$1,995 million in security supporting assistance (SSA).

The proposed program accomplishes

a great deal for less money than in recent years, when inflation is taken into account. Moreover, the sums requested are indicative of the long-term, continuing transition away from grant programs (MAP) and toward repayable loan financing (FMS). In current dollars, the total has increased from \$1,407 million in FY 1964 to the \$4,236 million proposed for FY 1980. Adjusted for inflation in constant 1980 dollars, however, the increase over this period is marginal—from \$3,895 million in FY 1964 to \$4,236 million in FY 1980.

This is so despite the dramatic increase in FMS financing and SSA programs for Israel following the Yom Kippur war, and related increases to certain other Middle Eastern states, including Egypt. Israel received no security assistance funding in 1964. Programs have declined dramatically in all other regions over the last 15 years.

As I mentioned earlier, there has also been a marked downward shift in grant MAP (\$2.5 billion in FY 1964, measured in constant 1980 dollars, to \$145 million in FY 1980) and a corresponding increase in FMS financing.

Austerity

Let me underscore, once again, the spartan nature of our requests. We have formulated our FY 1980 programs at the minimum level consistent with our objectives. To have proposed less would have incurred unacceptable risks. False economies make no sense.

In sum while the overall FY 1980 program total may appear slightly higher than for FY 1979 (\$4,236 million vs. \$4,133 in FY 1979), it is nearly \$100 million lower when corrected for inflation. In constant dollars, FMS financing and SSA for FY 1980 are each down by about 1% from last year's totals—which in turn were considerably lower than the previous year. Of the \$2,794 million in the requested appropriations, \$1,335 million is for Israel, while \$751 million is for Egypt. Thus 74.6% of the entire security assistance appropriation is for these prime participants in the Camp David process.

FMS Financing Program

Under this program, we provide credits and loan repayment guarantees to enable eligible foreign governments to purchase defense articles and defense services. Begun 24 years ago, this program has consistently helped friendly countries to meet their justifiable defense requirements. FMS

financing has made possible the gradual transition from grant aid to cash purchases. Most current FMS credit recipients were formerly MAP recipients.

For FY 1980, we proposed a \$2,063 million program for 25 countries. Of that program, \$1 billion is for Israel; other major recipients include Korea (\$225 million), Turkey (\$200 million), Greece (\$158 million), and Spain (\$120 million). To finance this program, we are requesting an appropriation of \$656.3 million of which \$550 million is required for Israel—a \$500 million direct loan and \$50 million to guarantee \$500 million to be provided by the Federal Financing Bank (FFB). Only \$106.3 million is requested to finance \$1,063 million in loans to 24 other countries.

It is useful to recall that, except in the case of the \$500 million direct loan to Israel for which payment would be forgiven, every dollar appropriated supports a program 10 times as large. Accordingly, every dollar appropriated for, or alternatively, every dollar cut from, the FFB-financed portion of the appropriation has a magnified impact on the total program that can be financed. Moreover, none of the funds appropriated to guarantee FFB loans will result in U.S. budgetary expenditures unless there is a default in payments.

This is a loan program, with money coming in as well as going out. For example in FY 1980 we will receive \$1.2 billion in principal and interest from prior year loans. FMS financing is, over time, self-amortizing with no net cash apart from certain loans for Israel on which payment is waived.

Military Assistance Program (MAP)

Under MAP we provide defense articles and defense services to eligible foreign governments on a grant basis. As I have already indicated, the long-term trend in MAP is down. We are continuing to move from grant assistance to FMS financing or cash sales wherever justified.

The proposed FY 1980 program totals \$144.6 million compared to \$210.4 million in FY 1979. We are requesting authorization and appropriation of \$110.2 million to finance FY 1980 programs for only four countries—Portugal (\$30 million) Jordan (\$30 million), the Philippines (\$25 million), and Spain (\$3.8 million). Three of these programs—Portugal, the Philippines, and Spain—are for countries which permit U.S. access to and use of military and related facilities on their soil. In the case of

the Philippines and Spain, the program levels are tied directly to negotiated agreements.

In addition to the \$88.8 million requested for these four countries, the FY 1980 program includes \$55.8 million for program management and delivery of materiel funded from prior year programs. We expect reimbursements from foreign countries for \$34 million of the program management costs. Thus the net worldwide cost of MAP will be the \$110 million requested.

We are also asking Congress to increase the "ceiling" on the availability of current and prior year MAP appropriations in FY 1979 from \$210,375,000 to \$243,375,000. Raising this "ceiling," which is contained in the Foreign Assistance and Related Programs Appropriations Act of 1978, would not involve the appropriation of additional funds. However, it would allow us to obligate funds for certain prior year programs that were authorized by the Congress and for which funds were appropriated. We estimated that the ceiling precludes us from using \$31.3 million in prior year funds. Among the countries affected are Turkey, Greece, the Philippines, Jordan, Portugal, Spain, Korea, and Thailand.

We have important security interests in each of these countries. The latter have significant defense needs they expected to meet through such previously funded programs. We urge the Congress to support this proposal, which will not require new or additional funding.

International Military Education and Training (IMET)

Under IMET we provide grant military training in the United States, the Canal Zone, and certain U.S. facilities abroad to foreign military and civilian personnel. Similar training is also available on a cash (FMS) basis. Since 1950, we have trained almost 500,000 foreign nationals under various military training programs. These programs contribute to the military proficiency of allied and friendly countries and strengthen our communication with the current and future military leadership of those countries.

A recently completed review of the current positions held by IMET/FMS trainees for the 5-year period FY 1974-78 indicates that many trainees have achieved positions of prominence and influence in their respective countries. In 47 countries for which information is reasonably complete, more

than 1,100 former IMET students have achieved general or flag rank. Approximately 1,000 former IMET students occupy high positions in the military or civilian sectors of their country.

The latter positions include several heads of state or government, Cabinet ministers, members of Parliament, and ambassadors. The former include chiefs of the armed services or individual military services, commanders of major technical units, senior positions in NATO, commandants of military academies and colleges, and senior military attaches.

For FY 1980, we are requesting \$32.9 million to train personnel from 52 countries. This compares to an FY 1979 program of \$28.8 million for personnel from 38 countries. The 14 additional countries include several (e.g., Turkey and Greece) where we think it is important to renew a mili-

tary training relationship. Although the new programs are small in dollar amounts, we believe they serve important U.S. interests.

The FY 1980 request also includes a modest \$800,000 for a pilot regional fund in Latin America to teach courses in two newly important fields—arms transfer restraint and peacekeeping operations. Such controls correspond to the initiatives of the Latin Americans themselves to promote hemispheric restraint and to the continuing needs of the United Nations, the Organization of American States, and other international organizations for qualified peacekeeping contingents.

Dollar-for-dollar, we think IMET is one of our best investments. The FY 1980 request is already trim. We urge the Congress to support this small program which has clearly demonstrated its utility to U.S. security and political interests over the years.

SUMMARY OF PROPOSAL

On February 16, 1979, the Department of State provided to various committees on the Hill the FY 1980 security assistance congressional presentation document. This document sets out in detail the Administration's request for each category of security assistance for proposed recipient countries worldwide. We have already begun the congressional hearing process during which Administration witnesses testify on every aspect of our security assistance program.

Throughout the formulation of the FY 1980 program, we were conscious of the President's instruction that our security assistance programs reflect his policy of budget austerity and continue to be formulated and implemented in a manner that is fully supportive of his foreign policy and national security objectives.

In terms of specific components of the FY 1980 security assistance program, we are requesting:

• **Military Assistance Program (MAP):** \$140.2 million to finance a total program of \$144.6 million to provide assistance to four countries—Spain, Portugal, Jordan, and the Philippines—and to pay for administrative costs and delivery of prior year programs. In FY 1979 the total MAP program is \$210.4 million with assistance being provided to five countries.

• **International Military Education and Training (IMET):** \$32.9 million which would provide training to personnel from 52 countries, compared to an FY 1979 program of \$28.8 million for 38 countries. Included in the request is a lump sum for the fixed costs of operating the three military training schools in the Canal Zone and a separate

line item for a regional IMET program for Latin America.

• **Foreign Military Sales (FMS) Financing:** \$656.3 million to finance a total FMS financing program of \$2,063 million for 25 countries. Of this amount \$1,000 million is allocated to Israel. This compares to an FY 1979 appropriation of \$654.5 million to finance a program totaling \$1,973 million for 26 countries. All of the financing to be extended (except for a \$500 million direct loan to Israel for which waiver of payment is requested) would be provided by the Federal Financing Bank with repayment guarantees issued by the Department of Defense.

• **Security Supporting Assistance (SSA):** \$1,995.1 million in economic assistance to promote political and economic stability in countries or regions important to our foreign policy or national security interests. About 40% of the total SSA request is designated for Israel and about 45% for Egypt, Jordan, and Syria. This compares to the FY 1979 SSA program which totals \$1,912.4 million, with more than three-fourths of this amount being provided to these same four Middle East countries.

Secretaries Vance and Brown testified before the House Foreign Affairs Committee on February 5 on the entire FY 1980 foreign assistance budget. Administration witnesses from State, Defense, and AID will appear before the appropriate authorization committees and appropriation subcommittees of both the House and Senate over the next 2 months in support of these requests.

Press release 39.

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Security Supporting Assistance (SSA)

SSA promotes economic or political stability in areas where the United States has special foreign policy security interests. Our economic assistance helps to avert major crises, to moderate the effects of past crises, and to help lay the foundation for peaceful evolution.

Last year the Congress directed that SSA be redesignated as economic support funds or peacekeeping operations, respectively. The authorization attributed 98% of the funds to economic support and 2% to peacekeeping operations. We carried out the directive of the Congress in FY 1979 and did not discover that it enhanced our management of security assistance or congressional oversight of the programs. We propose, therefore, to reintegrate these two funds into a single SSA authority and appropriation for FY 1980. Our reasons are these.

- There is no apparent difference, whether conceptual or programmatic, between the two accounts. For example, in FY 1979 the SSA program for Spain was designated "peacekeeping operations" because it was related to the 1976 treaty that included provisions on base rights. Yet the \$7 million program is for cultural and educational exchange, together with cooperation in science and technology. This appears to us more a supportive economic function than peacekeeping which is, in this instance, not relevant. Similarly, it appears undeniable that SSA programs for the confrontation states in the Middle East provide a contribution with a double purpose—the furtherance of peace and economic support, although last year SSA to these countries was categorized only as economic support.

- What unites the "peacekeeping" and "economic support" accounts is the essential ingredient of security, both for the countries directly concerned and for the United States. The single SSA rubric seems the most accurate yet flexible description for such activities. It also permits ready comparison with prior year programs so categorized.

- The case of Portugal illustrates the difficulties posed by the bifurcation of SSA. Should a new base agreement be signed in the next few months, then presumably our SSA request for Portugal in FY 1980 would, under the dual nomenclature, be reclassified from "economic support funds" to "peacekeeping operations." Since use of the two-category system

would make no difference in the sums involved, nor presumably affect the recipient country in any way, there seems no need for the expense and complication of separate accounts.

For FY 1980, we propose an SSA program of \$1,995 million, which compares with a total economic support funds/peacekeeping operations program of \$1,921 million in FY 1979. As in FY 1979, a high percentage of the program—85%—is allocated to Middle Eastern countries to support our continuing efforts to bring peace to this vital area. We are requesting \$785 million for Israel, \$750 million for Egypt, \$60 million for Jordan, \$38 million for the Maqarin Dam, \$60 million for Syria, and \$4 million to fund two regional programs in the Middle East by voluntary agencies and for regional project development, respectively.

For southern Africa, we are requesting a regional fund of \$100 million. For Turkey, we propose \$98 million and for refugee relief in Cyprus, \$2 million. There are also two new SSA programs proposed for FY 1980 for countries which permit U.S. use of mutual defense facilities—\$50 million for Portugal and \$20 million for the Philippines.

We are also requesting \$7 million for educational and cultural exchange, scientific and technological programs in Spain, in accordance with the terms of the 1976 Treaty of Friendship and Cooperation; \$12.1 million for a voluntary U.S. contribution to the U.N. peacekeeping force in Cyprus; and \$9 million for the Sinai Support Mission.

These country and regional economic SSA programs—administered by the Agency for International Development (AID)—finance commodity imports and economic infrastructure projects and provide general budget support on a grant and loan basis. The projects are specifically directed toward meeting basic human needs in such fields as agriculture, health, family planning, and education.

Regional Perspectives

The proposed FY 1980 security assistance program is allocated on a regional basis as follows: Middle East and South Asia—69%, Europe—16%, East Asia and the Pacific—9%, Africa—5%, American Republics—1%, and nonregional—1%.

Middle East and South Asia. Security assistance programs for Middle East recipients seek to create a climate of national self-confidence among recipient countries, encouraging them to

participate positively in the peace process.

There has been considerable progress toward peace over the past year, most notably at the Camp David summit. Nonetheless, the effort remains delicate and uncertain. We strongly believe that our security assistance programs contribute to this process and to stability in the region not only because they assist in meeting necessary economic or security needs but also because they provide tangible evidence of U.S. concern for the well-being of all of the confrontation states and of our desire for a just settlement.

U.S. security assistance to Israel has two basic purposes. First, it provides Israel with the financial support required to maintain its own security and to defend itself successfully if attacked. Second, it is a concrete expression of the historic U.S. commitment to Israel's essential security needs over the past 3 decades.

In FY 1980 we propose to continue a \$1 billion annual FMS financing program. Israel has borne a particularly heavy defense burden since 1973. The proposed assistance will help finance the purchase of defense articles and services necessary to insure Israel's security against any combination of adversaries. As in the past several years, we are recommending that payment on one-half of the total program—or \$500 million—be waived.

We are proposing \$785 million in SSA, the same as in FY 1979. This assistance will provide Israel with the financial resources to adjust to economic pressures as the political-military situation evolves in the area. The provision of SSA will help Israel cope with mounting inflationary pressures and maintain a reasonable growth rate.

The proposed FY 1980 SSA program of \$750 million for Egypt is particularly important as that country attempts to improve its economic situation while participating actively in the search for a peaceful settlement. Moreover, traditional financial support for Egypt from Arab countries may become more uncertain in the future, depending on reactions to Egypt's negotiations with Israel. Strong opposition from certain "rejectionist" governments adamantly set against an Egypt-Israeli treaty increases the threat to Egypt's security.

The SSA program is structured to demonstrate that President Sadat's objectives are complemented by realizable economic objectives. A high proportion of U.S. assistance is allocated to commodity import programs

and increased food aid. The balance is for development projects directed toward the long-term basic needs of the Egyptian people.

In FY 1980 we are seeking \$30 million in MAP, \$90 million in FMS, and \$60 million in SSA for **Jordan**. These programs reflect our conviction that a moderate Jordan, secure in its relationship with the United States, is a stabilizing element in the Middle East. Our security assistance programs help Jordan to maintain a sense of confidence in its ability to defend itself against attack while strengthening its economy. The United States has been working with Jordan since 1968 to develop a modern military force that balances its security requirements with manpower and economic resources.

In FY 1980 we are seeking an SSA program of \$60 million for **Syria**. This program helps in a major way to build mutual trust in our evolving bilateral relationship with Syria. It provides evidence of a sincere U.S. interest in improving the welfare of Syria's people. Our assistance also serves to strengthen habits of consultation and discussion with the United States and provides Syria with access to U.S. technology and management practices.

Europe. Our security assistance programs in Europe, as in the past, are limited to Iberia and countries in the eastern Mediterranean area.

The Administration has given special consideration to the assistance requirements of the three countries of the eastern Mediterranean—Greece, Turkey and Cyprus. Greece and Turkey derive special importance from their strategic location on the southeastern flank of NATO. Cyprus continues to be of concern to us not only because of the refugees, but also because the unresolved political situation has effects beyond the island itself.

The request for **Turkey** of \$200 million in FMS credits, \$98 million in an SSA loan, and \$2 million in IMET is designed to help the Turkish military forces improve their level of readiness to perform their NATO tasks, to assist the Government of Turkey as it seeks to deal with serious economic difficulties, and to provide for a renewal of the important training program for the Turkish Armed Forces.

Turkey is faced at present with very difficult economic problems. It has a balance-of-payments gap of \$1.5 billion, an inflation rate in excess of 50%, and an unemployment rate of over 20%. We believe it is important that Turkey's friends and allies work with the Turks in trying to help them over-

come these difficulties. Our proposed SSA program is crucial to these efforts. We are also consulting with other donors, under the auspices of the Organization for Economic Cooperation and Development, about what kind of assistance may be needed on a longer term basis to put the Turkish economy back on its feet.

The requested program for **Greece**—\$158 million in FMS and \$2 million in IMET—is designed to provide a continuing indication of our support for a democratic Greece and our support for Greece's return to full participation in the NATO integrated military command structure. The assistance level for Greece reflects the importance of that country in the area and our close cooperation in defense matters. It will help the Greek military continue to play a major role in maintaining security in the eastern Mediterranean.

Our assistance program for **Cyprus** demonstrates our continuing interest in a Cyprus solution. The need of the Greek Cypriot displaced persons has diminished with the almost complete recovery of the economy in the area controlled by the Government of Cyprus. Thus, we are requesting only \$2 million in SSA to supplement our previous efforts to help the refugees achieve a more normal life pending the solution to the island's political problems.

Our FY 1980 security assistance request for **Spain** is consistent with the terms of the 1976 Treaty of Friendship and Cooperation. The treaty stipulates that the United States shall provide to Spain, during each of the treaty's 5 years, \$120 million in guaranteed FMS loans and \$2 million in IMET. In addition, the United States is providing defense articles in the MAP program with a value of \$75 million during the life of the treaty.

The major portion of our remaining MAP commitment under the treaty—\$41 million—is being provided to Spain in FY 1979 in order to minimize erosion of purchasing power through inflation. For FY 1980 we are requesting \$3.8 million in MAP. As I mentioned before, we are also providing \$7 million per year in SSA for educational, cultural, scientific, and technological exchanges.

Priority interests served by our assistance programs in **Portugal** are consolidation of Portuguese democracy, economic recovery and growth, and increasing the ability of the Portuguese military to play a greater NATO role. We have firm indications that the new Portuguese Government is prepared to conclude a new agreement relating to

continued U.S. use of military facilities in the Azores. We expect to resume negotiations shortly. To support these interests, we propose FY 1980 programs of \$50 million for SSA, \$30 million for MAP, and \$2.2 million for IMET.

Furthering Cooperative NATO Arms Projects. We are proposing three amendments to the Arms Export Control Act to strengthen the military effectiveness of NATO by facilitating rationalization, standardization and interoperability. Our NATO allies look to the United States for leadership in achieving these objectives, as set forth by President Carter at the May 1977 London summit. As the pace of alliance arms cooperation projects quickens, the need for this legislation becomes more urgent.

The bill would facilitate the transfer of U.S. Government-provided defense articles and services among NATO countries without affecting the requirement for prior U.S. consent to such transfers. Section 10 would permit the waiver, on a reciprocal basis, of charges for quality assurance, inspection, and contract audit services with NATO members or in connection with the NATO infrastructure program. Section 11 would encourage NATO cooperative projects of a cost-sharing nature by permitting the reduction or waiver, on a reciprocal basis, of FMS charges for U.S. research, development, test, evaluation, and production costs as well as certain personnel costs.

The proposed amendments are not a one-way street in favor of our NATO allies. Rather, the benefits are either at no-cost, reciprocal, or based on a burden-sharing agreement. By facilitating cooperative weapons development within NATO, the proposed legislation provides substantial benefits to the United States and to the military effectiveness of the alliance. We strongly urge favorable congressional action on these amendments.

East Asia and the Pacific. In this region, our security assistance proposals take into account three major recent developments: the recent amendment of our bases agreement with the Philippines, the continuing danger of military conflict on the Korean Peninsula, and the continuing Vietnamese military involvement in Kampuchea.

The situation in Southeast Asia has become more tense, of course, because of the renewal of hostilities in Indochina, both within Kampuchea and along the Vietnamese-Chinese border. The members of the Association of South East Asian Nations, and especially Thailand, have renewed concerns

about their security and the integrity of their frontiers. These friendly nations look to the United States for reaffirmed interest in helping them to meet their defense needs.

The recent amendment to the 1947 Military Bases Agreement with the **Philippines**, concluded after extensive consultations with the Congress, will permit continued use of Clark Air Base, Subic Bay Naval Base, and other facilities on an equitable and politically sound basis well into the future. The new agreement reconfirms a mutual security relationship which dates from the earliest days of Philippine independence and is critical to U.S. security interests. The levels and mix of assistance proposed for FY 1980 (\$25 million in MAP, \$50 million in FMS, \$700,000 in IMET, \$20 million in SSA) are consistent with the terms of that agreement.

South Korea continues to face a sizeable military threat from the North. The Koreans are paying the bulk of the costs of a major defense modernization program. We are requesting \$225 million in FMS financing in FY 1980 to assist the Koreans in financing this program which is necessary for the maintenance of a viable defense posture. Our assistance will also signal to the North Koreans that we remain concerned about and committed to the R.O.K.'s security.

Vietnam's takeover of Kampuchea has caused considerable anxiety among Southeast Asian countries. Our programs should help relieve those anxieties. We propose \$25 million in FMS financing for **Thailand**. This will help the Thais acquire equipment to combat the ongoing insurgency in the northeast and to strengthen their forces against external attack.

We also propose a \$35 million FMS credit program to assist the **Indonesians** to modernize their forces and a small \$7 million FMS program for the **Malaysians**. Our security assistance programs in Southeast Asia also serve to reassure our friends in a vital, changing region of our continuing commitment to their security.

The Administration's proposed international security assistance legislation provides authority for two extraordinary transfers of particular significance.

First, we are seeking authority to waive payment from the Government of **Thailand** on the last increment of U.S. ammunition stored in Thailand and sold to Thailand in FY 1977; the amount to be waived is \$11.3 million. President Carter told Prime Minister Kriangsak that he would request this authority to bolster Thailand's confi-

dence in its defense capability and to ease its financial burden in view of the unstable conditions prevailing in Southeast Asia.

Secondly, the Administration bill would authorize the transfer to the people on **Taiwan** during calendar year 1980 of Department of Defense war reserve materiel located on Taiwan as of January 1, 1979, and during calendar years 1979 and 1980 of U.S. rights in property other than war reserve materiel located in Taiwan as of January 1, 1979.

Because of the normalization of U.S. relations with the People's Republic of China and the resultant changes in our relationship with Taiwan, the United States must arrange for the disposition of this materiel and property. The bill would give the President discretionary authority to transfer U.S. rights which he deems appropriate under terms and conditions that he determines.

Africa. Our security assistance programs for Africa are small, moderate, and targeted on a few key countries. Our efforts in Africa have been devoted principally to economic development and other economic assistance rather than military assistance. For example, in FY 1980 we propose to double our SSA to certain states in southern Africa from \$45 million in FY 1979 to \$100 million in FY 1980, while increasing FMS financing to Africa south of the Sahara from \$26.2 million in FY 1979 to only \$45.9 million in FY 1980.

The SSA program provides economic assistance to countries—Botswana, Lesotho, Malawi, Mozambique, Swaziland, and Zambia are proposed for FY 1980—which have suffered severe economic dislocations and hardships as a result of their newly won independence and their commitment to the achievement of racial justice and majority rule in southern Africa. The program also helps assist refugees and displaced persons. All of these programs directly or indirectly support our efforts to achieve peaceful solutions to the problems of Namibia and Rhodesia.

In coping with the exigencies of the situation in southern Africa, the SSA program provides us with much needed flexibility not readily available under other assistance programs. For example, it now appears that the western five's proposals for a U.N.-supervised transition to independence in Namibia is going forward. The proposed SSA regional fund would allow us to contribute promptly to U.N.-coordinated assistance to Namibia.

Soviet and Cuban activities in Africa south of the Sahara have sharpened concerns in many countries about their

security and defense requirements. If we are to continue to promote stability, our friends on the continent must know they can count on our support. We have responded to this situation with restraint and seek to avoid dealing with it primarily as an East-West issue. We propose only six FMS financing programs for Africa south of the Sahara, the largest of which are Kenya (\$26 million), Zaire (\$10.5 million), and Sudan (\$5 million).

We also propose in FY 1980 to enter into a small military supply relationship with Botswana in support of our search for peace in the southern Africa region. Botswana lacks defensive capability to protect its democratic, multiracial society from incursions by the adversaries in the Rhodesian conflict.

We also propose to repeal Section 33 of the Arms Export Control Act. This section places a \$40 million ceiling on the total amount of military assistance and FMS financing which may be furnished to African countries in any year. Because the authorized and appropriated programs for African countries have exceeded this ceiling in each of the past several years, the President has had to exercise his authority to waive the ceiling. Repeal of Section 33 would eliminate the need for such action, recognizing the realities of our security assistance programs to Africa in recent years.

American Republics. Latin America is the most lightly armed region in the world, historically the most peaceful, and spends the least on military material. Currently, military spending in the region averages around 3% of GNP.

Our very limited FY 1980 FMS financing request—\$30.1 million—is the smallest in history. It is designed to assist the eligible nations of the hemisphere to purchase minimum amounts of necessary equipment and services. No major equipment purchases are anticipated. Most purchases are expected to be for replacement of aging equipment, support and maintenance, or spares.

We believe that the proposed Latin American programs are at the absolute minimum levels that will permit us to maintain traditional military links to the region through security assistance and training. We continue to believe that our military ties to the region are of importance, particularly because 15 governments are either headed by or heavily influenced by the military.

Conclusion

In conclusion, I return to my opening theme of austerity. We have carefully

SOUTH ASIA: Promoting Stability and Security

by Warren Christopher

Statement before the Subcommittee on Asian and Pacific Affairs of the House Foreign Affairs Committee on March 7, 1979. Mr. Christopher is Deputy Secretary of State.¹

Thank you for inviting me to be with you today. I welcome this opportunity to discuss with you the situation in South Asia; U.S. relations with the nations of that region; and steps that can be taken to promote South Asia's stability, security, and prosperity.

In addition I will, as you have requested, offer an assessment of India's role as a regional power and comment on the current state of U.S.-Soviet negotiations on the military balance in the Indian Ocean.

I have just returned from a trip to India and Pakistan, where I met with Prime Minister Desai and President Zia and other senior officials in each country. This was my second trip to the subcontinent since becoming Deputy Secretary. During my discussions with the leaders of both countries, I was struck by their desire for a stable, secure, and prosperous South Asia. They hope the future will bring better relations among all the nations in the region. They hope their efforts can be directed toward cooperation and development and not toward countering external threats.

The memories of the past still weigh heavily on India and Pakistan, however. Concern about each other's in-

Security Assistance (Cont'd)

examined the FY 1980 program requests. We cut programs where we thought they could be cut. We increased some programs and added a few new ones where we are firmly convinced it is in our interest to do so. The proposed FY 1980 security assistance programs reflect our judgment of what is required to advance and sustain important U.S. national interests abroad during a period of belt-tightening at home. We believe these programs merit your support. □

tentions remain. In the wake of events in nearby countries, they are also concerned, in different ways, about what external powers are doing, or might do, in the region.

The nations of the region do not think of themselves only as part of the South Asian Subcontinent. Their links with the rest of the world are expanding. India and Pakistan export substantial quantities of goods and services to the Middle East oil states. Sri Lanka and Bangladesh have been developing economic ties with nations in Europe and elsewhere in Asia. Events to their east and west affect the South Asian countries' perceptions of their security needs. In short, the nations of the subcontinent are becoming part of a larger region, expanding from the Arabian Peninsula in the west through Southeast Asia in the east.

At the same time, our perception of the region also is changing. We cannot make "South Asia Policy" in a vacuum. We must take into consideration the impact of events in other areas as well.

The Past Year

A new era in South Asia appeared on the horizon in 1977. There were a number of signs that the nations of the region were beginning to transcend histories of mutual suspicion and tension. A "good neighbor policy" was in the offing. Indeed, when he testified before this committee one year ago, then Deputy Assistant Secretary for Near Eastern and South Asian Affairs Adolph Dubs said: "I believe it would be no exaggeration to say that regional tensions are perhaps at their lowest level since 1947."²

In the months following Ambassador Dubs' testimony, the process of reconciliation among the countries of South Asia continued. For example, India and Pakistan agreed to reopen their respective Consulates in Karachi and Bombay; and Prime Minister Desai had cordial talks with President Zia in Nairobi. The previous regime in Afghanistan was moving toward better relations with Pakistan and India, and Bangladesh had solved longstanding bilateral disputes.

We welcomed these developments as indications that the nations of the region were reducing tensions in order to devote increasing attention and resources to the core problems of eco-

nomie development and human betterment.

Many of these healthy trends are continuing, but unfortunately, some of the momentum that was building for better relations among South Asia's nations began to dissipate. Indeed, Spike Dubs' tragic and senseless death reminds us of the dramatic changes that have altered the regional picture since he met with you a year ago.³

There is now a real risk that deeply-rooted historical and psychological forces will reemerge; that great power involvement and competition in the region will intensify; and that the attention of the governments of the area will focus again on dealing with perceived threats to their security instead of the internal development of their nations.

What has happened in the region during the past year to create this situation?

Pakistan and others in the region are deeply concerned, as is the United States, by the appearance of a pro-Soviet government in Afghanistan and the accretion of Soviet influence there. Pakistan's primary concern, however, revolves not around the ideology of its neighbor but the revival of Afghan claims on Pakistan's border areas and the possibility of Afghan support of an irredentist movement in Pakistan's Baluchistan and Northwest Frontier provinces.

India is particularly concerned about the instability in Iran. This reflects India's substantial economic stake there, including 35% of its oil imports and the important market Iran has provided for Indian products and labor.

For its part, Pakistan, like other Islamic nations, is waiting anxiously to see what kind of policies emanate from the new government in Tehran but hopes to preserve its past good relations with Iran.

Rapprochement between China and India has been set back by China's invasion of Vietnam, which occurred while Indian Foreign Minister Vajpayee was in China.

What can the United States and others do to respond to South Asia's needs and insure that the new era for South Asia that appeared on the horizon in 1977 still comes to pass? A stable, secure, and prosperous South Asia requires that our efforts, and those of the nations of the region, focus on four areas:

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.

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- Security for the nations of the region from foreign exploitation of their internal difficulties or regional rivalries;

- Greater cooperation among the nations in the region;

- Development and maintenance of responsive, representative political institutions and respect for individual rights; and

- Promotion of economic development, including especially increased employment and greater food production.

Security From Foreign Exploitation

The problems that face the nations of the region are primarily internal in nature, yet they lend themselves to exploitation by foreign sources. The nations of South Asia must be secure from external interference as they work out their problems.

Within our overall policy regarding arms restraint in the region, we shall be responsive to their legitimate needs for defense. We believe such needs can be accommodated without interfering with the primary task of internal development and without contributing to an arms race in South Asia. Thus, we are prepared to sell military equipment to Pakistan and India on a nondiscriminatory basis and in a way that does not contribute to tension in the region. We shall continue to follow a policy of restraint—in terms of quantity as well as sophistication—and hope that others will do likewise.

Greater Intra-regional Cooperation

With respect to greater cooperation among the South Asian nations, we commend them for the progress they have already made. We hope that their efforts in this direction will intensify. Continuation of the process of reconciliation between Pakistan and India is of central importance. We look to both nations to nurture this process. We also believe that further moves toward rapprochement between India and China, difficult as they might be, will contribute to the stability and security of all nations in South Asia.

In addition, we hope that Afghanistan will come to respect the Durand Line—the international border between Afghanistan and Pakistan—as virtually every country of the world has already done.

We will help where we can, and other nations may also be able to offer their assistance. But I must emphasize that the ultimate responsibility for success or failure lies with the nations of the region themselves.

Political Development and Individual Rights

As for political development and individual rights, there are clear signs that the nations of South Asia are making progress in the development of responsive and representative political institutions.

India's democratic traditions were restored following the Janata Party's sweeping victory in March 1977. The government, which commands a large

parliamentary majority, has moved effectively to insure protection of human rights.

Sri Lanka also has reaffirmed its commitment to a democratic political system and willingness to accommodate various interests within a democratic framework.

The recent elections in Bangladesh signal the emergence of a more broadly based and popularly accepted government.

In Nepal the government has

U.S. Ambassador Killed in Afghanistan

Ambassador Adolph (Spike) Dubs was kidnapped in Kabul on February 14, 1979, by terrorists and killed the same day during an attempt by Afghan police to free him from his captors. The following remarks by President Carter and Secretary Vance were made at Andrews Air Force Base ceremonies on February 18 when Ambassador Dubs' body was returned to the United States.¹

President Carter

This morning I would like to say to Mary Ann Dubs and to Lindsey, to the members of Spike Dubs' family and his many friends that this is indeed a sad and painful moment for the United States of America. We've come here on this occasion to pay tribute to a good man, a courageous man, who served his country well and who gave his life for it.

We've come here to express our outrage at the senseless terrorism among those who pay inadequate value to human life. And we condemn those who perpetrated and who participated in such a despicable act of violence.

As President, I would like to pay honor, also, to the other men and women in the Foreign Service of our country, who serve with dedication and often great risk to their own lives so that all of us might enjoy a more peaceful existence in a world with better understanding, one for another.

Mary Ann, Lindsey, we share with you your great loss. The grief of our nation can be expressed by me as President. And we also share with you a great pride in what your husband, what your father, did for our country. We are ready to help you in every way possible to share your loss. And I want you to know that our nation, in every

sense of the word, shares this loss with you and your family.

Secretary Vance

Mary Ann, Lindsey, your loss and ours is a profound one. Spike deeply loved this country, his family, and his friends. He was one of our very best, a fine officer and a fine person. It is tragic that a man, whose whole life and career were dedicated to the cause of peace, was killed as a result of terrorism and violence.

Events in Kabul and Tehran this week are terrible reminders that the diplomatic profession is dangerous as well as demanding. Courageous and selfless men of the Foreign Service like Spike Dubs have all too often in recent years sacrificed their lives for their country. We owe them a debt beyond price.

I pledge to you that we will spare no effort to protect our diplomats overseas, and we will fight terrorism with all of our resolve and our resources.

As a symbol of my respect and regard for Ambassador Dubs and tribute to him from the Foreign Service to which he devoted his life, I have the sad honor to present to you, Mary Ann, in Spike's memory, the Secretary's Award, the highest award the State Department can give.

As I present this award, I note with regret that for health reasons Spike's parents could not be here as we honor him.

The citation reads: "To Adolph Dubs, for inspiring leadership, outstanding courage and devotion to duty for which he gave his life. Kabul, February 14, 1979." □

¹Text from Weekly Compilation of Presidential Documents of Feb. 26, 1979.

liberalized the political environment; we hope further efforts can be made there to permit all political forces to operate within the system.

The Bhutto case dominates the political landscape in Pakistan. The present situation there is tense. (Let me note here that when I was in Islamabad, I conveyed the sense of the House of Representatives urging that President Zia grant clemency to Mr. Bhutto as a humane gesture.) The martial law administration, headed by President Zia, has announced that national elections will be held later this year. These elections should reduce political polarization. We are confident that if Pakistan is permitted sufficient time to resolve its internal problems free from external threat, a government will evolve which will satisfy public expectations and assure all of a stake in the system.

In Afghanistan, unfortunately, there has been a deterioration in human rights conditions—one of the major factors contributing to the sharp reduction in our aid there.

Economic Development

With respect to economic development, the problems of South Asia are well known. But I was struck during my recent visit by the progress that has been made and by the reinforcement our bilateral assistance provides for that progress. Because of the fundamental importance of advancement in this area, I would like to comment in some detail on the region's massive economic development effort and provide a country-by-country assessment.

With respect to the region as a whole, increased irrigation and improved management of water resources are central to the ability of South Asian nations to increase agricultural production to the levels that will be necessary in the years ahead. In this context, encouraging progress is being made toward imaginative regional programs under which India, Bangladesh, and Nepal would pursue the joint development of their water resources.

India is discussing with Nepal a hydroelectric project that will involve production of power approximately equal to the total produced in India in the 1960's, as well as major irrigation works. We encourage this concept and hope that future U.S. programs in South Asia can play a positive role in supporting such regional, multilaterally financed river development projects.

India. India's economy has made important strides. In the early 1970's, it was characterized by inadequate food production, balance-of-payments pressures, and foreign exchange con-

straints. The turnaround has been dramatic, with some genuine breakthroughs. Four years of favorable monsoon rains have brought India four record food-grain crops and a substantial reserve stock of food grains. As a result, India's economy grew by over 7% in real terms in 1977-78 as compared with 2% growth in the preceding year. Economic growth is expected to be good but more moderate in 1978-79.

But the bumper harvests are not simply the result of plentiful rainfall. The farmers' dependence on the monsoon is lessening. Indeed, Indian agriculture—long recognized as an area of potential growth—is undergoing a technological revolution.

There is evidence that important structural changes are occurring. About 34% of India's cropped land was under irrigation in 1976. This total has been increasing at an annual rate of about 8% for the last 2 years. Fertilizer consumption is rising rapidly, with annual increases in the past 2 years averaging 22%.

Additional positive factors are improved farmer access to high-yielding seeds, credit, research, extension services, storage, marketing, and electrification. India's new agricultural policy attempts to insure remunerative prices to farmers, promote employment in rural areas, and improve the conditions of small and marginal farmers.

Assistance in Afghanistan

WHITE HOUSE STATEMENT, FEB. 22, 1979¹

The President has decided to severely reduce our development assistance program in Afghanistan below levels projected for the fiscal years 1979 and 1980. The President has also decided to terminate a military training program that was in the planning stages.

These decisions have been taken in the light of an ongoing review of our relations with Afghanistan and the policies with that government. Only small developmental assistance programs that are already underway and that address the needs of the least privileged sectors of Afghan society will continue. □

¹Read to news correspondents by White House Press Secretary Jody Powell (text from Weekly Compilation of Presidential Documents of Feb. 26, 1979).

The contribution of U.S. aid to this agricultural breakthrough has been significant.

A substantial cushion against bad weather and poor crops is now in place. This favorable short-term situation frees India to devote its domestic savings and the large amounts of financial assistance it receives from other countries to easing its massive, long-term economic development problems—slow agricultural growth; rapidly increasing population, unemployment, and underemployment; and inadequate food, health care, housing, and education. I am pleased to say that our program is designed to help in these key areas.

Pakistan. In Pakistan, the economic picture is mixed. There have been encouraging developments, however, and the economy is recovering from the period of turmoil that led up to the establishment of the present government in 1977. In an effort to liberalize the economy and restore investor confidence, the government has denationalized key industries and reduced government controls and direction where possible.

Much remains to be done to strengthen and rationalize the economy, and implementation of plans now under consideration will be an important step forward. These reforms can return Pakistan to the rapid growth it enjoyed in the 1960's.

Pakistan is an agricultural country, and its best prospects for growth lay in that sector of the economy. While it has sustained production reverses in recent years, it is attempting to improve its agricultural practices. Fertilizer usage increased by approximately 22% this past year and is projected to increase by an annual rate of 15% for the next few years.

After nearly 2 decades of planning and construction, the Tarbela Dam, one of the world's largest, is becoming operational. It will provide regulated and assured flows of water for irrigation that will be invaluable in the more arid portions of the Indus Valley. In addition, a relatively recent design modification will permit the dam to generate 60% of the electricity produced in the country.

Pakistan's troubled wheat situation is showing signs of improvement. Pakistan is in the final stages of importing 2.3 million tons of wheat to cover a shortage that resulted from unexpected shortfalls in production and increases in demand.

The production shortfall, after several years of moderate but steady production increases, can be attributed to wheat rust and a producer price that

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gave the farmer a less than satisfactory return for growing wheat. The Pakistan Government has raised the producer price of wheat by 22% this year and introduced other measures to encourage production. An Agricultural Research Council—headed by one of Pakistan's ablest agriculturalists—has been established to provide the research support that will help the Pakistan Government provide better seed and cultivation advice to its farmers. Fortunately, Pakistan's wheat crop this year is expected to be excellent.

Bangladesh. In Bangladesh, 4 years of good harvests and dramatic growth in the industrial and service sectors have strengthened the economy. However, agriculture, the dominant sector of that economy, is largely dependent on the weather. While reduced food imports, increased food stocks, and growth of domestic food production are encouraging developments, a major flood, a cyclone, or a bad monsoon could seriously affect food production and confront Bangladesh with a disaster of major proportions.

Bangladesh can substantially increase food production and insulate itself from the shock of natural disasters. Our bilateral aid program supports efforts to realize this potential. Much remains to be done, and Bangladesh will need the assistance of the United States and other donors for some time to come.

Increased use of fertilizer and high-yielding seeds, expansion of the irrigation system, and installation of a price support system have all contributed to increasing food production. The government is working hard to expand the dry season harvests through the use of modern agricultural techniques. The realization of this potential growth will enable Bangladesh to reduce its reliance on the monsoon and on imported food grains.

In the industrial sector, the growth has been more dramatic than in agriculture, although it started from a very small base. The share of industrial production in Bangladesh's GDP increased by 45% over the last 4 years. While industrial production still accounts for less than 15% of GDP, in 1977-78, for the first time, industrial output exceeded that of Bangladesh's last preindependence year (1969-70). The government has invited foreign investment but, so far, it has not been successful in attracting it in significant amounts.

Sri Lanka. There have been important positive economic developments in Sri Lanka, with a government elected on a platform of economic reform designed to combat the sluggish growth

and high unemployment that had characterized the nation's economy earlier in the 1970's. Central to the new economic policies of the Jayewardene government is the accelerated development of the massive Mahaweli irrigation scheme designed to increase employment and expand agricultural production.

Our aid strategy in Sri Lanka supports the government's efforts to expand agricultural productivity and employment, to move toward food self-sufficiency, and to sustain the nation's considerable progress in meeting the basic needs of its people.

In the last 18 months the government has devalued the currency, liberalized import and foreign exchange regulations, removed price controls, trimmed subsidies, and has undertaken a major program to create an export-oriented free trade zone attractive to the private sector, both domestic and foreign.

These efforts, along with good weather and buoyant world prices for traditional exports, have begun to show encouraging results in terms of food and industrial production, investment, and employment. The economy grew an estimated 6% in real terms last year. This compares to a GDP growth of 4.4% in 1977 and an annual growth of 3% during the preceding 7 years. Today Sri Lanka's economy is stronger and better poised for growth than a year ago.

Nepal. Nepal remains a very poor country, but there are some encouraging economic signs. The economy, helped by a good harvest, is expected to recover from the stagnation that has characterized it in recent years.

The tremendous investment over the past 2 decades in infrastructure now permits the government to focus directly on improving the lives of the people. Last year's trade and transit treaties with India and the reform of a complicated exchange system should stimulate economic growth. Foreign loans and grants can be expected to increase substantially.

Nonetheless, Nepal's potential for

economic development is limited; mountains and rivers represent the country's only important potential resource. Convinced that a dramatic economic breakthrough can be made when the country begins to export substantial amounts of hydroelectric power, the Nepalese have taken the lead in calling for the development of the region's water resources.

I have dealt at some length with the four areas on which we believe our efforts, and those of the nations of South Asia, should focus. But I want to emphasize that progress in any one of the four areas will most likely be stalled unless accompanied by progress in each of the other areas. Enhanced security, increased intraregional cooperation, more responsive political institutions which respect individual rights, and greater economic development are mutually dependent, as well as mutually reinforcing, elements of a stable and prosperous future for South Asia.

India's Role as a Regional Power

By any measuring stick—GNP, population, military strength, industrial base—India is, by far, the largest power in the region. This is a basic and unalterable fact of life in South Asia. Our relations with India are good, and the tenor of this relationship has been set by the mutual respect and trust established between President Carter and Prime Minister Desai.

We believe that our interests in the region are compatible and complimentary and that we can deal with the differences that do arise in a responsible and candid manner. To be sure, there are also elements of strain. Most notable among them are—Indian concern, exacerbated by past experiences, about U.S. willingness to provide even a limited supply of arms to Pakistan and continuing differences over means of attaining nonproliferation objectives.

Our nonproliferation policies continue to be of the highest importance to us, and we have made them clear in our discussions over the last 2 years not only with India but with Pakistan as well.

We take India and its views seriously, and our two governments are engaged in a wide range of consultations on bilateral and multilateral issues—all in an atmosphere of mutual respect, trust, candor, and cooperation.

Indian Ocean

Let me turn to the question of U.S.-Soviet negotiations on the military balance in the Indian Ocean. For reasons which have been widely discussed,

Letter of Credence

On February 26, 1979, Sultan Muhammad Khan presented his credentials to President Carter as the newly appointed Ambassador from Pakistan. □

UNITED NATIONS: *Implementing* *Human Rights Standards*

by Edward M. Mezvinsky

Statement in Committee III (Social, Humanitarian and Cultural) of the U.N. General Assembly on December 7. Mr. Mezvinsky is U.S. Representative to the U.N. Commission on Human Rights.¹

In an earlier statement in this committee, the U.S. delegation discussed various proposals for improving the human rights machinery and programs of the U.N. system. Today we wish to discuss the substance of the work of the U.N. human rights bodies and in particular the work of the Commission on Human Rights and the Economic and Social Council.

It is important for all of us to recognize the new task the world community has assumed. In the past, the U.N.'s work in the human rights field was largely devoted to codification of international standards which were designed to elaborate on the principles laid down in the Universal Declaration of Human Rights 30 years ago. But this vital work of codification has largely been completed. So it was natural and desirable that the world community increasingly turn to the even more vital but more difficult work of implementation.

We should approach this task with both determination and humility. What

is being attempted is, at the same time, both necessary and unprecedented. Indeed, until recently in history the very concept of international standards of human rights was unthinkable. A sovereign owned a territory and its people the way he possessed its grass and trees. If a piece of territory was given at last to a new sovereign, the people were expected, without complaint, to submit to the will of their new leader, however cruel.

It was only in the aftermath of World War II that the international community began, in the kind of step that marks an advance in civilization, to recognize new standards of behavior applicable to states as well as people.

As my government reviews the work of the United Nations in the human rights field, therefore, we are conscious of the importance of the work being undertaken. We want to move ahead today; at the same time we must think about tomorrow. We want to lay the foundation stones as solidly as we can.

Human Rights Treaties

An important step in the implementation process is the ratification by states of the international agreements on human rights. The International Covenant on Civil and Political Rights and the International Covenant on Eco-

nomie, Social, and Cultural Rights were opened for signature on December 19, 1966, and both covenants came into force in 1976 after the required number of states had ratified. Last year President Carter signed the two covenants in a ceremony here at the United Nations and subsequently submitted both documents to the U.S. Senate for ratification. The process of ratification has not yet been completed.

However, what is even more important than an examination of the list of ratifications is for us to concentrate on whether states are striving to live according to the principles in those covenants, whether they have been ratified or not. Ratification of a document is of no value to the citizens of a state if they are still deprived of their basic rights.

The citizens of the United States have a deep awareness of their founding principles, and after 200 years they continue to bind us together and to define our national identity. A deep popular commitment to justice—social as well as political—is the life blood of our system of government, encouraging all sectors of our population regularly to seek to redress new or old inequalities. We have never claimed that our society is unblemished. Nor should we accept that any other society is unblemished. No society ever will be. As old struggles are won, new struggles will arise. This is a basic law of social development.

We believe the first honest step toward implementation of basic human rights principles would be for every government to acknowledge more of its imperfections and to announce its commitment to end or ameliorate them. What we can never allow is our collective efforts to promote human rights to diminish because no country has yet reached the state of perfection outlined in the Universal Declaration of Human Rights.

Commission on Human Rights

We must honestly face up to the fact that at times we appear to be falling into the trap of ignoring shocking violations of human rights crying out for our attention. Thus, in spite of the fact that the international community has made a great deal of progress on paper in establishing norms and principles, there continue to exist today situations

South Asia (Cont'd)

neither the United States nor the Soviet Union wishes to see a large-scale increase in the other's military presence in the Indian Ocean area.

Negotiations on an Indian Ocean arms limitations agreement were begun in 1977 and provided an area of attempted cooperation between the United States and the Soviet Union. The negotiations were aimed at stabilizing the level of U.S. and Soviet military presence in the area.

We held four rounds of discussions; the last meeting took place in February 1978. However, at that time we expressed our concern that the Soviet Union was supporting its political activities in the Horn of Africa by increasing the level of its naval forces in the Indian Ocean. We questioned if this was consistent with the objective of stabilization. The increased Soviet

naval presence continued until later in 1978 at which point it returned to approximately routine levels.

A future round of discussions has not been scheduled, and there are no current plans for resumption of negotiations, although this matter remains under consideration. □

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 of his statement on Mar. 16, 1978, see BULLETIN of May 1978, p. 48.

³Deputy Assistant Secretary Adolph (Spike) Dubs was sworn in as U.S. Ambassador to Afghanistan in July 1978. He was kidnapped in Kabul by terrorists on Feb. 14, 1979, and killed the same day during an attempt by Afghan police to free him from his captors.

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in a few areas which demand much more international attention than they have received. Precisely because we shall never forget the great suffering of peoples in the past, such as the tragedies that befell the Armenian and the Jewish peoples, we should now redouble our efforts on the most serious current cases. At its past session, the Commission on Human Rights addressed the situations in several countries and took concrete action to inquire into the situations in Uganda and Cambodia.

It is relevant to the world's concern about the human rights situations in these latter countries, and our possibilities for ameliorating worsening conditions there, that both are involved in military conflicts among neighbors, using arms provided by third powers. Both in Uganda and in Indochina, we condemn this role by outsiders, which shows their lack of concern about the improvement of human rights violations within those countries.

We have noted that the delegation of Uganda at this session of the General Assembly referred to cooperation by Uganda with the United Nations concerning the situation in their country. We hope that this approach will lead to useful results, and we look forward to further consideration of this subject at the coming session of the Commission.

Vietnam, Kampuchea, and Laos

No discussion of the state of human rights in today's world would be complete or even pertinent without a more detailed discussion of the serious human rights situation in the three countries of what was known as Indochina. The increasing flow of refugees from those three countries points to drastic human rights abuses and is creating a serious source of international tension and conflict.

Despite difficult terrain, high seas, and other threats to life posed by armed border guards and shore patrols, thousands of refugees are reaching other Southeast Asian states, each with his own personal report of oppression in his homeland. These reports are too consistent in detail to be dismissed. The world must heed them.

The world's extraordinary concern about Kampuchea was prompted by repeated reports that whole categories of people—economic and ethnic groupings—have been systematically eliminated by the Kampuchean Government. The practice of religion is banned; legal and political rights are nonexistent. The government officially discriminates between those who "joined" the revolution early and

those who came under its control with the final days of the previous regime.

Despite unspeakable accounts of human suffering as related to Kampuchean refugees, there are still those who question the persuasive evidence of mass violations.

Responding to world concern generated by these abuses, delegates to the recent meetings of the human rights subcommission in Geneva had the opportunity to review the massive evidence from many sources. The subcommission was convinced, and recommended for priority consideration, an analysis of the evidence to the next meeting of the Human Rights Commission. But is this enough?

During his general debate address, the Secretary of State for External Affairs of Canada called for an investigation of the human rights situation in Kampuchea. My government has consistently supported the idea.

We have also noted the greater willingness of Kampuchean leaders to allow foreign observers to visit their country. We urge that they also cooperate with the U.N. Human Rights Commission. Because of both the human rights problems and the severe conflict in the area, we also urge that both Vietnam and Kampuchea allow a visit by Secretary General Waldheim to the area.

In Vietnam, the human rights situation is forcing tens of thousands of individuals to flee. Harsh measures taken by the Vietnamese Government against whole categories of its citizenry and the forced settlement of thousands of Vietnamese to "new economic zones" appear to be principal reasons for the expanding exodus. We are also concerned that tens of thousands of those who did not immediately embrace the regime remain incarcerated without trial in "reeducation camps."

We are also concerned about the situation in Laos where minority tribespeople are leaving as a direct result of military pressures. Other Lao appear to be leaving for a broad range of reasons, most of which derive from that government's authoritarian rule and food shortages which derive from natural disasters and poor agricultural planning.

The abuse of human rights in Indochina constitutes a world concern, as undertaken to care for the scores of thousands of refugees who have in desperation sought to build new lives abroad. This problem must be addressed by this world body as a matter of the utmost urgency.

In all these countries, it is clear with hindsight that they would have been better off not to hide their human rights

problems but to attempt to solve them in a manner consistent with the Universal Declaration of Human Rights.

Worldwide concern continues about the human rights situations in many other countries. The longer that these situations remain in darkness, the deeper the suspicions grow. We hope that countries about which substantial allegations have been raised will not make the mistakes we have seen but will think again about cooperating with officials of the United Nations and other international bodies so that the full facts—including those that reflect well on the country in question—may be brought to light. And more importantly, we hope that, if there is truth to the allegations, these countries will take courses of action which can bring about respect for human dignity and legal process, as well as for the concerns of the international community. Above all, I hope that all of us will not be silent the next time.

Chile

The question of the protection of human rights in Chile will once again be considered under this item. This has been for my delegation, since the matter was first raised in the General Assembly in 1974, a matter of profound concern. The long history of close and harmonious relations between the peoples of Chile and the United States underlies our special interest in the human rights situation there. We have had deep and heartfelt sympathy for the trials which the Chilean people have undergone in recent years, and we have been particularly anxious to assure that actions taken by the General Assembly on this matter would be those which were best designed to influence in a positive way the course of events in that country so that basic human rights and fundamental freedoms would be restored and fully respected.

An event of special significance took place this year. The fact that the ad hoc working group of the Human Rights Commission was at last able to visit Chile was extremely gratifying to my government. While regretting that the cooperative spirit shown by the Government of Chile in admitting the group could not have come about much sooner, we nevertheless welcome the fact that the visit did take place.

We have read with particular interest the report of the ad hoc working group which has recently been issued because it is the only one which is based upon a firsthand observation of the scene in Chile. My government takes particular note of that paragraph in the report of the ad hoc working group to the effect

that the information received by the group while in Chile does not contradict the substance and conclusions which the group has previously submitted to the General Assembly and to the Commission on Human Rights. The group also notes that persons of stature within Chile have told the group that the information in its earlier reports was accurate.

We will be taking care to assure that the action we propose for the Assembly this year will be in view of the most recent developments, as reported by the ad hoc working group. Some of these developments have been encouraging—the group reports that some improvements have taken place. At the same time, other developments have been discouraging—the group reports its conclusions that violations of human rights, often of a serious nature, continue to take place and that this situation should continue to be a matter of concern to the international community. My delegation agrees that the United Nations must continue to follow the human rights situation in Chile.

We will be striving for actions which will most likely be effective in reaching, as soon as possible, the goal which we all seek—the full and complete restoration of all human rights and fundamental freedoms within that country.

My final word on the subject of Chile must be to note our concern over the continuing problem of the disappeared persons. There is too much anguish and torment on the part of the relatives of these persons mixed up in this question for us to wash our hands of it. We must insist that the facts be clarified and that those who still remain in the dark about the fate of their relatives will finally know for sure what has happened.

The problem of missing persons is not limited to Chile alone. The United States views the use of officially sanctioned political kidnappings to be one of the most serious governmental abuses confronting the international community. It requires prompt action by the United Nations to press for its end.

Missing Persons

Historically, the tragedy of missing persons resulted from the aftermath of war. In recent years, it has become a deliberate policy of certain governments; a policy aimed at the silent elimination of opponents. As a result, thousands of persons have been detained by government security forces, tortured, and perhaps killed; yet their fate remains enclosed in governmental silence.

Anyone who has talked with parents or children or wives of people who have disappeared knows the intense anguish and suffering they undergo and the destruction of spirit they endure. The individual stories are heartrending and tragic.

- A young woman, her husband, and their infant son were dragged from their home by security forces. The child was found in an orphanage; the parents were never heard from again. The government denies all knowledge of their disappearance.

- A peasant farmer was pushed into a waiting van by uniformed police. He did not return. The government denies all knowledge of the disappearance.

- A physicist was dragged away from his home by plainclothes police forces. He was not heard from again. The government denies all knowledge of the disappearance.

- A clergyman was abducted from his home by security forces, interrogated, and tortured incessantly by his captors and then never heard from again. The government denies all knowledge of the disappearance.

- A 14-year-old boy was picked up on his way from school and his father dragged from his home. Neither was heard from again. The government denies all knowledge of the disappearance.

The victims range across the broad spectrum of society. They include students, workers, doctors, labor leaders, clergy, scientists, and journalists. They are the targets of both right-wing and left-wing authoritarian regimes who view them as a threat. Virtually all are tagged as "subversive" by governments which have used that word so indiscriminately that it has lost all meaning. Some who disappear may be suspected of actual criminal acts of violence—which we all condemn—regardless of the political goal they pursue.

Yet for all of these individuals, there is no trial, no court, no legal procedures to judge guilt or innocence. They disappear under administrative orders from a government, a military command, a security subdivision. They disappear because security forces have been given nearly unlimited power to arrest, search, interrogate, torture, imprison, and even execute without accountability.

The Nobel Prize-winning non-governmental organization, Amnesty International, has termed this disturbing new tendency "political killings." Its International Executive Committee Chairman said: "It has become too complicated to arrive at someone's house with a warrant for arrest, take

him away, investigate, bring him to trial, sentence, and imprison. It's so much easier for governments to send out their plainclothes agents to kidnap, torture, and shoot. This type of wantonly illegal repression. . . must be . . . exposed; and the response from those governments. . . that they have no responsibility or power to control the vigilante groups is not a satisfactory answer. The governments are responsible."

In confronting domestic violence or terrorism, governments have the authority to use legal means to restore public peace and order and protect the lives and safety of their citizens. When terrorists kidnap and kill defenseless victims, governments must seek to bring them to justice; but not by using the same methods of the terrorist. Even in such emergencies, there is no basis under domestic or international law for governments to engage in abductions, torture, or murder. Governments claim to be the custodians of law; yet when they engage in campaigns of terror, they undermine the rule of law as well as their own right to govern.

International law, as set forth in the International Covenant on Civil and Political Rights (Article 4), the European Convention for the Protection of Human Rights and Fundamental Freedoms (Article 15), and the American Convention on Human Rights (Article 27) prohibits states, even in times of public emergency, from derogating from certain fundamental guarantees afforded the individual. Under no circumstances can a state arbitrarily deprive its citizens of their life or subject them to torture or cruel, inhuman, or degrading treatment or punishment. Governments are responsible for the safety and protection of those detained. They also are responsible for rendering an accounting of the whereabouts and fate of those apprehended.

The General Assembly in December 1977 (Resolution 31/121) drew attention to the "special dangers" to which persons detained "by reason of their political opinion or conviction" are often "exposed" as regards "the protection of their human rights and fundamental freedoms." A resolution adopted by consensus called upon member states to "safeguard" the human rights of this special category of prisoners.

The twin principles of accountability and of humanitarian and legal access for persons deprived by any authority of their personal liberty are recognized in the Geneva Conventions for the Protection of War Victims of 1949, the recently signed 1977 protocols to those conventions, Article 36 of the Vienna Consular Convention of 1963, Articles

8-11 of the Universal Declaration of Human Rights, corresponding provisions of the International Covenant on Civil and Political Rights, and the draft body of principles for the protection of all persons under any form of detention or imprisonment, as adopted this fall by the U.N. Subcommission on Prevention of Discrimination and Protection of Minorities.

The Geneva conventions testify to what governments accept as treaty law, even in armed conflict, where states tend to preserve the greatest latitude for taking emergency measures as a matter of national self-preservation. They also reflect the understanding that soldier and civilian prisoners alike are entitled to respect by the authorities for their right to life, to humane treatment, and judicial guarantees.

At a very minimum, governments must be urged to issue statements reflecting kidnappings or other excesses and insuring that those guilty of such practices will be punished in accordance with law. They must publish lists of those missing and provide death certificates for those known to be killed. They must consider ways to award compensation to families, to return remains to relatives, and, most importantly, to establish a governmental mechanism, together with the courts, to trace missing people and clarify their status for their relatives.

A central characteristic of the 20th century profoundly distinguishing it from previous centuries is the recognition that governments are obliged to protect the fundamental human rights, safety, and well-being of their citizens. No nation in the world today can hide politically-sanctioned abductions and murders, torture, or other gross violations of human rights behind assertions of sovereignty. Where basic human rights are concerned, all governments are accountable not only to their own citizens but to the entire community of nations. Governments are committed to protect their citizens' right to liberty and security of person; their right to freedom from torture, to freedom from arbitrary arrest or imprisonment; the right to fair public trials; and to freedom from invasion of the home.

At this General Assembly session, it is incumbent upon the world community to draw attention to the special dangers existing in those societies where substantial numbers of persons have disappeared and remain unaccounted for.

In this modern era, 30 years after the adoption of the Universal Declaration of Human Rights, the world community must seek to make midnight arrests, summary executions, torture, disappearance, and failure to account

for the missing alien to the experience of any nation.

Let us take a first step by endorsing a resolution on missing persons, thereby generating support for long awaited action on this tragic, humanitarian problem.

The 1503 Procedures

We are encouraged with the dignity and wisdom with which the Human Rights Commission's subcommission has handled its mandate under ECOSOC Resolution 1503, which establishes confidential procedures for examining allegations of violations of human rights. After several years of rather futile debate immediately following the adoption of this resolution, this year the subcommission and the Human Rights Commission finally began to come to grips with the large number of allegations and acted on 10 cases, as reported to the Economic and Social Council.

It is only in taking seriously allegations about human rights violations in any nation, in all regions of the world, about any category of human rights, that the United Nations will be able to escape the accusation of following a double standard, blaming a few scapegoats instead of maintaining a balanced approach. We believe the Human Rights Commission demonstrated a new maturity this year in considering seriously cases in nearly a dozen nations. We have great hopes that Resolution 1503 will be utilized even more in future years and that all nations will lose their fear of responding to inquiries that may be addressed to it under this procedure.

Struggle Against Torture

In April 1977, before the Economic and Social Council, U.S. Ambassador to the U.N. Andrew Young said that he believed that the United Nations should set priorities in its struggle for human rights and fundamental freedoms in order to concentrate our resources and focus our attention. One of the three priorities he suggested was the struggle against torture, which he called "the leading edge of oppression" and which is surely an affront to the conscience of the international community.

We are glad to note that the worldwide appeals from many groups—including the world religious communities and the growing concern of governments during the past 4 or 5 years—have finally begun to show some progress and that apparently there are fewer cases of torture in the world today than there were even 2 or 3 years ago.

We are also alarmed by the use of modern science to engage in more sophisticated forms of torture, including the professional misuse of psychiatric wards to silence legitimate expression of political opinions.

We welcome the draft resolution sponsored by the Netherlands, India, and Sweden and express our commitment to a speedy conclusion of the drafting process of the treaty against torture. We cannot cease our concern nor our vigilance in this area.

Freedom of Religion

In a survey of the overall human rights record in the United Nations for the past year, there is one particular area which stands out for special notice. My government and my country attach deep importance to the right of everyone to freedom of thought, conscience, and religion. As stated in Article 18 of the Universal Declaration, this right includes freedom to change one's religion or belief and freedom, either alone or in community with others and in public or in private, to manifest one's religion or belief in teaching, practice, worship, and observance.

We have already had occasion to discuss the very disappointing record so far achieved by the Commission on Human Rights in drafting a declaration on religious intolerance. Everyone in this room knows that my government is eager for the drafting exercise to go forward. But our concern is not because we want to see another document added to the collection already produced in the United Nations. It is because we know that freedom of religion is a freedom that is widely denied in the world today. It is a freedom in which every country represented here should be interested, because this is the freedom which applies not just to religions in a particular country or area of the world but to each of the many religions which are practiced throughout the world.

There are countries in the world today where Muslims are denied the practice of their religion, where Jews are discriminated against, where Christians are unable to worship freely. I urge all of you to pay greater attention to this question and to join together to resist those who would obstruct the efforts of this body to make into a reality throughout the world the words of Article 18 of the Universal Declaration.

I repeat, this is not a problem which should be the concern of just one or two countries or of one or two religions. Everyone who professes a religion, regardless of the particular be-

liets with which his religion may be identified, will benefit in direct measure as this Organization can succeed in strengthening the observance of religious freedom everywhere.

Arrested or Detained Trade Unionists

Last year the General Assembly adopted Resolution 32/121 regarding the protection of the human rights of persons detained or imprisoned for their political opinions or convictions. This year that resolution is being specifically applied to a certain category of persons—those arrested or detained on account of their trade union activities. My delegation strongly supports this resolution. We firmly believe that at the heart of any healthy society lies a healthy trade union movement. History demonstrates that when human rights are violated and tyrannies used, the first to resist and the first to suffer is the trade union movement.

In supporting the resolution, in document L.44, my delegation would like to note that it has been 30 years since the freedom to form and to join trade unions was proclaimed a basic human right in the Universal Declaration of Human Rights and in the convention on freedom of association adopted that same year by the International Labor Organization. We believe it is time for the United Nations to devote much more attention to this area.

This resolution is directed to all member states. However, I would wish to note several specific examples. In South Africa, we have recently been encouraged by certain preliminary stirrings toward the development of black trade unionism in that country. This resolution, if adopted, will serve notice that the United Nations and its member states will give special attention to the measure in which the Government of South Africa grants to its black citizens the right of association in trade unions of their own choosing. But here again we must avoid the double standard.

We would also hope that this resolution would be noted by the Governments of Tunisia, Bangladesh, Argentina, Chile, and Uruguay—governments to which the International Labor Organization has within the past year appealed for the release of trade unionists from imprisonment or detention.

We would hope that the resolution would also be noted by those Communist countries in which workers are beginning to insist on the exercise of their trade union rights. In China, Poland, Romania, and the Soviet Union we have seen a small beginning. Some

WESTERN HEMISPHERE: FY 1980 Assistance Proposals

by Viron P. Vaky

Statement before the Subcommittee on Inter-American Affairs of the House Committee on Foreign Affairs on February 13, 1979. Mr. Vaky is Assistant Secretary for Inter-American Affairs.¹

I appreciate this opportunity to discuss the Administration's proposed FY 1980 foreign assistance program for Latin America. I will try to place this program in the context of our major interests and overall policy objectives.

The importance of Latin America to the United States in economic terms is made obvious by the very large flow of

goods, technology, and capital in both directions. Latin America is the source of one out of every six barrels of oil we import. U.S. investment in Latin America already exceeds \$20 billion. Our exports to the area have tripled since 1967 to almost \$20 billion annually. We now sell more machinery, consumer goods, and chemicals to Latin America than to the rest of the Third World combined. Three nations—Mexico, Brazil, and Venezuela—are among our top dozen trading partners.

Less easily quantified, but no less important, are our political, psychological, and security interests in Latin America. To everyone's great

workers have begun to speak out for their rights. Workers have gone on strike or attempted to form unions of their choosing, as guaranteed in the Universal Declaration.

We believe this is an important test for the countries in question and for the international community. Such a central force in any community cannot forever be denied rights that are internationally sanctioned and socially wise.

Conclusion

Finally, let me re-enforce what the United States has said on numerous occasions about the continuing importance of economic and social rights.

President Carter has said that the right to a job is a basic human right, and yet in my own country we have an unemployment problem. There is a massive problem in the world as a whole as millions flee the soil prematurely to seek work they cannot find in the cities. The numbers of the impoverished, the starving, the sick, the uneducated, the jobless—all over the world—are massive by any calculation. Ninety percent of the resources of the United Nations and its affiliated agencies are directed at this problem, and the bilateral assistance programs of my own and many other governments are aimed—in various ways—at making progress on this issue.

The denial of life or health or schooling or employment is no less a denial of human rights because it results from neglect or maldistribution of available resources or the lack of tech-

nological skills to solve very real practical problems. Our concern is for human beings whose rights are being denied, whatever the reason.

We urge that the United Nations and its member countries continue their concerted efforts to address economic and social questions and to operate increasingly effective and efficient programs that give even greater impact to limited resources that are available. We ask that these developed states that place special stress on economic and social rights now join with the rest of the developed countries in contributing their fair share to international efforts to solve these problems. We all can do more if we feel that everyone is working together. The U.N. Charter determined that a goal of this body is "to promote social progress and better standards of life in larger freedom." Let us work to that objective.

I need not remind this group that this year we commemorate the 30th anniversary of the Universal Declaration of Human Rights. That and other legal documents prepared by this body challenge us to put into practice the principles so carefully laid down by member governments. As worldwide concern for human rights, in all their forms, has grown over the past year, I urge that we seize this opportunity to make a quantum leap forward—to end human rights abuses and encourage member nations to foster new understanding and concern for the rights of individuals everywhere. □

¹USUN press release 154.

good fortune, our history of inter-American relations in recent years has been made up of movements of people rather than of armies, of ideas rather than of threats. But the peaceful nature of our relations means only that Latin America is less in the headlines than, say, China, Iran, or the Soviet Union. It does not mean that we have no problems or that the problems are not important.

While U.S. interests in Latin America and the Caribbean are strong and enduring, our relations with the nations of the region are undergoing a profound change. There is no better evidence of that than the budget requests you have before you now. They embody an apparent paradox: for despite the importance of Latin America to the United States and its direct impact on many basic U.S. interests, Latin America today receives less U.S. bilateral economic aid and military assistance than any other area in the developing world.

Today's programs are quite modest compared to past U.S. assistance efforts. More importantly, they are extremely modest in terms of the needs of the region. The \$230 million economic assistance program proposed for FY 1980 is concentrated on a relatively few poorer countries—in the Caribbean, Central America, and the Andes—and the proposed \$38.7 million in security assistance, for example, would provide foreign military sales (FMS) credit for only six countries. There is nothing in either category for the larger advanced developing countries—Brazil, Mexico, Venezuela, and Argentina. Indeed 70% of Latin America's people live in countries not touched by our FY 1980 proposals.

The modest bilateral economic programs we are proposing are targeted at the worst aspects of poverty through a strategy of meeting basic human needs. They are a modest response to the pressing problems in the poorest countries that blends development loans and technical cooperation. Our small military sales and training programs aim at the legitimate security needs of the region and are carefully tailored to support our political objectives, including human rights.

Secretary Vance noted in his statement before the full committee on February 5, that our strategy is one of affirmative involvement and support for the independence and diversity of developing nations. This strategy is particularly important for our relations with Latin America.

Relations in the hemisphere have changed. The Latins have widened

their horizons while the United States is no longer such a dominant force. Military and equipment links now exist overwhelmingly with Europe—East and West—while we have slipped to fourth among all arms suppliers to the region; economic relationships—trade and investment—have been diversified toward Europe and Japan; while traditional intellectual and cultural ties with Spain, France, and others have been strengthened.

The significance of the North-South dialogue is that we are beginning to engage the countries of the developing world as active and effective participants in the world economic system, ones increasingly well represented in its decisionmaking process. This linkage is important to us. Latin America's economic growth and that of the rest of the Third World has had an important and positive impact on growth rates in the industrialized world.

These developments are basically healthy for everyone concerned. Strong, independent countries, operating within and supported by a sound inter-American system and by a global economic and political framework, are

our best assurance of peaceful, friendly, and economically sound neighbors in the hemisphere.

Obviously, however, the new situation requires careful definition of U.S. interests and objectives. In my experience, U.S. assistance programs, in addition to their own inherent reasons, are an integral part of the overall policy process. They provide major and direct support for key U.S. interests and objectives which, in the hemisphere in their broadest terms, are:

- To enhance Western Hemisphere security and create an environment in which the countries of the hemisphere will resort to peaceful means to settle disputes; to support regional arms restraint efforts as a means to enhance security and stability in the area and free funds for development needs;
- To prevent the proliferation of nuclear weapons and weapons-making capabilities in the area;
- To promote the increased observance of all forms of human rights—individual rights, economic and social rights, and basic political rights;
- To encourage economic growth

Pan American Day and Week, 1979

A Proclamation¹

Each year the peoples of the Americas celebrate our common origins and continuing mutual ties. To the people of the United States Pan American Day commemorates the importance of mutual respect and cooperation which characterize the Inter-American system and its central institution, the Organization of American States.

No region of the world can boast a greater tradition of peace and tranquility among nations. No nations of the world have worked more consistently or harder to find solutions to the political and economic problems which they face in the world today. Our Organization of American States, the birth of which we will celebrate on April 14, has been and continues to be vital to this continuing effort.

In the past year alone, the Organization of American States has made important contributions to the welfare of the people of the hemisphere. It has helped to promote the cause of human rights and dignity in the Americas and to diffuse tensions in Central and South America.

The United States, on Pan American Day 1979, salutes the other nations of this hemisphere, and pledges its solidarity with them,

and with the Organization of American States in the continuing efforts to achieve the visionary democratic ideals of the founding heroes of our hemisphere. It is from these ideals that we derive our desire and our ability to cooperate for a common good and for the benefit of all our people.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim Saturday, April 14, 1979 as Pan American Day and the week beginning April 15, 1979 as Pan American Week, and I call upon the Governors of the fifty States, the Governor of the Commonwealth of Puerto Rico, and appropriate officials of all other areas under the flag of the United States to issue similar Proclamations.

IN WITNESS WHEREOF, I have hereunto set my hand this sixth day of March, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and third.

JIMMY CARTER □

¹No. 4644 of Mar. 6, 1979 (text from Weekly Compilation of Presidential Documents of Mar. 12).

and development, with increased equity, and to strengthen U.S. economic relations with the area in trade, investment services, and technology transfer; and

- To gain cooperation on many problems that directly affect daily life in the United States such as the narcotics trade, migration, and access to energy and raw materials.

The basis of our programs lies in our own national interest. To the extent that we can help our poorer neighbors overcome the problems of poverty and live in greater security we can be more confident they will help us to deal with major problems of our own.

Development Assistance

The United States now has a small but vital program of bilateral economic assistance in Latin America. It is highly selective. Latin America is not a homogeneous region. The varying levels of development and domestic resources in the individual countries cover a wide spectrum. Our bilateral program concentrates on the smaller poorer countries and on rural poverty.

This is not to say we are not also concerned with their larger neighbors or the broader aspects of economic development apart from rural poverty. We, of course, support the economic development of the entire region through our major participation in the international financial institutions, including the World Bank and the Inter-American Development Bank.

Moreover, as these larger countries progress in their development, they no longer rely so heavily on concessional assistance from any source for resource transfers, but rather they participate increasingly as full-fledged members of the international economy. Thus, they look to us primarily to provide open markets for their trade and capital needs. Recently about 80% of the capital inflow to Latin America has come from private, nongovernmental sources. In this connection, I might point out the importance to Latin America of timely, positive action by the Congress on such legislation as the extension of authority to waive our countervailing duties, ratification of the International Sugar Agreement and the results of the multilateral trade negotiations, and approval for the replenishment of the Inter-American Development Bank.

There are other important aspects of our economic cooperation with the major part of Latin America where we do not have development assistance programs. These include our growing

network of science and technology cooperation agreements and the recent initiative under the Agency for International Development's (AID) reimbursable development programs.

To return to the subject of this section of my testimony—the bilateral economic programs—I would like to make some general points. First, our bilateral development assistance request in the region is a very modest one, totaling \$230 million for FY 1980. Fifty percent of our program resources will go to those countries with per capita incomes below \$580—Haiti, Bolivia, Honduras, El Salvador, Guyana, and the Associated States of the Caribbean. Even where we have programs in the so-called "middle income" Latin countries, our focus is on the very poorest sectors of these societies. In the middle-income countries there are still large sectors—usually rural areas—where conditions of poverty are as severe as anywhere in the world. Thirty-seven percent—\$86.1 million—is for the nations of the Caribbean.

We have been working intensively over the past 2 years to implement a regional strategy for the Caribbean. Last June, at our urging, the World Bank convened the first meeting of the Caribbean Group for Cooperation in Economic Development. This brought together the international financial institutions, ourselves, and other donor countries and the recipient countries.

The meeting agreed on establishing the Caribbean Development Facility (CDF) to meet the immediate and pressing needs in the area. With pledges at more than \$115 million, this program is now being implemented. It has already become a key factor, and we are planning for a second meeting of the full group this year, as well as subgroups on particular countries. Another contribution to the CDF is a key part of our FY 1980 request, but

we also want to support an increasing number of regional projects which will help to bring the countries of the area into additional cooperative arrangements as well as to improve living conditions for their poor.

Bilateral programs also emphasize this sort of coordinated regional approach to the common problems the Caribbean countries face. Further progress on regionalism and economic cooperation is made even more essential by the difficult economic situations the newly independent states in the Caribbean will encounter. Their viability may well depend on cooperation.

A key to continued progress in development even for the more advanced countries is maintaining the flow of modern technology and know-how to them. This transfer of technology issue, including the problem of adapting technology to local needs, is one on which we are working in many ways. A new initiative we want to implement this year is the foundation for international technological cooperation. We expect it will be a useful tool in meeting a major need throughout the hemisphere.

A problem area I want to commend to your attention is our inability to cooperate in meeting the critical short-range economic problems of countries whose cooperation we need to advance a wide range of U.S. interests. In Latin America, some of these countries are now outside the range of our bilateral programs, but even for the rest our choices are severely restricted.

In particular, we sometimes lack the flexibility and resources to share effectively in supporting even those friendly democratic countries in which we still have AID programs. I am referring to situations where short-term balance-of-payments crises force major reductions in development programs and in some cases impinge on human rights conditions. Congressional directives requiring assistance to be in the form of projects and channeled to the poorest means long lead times and slow disbursement, when sometimes we need to make an impact immediately.

Over the last decade, AID's resources have been gradually shifted away from Latin America to Asia, the Far East, and Africa. Comparing the development assistance authorization for Latin America in FY 1970 with our request for FY 1980, we see a decline from \$418 million to \$230 million. The region's share of total AID development assistance fell from 30% to 15.6% over the same period. A dramatic effect of this decline is that in FY 1980 payments on principal and interest on previous AID loans to Latin

Letters of Credence

The following newly appointed Ambassadors to the United States presented their credentials to President Carter: Jose Antonio Bermudez Milla of Honduras on January 11, 1979; Felipe Doroteo Monterroso Miranda of Guatemala on February 26; and Carlos Alfredo Lopez-Guevara of Panama on March 1. □

America will total \$205 million—an amount almost equal to new authorizations.

Although we understand the reasons for this decline—essentially the desire to concentrate on the world's poorest countries—it is also a cause for concern. Despite its favorable economic growth rate, Latin America has more people living in absolute poverty (less than \$250 per year) today than it did a decade ago. There are perhaps 150 million people, or 40–50% of the still rapidly growing total population living in absolute poverty.

Policy Objectives

I have given you some general impressions of the significance of development assistance in Latin America and the conceptual context in which we work. I would attempt now to be somewhat more specific in identifying our policy objects.

First is the broad question of strategy to maintain the momentum for continued economic development. U.S. bilateral economic and technical cooperation in Latin America is not currently designed as a resource transfer program. Its primary role is to transfer ideas and technical knowledge to build indigenous capacity in Latin and Caribbean countries to analyze and deal with poverty and newer global problems.

Second, in accordance with congressional directives, we are concentrating on seeing that our program addresses basic human needs of the poorest sectors in the recipient countries. Often this means rural health and agriculture programs.

But we also face the growing global problems which threaten to impact on us all in a future that draws closer every day—environmental pollution, energy development and conservation, and population growth. These are a necessary complement to a basic human needs strategy.

Third, we seek to maintain economic growth while spreading the benefits of growth more equitably. These are the economic rights we endorse and promote.

Our human rights policy toward Latin America must be considered in the context of our global policy. We fully realize this policy has created strains and tensions in relations with some governments in Latin America as it has with governments in other areas. We regret that. We would like good relations with all, and we intend to continue our efforts to remove the ob-

stacles to such relations. On the other hand, we are also determined to continue our present human rights policy, tactfully, firmly, and, we hope, intelligently.

I am sure I do not need to emphasize here how complex human rights issues can be. It would be absurd to attempt to calculate a precise debit and credit ledger of the results of our policy in Latin America. But it can be said that while there have been problems with some governments there has also been enthusiastic support for our policy from many important sectors of Latin American public opinion, including religious leaders, intellectuals, the press, political parties, human rights groups, and labor unions.

Our efforts have also had a salutary effect on the day-to-day application of human rights in many countries. Today, as compared with 2 years ago, in various countries there is less torture and murder, many political prisoners have been released, names of prisoners

have been published, there are fewer "disappeared," states of seige have been lifted, the Inter-American Human Rights Commission has been invited to visit many countries, and the American convention has been signed and ratified.

In designing assistance programs we have paid special heed to the human rights factor. Bilateral aid has been severely restricted in several cases, but I would like to point to the positive program changes as well.

Several countries, such as Peru, Ecuador, and Bolivia, are undergoing major political shifts that signal the return of popularly elected, constitutional governments. We are supporting this democratic trend through our AID programs. We have also tried to increase our bilateral assistance programs in a few countries with outstanding human rights records such as Costa Rica and the Dominican Republic.

Ecuador is a unique case where we are proposing starting a new program

Maritime Boundary Treaties

MESSAGE TO THE SENATE, JAN. 19¹

I transmit herewith, for the advice and consent of the Senate to ratification, three treaties establishing maritime boundaries: the Treaty on Maritime Boundaries between the United States of America and the United Mexican States, signed at Mexico City on May 4, 1978; the Maritime Boundary Treaty between the United States of America and the Republic of Venezuela, signed at Caracas on March 28, 1978; and the Maritime Boundary Agreement between the United States of America and the Republic of Cuba, signed at Washington, December 16, 1977.

These treaties are necessary to delimit the continental shelf and overlapping claims of jurisdiction resulting from the establishing of a 200 nautical mile fishery conservation zone off the coasts of the United States in accordance with the Fishery Conservation and Management Act of 1976, and the establishment of 200 nautical mile zones by these neighboring countries.

The treaty with Mexico establishes the maritime boundary between the United States and Mexico for the area between twelve and two hundred nautical miles off the coasts of the two countries in the Pacific Ocean and Gulf of Mexico. In this regard, it supplements the Treaty to resolve Pending Boundary Differences and Maintain the Rio Grande and Colorado River as the International Boundary between the United

States of America and the United Mexican States, signed at Mexico November 23, 1970, which establishes maritime boundaries out to twelve nautical miles off the respective coasts. The treaty with Venezuela establishes the maritime boundary between the two countries in the Caribbean Sea, between Puerto Rico and the U.S. Virgin Islands and Venezuela where the 200 nautical mile zones overlap. The treaty with Cuba establishes the maritime boundary between the two countries in the Straits of Florida area and the eastern Gulf of Mexico where the 200 nautical mile zones overlap.

I believe that these treaties are in the United States interest. They are consistent with the United States interpretation of international law that maritime boundaries are to be established by agreement in accordance with equitable principles in the light of relevant geographic circumstances. They will facilitate law enforcement activities, and provide for certainty in resource development.

I also transmit for the information of the Senate the report of the Department of State with respect to each of these treaties.

I recommend that the Senate give early consideration to these treaties and advice and consent to their ratification.

JIMMY CARTER □

¹ Text from Weekly Compilation of Presidential Documents of Jan. 22, 1979.

in FY 1980 after several years without bilateral assistance. We are recommending \$5 million of loans and grants focused on appropriate technology and training for small farmers. This will be tangible evidence of our support for the series of free elections already underway for a new government in Ecuador.

Of course I do not wish to imply that human rights violations have been eradicated in Latin America. But progress, encouraging progress, has been made in Latin America over the past 2 years. Once again, I do not wish to give the impression that the U.S. Government is solely or mainly responsible for that progress. The progress has been made by Latin Americans themselves, but we have made a contribution.

Security Assistance

I would also like to turn now to the security assistance side of our foreign assistance request. The amount we are asking for FY 1980—\$38,734,000—is the smallest request for Latin America in the last decade. It is almost 30% less than we asked for last year, and it is less than half the amount we had in FY 1978. A similar pattern is evident in our foreign military sales (FMS) cash and commercial arms sales to Latin America. The value of new contracts under both FMS cash and credit programs reached a peak of \$316 million in 1974 and declined to less than half that in 1976 and 1977. They recovered slightly in FY 1978 to \$182 million. Commercial exports to Latin America licensed under the Arms Export Control Act peaked in 1976 at \$162 million; in 1978 they were less than one-fourth of that.

In short, a very substantial change has taken place in the nature of our security relationship with Latin America. The United States, until the mid-1960's the preeminent arms supplier to the region, accounted in 1973-76 for only 22% of total arms sales to Latin America. In 1977 and the first half of 1978 we accounted for only 10%. We ranked behind West Germany, France, and the Soviet Union. Of the U.S. materiel transferred, only about 25% represented major end items, the balance being spare parts and support equipment.

In part this was a natural and inevitable development. As European industry recovered from World War II and began aggressively to seek export markets, and as Latin American nationalism and interest in avoiding over dependence on a single supplier grew, we would have seen in any event a decline in U.S. arms exports to the

region. But much of the curtailment of our transfers in the last 2 years has been the result of the policy set by the Congress and the President.

Sixteen countries received FMS credits in 1976-77, and 17 received international military education and training (IMET). In our proposal for FY 1980, only six will receive FMS credit and only 10 out of the 17 will receive IMET. Of the countries that have been wholly or partially dropped from the security assistance rolls, Argentina and Chile were, of course, excluded by legislative mandate. Four others—El Salvador, Nicaragua, Paraguay, and Uruguay—have significant unresolved human rights problems, and both our implementation of the President's human rights policy and our interpretation of the provisions Congress has written into law required the elimination of security assistance to those countries.

Haiti and Honduras have less serious human rights problems, but neither is a functioning democracy. For that reason, and in a year of general budget stringency, we have dropped our FMS credit financing there but retained small IMET programs.

Reacting to the requirement for human rights reports, Brazil asked that it not be considered for any type of security assistance, and that was also the reason for Guatemala's absence from the 1978 and 1979 programs. However, Guatemala requested, and we agreed to propose, IMET training in FY 1980.

Costa Rica and Venezuela, both democracies with outstanding human rights records, are no longer recipients of security assistance because they are able to meet their requirements through commercial and FMS cash channels to which they have full access.

We have also carefully assessed both our government programs and each license we issue for commercial sales in light of the President's policy—which was last year also written into legislation—of arms transfer restraint. We believe it is not in the U.S. interest, nor in the interest of Latin America, to encourage the purchase of arms that are in excess of legitimate self-defense needs and that bear no relationship to the nature of the security threat faced by the recipient country. To do so only stimulates the purchase of additional arms by neighboring countries, with a resulting increase in international tension that causes concern to the entire hemisphere.

Fortunately, most Latin American countries themselves have traditionally pursued a cautious and restrained policy of arms acquisition, both because they have given priority to economic

development and because they have, in most cases, perceived a low external military threat. Latin America is the most lightly armed region in the world, historically the most peaceful, and it spends the least of any region on military materiel. About 2% of the regional GNP is devoted to defense, and some important countries spend less than 1% for that purpose.

In addition, there has been increasing interest in Latin America during the last year in translating separate national policies of arms restraint into a region-wide understanding. Last June, the foreign ministers of the eight Latin American countries that had signed the 1974 declaration of Ayacucho met here in Washington. They signed a statement reaffirming their countries' commitment to the declaration's goal of arms restraint, and they declared their intention "to explore, jointly with the other-Latin American countries, the possibilities of reaching an agreement for the limitation of conventional arms in Latin America." That exploration began at a meeting in Mexico City in August at which 20 governments were represented.

There is expected to be a second conference this year, at which delegates will consider the specific proposals presented at the Mexico City meeting. Among them are the establishment of a permanent mechanism through which the Latin American countries can consult on proposed arms purchases and the holding of a conference of all the principal arms suppliers to Latin America together with the purchasing countries. We do not expect a Latin American agreement on this complex and sensitive subject to be negotiated overnight—the United States has discovered that arms control negotiations are not easy or fast—but I think we can be pleased at the progress that has been made. The United States supports this Latin American initiative, and should the Latin American countries decide to open negotiations with the arms suppliers on arms transfer restraint, we are prepared to take an active part.

I would be less than frank with this committee if I were to tell you that these policies—the defense of human rights, the self-restraint of arms transfers, the encouragement of restraint by others—had no costs for the United States. Of course they do. A reduction in our financing of arms purchases or the denial of an export license means the loss of a positive entry on the balance-of-payments ledger and the loss of a sale to an American company and to American workers. We have that very much in mind at every stage of the

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security assistance and license approval process.

But our policies reflect our deeply held national beliefs about how we as a country ought to behave. Other countries, even democratic ones, may regard the systematic suppression of human rights as no concern of theirs. We do not, and we have not since the foundation of this republic. Other countries, even democratic ones, may regard the sale of machine guns and tanks as indistinguishable from the sale of soap. We do not—even if it means, in some cases, the loss of the sale. These policies, as do most of our national policies, carry costs. I believe they are worth paying, and I believe that view has support of the Congress.

Principal Features

I would now like to describe some of the principal features of the security assistance program we propose for FY 1980.

First, I want to direct your attention to an important new initiative in the training program. We are requesting \$800,000 to cover the cost of new courses at U.S. military schools in arms restraint and international peacekeeping. Two of the courses—one for senior and one for middle-level officers—will teach the concept of arms control, primarily of restraint in the acquisition of conventional arms but also touching on nuclear proliferation. The courses deal with the interrelationship between arms procurement, national security, and regional stability and why arms restraint contributes to security and stability and an arms race does not. The problems of negotiating multilateral restraint agreements, including the need for confidence building measures, information exchange, and verification provisions, will be discussed.

The other courses will deal with international truce observation and peacekeeping operations. The course for senior level officers will teach the history of such operations, their contribution to world peace, the growing need of the United Nations and the Organization of American States (OAS) for properly trained and equipped personnel, and the management and deployment of such units. The lower level courses will actually train participants in working together in multinational, multilingual situations and help them work out solutions to the problems of organization, communication, and logistics.

This proposal would enable us to make a significant contribution in sup-

port of U.N. peacekeeping functions to which we ourselves traditionally do not supply troop contingents. The President's 1978 report to Congress on reform and restructuring of the United Nations contained proposals for improving U.N. peacekeeping capabilities by encouraging the establishment of a U.N. peacekeeping reserve composed of national contingents trained in peacekeeping functions. The U.N. General Assembly adopted in December 1978 a resolution cosponsored by the United States which invited all member states to consider the possibility of training their personnel for U.N. peacekeeping operations and to consider supplying the Secretary General with information relating to standby capacities which could be made available if required.

Apart from the regional program, we are asking \$4.4 million for fixed costs of the Canal Zone schools, the same amount requested in FY 1979 for that purpose. The total we are asking for individual country IMET programs is \$3.2 million. That is 15% less than the President's request for Latin American country programs in FY 1979. In consequence, none of the individual country requests exceeds the amount asked for in 1979, and most of them are reduced.

However, we found room for three countries not included last year: \$60,000 each for the Bahamas and Barbados and \$250,000 for Guatemala. I have already referred to Guatemala's request to reenter the IMET program this year. The training proposed for the Bahamas and Barbados reflects our concern that a great deal of important air and sea traffic passes through these islands and their territorial waters, but these countries lack sufficient trained government personnel in such essential activities as search and rescue and navigational safety.

We are requesting authority to extend FMS credits to only six countries: Bolivia, Colombia, the Dominican Republic, Ecuador, Panama, and Peru. No major new weapons systems will be financed; purchases will consist primarily of support and maintenance equipment, spare parts, and small amounts of ammunition. Several countries are expected to be interested in patrol boats for antismuggling operations, helicopters, trucks, and light artillery. Where appropriate, we are encouraging countries to use their credits increasingly for nonlethal equipment useful in civic action programs. For example, the entire FY 1979 credit for Bolivia will be used to purchase equipment for a military hospital which also serves the civilian population.

That, very sketchily, is our Latin American security assistance program for the coming year. As I said at the beginning, it is small, perhaps only one-half of 1% of all Latin American defense expenditures. But the importance of this assistance far exceeds its size. It is a symbol of our interest in the security concerns of the Latin American nations. It is the tangible proof of our interest in working with them to meet their legitimate defense needs and to avoid excessive, destabilizing arms purchases. I ask your support for these objectives and for this program.

Conclusion

In conclusion let me try to sum up briefly the case for our assistance to Latin America. Because Latin America is close to us geographically, there are a great many interfaces between the United States and Latin America. Some are highly beneficial. Trade, investment, banking, tourism, and cultural exchange come immediately to mind. Other relationships created by geographic proximity are troublesome. Illegal migration, narcotics trafficking, smuggling, pollution, and conflicts over fishing zones are obvious examples.

In addition, our proximity to Latin America gives increased significance for us to what happens there on such issues as nuclear nonproliferation, conventional arms restraint, peaceful settlement of disputes, and last but not least improvement in human rights, including mitigation of the most troublesome aspects of poverty and rapid population increase.

At times our concern with these many interfaces has led us to articulate some kind of special relationship with Latin America. In this Administration we have consciously decided not to try to oversimplify these increasingly complex interrelationships in this way. The United States is a global power and has interests in all parts of the world. What we do in Latin America must be a consistent part of our global policies. Moreover, Latin America by itself has a growing global role. We welcome this growth and find that the countries of Latin America are increasingly effective partners in global efforts for peace and improved living standards.

While we cooperate more and more with the Latin American countries on the global stage, we must also strengthen our cooperation with them bilaterally and regionally, through the OAS and through support of cooperative subregional initiatives like those of the countries in the Caribbean group.

Panama Canal Treaty Legislation

Following are President Carter's letters to the Congress of January 23, 1979, transmitting a draft of proposed legislation to implement the Panama Canal Treaty and related agreements and statements before the Panama Canal Subcommittee of the House Merchant Marine and Fisheries Committee by Deputy Secretary of State Warren Christopher on February 15 and U.S. Ambassador to Panama Amblar H. Moss, Jr., on February 26.

DEPUTY SECRETARY CHRISTOPHER¹

I am happy to meet with you today at the opening of this committee's hearings on legislation to implement the Panama Canal Treaty of 1977 and related agreements. Other witnesses from the State and Defense Departments, and other interested agencies, will comment on the legislation in detail, so I would like to step back and comment

on the legislation from a more general perspective.

We appreciate Chairman Murphy's [Congressman John M. Murphy of New York] cooperation in introducing the bill prepared by the Administration. We also welcome the opportunity to analyze the provisions of the bill he and you have separately introduced, as well as legislation introduced by Congressman [George V.] Hansen [of Idaho]. We particularly appreciate the committee's cooperation in scheduling these hearings early in this session of the 96th Congress.

The implementing legislation will forge the major remaining link in the chain of events which, after 15 years, resulted in the two new treaties establishing arrangements for our future operation and defense of the Panama Canal, in cooperation with Panama. The legislation will contribute directly to the security, continuity, and efficiency of canal operations. It will provide a framework for effectively exercising

Assistance Proposals (Cont'd)

The fact that we have not articulated a catchy phrase to characterize our Latin relations does not mean we want to neglect these relationships. In fact, it is only by participating with our neighbors on matters of common concern that we can elicit the cooperation we need on narcotics, on migration, and in obtaining needed energy and raw materials.

But the other side of the cooperation coin is that we must also be prepared to cooperate in areas of greatest importance to our southern neighbors. Economic development is the highest priority objective of almost every one of these countries. They have made much progress but per capita GNP is still only one-seventh to one twenty-fifth of ours. The very education and awareness of possibilities that come with a little progress—the breaking of the traditional cycle of poverty—raise expectations and politically expressed demands for even more progress. Moreover, there is a general belief in Latin America that it is the technology and know-how available in the United States as well as capital from this and the global market that are the keys to the desired rapid development.

As many of our southern neighbors have made more economic progress, their technicians and managers have become more competitive with ours in many fields. We therefore need to restructure the relationships through which we cooperate with them. But we must not turn our back on their top priority—economic development—if we expect continued effective cooperation in those areas with direct and immediate impact on many Americans, such as narcotics, migration, and human rights.

A second area in which Latin America has traditionally looked to the United States has been that of security. After World War II, we became the principal supplier of arms for their relatively modest military establishments. Tensions arising from arms restraint and human rights concerns have fundamentally changed this relationship. Our interfaces are sufficiently broad and strong to enable us to manage these tensions. Over the long run, however, here also we must attain new and more appropriate forms of effective cooperation to enhance both the security of these friendly neighbors and our own security which would be much affected should hostile forces find increased hospitality to our south.

The economic and security assist-

the substantial rights the United States obtained under the treaties. More broadly, such legislation, like the treaties, will contribute to the improvement of our relations throughout the Western Hemisphere, helping to replace longstanding uncertainty and suspicion with a spirit of partnership and trust.

It is true that the legislation is complex, raising technical issues of organization and finances. But the legislation is nonetheless of great importance. Its passage is essential to the efficient and successful operation and defense of the canal under the Panama Canal Treaty of 1977. That treaty establishes the terms and conditions under which the United States will operate and defend the canal until the end of this century. The companion Treaty Concerning the Permanent Neutrality and Operation of the Panama Canal insures the canal's security both before and after the canal is transferred to Panama in the year 2000.

These treaties will come into force on October 1 of this year. They bind both countries under international law. The two countries have much to do to prepare for the changes which will occur on October 1 and thereafter.

After that date, the United States

ance requests you have before you are key to these two areas of economic and security cooperation. The economic assistance is a bare minimum to demonstrate our support for Latin America's number one objective; it already shows our efforts to stretch the available funding so that it will do as much as possible to assist the Latin countries in tapping what can be our largest contribution to their development—our know-how. Funding the IMET—the training that is now the most critical link in our military cooperation—is also at a minimal level, barely enough to sustain a basis for the communication and cooperation that would be a vital necessity in a moment of crisis.

As you consider these requests for authorizations, and as the debate on appropriations goes on, I hope you will keep in mind how important these minimum amounts are to provide the minimum basis for cooperation in this hemisphere—cooperation which carries direct benefits for every American. □

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.

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will continue to operate and defend the canal. It will do so, however, not as virtual sovereign in the Canal Zone but rather as the partner in a cooperative enterprise with Panama. We will continue to have the controlling voice, but Panama will also have a significant role to play. For both governments, the new situation will constitute an unprecedented challenge.

The way in which we exercise our rights and fulfill our obligations under the treaty will do much to help insure an efficient and secure Panama Canal. Thus, the legislation offers us an opportunity to reaffirm and strengthen our basic objectives with relation to the canal.

Planning for treaty implementation has gone forward on both sides in a spirit of sincerity and good will. Panamanian and U.S. officials, both civil and military, are working closely in approximately 30 separate bilateral working groups to plan for the adjustments which will occur under the treaty. We fully expect that the current atmosphere will be preserved and that we can look forward to a lasting new relationship with the Government and people of Panama.

The new civilian government of President [Aristides] Royo has given treaty matters the highest priority. It has centralized its preparations for treaty implementation in a Panama Canal Authority. The Director of the new Authority is Gabriel Lewis Galindo, the former Ambassador to the United States, who was closely associated with the negotiations leading to the treaty. The Panama Government has drawn heavily on many of its most qualified citizens to work on canal problems.

Ancillary Agreements

As required by the Panama Canal Treaty, three important ancillary agreements between our governments have recently been signed.

- The first will relieve the United States from its current obligation to operate the air traffic control system in Panama and provides for a phased transfer of this function from the Federal Aviation Administration (FAA) to the Government of Panama, over a 5-year period.

- The second insures permanent U.S. use of a portion of Corozal Cemetery for the remains of American citizens.

- The third will permit American citizens convicted of crimes in Panama, and Panamanians convicted in the United States, to serve their sentences

PRESIDENT'S LETTERS TO CONGRESS*

Dear Mr. Speaker: (Dear Mr. President)

I am pleased to forward herewith the text of proposed legislation to implement the Panama Canal Treaty of 1977 and its Related Agreements. I would appreciate its urgent consideration and timely passage by the Congress.

Senate approval of the Canal Treaties last April, and the delivery of instruments of ratification in June, marked the beginning of a new and important phase in our relations with the Republic of Panama and other nations of the Hemisphere. Under the Treaties, the United States will retain operational control of the Canal and primary responsibility for its defense until the end of this century. Panama will participate in the operation and defense of the Canal and will assume full responsibility for its operation when the Canal Treaty expires. Under a second treaty approved by the Senate the United States retains, permanently, the right to defend the Canal against any threat to its neutrality.

The constitutional process of both countries has now been completed, and the treaties will enter into effect on October 1, 1979. Under their terms, on that date the Canal Zone will cease to exist, the United States Government agencies known as the Panama Canal Company and the Canal Zone Government will cease to operate within Panama, and general jurisdiction over the area as well as the performance of a number of important support functions will pass to Panama. Property transfers will become effective in accordance with Treaty provisions.

Under the Treaty, we will acquire extensive obligations and rights with respect to the Canal on October 1. We will not, however, be in a position to exercise these rights in a manner which will fully protect

our interests in the Canal unless legislative action is taken promptly. To assure a smooth transition and continued efficient Canal operation once the new Treaties come into force, the legislative framework—in which the agencies responsible for operating and defending the Canal will be operating—must be established well in advance so that they may make the necessary plans and preparations.

Delay in adopting the legislation beyond May 31, 1979, could thus make conversion to the new system of Canal operation and defense less efficient and more costly. Moreover, uncertainty concerning the proposed legislative protection and benefits for Canal employees will increasingly affect employee morale and complicate the process of making necessary personnel adjustment. The consequent disruptive impact on the work force could reduce the efficiency of Canal operations and adversely affect the interests of U.S. shippers and consumers.

Our stewardship of the Panama Canal has been one of the outstandingly successful undertakings of American history. I urge the Congress to consider this legislation as a step toward the completion of another chapter in that history—one in which we will join with Panama to keep the Canal open, efficient and secure. In doing so, I am confident that this Government will maintain a system of management and a standard of performance of which all Americans can continue to be proud.

JIMMY CARTER

*Text of identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House, and Walter F. Mondale, President of the Senate; text from Weekly Compilation of Presidential Documents of Jan. 29, 1979 (also printed as House Doc. 96-39 of Jan. 24 which includes draft of proposed legislation).

in their own countries. This last agreement is similar to treaties we have with Mexico and Canada.

Thus planning and preparation for treaty implementation are proceeding in an orderly and cooperative manner. For this important process to continue, implementing legislation should be enacted as expeditiously as possible. To a large degree, it is the legislation that will determine how the Treaty will work in practice.

Proposed Legislation

Let me briefly outline the legislation we have proposed.

- It will establish, and provide for

the operation of, the new entity which will manage and operate the canal until the year 2000—the Panama Canal Commission.

- It will establish a financial system to assure that the canal will continue to operate on a self-sustaining basis.

- It will establish the basis for determining the level of tolls.

- It will establish new conditions of employment, labor relations, and retirement for U.S. Government civilian employees in Panama, including those of the Defense Department.

- It will establish a system of U.S. criminal jurisdiction for the 30-month transition period which begins on the effective date of the treaty.

- It will make other aspects of the

existing body of U.S. legislation concerning the canal conform with the new treaty.

Clearly, the legislation involves many matters of technical detail. But it also embodies some important decisions about the way in which the United States will carry out its treaty rights and responsibilities. In this regard, it is helpful to have three bills providing for treaty implementation—one, H.R. 1716, from the executive branch; another very similar bill, H.R. 454, from Congressman Hansen; and the third, H.R. 111, prepared by Chairman Murphy. The latter suggests certain alternative arrangements, proceeding from the thorough study of the subject made under the direction of the chairman.

In many respects the three bills are similar. But in others they differ, posing issues which deserve full consideration. Other Administration witnesses will be prepared for extensive discussion of these issues. I can assure you that we will work constructively with your committee, and other concerned committees, to produce an effective statute.

The Need for Prompt Legislative Action

Let me now say a word about timing. Prompt passage of appropriate legislation is critical. Sufficient lead time is required to plan and prepare for the new situation which will prevail after October 1 of this year.

The authorities responsible for treaty implementation must have a clear understanding, well in advance, of the legal framework in which the canal will be operating after that date. They must know what legal requirements will exist in order to prepare a budget, carry out personnel transfers and reductions, and transfer certain functions and activities to other U.S. Government agencies.

In addition, the employees of the canal enterprise need and deserve advance knowledge of the terms and conditions under which they may continue working, so that they may make rational decisions about their futures and so that the canal enterprise may maintain a competent and dedicated work force.

In this connection, I would like to comment briefly on H.R. 1511, a second bill introduced by Congressman Hansen which would seek to preclude not only implementation of the treaty but even preparation for implementation until the Congress has completed action on a bill to provide appropriations for these activities. Legislation of

this nature would seem both unnecessary and prejudicial to U.S. interests.

To prohibit preparation for implementation would serve only to deprive our canal operating authorities, our military forces, and our employees of the ability to insure a smooth and orderly transition when the treaties do enter into force. It is in our national interest that we plan and prepare as thoroughly as possible for the transition that will take place October 1, and early passage of the implementing legislation is a key element of this process.

I would hope, therefore, that in both Houses of Congress the arrangements made to insure prompt treatment of this legislation will be observed. We hope that legislation can be passed by June 1. Delay beyond that date would decrease the efficiency and hence increase the cost of the conversion process. If delay were prolonged, it could have a serious adverse effect on managerial efficiency, employee morale, and the operation of the canal itself.

With the passage of Panama Canal Treaty implementing legislation, we will be in a position to begin a new chapter in the history of the canal. With the cooperation and support of this committee and the Congress, the U.S. Government can open that chapter with firm assurance that it will unfold to our own and the world's advantage.

AMBASSADOR MOSS¹

I appreciate this opportunity to meet with you to discuss the proposed implementing legislation for the Panama Canal Treaty.

In addition to its traditional diplomatic and consular tasks, the American Embassy in Panama is actively engaged, in close coordination with the Governor of the Canal Zone [Harold R. Parfitt] and the Commander in Chief, Southern Command [Gen. Dennis P. McAuliffe] in planning for the implementation of the Panama Canal Treaty, which comes into effect on October 1, 1979.

Previous executive branch witnesses have covered a number of aspects of the draft versions of implementing legislation under consideration by the committee. There are two aspects in particular I would like to address, which are of special concern to the Embassy. These are:

- Our overall objective of building a partnership with Panama in the canal enterprise, designed to maintain a safe and efficient canal, and
- The need to safeguard the interests of American citizens in the present

Canal Zone whose lives will be affected by the implementing legislation.

First, I would like to make a few observations to the subcommittee about the cooperation I have observed thus far between the United States and Panama. Although there is a great deal of work to be done between now and October 1, and there are obviously a tremendous number of difficult decisions to be made by the United States and by Panama, individually as well as together, the cooperation between our government and the Panamanian Government has been excellent. The treaties are a mutual obligation to which both sides are committed, and in that spirit the work done by both countries' planners to date represents an honest effort to complete the arrangements called for under the treaty.

We are fortunate in that many of the leaders of the Panamanian Government today were heavily involved in the treaty process over the last few years and are therefore extremely knowledgeable. President Aristides Royo, a young lawyer who became President of Panama last October 11, was a chief treaty negotiator for Panama. He has shown a particular sensitivity toward the needs and concerns of the U.S. citizens who live in the Canal Zone and who work on the canal. President Royo has visited both Atlantic and Pacific sides of the Canal Zone where he has met with American and Panamanian citizens who work there. As a gesture of goodwill, he recorded a television message in English to the American residents of the Canal Zone which was broadcast on the local Armed Forces television stations.

Ambassador Gabriel Lewis, a businessman who was Panamanian Ambassador to Washington during the treaty ratification process, returned to the private sector shortly after approval of the treaties but now has come back to the Panamanian Government as Ambassador at Large and as the head of the Panama Canal Authority, the Panamanian organization which has the responsibility for all planning for treaty implementation. He has a strong team working with him in this effort, including three Cabinet ministers; two top military officers; and a number of economists, lawyers, and other advisers, many of whom have earned university and postgraduate degrees in the United States. Panama has sent as its new Ambassador-designate to the United States Carlos Lopez-Guevara, a distinguished international jurist who holds a law degree from Harvard.

Numerous working subcommittees made up of representatives from our two countries have been working to-

gether since mid-1978 to plan for the implementation of the treaty in a wide range of subjects from operational transfers, such as the ports and railroads, to areas of employee and community interests, including personnel, housing, social security, utilities, the environment, and the police and fire protection. Similar binational committees have recently begun work in areas of concern to our Southern Command and the Panamanian National Guard.

The goodwill and business-like attitude which exists between our two countries is exemplified by the fact—as Deputy Secretary Christopher has already observed—that last month we signed three agreements with Panama which were called for under the new treaty relationship. We have thus dispatched those portions of work in a very timely manner. The first of these accords was a new civil aviation agreement, which provides for the phasing-over of our present air traffic control in Panama's air space to Panama over a 5-year period. During that time we will be training Panamanian traffic controllers to begin replacing our personnel and also training Panamanian technicians in the use and maintenance of the equipment. The FAA agreement will represent a considerable cost savings to the United States.

The second agreement provides for a permanent U.S. cemetery at the present Corozal Cemetery in the Canal Zone, over which our flag will fly and which will be administered by the American Battle Monuments Commission in the same way that our military cemeteries abroad are maintained.

The third of these agreements is a prisoner exchange treaty—which will be submitted to the Senate for ratification—which provides that American citizens convicted of a crime in Panama can elect to serve their sentences in the United States and Panamanians convicted of a crime by a United States court can serve in their homeland.

It is apparent that we are already beginning to realize the benefits of our new partnership with Panama in the military field. During the last 2 months, conventional warfare exercises have been held by our 193d Infantry Brigade at the Rio Hato military base in cooperation with the Panamanian National Guard. This military area, large in size and ideal in terrain for such exercises, is deep into Panama's interior and would not have been made available to us except under the new treaty relationship.

On February 16, I accompanied President Royo on a visit to the U.S. Army School of the Americas. Presi-

dent Royo, who was given full military honors upon his arrival, stated in a press conference at the school that he wished it to continue in operation after the present 5-year agreement expires and encouraged the beginning of talks between the United States and Panamanian representatives for that purpose. He has remarked to me that he is proud of the fact that there have been numerous Panamanian graduates of the school, and he hopes for greater Panamanian participation in it.

Building a Partnership

The foregoing remarks are background observations leading me to the first point I wanted to make about the committee's consideration of implementing legislation. The new Panama Canal Treaty was designed to create a working partnership between the United States and Panama in the operation and defense of the canal, so that

it would remain efficient and secure in the future.

It is important that implementing legislation support the concept of partnership with Panama for two essential reasons. First, during the period of our stewardship of the canal operation until the year 2000, there will be the continuous need for full cooperation between both governments in numerous respects, and the canal's operation will necessarily be affected by the degree to which it exists. The United States has a dual mission with regard to canal operation: to keep it functioning efficiently and securely, as it has in the past, but also to bring Panamanians into all levels of its management so that they will be perfectly prepared to operate the canal after the year 2000.

Although the treaty clearly puts the United States in control of the canal operation, that operation will function most efficiently if both sides regard it

U.S. and Panama Sign Two Agreements

DEPARTMENT ANNOUNCEMENT, JAN. 12¹

The United States and Panama signed two agreements January 11, 1979, called for in the Panama Canal Treaty and related documents. The first—a treaty on prisoner transfers—will make it possible, once ratified, for Americans arrested and convicted under Panamanian legal jurisdiction to request to serve their sentences in penal institutions in the United States. Under the treaty, Panamanians convicted of crimes in the United States will have the same right to petition their transfer to Panamanian institutions to serve their sentences. The treaty provides special protection for official Americans and their dependents working in Panama with the Panama Canal Commission, to be established October 1, 1979, and the Department of Defense until the year 2000. According to the treaty, such official Americans and their dependents who might be sentenced under Panamanian legal jurisdiction will be transferred to U.S. penal institutions automatically upon their request. This position will be in effect until the year 2000.

All other Americans, such as tourists, businessmen, and unofficial residents, will be enabled to petition the American Embassy in Panama for

their transfer to U.S. penal institutions. If both governments agree on the transfer, the prisoner will be sent to the United States. Panamanians convicted under U.S. law will be able to make similar requests to their Embassy in Washington. This provision will be effective for 5 years and is automatically renewable unless the U.S. Government or the Government of Panama wishes to terminate it. The United States has similar treaties with Mexico, Bolivia, and Canada.

The second agreement—concerning the Corozal Cemetery in the present Canal Zone, where many American citizens, military and civilian, are buried—provides that a portion of the cemetery will be permanently maintained in the future by the American Battle Monuments Commission as a suitable resting place for deceased Americans. According to the agreement, Americans working for the Panama Canal Commission, military and civilian employees of the Department of Defense, and dependents of both groups and certain others will be allowed to be buried there until the year 2000.

The same announcement was released last night in Panama. □

¹ Issued to the press by Department spokesman Hodding Carter III.

as a partnership. That will require an added ingredient in addition to simple compliance with the treaty's terms. That additional element is the willingness of both sides to approach the task in a spirit of collegiality. We see that spirit developing on the isthmus today, in the detailed work being accomplished by technical experts of both countries, and implementing legislation can help promote that spirit by giving life to the new institutions which will take effect under the treaty.

The principal new institution is the Panama Canal Commission itself. In my view, it is of great importance to follow the Administration's proposal that the Commission be constituted as a government corporation, subject, as is the present Company, to the continuing oversight by the Congress of its activities and budget. This form would best provide for a close working relationship between both countries in the manner contemplated by the treaties. A government corporation would not only assure continuity in the canal's operation, but it would also be instrumental in bringing Panama's minority representatives on the Board of Directors of the Commission into a genuine decisionmaking forum on policy matters. In this way, over a period years, Panamanians would develop a tremendous expertise and appreciation for the extremely intricate problems of managing canal operations, because they would share in the process of making important managerial decisions. They would also share responsibility for them.

In this respect, I would also like to point out that one of the principal concerns frequently expressed by Members of the Congress has been whether or not Panama would, after the year 2000, appreciate the need to provide for adequate maintenance and capital improvement of the canal operation. I believe that a corporate structure would best convey the concept that the canal be operated as a business, on a self-sustaining basis, and that proper provisions for maintenance be made in its financial structure. Indeed, since much of the business of the board of the government corporation would involve approval of canal maintenance programs, Panamanian members would be personally involved and would share responsibility for the upkeep of the canal.

Anyone who is familiar with Panama knows that the country has a large number of highly qualified people in both technical and managerial areas, a great many of them with university degrees from the United States. It is im-

portant, however, that Panamanian personnel be given the opportunity to work as closely as possible with their U.S. counterparts in all aspects of canal management so that the institutional knowledge that we have concerning the canal's operation be transmitted to them well in advance of the year 2000.

Safeguarding the Interests of U.S. Citizens

Both the Administration bill (H.R. 1716) and the bill introduced by the chairman of the committee (H.R. 111) contain numerous provisions relating to the employment and to the quality of life of the U.S. citizens who are presently living in the Canal Zone. Governor Parfitt has given extensive testimony on this subject to the Post Office and Civil Service Committee. I wish to associate myself with the Governor's testimony. During the 4 months since my appointment as Ambassador, I have had the opportunity to meet with numerous citizens organizations and labor unions in the Canal Zone and I can attest to the fact that our citizens living there, although the great majority of them did not favor the treaties, have a high *esprit de corps*, love their work on the canal, and wish to stay if the terms and conditions of their employment and the quality of life in their communities remain similar to those which they enjoy today.

Many of them are apprehensive about the future, generally for two reasons. First, they want to be assured of Panama's goodwill and sensitivity toward their concerns. Our Embassy, along with the Panama Canal Company and the U.S. Southern Command, is very mindful of this concern as are the representatives of the Government of Panama. A second reason for their concern, however, is the notion that "Washington," by which they mean both the executive and legislative branches, may no longer care about them and may not provide for them in the ways promised in the treaties. In this respect, the provisions in both the Administration's and the chairman's bills are of critical importance. It is in the best interest of the continued efficiency of the canal that these loyal employees and citizens be treated fairly, in recognition of the significant role they play today as well as the valuable contributions they have made in the past.

I should also add that we are asking our employees to undertake an additional—and highly essential—mission: that of training Panamanians

to assume increasingly greater responsibility in the canal organization. Many Americans in the Canal Zone with whom I have spoken are very much aware of this extra requirement and respond to the challenge with understanding and goodwill. We need their continued support, and I feel it is in our highest national interest to enact the provisions made for the employees of the canal enterprise which are contained in the Administration's proposed implementing legislation.

In conclusion, let me say that I believe there is every reason to be optimistic about the success of our cooperation with Panama in treaty implementation. Our Panamanian counterparts have shown their desire for a spirit of partnership in our great common enterprise. A new government in Panama took office last October which is composed of young, energetic, highly educated people who are determined to make their country an economic and social success. They have expressed a policy of vigorous stimulation of the private sector and have extended an open invitation to private foreign investment.

An important part of their program is continued cooperation with the United States in every area. They have demonstrated sensitivity to the concerns of the American citizens who live in the present Canal Zone and have repeatedly stressed their desire for our citizens to remain in Panama after they retire. If we are able to implement both the spirit and letter of the treaties both with respect to Panama and to our own employees, and if we can help maintain between both countries a true spirit of collegiality, we will assure that the Panama Canal will continue to provide its important service to our country and to world shipping. □

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.

TREATIES: Current Actions

MULTILATERAL

Aviation

Convention on the international recognition of rights in aircraft. Done at Geneva June 19, 1948. Entered into force Sept. 17, 1953. TIAS 2847.

Adherences deposited: Madagascar, Jan. 9, 1979; Seychelles, Jan. 16, 1979.

Protocol relating to certain amendments to the convention on international civil aviation (TIAS 1591). Done at Montreal June 14, 1954. Entered into force Dec. 12, 1956. TIAS 3756.

Ratification deposited: Democratic People's Republic of Korea, June 27, 1978.

Protocol relating to amendment of article 50(a) of the convention on international civil aviation (TIAS 1591). Done at Montreal June 21, 1961. Entered into force July 17, 1962. TIAS 5170.

Ratification deposited: Democratic People's Republic of Korea, June 27, 1978.

Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591). Done at Rome Sept. 15, 1962. Entered into force Sept. 11, 1975. TIAS 8162.

Ratification deposited: Democratic People's Republic of Korea, June 27, 1978.

Convention on offenses and certain other acts committed on board aircraft. Done at Tokyo Sept. 14, 1963. Entered into force Dec. 4, 1969. TIAS 6768.

Ratification deposited: People's Republic of the Congo, Nov. 13, 1978.

Accessions deposited: Bangladesh, July 25, 1978; Botswana, Jan. 16, 1979; People's Republic of China, Nov. 14, 1978;¹ The Gambia, Jan. 4, 1979; Grenada, Aug. 28, 1978; Nepal, Jan. 15, 1979; Seychelles, Jan. 4, 1979.

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague Dec. 16, 1970. Entered into force Oct. 14, 1971. TIAS 7192.

Accession deposited: Togo, Feb. 9, 1979.

Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591). Done at New York Mar. 12, 1971. Entered into force Jan. 16, 1973. TIAS 7616.

Ratification deposited: Democratic People's Republic of Korea, June 27, 1978.

Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591). Done at Vienna July 7, 1971. Entered into force Dec. 19, 1974. TIAS 8092.

Ratifications deposited: People's Republic of the Congo, Nov. 13, 1978; Democratic People's Republic of Korea, June 27, 1978; Tanzania, June 15, 1978.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal Sept. 23, 1971. Entered into force Jan. 26, 1973. TIAS 7570.

Accession deposited: Togo, Feb. 9, 1979.

Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591). Done at Montreal Oct. 16, 1974.²

Ratifications deposited: Democratic People's Republic of Korea, June 27, 1978; Mali, July 27, 1978; Peru, July 19, 1978; Tanzania, June 15, 1978.

Protocol on the authentic quadrilingual text of the convention on international civil aviation (Chicago, 1944) (TIAS 1591), with annex. Done at Montreal Sept. 30, 1977.²

Ratification deposited: Mexico, Mar. 2, 1979.

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 Apr. 10, 1972. Entered into force Mar. 26, 1975. TIAS 8062.

Ratifications deposited: Belgium, Mar. 15, 1979; Honduras, Mar. 14, 1979.

Collisions

Convention on the international regulations for preventing collisions at sea, 1972, with regulations. Done at London Oct. 20, 1972. Entered into force July 15, 1977. TIAS 8587.

Ratification deposited: Italy, Jan. 11, 1979.

Customs

Customs convention on the international transport of goods under cover of TIR carnets, with annexes. Done at Geneva Nov. 14, 1975. Entered into force Mar. 20, 1978.³

Accession deposited: Portugal, Feb. 13, 1979.

Environmental Modification

Convention on the prohibition of military or any other hostile use of environmental modification techniques, with annex. Done at Geneva May 18, 1977. Entered into force Oct. 5, 1978.³

Accession deposited: Malawi, Oct. 5, 1978.

Ratification deposited: Norway, Feb. 15, 1979.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976. Entered into force Nov. 30, 1977. TIAS 8765.

Ratification deposited: Spain, Nov. 27, 1978.⁴

Accessions deposited: Afghanistan, Barbados, Bhutan, Burundi, Jordan, Laos, and Seychelles, Dec. 13, 1978; Madagascar, Jan. 12, 1979.

Fisheries

Protocol amending the international convention for the high seas fisheries of the North Pacific Ocean of May 9, 1952, as amended (TIAS 2786, 5385), with agreed minutes and memoranda of understanding. Done at Tokyo Apr. 25, 1978.

Ratifications exchanged: Feb. 15, 1979.

Entered into force: Feb. 15, 1979.

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, 8535). Adopted at Geneva May 17, 1976.²

Acceptances deposited: Guatemala, Jan. 16, 1979; Mexico, Feb. 23, 1979.

Judicial Procedure

Convention on the taking of evidence abroad in civil or commercial matters. Opened for signature at The Hague Mar. 18, 1970. Entered into force Oct. 7, 1972. TIAS 7444.

Signature: Netherlands, Feb. 28, 1979.

Maritime Matters

Convention on the Intergovernmental Maritime Consultative Organization. Signed at Geneva Mar. 6, 1958. Entered into force Mar. 17, 1958. TIAS 4044.

Acceptance deposited: Djibouti, Feb. 20, 1979.

Oil Pollution

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6190, 8505), concerning the protection of the Great Barrier Reef. Adopted at London Oct. 12, 1971.²

Acceptances deposited: German Democratic Republic, Jan. 25, 1979; Bahamas, Feb. 16, 1979.

Nuclear Free Zone

Additional protocol II to the treaty of Feb. 14, 1967, for the prohibition of nuclear weapons in Latin America. Done at Mexico Feb. 14, 1967. Entered into force for the U.S. May 12, 1971. TIAS 7137.

Ratification deposited: U.S.S.R., Jan. 8, 1979 (with statement).

Nuclear Weapons—Nonproliferation

Treaty on the nonproliferation of nuclear weapons. Done at Washington, London and Moscow July 1, 1968. Entered into force Mar. 5, 1970. TIAS 6839.

Ratification deposited: Sri Lanka, Mar. 5, 1979.

Succession deposited: Tuvalu, Jan. 19, 1979.

Postal

Parcel post agreement, final protocol, and detailed regulations of the Postal Union of the Americas and Spain. Done at Lima Mar. 18, 1976. Entered into force Oct. 1, 1976.

Ratification deposited: U.S., Nov. 30, 1978.⁵

Money order agreement and final protocol of the Postal Union of the Americas and Spain. Done at Lima Mar. 18, 1976. Entered into force Oct. 1, 1976.

Ratification deposited: U.S., Nov. 30, 1978.⁵

Additional protocol to the constitution of the Postal Union of the Americas and Spain, general regulations, regulations governing the International Office and the Transfer Office, and convention with final protocol and detailed regulations. Done at Lima Mar. 18, 1976. Entered into force Oct. 1, 1976, except for article 107, paragraph 1 of the general regulations which entered into force Mar. 18, 1976.

Ratification deposited: U.S., Nov. 30, 1978.⁵

Property, Industrial

Nice agreement concerning the international classification of goods and services for the purposes of the registration of marks of June 15, 1957, as revised at Stockholm on July 14, 1967. Entered into force Mar. 18, 1970; for the U.S. May 25, 1972. TIAS 7419.

Notification from World Intellectual Property Organization that ratification deposited Spain, Feb. 9, 1979

Nice agreement concerning the international classification of goods and services for the purposes of the registration of marks of June 15, 1957, as revised. Done at Geneva May 13, 1977. Entered into force Feb. 6, 1979.³

Notification from World Intellectual Property Organization that ratification deposited Spain, Feb. 9, 1979

Safety at Sea

Amendments to chapter II of the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted by the IMCO Assembly at London Nov. 30, 1966.²

Acceptance deposited: India, Jan. 12, 1979

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London Oct. 25, 1967.²

Acceptance deposited: India, Jan. 12, 1979.

Amendments to the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London Nov. 26, 1968.²

Acceptance deposited: India, Jan. 12, 1979.

Amendments to the international convention for the safety of life at sea, 1960. Adopted at London Oct. 21, 1969.²

Acceptance deposited: India, Jan. 12, 1979

Amendments to the international convention for the safety of life at sea, 1960. Adopted at London Oct. 12, 1971.²

Acceptance deposited: India, Jan. 12, 1979.

Amendments to chapters II, III, IV, and V of the international convention for the safety of life at sea, 1960 (TIAS 5780). Adopted at London Nov. 20, 1973.²

Acceptances deposited: India, Jan. 12, 1979, Romania, Jan. 31, 1979.

Amendment to chapter VI of the international convention for the safety of life at sea, 1960. Adopted at London Nov. 20, 1973.²

Acceptance deposited: India, Jan. 12, 1979, Romania, Jan. 31, 1979, Singapore, Jan. 9, 1979.

International convention for the safety of life at sea, 1974, with annex. Done at London Nov. 1, 1974.²

Accessions deposited: Trinidad and Tobago, Feb. 15, 1979; Bahamas, Feb. 16, 1979.

Satellite Communications System

Convention on the international maritime satellite organization (INMARSAT), with annex. Done at London Sept. 3, 1976.²

Signature: U.S. (not subject to ratification), Feb. 15, 1979.

Operating agreement on the international maritime satellite organization (INMARSAT), with annex. Done at London Sept. 3, 1976.²

Signature: Communications Satellite Corporation (COMSAT), U.S., Jan. 10, 1979.

Space

Convention on registration of objects launched into outer space. Done at New York Jan. 14, 1975. Entered into force Sept. 15, 1976. TIAS 8480.

Acceptance deposited: European Space Agency, Jan. 2, 1979.

Sugar

International sugar agreement, 1977, with annexes. Done at Geneva Oct. 7, 1977. Entered into force provisionally Jan. 1, 1978.

Accession deposited: Austria, Feb. 8, 1979.

Telecommunications

Final Acts of the World Administrative Radio Conference for the planning of the broadcasting-satellite service in frequency bands 11.7–12.2 GHz (in regions 2 and 3) and 11.7–12.5 GHz (in region 1), with annexes. Done at Geneva Feb. 13, 1977. Entered into force Jan. 1, 1979.³

Approvals deposited: Canada, Dec. 8, 1978; Ireland, Dec. 14, 1978; Korea, Dec. 7, 1978; Netherlands, Dec. 28, 1978;⁶ Senegal, Dec. 6, 1978.

Whaling

International whaling convention and schedule of whaling regulations. Done at Washington Dec. 2, 1946. Entered into force Nov. 10, 1948. TIAS 1849.

Notification of withdrawal. Panama, Feb. 12, 1979; effective June 30, 1980.

Wheat

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement), 1971 (TIAS 1744). Done at Washington Apr. 26, 1978. Entered into force June 24, 1978, with respect to certain provisions; July 1, 1978, with respect to other provisions.

Accession deposited: El Salvador, Mar. 13, 1979

Ratification deposited. Luxembourg, Mar. 6, 1979.

Protocol modifying and further extending the food aid convention (part of the international wheat agreement), 1971 (TIAS 7144). Done at Washington Apr. 26, 1978. Entered into force June 24, 1978, with respect to certain provisions; July 1, 1978, with respect to other provisions.

Ratification deposited: Luxembourg, Mar. 6, 1979.

BILATERAL

Austria

Air transport agreement. Signed at Vienna June 23, 1966. Entered into force July 23, 1966. TIAS 6066.

Terminated: Mar. 9, 1979.

Brazil

Agreement amending the agreement of Apr. 22, 1976, as amended (TIAS 8738, 9175), relating to trade in cotton textiles and textile products. Effected by exchange of letters at Washington Jan. 31 and Feb. 28, 1979. Entered into force Feb. 28, 1979

Colombia

Memorandum of understanding for scientific and technical cooperation in the earth sciences. Signed Dec. 12, 1978, and Jan. 30, 1979. Entered into force Jan. 30, 1979.

Memorandum of agreement relating to jet fuel prices. Signed at Bogota Feb. 22, 1979. Entered into force Feb. 22, 1979; effective Jan. 16, 1979.

Costa Rica

Agreement relating to the limitation of meat imports from Costa Rica during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and 15, 1979. Entered into force Jan. 15, 1979; effective Jan. 1, 1979.

Dominican Republic

Agreement for sales of agricultural commodities, relating to the agreement of Sept. 28, 1977 (TIAS 8944). Signed at Santo Domingo Jan. 11, 1979. Entered into force Jan. 11, 1979

El Salvador

Agreement relating to the limitation of meat imports from El Salvador during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and 14, 1979. Entered into force Jan. 14, 1979; effective Jan. 1, 1979.

France

Agreement amending the memorandum of understanding of Jan. 15, 1976, (TIAS 8610) on the participation of France in the international phase of ocean drilling of the deep sea drilling project. Signed at Paris and Washington Oct. 12 and 26, 1978. Entered into force Oct. 26, 1978.

Germany, Federal Republic of

Agreement amending the memorandum of understanding on the participation of the Federal Republic of Germany in the international phase of ocean drilling of the deep sea drilling project. Signed at Bonn-Bad Godesberg and Washington Feb. 14 and 24, 1978. Entered into force Feb. 24, 1978.

International express mail/datapost agreement, with detailed regulations. Signed at Bonn and Washington Dec. 15, 1978, and Jan. 22, 1979. Enters into force on a date mutually agreed upon by the administrations after it is signed by the authorized representatives of both administrations.

Ghana

Agreement for sales of agricultural commodities, with agreed minutes. Signed at Accra Feb. 9, 1979. Entered into force Feb. 9, 1979

Guatemala

Agreement relating to the limitation of meat imports from Guatemala during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and 12, 1979. Entered into force Jan. 12, 1979; effective Jan. 1, 1979.

Haiti

Agreement relating to the limitation of meat imports from Haiti during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and Feb. 15, 1979. Entered into force Feb. 15, 1979; effective Jan. 1, 1979.

Honduras

Agreement relating to the limitation of meat imports from Honduras during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and 31, 1979. Entered into force Jan. 31, 1979; effective Jan. 1, 1979.

Hong Kong

Agreement amending the agreement of Aug. 8, 1977, as amended (TIAS 8936), relating to trade in cotton, wool, and manmade fiber textiles. Effected by exchange of letters at Hong Kong Feb. 2 and 13, 1979. Entered into force Feb. 13, 1979.

India

Agreement amending the agreement of Dec.

30, 1977, as amended (TIAS 9036), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Washington Jan. 12 and Feb. 8, 1979. Entered into force Feb. 8, 1979.

International Monetary Fund

Agreement relating to provision of financing by the U.S. to the International Monetary Fund in connection with the establishment of the Supplementary Financing Facility. Effected by exchange of letters at Washington Jan. 5 and 12, 1979. Entered into force Jan. 16, 1979.

Japan

Agreement on educational exchange programs. Signed at Tokyo Feb. 15, 1979. Enters into force on the date diplomatic notes are exchanged indicating approval by each country in accordance with its internal procedures.

Understanding concerning the termination of the agreement of Jan. 11, 1958, as amended (TIAS 3982, 4635, 5422), for financing an educational exchange program. Effected by exchange of notes at Tokyo Feb. 15, 1979. Enters into force Feb. 15, 1979; effective upon entry into force of the agreement of Feb. 15, 1979, on educational exchange programs.

Jordan

Agreement for sales of agricultural commodities, relating to the agreement of Nov. 27, 1974, (TIAS 7995) with minutes of negotiation. Signed at Amman Jan. 17, 1979. Entered into force Jan. 17, 1979.

Agreement amending the loan agreement for the potash plant project. Signed at Amman Jan. 25, 1979. Entered into force Jan. 25, 1979.

Mexico

Agreement relating to the limitation of meat imports from Mexico during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and 15, 1979. Entered into force Jan. 15, 1979; effective Jan. 1, 1979.

Agreement amending the agreement of June 2, 1977, (TIAS 8952) as amended, relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico Jan. 15, 1979. Entered into force Jan. 15, 1979.

Agreement amending the agreement of Dec. 28, 1948, and Aug. 30, 1949, as amended (TIAS 2086, 7360), establishing a U.S.-Mexican Commission on Cultural Cooperation. Effected by exchange of notes at Mexico and Tlatelolco Oct. 30, 1978, and Jan. 23, 1979. Entered into force Jan. 23, 1979.

Agreement amending the agreement of May 15, 1978, as amended, relating to additional cooperative arrangements to curb the illegal production and traffic in narcotics. Effected by exchange of letters at Mexico Feb. 7, 1979. Entered into force Feb. 7, 1979.

Agreement for cooperation in the field of housing and urban development. Signed at Mexico Feb. 16, 1979. Entered into force Feb. 16, 1979.

Agreement on cooperation to improve the management of arid and semiarid lands and control desertification. Signed at Mexico Feb. 16, 1979. Entered into force Feb. 16, 1979.

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Washington Feb. 26, 1979. Entered into force Feb. 26, 1979; effective May 1, 1978.

New Zealand

Agreement relating to the limitation of meat imports from New Zealand during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and Feb. 9, 1979. Entered into force Feb. 9, 1979; effective Jan. 1, 1979.

Nicaragua

Agreement relating to the limitation of meat imports from Nicaragua during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and 16, 1979. Entered into force Jan. 16, 1979; effective Jan. 1, 1979.

Panama

Agreement relating to the limitation of meat imports from Panama during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and 17, 1979. Entered into force Jan. 17, 1979; effective Jan. 1, 1979.

Peru

Agreement amending the agreement for sales of agricultural commodities of Apr. 26, 1978. Effected by exchange of notes at Lima Feb. 7, 1979. Entered into force Feb. 7, 1979.

Poland

Agreement amending the air transport agreement of July 19, 1972, as amended and extended (TIAS 7535, 8469). Effected by exchange of notes at Warsaw Dec. 29, 1978, Jan. 15 and 30, 1979. Entered into force Jan. 30, 1979.

Turkey

Implementing agreement regarding the consolidation and rescheduling of certain debts owed to the Agency for International Development, with annexes. Signed at Ankara Dec. 5, 1978. Entered into force Dec. 7, 1978.

Tuvalu

Treaty of friendship. Signed at Funafuti Feb. 7, 1979. Enters into force on the date of exchange of instruments of ratification.

U.S.S.R.

Agreement amending and extending the agreement of June 19, 1973, as extended (TIAS 7651, 9008), on cooperation in studies of the world ocean. Effected by exchange of notes at Moscow Dec. 15, 1979. Entered into force Dec. 15, 1979.

United Kingdom

Agreement amending the memorandum of understanding of Sept. 29, 1975, (TIAS 8591) on the participation by the United Kingdom in the international phase of ocean drilling and extension of the deep sea drilling project. Signed at Washington and London, Dec. 2, 1977, and Jan. 31, 1978. Entered into force Jan. 31, 1978.

Agreement relating to the limitation of meat imports from Belize during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and 30, 1979. Entered into force Jan. 30, 1979; effective Jan. 1, 1979.

Yugoslavia

Agreement concerning trade in men's and boy's wool and mademad fiber suits. Effected by exchange of notes at Belgrade Oct. 26 and 27, 1978. Enters into force after being approved by competent authorities of the two parties.

Zaire

Agreement amending the agreement for sales of agricultural commodities of Aug. 25, 1978. Effected by exchange of notes at Kinshasa Dec. 27, 1978, and Jan. 3, 1979. Entered into force Jan. 3, 1979.

Agreement regarding the consolidation and re-scheduling of certain debts owed to, guaranteed, or insured by the U.S. Government and its agencies, with annexes. Signed at Washington Feb. 7, 1979. Enters into force upon receipt by Zaire of written notice that U.S. laws and regulations covering debt re-scheduling have been complied with. □

¹With reservation.

²Not in force.

³Not in force for the U.S.

⁴With declarations.

⁵Provisionally in force for the U.S.; deposit of ratification brought agreement into force definitively.

⁶For the Kingdom in Europe and the Netherlands Antilles.

**CHRONOLOGY:
February 1979**

- Feb. 1 Yugoslavian President Tito visits Kuwait, Iraq, Syria, and Jordan Feb. 1-12.
- Feb. 4 Thai Prime Minister Kriangsak visits U.S. Feb. 4-16.
- Feb. 7 Col. Ben. Jadid Shadli elected President of Algeria.
- Feb. 8 State Department announces that U.S. is withdrawing its military mission and all Peace Corps volunteers from Nicaragua, not considering new AID projects, and reducing the number of officials in the U.S. Embassy in Nicaragua (press briefing).
- Feb. 9 Defense Secretary Brown visits Saudi Arabia, Jordan, Israel, and Egypt Feb. 9-18.
- Feb. 11 Iranian Prime Minister Bakhtiar resigns.
- Feb. 12 Medhi Bazargan, designated by Ayatollah Khomeini to be Prime Minister of Iran, assumes office.
- Queen Elizabeth II visits Kuwait, Bahrain, Saudi Arabia, Qatar, Oman, and the United Arab Emirates Feb. 12-Mar. 2.
- Feb. 14 U.S. Ambassador to Afghanistan Adolph Dubs is abducted and killed in Kabul.

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**Department
of State**
bulletin *May 1979*

The Official Monthly Record of United States Foreign Policy / Volume 79 / Number 2026

31.30
79/2026



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Department of State **bulletin**

Volume 79 / Number 2026 / May 1979

Cover Photo:

President Sadat, President Carter, and
Prime Minister Begin join hands in peace.

(White House photo by Bill Fitz Patrick)

The Department of State Bulletin, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

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

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.

NOTE: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. The BULLETIN is indexed in the Readers' Guide to Periodical Literature.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

Price:

12 issues plus annual index —
\$18.00 (domestic) \$22.50 (foreign)

Single copy—
\$1.40 (domestic) \$1.80 (foreign)

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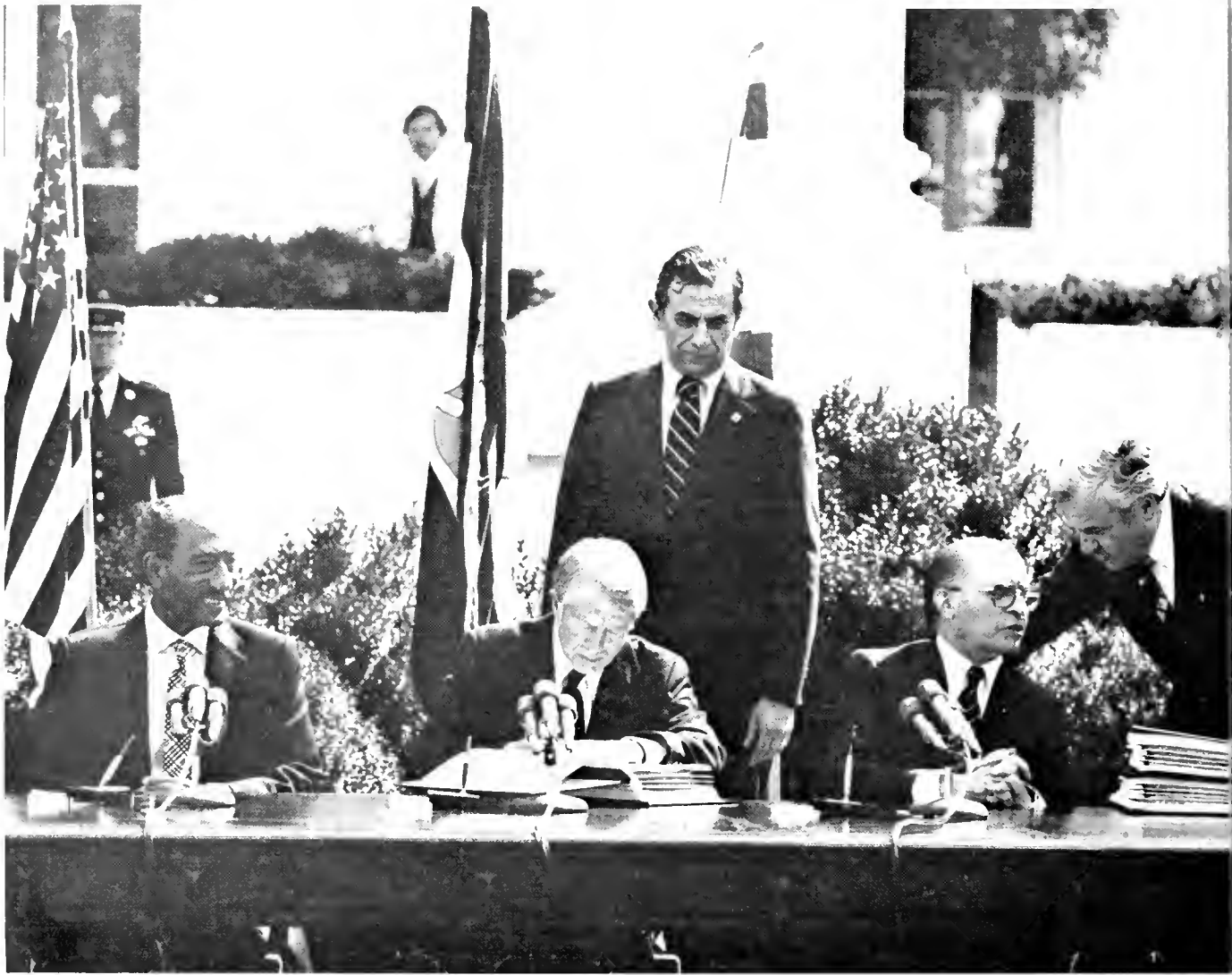
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President Carter, seated between President Sadat and Prime Minister Begin, witnesses the Treaty of Peace Between Egypt and Israel. (Herbert Hansell, Legal Adviser to the Department of State, stands behind President Carter; and Meir Rosenne, Legal Adviser to the Israeli Ministry of Foreign Affairs, stands to the right of Prime Minister Begin.) (White House photo by Bill Fitz-Patrick)

EGYPT AND ISRAEL SIGN TREATY OF PEACE

At a ceremony on the North Lawn of the White House on March 26, 1979, President Sadat and Prime Minister Begin signed the Treaty of Peace Between the Arab Republic of Egypt and the State of Israel and the Agreed Minutes to Articles I, IV, V, and VI and Annexes I and III of the Treaty of Peace; the signing of these documents was witnessed by President Carter.

At that ceremony, President Sadat and Prime Minister Begin also signed a joint letter addressed to the President on the next stage in the negotiations.

Following are remarks made by President Carter, President Sadat, and Prime Minister Begin after the signing of the documents; the Treaty of Peace, including three annexes and an appendix; the agreed minutes; and six letters.¹

REMARKS AT SIGNING CEREMONY²

President Carter

During the past 30 years, Israel and Egypt have waged war. But for the past 16 months, these same two great nations have waged peace. Today we celebrate a victory—not of a bloody military campaign but of an inspiring peace campaign. Two leaders who will loom large in the history of nations—President Anwar al-Sadat and Prime Minister Menahem Begin—have conducted this campaign with all the courage, tenacity, brilliance, and inspiration of any generals who have ever led men and machines onto the field of battle.

At the end of this campaign, the soil of the two lands is not drenched with young blood. The countrysides of both lands are free from the litter and the carnage of a wasteful war. Mothers in Egypt and Israel are not weeping today for their children fallen in senseless battle. The dedication and determination of these two world statesmen have borne fruit. Peace has come to Israel and to Egypt.

I honor these two leaders and their government officials who have hammered out this peace treaty which we have just signed. But most of all, I honor the people of these two lands whose yearning for peace kept alive the negotiations which today culminate in this glorious event.

We have won at last the first step of peace, a first step on a long and difficult road. We must not minimize the obstacles which still lie ahead. Differences still separate the signatories to this treaty from one another, and also from some of their neighbors who fear what they have just done. To overcome these differences, to dispel these fears, we must rededicate ourselves to the goal of a broader peace with justice for

all who have lived in a state of conflict in the Middle East.

We have no illusions—we have hopes, dreams, and prayers, yes, but no illusions.

There now remains the rest of the Arab world, whose support and whose cooperation in the peace process is needed and honestly sought. I am convinced that other Arab people need and want peace. But some of their leaders are not yet willing to honor these needs and desires for peace. We must now demonstrate the advantages of peace and expand its benefits to encompass all those who have suffered so much in the Middle East.

Obviously, time and understanding will be necessary for people, hitherto enemies, to become neighbors in the best sense of the word.

Just because a paper is signed, all the problems will not automatically go away. Future days will require the best from us to give reality to these lofty aspirations.

Let those who would shatter peace, who would callously spill more blood, be aware that we three and all others who may join us will vigorously wage peace.

So let history record that deep and ancient antagonism can be settled without bloodshed and without staggering waste of precious lives, without rapacious destruction of the land.

It has been said, and I quote: "Peace has one thing in common with its enemy, with the fiend it battles, with war; peace is active, not passive; peace is doing, not waiting; peace is aggressive—attacking; peace plans its strategy and encircles the enemy; peace marshals its forces and storms the gates; peace gathers its weapons and pierces the defense; peace, like war, is waged."

It is true that we cannot enforce trust and cooperation between nations, but we can use all our strength to see that nations do not again go to war.

All our religious doctrines give us hope. In the Koran we read: "But if the enemy incline towards peace, do thou also incline towards peace, and trust in God; for He is the One that heareth and knoweth all things."

And the prophet Isaiah said: "Nations shall beat their swords into plowshares and their spears into pruning-hooks; nation shall not lift up sword against nation, neither shall they learn war any more."

So let us now lay aside war. Let us now reward all the children of Abraham who hunger for a comprehensive peace in the Middle East. Let us now enjoy the adventure of becoming fully human, fully neighbors, even brothers and sisters. We pray God, we pray God together, that these dreams will come true. I believe they will.

President Sadat

This is certainly one of the happiest moments in my life. It is an historic

JOINT STATEMENT, MAR. 25, 1979*

At the convening of the Camp David summit meeting we issued a communication which stated in part: "Conscious of the grave issues which face us, we place our trust in the God of our fathers, from whom we seek wisdom and guidance . . . We ask people of all faiths to pray with us that peace and justice may result from these deliberations."

Our trust in God was well-placed. On Monday, a treaty of peace will be signed between Egypt and Israel within the framework of a comprehensive peace settlement in the area. We are grateful to the people around the world who joined us in prayer. We now ask people of all faiths to join again in a day of prayer and thanksgiving for what has been accomplished and then ask God to guide our nations in the days ahead as we continue to work for a comprehensive, just, and lasting peace. With God's help, we and generations to come will know peace between our peoples. To this end, we ask that Monday, March 26, be a day of prayer around the world.

*Issued by President Carter, President Sadat, and Prime Minister Begin (text from Weekly Compilation of Presidential Documents of Apr. 2, 1979).

turning point of great significance for all peace-loving nations. Those among us who are endowed with vision cannot fail to comprehend the dimensions of our sacred mission. The Egyptian people, with their heritage and unique awareness of history, have realized from the very beginning the meaning and value of this endeavor.

In all the steps I took, I was not performing a personal mission. I was merely expressing the will of a nation. I'm proud of my people and of belonging to them.

Today a new dawn is emerging out of the darkness of the past. A new chapter is being opened in the history of coexistence among nations, one that's worthy of our spiritual values and civilization. Never before had men encountered such a complex dispute, which is highly charged with emotions. Never before did men need that much courage and imagination to confront a single challenge. Never before had any

cause generated that much interest in all four corners of the globe.

Men and women of good will have labored day and night to bring about this happy moment. Egyptians and Israelis alike pursued their sacred goal, undeterred by difficulties and complications. Hundreds of dedicated individuals on both sides have given generously of their thought and effort to translate the cherished dream into a living reality.

But the man who performed the miracle was President Carter. Without any exaggeration, what he did constitutes one of the greatest achievements of our time. He devoted his skill, hard work, and, above all, his firm belief in the ultimate triumph of good against evil to insure the success of our mission.

To me he has been the best companion and partner along the road to peace. With his deep sense of justice and genuine commitment to human rights, we were able to surmount the most difficult obstacles.

There came certain moments when hope was eroding and retreating in the face of crisis. However, President Carter remained unshaken in his confidence and determination. He is a man of faith and compassion. Before anything else, the signing of the peace treaty and the exchanged letter is a tribute to the spirit and ability of Jimmy Carter.

Happily, he was armed with the blessing of God and the support of his people. For that we are grateful to each and every American who contributed in his own way to the success of our endeavor.

We are also heartened by the understanding of hundreds of thousands of Israelis who remained unwavering in their commitment to peace. The continuation of this spirit is vital to the coronation of our effort. We realize that difficult times lay ahead. The signing of these documents marks only the beginning of peace. But it is an indispensable start. Other steps remain to be taken without delay or procrastination. Much will depend on the success of these steps.

We are all committed to pursue our efforts until the fruits of the comprehensive settlement we agreed upon are shared by all parties to the conflict.

President Carter once said that the United States is committed without reservation to seeing the peace process through until all parties to the Arab-Israeli conflict are at peace. We value such a pledge from a leader who raised the banners of morality and ethics as a substitute for power politics and opportunism.

The steps we took in the recent past will serve Arab vital interests. The liberation of Arab land and the reinstatement of Arab authority in the West Bank and Gaza would certainly enhance our common strategic interests.

While we take the initiative to protect these interests, we remain faithful to our Arab commitment. To us, this is a matter of destiny. Pursuing peace is the only avenue which is compatible with our culture and creed.

Let there be no more wars or bloodshed between Arabs and Israelis. Let there be no more wars or bloodshed between Arabs and Israelis. Let there be no more suffering or denial of rights. Let there be no more despair or loss of faith. Let no mother lament the loss of her child. Let no young man waste his life on a conflict from which no one benefits. Let us work together until the day comes when they beat their swords into plowshares and their spears into pruning-hooks. And God does call to the abode of peace. He does guide whom he pleases to his way.

[At this point, President Sadat spoke in Arabic.]

Prime Minister Begin

I have come from the land of Israel, the land of Zion and Jerusalem, and here I am in humility and with pride as a son of the Jewish people, as one of the generation of the Holocaust and redemption.

The ancient Jewish people gave the world a vision of eternal peace, of universal disarmament, of abolishing the teaching and the learning of war.

Two prophets—Yishayahu Ben Amotz and Micah Hamorashti—having foreseen the spiritual unit of man under God, with these words coming forth from Jerusalem, gave the nations of the world the following vision—expressed in identical terms—“And they shall beat their spears into pruninghooks: nation shall not lift up sword against nation, neither shall they learn war any more.”

Despite the tragedies and disappointments of the past, we must never forsake that vision, that human dream, that unshakable faith.

Peace is the beauty of life. It is sunshine. It is the smile of a child, the love of a mother, the joy of a father, the togetherness of a family. It is the advancement of man, the victory of a just cause, the triumph of truth. Peace is all of these and more, and more.

These are words I uttered in Oslo, on December 10, 1978, while receiving the second half of the Nobel Peace Prize. The first half went, rightly so, to President Sadat. And I took the liberty

Israeli Cabinet Approves Proposals

PRESIDENT'S STATEMENT, MAR. 14, 1979¹

I am extremely pleased that the Israeli Cabinet has approved the two remaining proposals that I discussed with Prime Minister Begin on Monday in Jerusalem. Prime Minister Begin has just called me with this good news. This means that all of the outstanding issues in the negotiations between Egypt and Israel have now been successfully resolved.

At this historic moment, I want to congratulate the great leaders of both countries—President Sadat and Prime Minister Begin—for their leadership and the courage that they have consistently demonstrated. The peace which their peoples so clearly need and want is close to reality. I am proud that our country has been able to assist these two longtime adversaries along the path of reconciliation and toward future cooperation. We stand ready to help in the implementation of the peace treaty, in the negotiations that lie ahead on other issues of concern, and in working with these two friends to build a stable and peaceful Middle East. □

¹Text from Weekly Compilation of Presidential Documents of Mar. 19, 1979.

to repeat them here on this momentous, historic occasion.

It is a great day in the annals of two ancient nations—Egypt and Israel—whose sons met in battle five times in one generation, fighting and falling.

Let us turn our hearts to our heroes and pay tribute to their eternal memory. It is thanks to them, to our fallen heroes, that we could have reached this day.

However, let us not forget that in ancient times, our two nations met also in alliance. Now we make peace, the cornerstone of cooperation and friendship.

It is a great day in your life, Mr. President of the United States. You have worked so hard, so insistently, so consistently to achieve this goal. And your labors and your devotion bore God-blessed fruit.

Our friend, President Sadat, said that you are the unknown soldier of the peacemaking effort. I agree, but as usual, with an amendment. [Laughter] A soldier in the service of peace, you are. You are, Mr. President, even, *mirabile dictu*, an intransigent fighter for peace. But Jimmy Carter, the President of the United States, is not completely unknown. [Laughter] And so it is his efforts which will be remembered and recorded by generations to come.

It is, of course, a great day in your life, Mr. President of the Arab Republic of Egypt. In the face of adversity and hostility, you have demonstrated the human value that can change history—civil courage.

A great field commander once said: "Civil courage is sometimes more difficult to show than military courage." You showed both, Mr. President. But now it is time for all of us to show civil courage in order to proclaim to our peoples and to others: No more war, no more bloodshed, no more bereavement. Peace unto you—*shalom, salaam* forever.

And it is the third greatest day in my life. The first was May 14, 1948, when our flag was hoisted. Our independence in our ancestors' land was proclaimed after 1,878 years of dispersion, persecution, humiliation, and, ultimately physical destruction.

We fought for our liberation alone, and with God's help, we won the day. That was spring. Such a spring we can never have again.

The second day was when Jerusalem became one city and our brave, perhaps most hardened soldiers, the paratroopers, embraced with tears and kissed the ancient stones of the remnants of the wall destined to protect the chosen place of God's glory. Our hearts wept with them in remembrance.

[In Hebrew] "Our feet shall stand within thy gates, O Jerusalem. Jerusalem is builded as a city that is compact together."

This is the third day in my life. I have signed a Treaty of Peace with our great neighbor, with Egypt. The heart is full and overflowing. God gave me the strength to persevere, to survive the horrors of Nazism and of the Stalinite concentration camp and some other dangers, to endure, not to waver in nor flinch from my duty, to accept abuse from foreigners and, what is more painful, from my own people, and even from my close friends. This effort, too, bore some fruit.

Therefore, it is the proper place and the appropriate time to bring back to memory the song and prayer of thanksgiving I learned as a child, in the home of father and mother that doesn't exist anymore because they were among the 6 million people—men, women, and children—who sanctified the Lord's name with the sacred blood which reddened the rivers of Europe from the Rhine to the Danube, from the Bug to the Volga, because—only because—they were born Jews, and because they didn't have a country of their own, and neither a valiant Jewish army to defend them, and because nobody, nobody came to their rescue, although they cried out, "Save us, save us"—*de profundis*, from the depths of the pits and agony. That is the Song of Degrees, written 2 millennia and 500 years ago when our forefathers returned from their first exile to Jerusalem and Zion.

[At this point, Prime Minister Begin spoke in Hebrew.]

I will not translate. Every man, whether Jew or Christian or Moslem, can read it in his own language in the Book of the Books. It is just Psalm 126.

TEXTS OF DOCUMENTS

TREATY OF PEACE BETWEEN THE ARAB REPUBLIC OF EGYPT AND THE STATE OF ISRAEL

The Government of the Arab Republic of Egypt and the Government of the State of Israel;

PREAMBLE

Convinced of the urgent necessity of the establishment of a just, comprehensive and lasting peace in the Middle East in accordance with Security Council Resolutions 242 and 338;

Reaffirming their adherence to the "Framework for Peace in the Middle East

Agreed at Camp David," dated September 17, 1978;

Noting that the aforementioned Framework as appropriate is intended to constitute a basis for peace not only between Egypt and Israel but also between Israel and each of its other Arab neighbors which is prepared to negotiate peace with it on this basis;

Desiring to bring to an end the state of war between them and to establish a peace in which every state in the area can live in security;

Convinced that the conclusion of a Treaty of Peace between Egypt and Israel is an important step in the search for comprehensive peace in the area and for the attainment of the settlement of the Arab-Israeli conflict in all its aspects;

Inviting the other Arab parties to this dispute to join the peace process with Israel guided by and based on the principles of the aforementioned Framework;

Desiring as well to develop friendly relations and cooperation between themselves in accordance with the United Nations Charter and the

Egyptian Cabinet Approves Treaty

PRESIDENT'S STATEMENT, MAR. 15, 1979¹

I am pleased that the Egyptian Cabinet now has approved the peace treaty between Egypt and Israel and the related documents. The Cabinet has now given its support to President Sadat's imaginative leadership and decisive action in moving to end more than three decades of conflict with Israel.

We look forward now to formal action on Sunday by the Israeli Cabinet, to be followed by the debate in the Knesset next week.

The Egyptian action today, along with the preliminary action of the Israeli Cabinet yesterday on the outstanding issues, continued the momentum toward a quick conclusion of a peace treaty between Egypt and Israel.

President Sadat and Prime Minister Begin continue to demonstrate their leadership and courage in building the cornerstone of peace in the Middle East. We will continue to assist Egypt and Israel to move their countries from war to peace, thereby releasing the resources that can bring a better life for their people. □

¹Text from Weekly Compilation of Presidential Documents of Mar. 19, 1979.

principles of international law governing international relations in times of peace;

Agree to the following provisions in the free exercise of their sovereignty, in order to implement the "Framework for the Conclusion of a Peace Treaty Between Egypt and Israel":

ARTICLE I

1. The state of war between the Parties will be terminated and peace will be established between them upon the exchange of instruments of ratification of this Treaty.

2. Israel will withdraw all its armed forces and civilians from the Sinai behind the international boundary between Egypt and mandated Palestine, as provided in the annexed protocol (Annex I), and Egypt will resume the exercise of its full sovereignty over the Sinai.

3. Upon completion of the interim withdrawal provided for in Annex I, the Parties will establish normal and friendly relations, in accordance with Article III (3).

ARTICLE II

The permanent boundary between Egypt and Israel is the recognized international boundary between Egypt and the former mandated territory of Palestine, as shown on the map at Annex II, without prejudice to the issue of the status of the Gaza Strip. The parties recognize this boundary as inviolable. Each will respect the territorial integrity of the other, including their territorial waters and airspace.

ARTICLE III

1. The Parties will apply between them the provisions of the Charter of the United Nations and the principles of international law governing relations among states in times of peace. In particular:

a. They recognize and will respect each other's sovereignty, territorial integrity and political independence;

b. They recognize and will respect each other's right to live in peace within their secure and recognized boundaries;

c. They will refrain from the threat or use of force, directly or indirectly, against each other and will settle all disputes between them by peaceful means.

2. Each Party undertakes to ensure that acts or threats of belligerency, hostility, or violence do not originate from and are not committed from within its territory, or by any forces subject to its control or by any other forces stationed on its territory, against the population, citizens or property of the other Party. Each Party also undertakes to refrain from organizing, instigating, inciting, assisting or participating in acts or threats of belligerency, hostility, subversion or violence against the other Party, anywhere, and undertakes to ensure that perpetrators of such acts are brought to justice.

3. The Parties agree that the normal relationship established between them will include full recognition, diplomatic, economic and cultural relations, termination of economic boycotts and

discriminatory barriers to the free movement of people and goods, and will guarantee the mutual enjoyment of citizens of the due process of law. The process by which they undertake to achieve such a relationship parallel to the implementation of other provisions of this treaty is set out in the annexed protocol (Annex III).

ARTICLE IV

1. In order to provide maximum security for both Parties on the basis of reciprocity, agreed security arrangements will be established including limited force zones in Egyptian and Israeli territory, and United Nations forces and observers, described in detail as to nature and timing in Annex I, and other security arrangements the Parties may agree upon.

2. The Parties agree to the stationing of United Nations personnel in areas described in Annex I. The Parties agree not to request withdrawal of the United Nations personnel and that these personnel will not be removed unless such removal is approved by the Security Council of the United Nations, with the affirmative vote of the five Permanent Members, unless the Parties otherwise agree.

3. A Joint Commission will be established to facilitate the implementation of the Treaty, as provided for in Annex I.

Israeli Knesset Approves Treaty

PRESIDENT'S STATEMENT, MAR. 21, 1979¹

The Israeli Knesset spoke with a voice heard around the world today—a voice for peace. We welcome this historic decision. The overwhelming vote in favor of the peace treaty between Israel and Egypt affirms the deep and long-felt desire of the people of Israel for peace with their neighbors. In taking this action, Israel's democracy has lived up to its promise, providing a free and open discussion of all the issues, and then deciding in favor of peace.

The bonds of shared values and common purpose between the United States and Israel are strong and enduring. The achievement of peace between Israel and Egypt will strengthen even more our relations with these two partners in peace and help move toward a stable, cooperative, and peaceful future for all the peoples of the Middle East. □

¹The Israeli Knesset approved the Treaty of Peace with Egypt by a vote of 95 to 18. Text from Weekly Compilation of Presidential Documents of Mar. 26, 1979

4. The security arrangements provided for in paragraphs 1 and 2 of this Article may at the request of either party be reviewed and amended by mutual agreement of the Parties.

ARTICLE V

1. Ships of Israel, and cargoes destined for or coming from Israel, shall enjoy the right of free passage through the Suez Canal and its approaches through the Gulf of Suez and the Mediterranean Sea on the basis of the Constantinople Convention of 1888, applying to all nations. Israeli nationals, vessels and cargoes, as well as persons, vessels and cargoes destined for or coming from Israel, shall be accorded no discriminatory treatment in all matters connected with usage of the canal.

2. The Parties consider the Strait of Tiran and the Gulf of Aqaba to be international waterway open to all nations for unimpeded and non-suspendable freedom of navigation and overflight. The Parties will respect each others' right to navigation and overflight for access to either country through the Strait of Tiran and the Gulf of Aqaba.

ARTICLE VI

1. This Treaty does not affect and shall not be interpreted as affecting in any way the rights and obligations of the Parties under the Charter of the United Nations.

2. The Parties undertake to fulfill in good faith their obligations under this Treaty, without regard to action or inaction of any other party and independently of any instrument external to this Treaty.

3. They further undertake to take all the necessary measures for the application in the relations of the provisions of the multilateral conventions to which they are parties, including the submission of appropriate notification to the Secretary General of the United Nations and other depositaries of such conventions.

4. The Parties undertake not to enter into an obligation in conflict with this Treaty.

5. Subject to Article 103 of the United Nations Charter, in the event of a conflict between the obligations of the Parties under the present Treaty and any of their other obligations, the obligations under this Treaty will be binding and implemented.

ARTICLE VII

1. Disputes arising out of the application or interpretation of this Treaty shall be resolved by negotiations.

2. Any such disputes which cannot be settled by negotiations shall be resolved by conciliation or submitted to arbitration.

ARTICLE VIII

The Parties agree to establish a claims commission for the mutual settlement of all financial claims.

ARTICLE IX

1. This Treaty shall enter into force upon exchange of instruments of ratification.

2. This Treaty supersedes the Agreement between Egypt and Israel of September, 1975.

3. All protocols, annexes, and maps attached to this Treaty shall be regarded as an integral part hereof.

4. The Treaty shall be communicated to the Secretary General of the United Nations for registration in accordance with the provisions of Article 102 of the Charter of the United Nations.

DONE at Washington, D.C. this 26th day of March, 1979, in triplicate in the English, Arabic, and Hebrew languages, each text being equally authentic. In case of any divergence of interpretation, the English text shall prevail.

For the Government of the Arab Republic of Egypt:

A. SADAT

For the Government of Israel:

M. BEGIN

Witnessed By:

JIMMY CARTER

Jimmy Carter, President of the United States of America

ANNEX I

PROTOCOL CONCERNING ISRAELI WITHDRAWAL AND SECURITY ARRANGEMENTS

Article I

Concept of Withdrawal

1. Israel will complete withdrawal of all its armed forces and civilians from the Sinai not later than three years from the date of exchange of instruments of ratification of this Treaty.

2. To ensure the mutual security of the Parties, the implementation of phased withdrawal will be accompanied by the military measures and establishment of zones set out in this Annex and in Map 1, hereinafter referred to as "the Zones."

3. The withdrawal from the Sinai will be accomplished in two phases:

a. The interim withdrawal behind the line from east of El Arish to Ras Muhammed as delineated on Map 2 within nine months from the date of exchange of instruments of ratification of this Treaty.

b. The final withdrawal from the Sinai behind the international boundary not later than three years from the date of exchange of instruments of ratification of this Treaty.

4. A Joint Commission will be formed immediately after the exchange of instruments of ratification of this Treaty in order to supervise and coordinate movements and schedules during the withdrawal, and to adjust plans and timetables as necessary within the limits established by paragraph 3, above. Details relating to the Joint Commission are set out in Article IV of the

attached Appendix. The Joint Commission will be dissolved upon completion of final Israeli withdrawal from the Sinai.

Article II

Determination of Final Lines and Zones

1. In order to provide maximum security for both Parties after the final withdrawal, the lines and the Zones delineated on Map 1 are to be established and organized as follows:

a. Zone A

(1) Zone A is bounded on the east by line A (red line) and on the west by the Suez Canal and the east coast of the Gulf of Suez, as shown on Map 1.

(2) An Egyptian armed force of one mechanized infantry division and its military installations, and field fortifications, will be in this Zone.

(3) The main elements of that division will consist of

(a) Three mechanized infantry brigades.

(b) One armored brigade

(c) Seven field artillery battalions including up to 126 artillery pieces.

(d) Seven anti-aircraft artillery battalions including individual surface-to-air missiles and up to 126 anti-aircraft guns of 37 mm and above.

(e) Up to 230 tanks.

(f) Up to 480 armored personnel vehicles of all types.

(g) Up to a total of twenty-two thousand personnel.

b. Zone B

(1) Zone B is bounded by line B (green line) on the east and by line A (red line) on the west, as shown on Map 1.

(2) Egyptian border units of four battalions equipped with light weapons and wheeled vehicles will provide security and supplement the civil police in maintaining order in Zone B. The main elements of the four border battalions will consist of up to a total of four thousand personnel.

(3) Land based, short range, low power, coastal warning points of the border patrol units may be established on the coast of this Zone.

(4) There will be in Zone B field fortifications and military installations for the four border battalions.

c. Zone C

(1) Zone C is bounded by line B (green line) on the west and the international boundary and the Gulf of Aqaba on the east, as shown on Map 1.

(2) Only United Nations forces and Egyptian civil police will be stationed in Zone C.

(3) The Egyptian civil police armed with light weapons will perform normal police functions within this Zone.

(4) The United Nations Force will be deployed within Zone C and perform its functions as defined in Article VI of this Annex.

(5) The United Nations Force will be

stationed mainly in camps located within the following stationing areas shown on Map 1, and will establish its precise locations after consultations with Egypt.

(a) In that part of the area in the Sinai lying within about 20 Km. of the Mediterranean Sea and adjacent to the international boundary.

(b) In the Sharm el Sheikh area.

d. Zone D

(1) Zone D is bounded by line D (blue line) on the east and the international boundary on the west, as shown on Map 1.

(2) In this Zone there will be an Israeli limited force of four infantry battalions, their

On April 10, 1979, the Egyptian People's Assembly ratified the Egyptian-Israeli Peace Treaty by a vote of 328 to 15 (1 abstention and 16 members were absent).

military installations, and field fortifications, and United Nations observers.

(3) The Israeli forces in Zone D will not include tanks, artillery and anti-aircraft missiles except individual surface-to-air missiles.

(4) The main elements of the four Israeli infantry battalions will consist of up to 180 armored personnel vehicles of all types and up to a total of four thousand personnel.

2. Access across the international boundary shall only be permitted through entry check points designated by each Party and under its control. Such access shall be in accordance with laws and regulations of each country.

3. Only those field fortifications, military installations, forces, and weapons specifically permitted by this Annex shall be in the Zones.

Article III

Aerial Military Regime

1. Flights of combat aircraft and reconnaissance flights of Egypt and Israel shall take place only over Zones A and D, respectively.

2. Only unarmed, non-combat aircraft of Egypt and Israel will be stationed in Zones A and D, respectively.

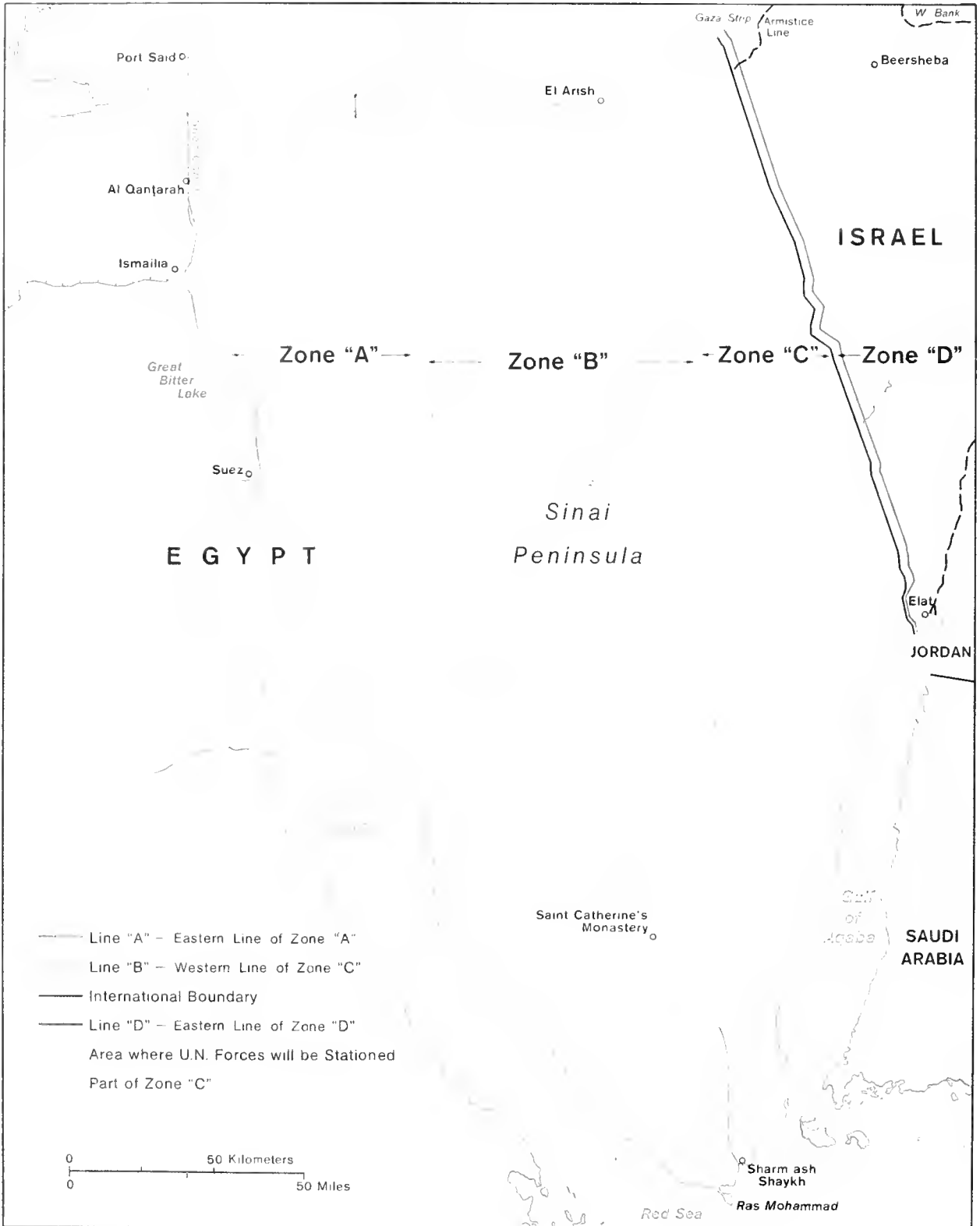
3. Only Egyptian unarmed transport aircraft will take off and land in Zone B and up to eight such aircraft may be maintained in Zone B. The Egyptian border units may be equipped with unarmed helicopters to perform their functions in Zone B.

4. The Egyptian civil police may be equipped with unarmed police helicopters to perform normal police functions in Zone C.

5. Only civilian airfields may be built in the Zones.

6. Without prejudice to the provisions of this Treaty, only those military aerial activities specifically permitted by this Annex shall be allowed in the Zones and the airspace above their territorial waters.

MAP 1 – International Boundary and the Lines of the Zones



504093 3-79 (544089)

This is a representation of the original map included in the treaty

Article IV Naval Regime

1. Egypt and Israel may base and operate naval vessels along the coasts of Zones A and D, respectively.
2. Egyptian coast guard boats, lightly armed, may be stationed and operate in the territorial waters of Zone B to assist the border units in performing their functions in this Zone.
3. Egyptian civil police equipped with light boats, lightly armed, shall perform normal police functions within the territorial waters of Zone C.
4. Nothing in this Annex shall be considered as derogating from the right of innocent passage of the naval vessels of either Party.
5. Only civilian maritime ports and installations may be built in the Zones.
6. Without prejudice to the provisions of this Treaty, only those naval activities specifically permitted by this Annex shall be allowed in the Zones and in their territorial waters.

Article V Early Warning Systems

Egypt and Israel may establish and operate early warning systems only in Zones A and D, respectively.

Article VI United Nations Operations

1. The Parties will request the United Nations to provide forces and observers to supervise the implementation of this Annex and employ their best efforts to prevent any violation of its terms.
2. With respect to these United Nations forces and observers, as appropriate, the Parties agree to request the following arrangements:
 - a. Operation of check points, reconnaissance patrols, and observation posts along the international boundary and line B, and within Zone C.
 - b. Periodic verification of the implementation of the provisions of this Annex will be carried out not less than twice a month unless otherwise agreed by the Parties.
 - c. Additional verifications within 48 hours after the receipt of a request from either Party.
 - d. Ensuring the freedom of navigation through the Strait of Tiran in accordance with Article V of the Treaty of Peace.
3. The arrangements described in this article for each zone will be implemented in Zones A, B, and C by the United Nations Force and in Zone D by the United Nations Observers.
4. United Nations verification teams shall be accompanied by liaison officers of the respective Party.
5. The United Nations Force and Observers will report their findings to both Parties.
6. The United Nations Force and Observers operating in the Zones will enjoy freedom of movement and other facilities necessary for the performance of their tasks.
7. The United Nations Force and Observers are

not empowered to authorize the crossing of the international boundary

8. The Parties shall agree on the nations from which the United Nations Force and Observers will be drawn. They will be drawn from nations other than those which are Permanent Members of the United Nations Security Council.

9. The Parties agree that the United Nations should make those command arrangements that will best assure the effective implementation of its responsibilities.

Article VII Liaison System

1. Upon dissolution of the Joint Commission, a liaison system between the Parties will be established. This liaison system is intended to provide an effective method to assess progress in the implementation of obligations under the present Annex and to resolve any problem that may arise in the course of implementation, and refer other unresolved matters to the higher military authorities of the two countries respectively for consideration. It is also intended to prevent situations resulting from errors or misinterpretation on the part of either Party.

2. An Egyptian liaison office will be established in the city of El Arish and an Israeli liaison office will be established in the city of Beer-Sheba. Each office will be headed by an officer of the respective country, and assisted by a number of officers.

3. A direct telephone link between the two offices will be set up and also direct telephone lines with the United Nations command will be maintained by both offices.

Article VIII Respect for War Memorials

Each Party undertakes to preserve in good condition the War Memorials erected in the memory of soldiers of the other Party, namely those erected by Israel in the Sinai and those to be erected by Egypt in Israel, and shall permit access to such monuments.

Article IX Interim Arrangements

The withdrawal of Israeli armed forces and civilians behind the interim withdrawal line, and the conduct of the forces of the Parties and the United Nations prior to the final withdrawal, will be governed by the attached Appendix and Maps 2 and 3.

APPENDIX TO ANNEX I ORGANIZATION OF MOVEMENTS IN THE SINAI

ARTICLE I Principles of Withdrawal

1. The withdrawal of Israeli armed forces and civilians from the Sinai will be accomplished in two phases as described in Article I of Annex I.

The description and timing of the withdrawal are included in this Appendix. The Joint Commission will develop and present to the Chief Coordinator of the United Nations forces in the Middle East the details of these phases not later than one month before the initiation of each phase of withdrawal.

2. Both parties agree on the following principles for the sequence of military movements.

a. Notwithstanding the provisions of Article IX, paragraph 2, of this Treaty, until Israeli armed forces complete withdrawal from the current J and M Lines established by the Egyptian-Israeli Agreement of September 1975, hereinafter referred to as the 1975 Agreement, up to the interim withdrawal line, all military arrangements existing under that Agreement will remain in effect, except those military arrangements otherwise provided for in this Appendix.

b. As Israeli armed forces withdraw, United Nations forces will immediately enter the evacuated areas to establish interim and temporary buffer zones as shown on Maps 2 and 3, respectively, for the purpose of maintaining a separation of forces. United Nations forces' deployment will precede the movement of any other personnel into these areas.

c. Within a period of seven days after Israeli armed forces have evacuated any area located in Zone A, units of Egyptian armed forces shall deploy in accordance with the provisions of Article II of this Appendix.

d. Within a period of seven days after Israeli armed forces have evacuated any area located in Zones A or B, Egyptian border units shall deploy in accordance with the provisions of Article II of this Appendix, and will function in accordance with the provisions of Article II of Annex I.

e. Egyptian civil police will enter evacuated areas immediately after the United Nations forces to perform normal police functions.

f. Egyptian naval units shall deploy in the Gulf of Suez in accordance with the provisions of Article II of this Appendix.

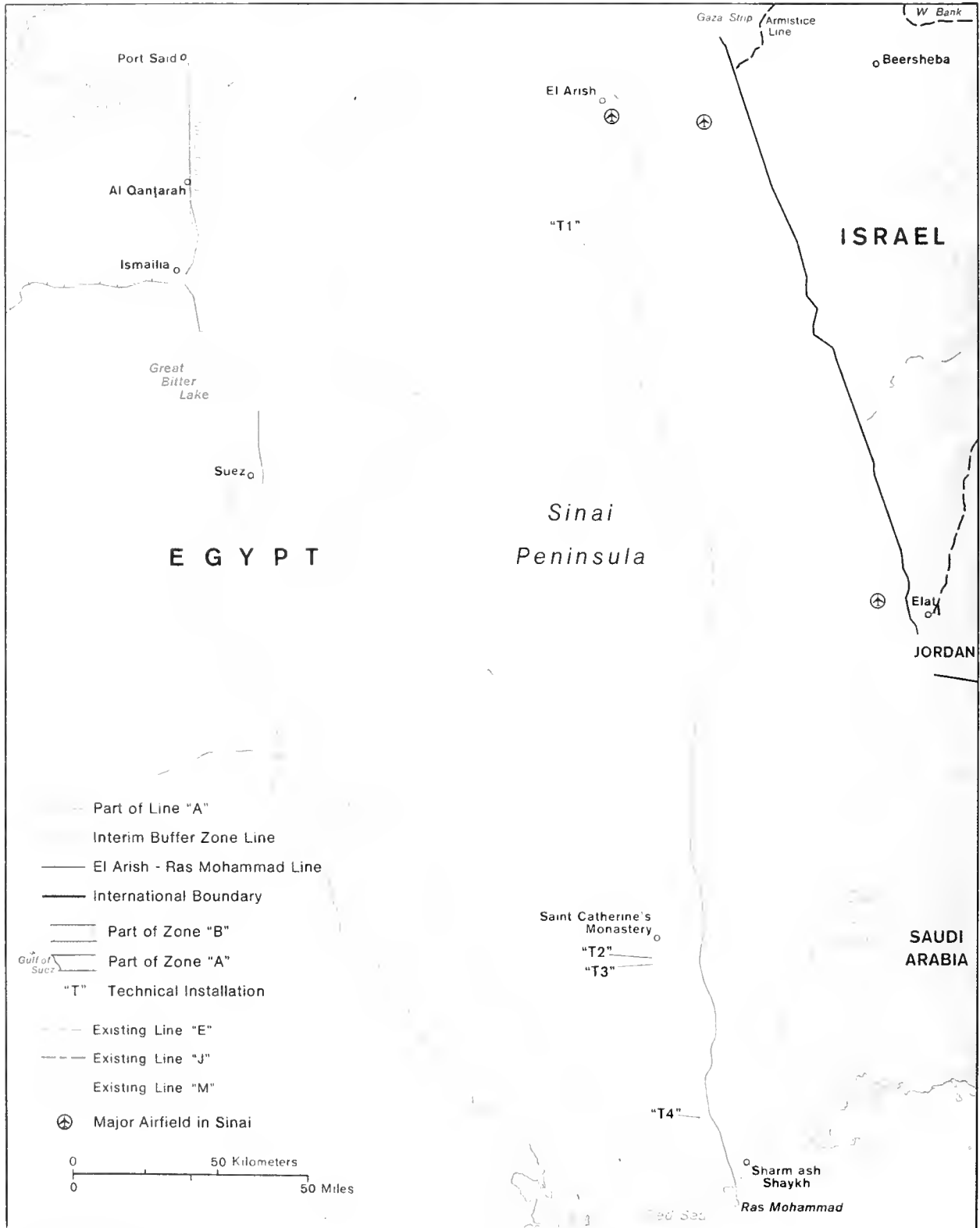
g. Except those movements mentioned above, deployments of Egyptian armed forces and the activities covered in Annex I will be effected in the evacuated areas when Israeli armed forces have completed their withdrawal behind the interim withdrawal line.

ARTICLE II Subphases of the Withdrawal to the Interim Withdrawal Line

1. The withdrawal to the interim withdrawal line will be accomplished in subphases as described in this Article and as shown on Map 3. Each subphase will be completed within the indicated number of months from the date of the exchange of instruments of ratification of this Treaty.

a. First subphase: within two months, Israeli armed forces will withdraw from the area of El Arish, including the town of El Arish and its airfield, shown as Area I on Map 3.

MAP 2 - Lines and Zones Effective when Israeli Forces are on the El Arish - Ras Mohammad Line



504094 3-79 (544089)

This is a representation of the original map included in the treaty

b. Second subphase: within three months, Israeli armed forces will withdraw from the area between line M of the 1975 Agreement and line A, shown as Area II on Map 3.

c. Third subphase: within five months, Israeli armed forces will withdraw from the areas east and south of Area II, shown as Area III on Map 3.

d. Fourth subphase: within seven months, Israeli armed forces will withdraw from the area of El Tor-Ras El Kenisa, shown as Area IV on Map 3.

e. Fifth subphase: Within nine months, Israeli armed forces will withdraw from the remaining areas west of the interim withdrawal line, including the areas of Santa Katrina and the areas east of the Giddi and Mitla passes, shown as Area V on Map 3, thereby completing Israeli withdrawal behind the interim withdrawal line.

2. Egyptian forces will deploy in the areas evacuated by Israeli armed forces as follows:

a. Up to one-third of the Egyptian armed forces in the Sinai in accordance with the 1975 Agreement will deploy in the portions of Zone A lying within Area I, until the completion of interim withdrawal. Thereafter, Egyptian armed forces as described in Article II of Annex I will be deployed in Zone A up to the limits of the interim buffer zone.

b. The Egyptian naval activity in accordance with Article IV of Annex I will commence along the coasts of Areas II, III, and IV, upon completion of the second, third, and fourth subphases, respectively.

c. Of the Egyptian border units described in Article II of Annex I, upon completion of the first subphase one battalion will be deployed in Area I. A second battalion will be deployed in Area II upon completion of the second subphase. A third battalion will be deployed in Area III upon completion of the third subphase. The second and third battalions mentioned above may also be deployed in any of the subsequently evacuated areas of the southern Sinai.

3. United Nations forces in Buffer Zone I of the 1975 Agreement will redeploy to enable the deployment of Egyptian forces described above upon the completion of the first subphase, but will otherwise continue to function in accordance with the provisions of that Agreement in the remainder of that zone until the completion of the interim withdrawal, as indicated in Article I of this Appendix.

4. Israeli convoys may use the roads south and east of the main road junction east of El Arish to evacuate Israeli forces and equipment up to the completion of interim withdrawal. These convoys will proceed in daylight upon four hours notice to the Egyptian liaison group and United Nations forces, will be escorted by United Nations forces, and will be in accordance with schedules coordinated by the Joint Commission. An Egyptian liaison officer will accompany convoys to assure uninterrupted

movement. The Joint Commission may approve other arrangements for convoys.

ARTICLE III United Nations Forces

1. The Parties shall request that United Nations forces be deployed as necessary to perform the functions described in this Appendix up to the time of completion of final Israeli withdrawal. For that purpose, the Parties agree to the redeployment of the United Nations Emergency Force.

2. United Nations forces will supervise the implementation of this Appendix and will employ their best efforts to prevent any violation of its terms.

3. When United Nations forces deploy in accordance with the provisions of Articles I and II of this Appendix, they will perform the functions of verification in limited force zones in accordance with Article VI of Annex I, and will establish check points, reconnaissance patrols, and observation posts in the temporary buffer zones described in Article II above. Other functions of the United Nations forces which concern the interim buffer zone are described in Article V of this Appendix.

ARTICLE IV Joint Commission and Liaison

1. The Joint Commission referred to in Article IV of this Treaty will function from the date of exchange of instruments of ratification of this Treaty up to the date of completion of final Israeli withdrawal from the Sinai.

2. The Joint Commission will be composed of representatives of each Party headed by senior officers. This Commission shall invite a representative of the United Nations when discussing subjects concerning the United Nations, or when either Party requests United Nations presence. Decisions of the Joint Commission will be reached by agreement of Egypt and Israel.

3. The Joint Commission will supervise the implementation of the arrangements described in Annex I and this Appendix. To this end, and by agreement of both Parties, it will:

a. coordinate military movements described in this Appendix and supervise their implementation;

b. address and seek to resolve any problem arising out of the implementation of Annex I and this Appendix, and discuss any violations reported by the United Nations Force and Observers and refer to the Governments of Egypt and Israel any unresolved problems;

c. assist the United Nations Force and Observers in the execution of their mandates, and deal with the timetables of the periodic verifications when referred to it by the Parties as provided for in Annex I and in this Appendix;

d. organize the demarcation of the international boundary and all lines and zones described in Annex I and this Appendix;

e. supervise the handing over of the main in-

stallations in the Sinai from Israel to Egypt;

f. agree on necessary arrangements for finding and returning missing bodies of Egyptian and Israeli soldiers;

g. organize the setting up and operation of entry check points along the El Arish—Ras Muhammed line in accordance with the provisions of Article 4 of Annex III;

h. conduct its operations through the use of joint liaison teams consisting of one Israeli representative and one Egyptian representative, provided from a standing Liaison Group, which will conduct activities as directed by the Joint Commission;

i. provide liaison and coordination to the United Nations command implementing provisions of the Treaty, and, through the joint liaison teams, maintain local coordination and cooperation with the United Nations Force stationed in specific areas or United Nations Observers monitoring specific areas for any assistance as needed.

j. discuss any other matters which the Parties by agreement may place before it.

4. Meetings of the Joint Commission shall be held at least once a month. In the event that either Party or the Command of the United Nations Force requests a special meeting, it will be convened within 24 hours.

5. The Joint Commission will meet in the buffer zone until the completion of the interim withdrawal and in El Arish and Beer-Sheba alternately afterwards. The first meeting will be held not later than two weeks after the entry into force of this Treaty.

ARTICLE V Definition of the Interim Buffer Zone and Its Activities

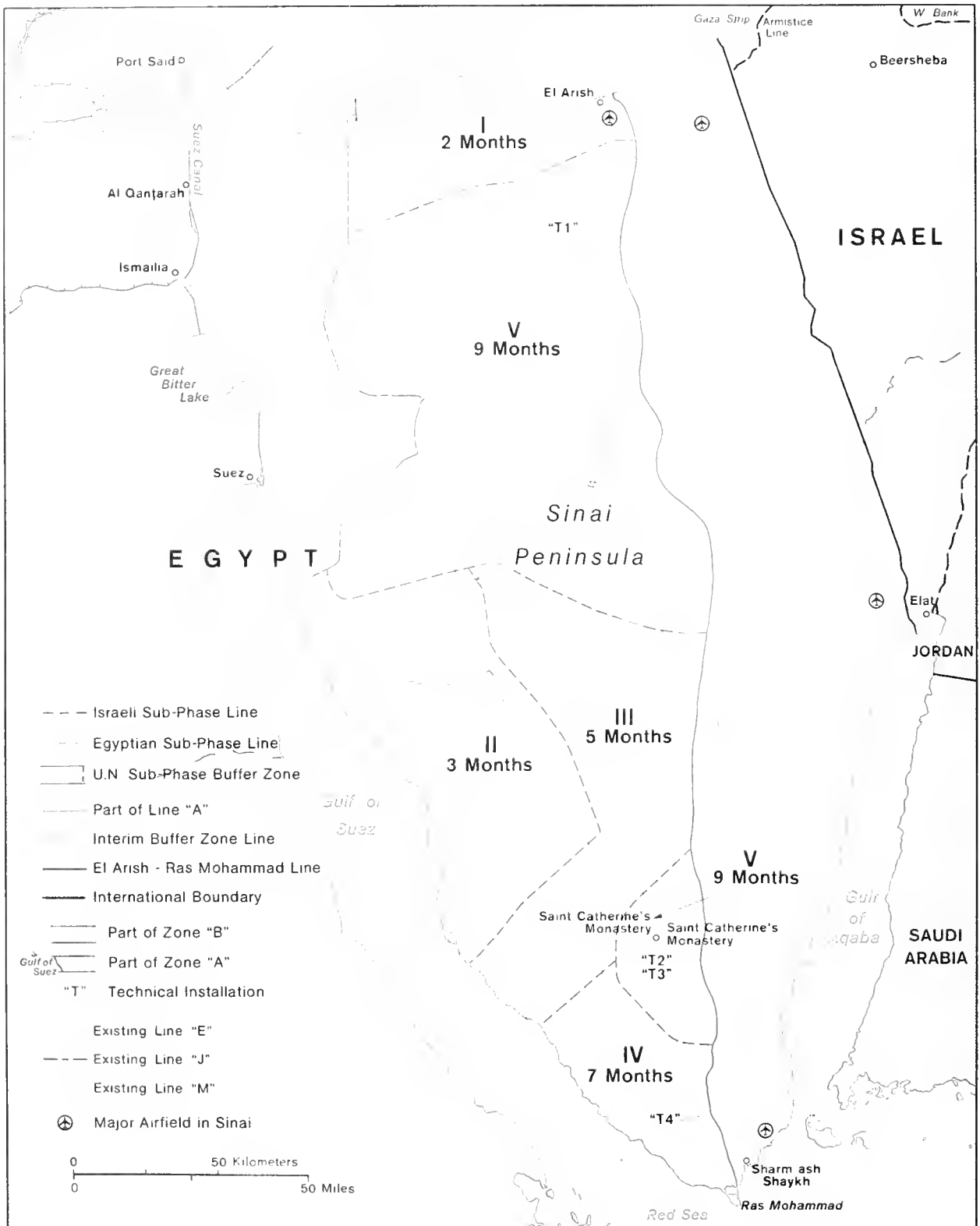
1. An interim buffer zone, by which the United Nations Force will effect a separation of Egyptian and Israeli elements, will be established west of and adjacent to the interim withdrawal line as shown on Map 2 after implementation of Israeli withdrawal and deployment behind the interim withdrawal line. Egyptian civil police equipped with light weapons will perform normal police functions within this zone.

2. The United Nations Force will operate check points, reconnaissance patrols, and observation posts within the interim buffer zone in order to ensure compliance with the terms of this Article.

3. In accordance with arrangements agreed upon by both Parties and to be coordinated by the Joint Commission, Israeli personnel will operate military technical installations at four specific locations shown on Map 2 and designated as T1 (map central coordinate 57163940), T2 (map central coordinate 59351541), T3 (map central coordinate 59331527), and T4 (map central coordinate 61130979) under the following principles:

a. The technical installations shall be manned by technical and administrative personnel equipped with small arms required for

MAP 3 - Sub-Phases of Withdrawal to the El Arish-Ras Mohammad Line



504095 3-79 (544089)

This is a representation of the original map included in the treaty

their protection (revolvers, rifles, sub-machine guns, light machine guns, hand grenades, and ammunition), as follows:

- T1—up to 150 personnel
- T2 and T3—up to 350 personnel
- T4—up to 200 personnel.

b. Israeli personnel will not carry weapons outside the sites, except officers who may carry personal weapons.

c. Only a third party agreed to by Egypt and Israel will enter and conduct inspections within the perimeters of technical installations in the buffer zone. The third party will conduct inspections in a random manner at least once a month. The inspections will verify the nature of the operation of the installations and the weapons and personnel therein. The third party will immediately report to the Parties any divergence from an installation's visual and electronic surveillance or communications role.

d. Supply of the installations, visits for technical and administrative purposes, and replacement of personnel and equipment situated in the sites, may occur uninterruptedly from the United Nations check points to the perimeter of the technical installations, after checking and being escorted by only the United Nations forces.

e. Israel will be permitted to introduce into its technical installations items required for the proper functioning of the installations and personnel.

f. As determined by the Joint Commission, Israel will be permitted to:

(1) Maintain in its installations fire-fighting and general maintenance equipment as well as wheeled administrative vehicles and mobile engineering equipment necessary for the maintenance of the sites. All vehicles shall be unarmed.

(2) Within the sites and in the buffer zone, maintain roads, water lines, and communications cables which serve the sites. At each of the three installation locations (T1, T2 and T3, and T4), this maintenance may be performed with up to two unarmed wheeled vehicles and by up to twelve unarmed personnel with only necessary equipment, including heavy engineering equipment if needed. This maintenance may be performed three times a week, except for special problems, and only after giving the United Nations four hours notice. The teams will be escorted by the United Nations.

g. Movement to and from the technical installations will take place only during daylight hours. Access to, and exit from, the technical installations shall be as follows:

(1) T1: through a United Nations check point, and via the road between Abu Aweigila and the intersection of the Abu Aweigila road

and the Gebel Libni road (at Km 161), as shown on Map 2.

(2) T2 and T3: through a United Nations checkpoint and via the road constructed across the buffer zone to Gebel Katrina, as shown on Map 2.

(3) T2, T3, and T4: via helicopters flying within a corridor at the times, and according to a flight profile, agreed to by the Joint Commission. The helicopters will be checked by the United Nations Force at landing sites outside the perimeter of the installations.

h. Israel will inform the United Nations Force at least one hour in advance of each intended movement to and from the installations.

i. Israel shall be entitled to evacuate sick and wounded and summon medical experts and medical teams at any time after giving immediate notice to the United Nations Force.

4. The details of the above principles and all other matters in this Article requiring coordination by the Parties will be handled by the Joint Commission.

5. These technical installations will be withdrawn when Israeli forces withdraw from the interim withdrawal line, or at a time agreed by the parties.

ARTICLE VI Disposition of Installations and Military Barriers

Disposition of installations and military barriers will be determined by the Parties in accordance with the following guidelines:

1. Up to three weeks before Israeli withdrawal from any area, the Joint Commission will arrange for Israeli and Egyptian liaison and technical teams to conduct a joint inspection of all appropriate installations to agree upon condition of structures and articles which will be transferred to Egyptian control and to arrange for such transfer. Israel will declare, at that time, its plans for disposition of installations and articles within the installations.

2. Israel undertakes to transfer to Egypt all agreed infrastructure, utilities, and installations intact, inter alia, airfield, roads, pumping stations, and ports. Israel will present to Egypt the information necessary for the maintenance and operation of these facilities. Egyptian technical teams will be permitted to observe and familiarize themselves with the operation of these facilities for a period of up to two weeks prior to transfer.

3. When Israel relinquishes Israeli military water points near El Arish and El Tor, Egyptian technical teams will assume control of those installations and ancillary equipment in accordance with an orderly transfer process arranged beforehand by the Joint Commission. Egypt undertakes to continue to make available at all water supply points the normal quantity of

currently available water up to the time Israel withdraws behind the international boundary, unless otherwise agreed in the Joint Commission.

4. Israel will make its best effort to remove or destroy all military barriers, including obstacles and minefields, in the areas and adjacent waters from which it withdraws, according to the following concept:

a. Military barriers will be cleared first from areas near populations, roads, and major installations and utilities.

b. For those obstacles and minefields which cannot be removed or destroyed prior to Israeli withdrawal, Israel will provide detailed maps to Egypt and the United Nations through the Joint Commission not later than 15 days before entry of United Nations forces into the affected areas.

c. Egyptian military engineers will enter those areas after United Nations forces enter to conduct barrier clearance operations in accordance with Egyptian plans to be submitted prior to implementation.

ARTICLE VII Surveillance Activities

1. Aerial surveillance activities during the withdrawal will be carried out as follows:

a. Both Parties request the United States to continue airborne surveillance flights in accordance with previous agreements until the completion of final Israeli withdrawal.

b. Flight profiles will cover the Limited Forces Zones to monitor the limitations on forces and armaments, and to determine that Israeli armed forces have withdrawn from the areas described in Article II of Annex I, Article II of this appendix, and Maps 2 and 3, and that these forces thereafter remain behind their lines. Special inspection flights may be flown at the request of either Party or of the United Nations.

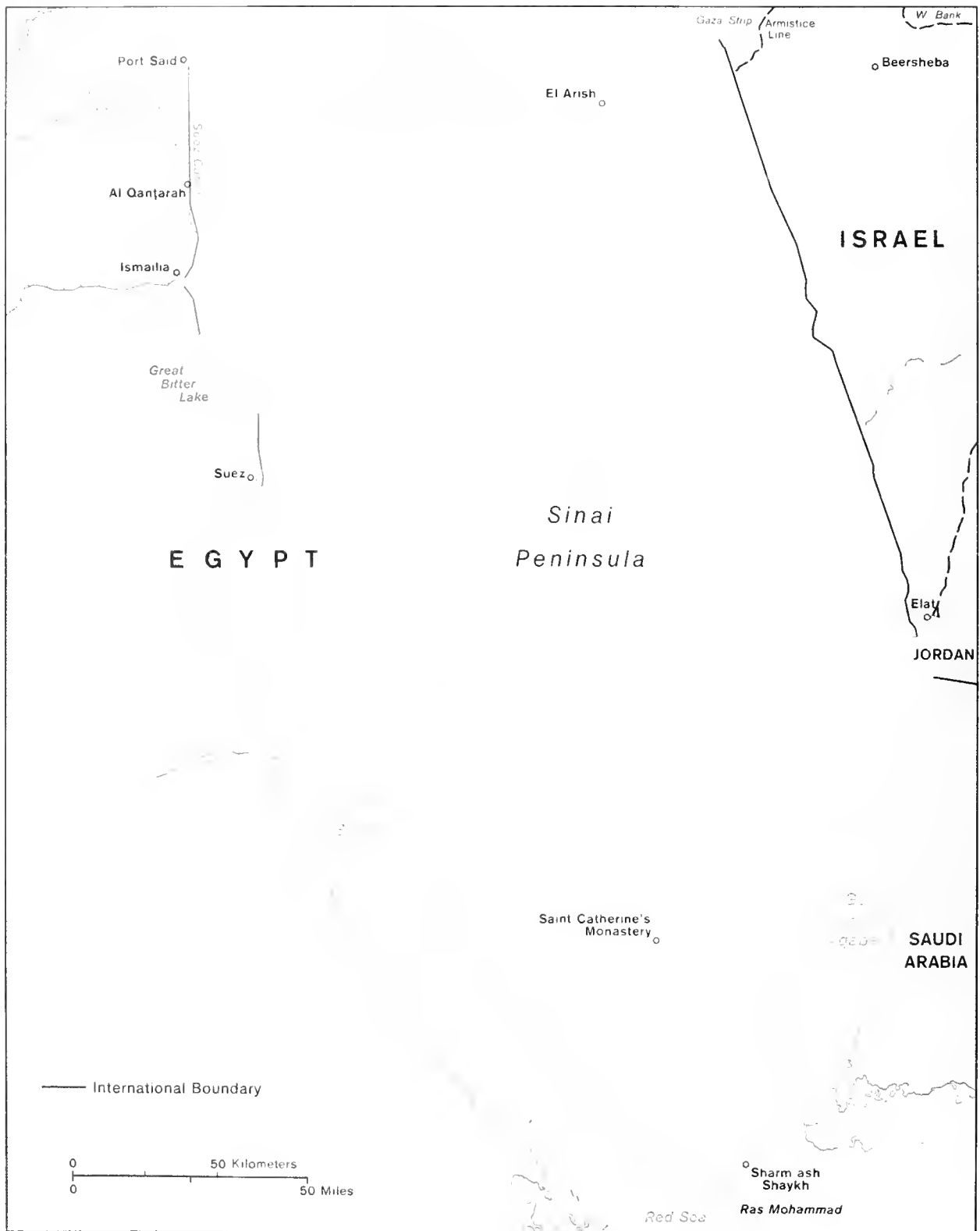
c. Only the main elements in the military organizations of each Party, as described in Annex I and in this Appendix, will be reported.

2. Both Parties request the United States operated Sinai Field Mission to continue its operations in accordance with previous agreements until completion of the Israeli withdrawal from the area east of the Giddi and Mitla Passes. Thereafter, the Mission will be terminated.

ARTICLE VIII Exercise of Egyptian Sovereignty

Egypt will resume the exercise of its full sovereignty over evacuated parts of the Sinai upon Israeli withdrawal as provided for in Article I of this Treaty.

ANNEX II – International Boundary



504096 3-79 (544089)

This is a representation of the original map included in the treaty

ANNEX III
PROTOCOL CONCERNING RELATIONS
OF THE PARTIES

Article 1
Diplomatic and Consular Relations

The Parties agree to establish diplomatic and consular relations and to exchange ambassadors upon completion of the interim withdrawal.

Article 2
Economic and Trade Relations

1. The Parties agree to remove all discriminatory barriers to normal economic relations and to terminate economic boycotts of each other upon completion of the interim withdrawal.

2. As soon as possible, and not later than six months after the completion of the interim withdrawal, the Parties will enter negotiations with a view to concluding an agreement on trade and commerce for the purpose of promoting beneficial economic relations.

Article 3
Cultural Relations

1. The Parties agree to establish normal cultural relations following completion of the interim withdrawal.

2. They agree on the desirability of cultural exchanges in all fields, and shall, as soon as possible and not later than six months after completion of the interim withdrawal, enter into negotiations with a view to concluding a cultural agreement for this purpose.

Article 4
Freedom of Movement

1. Upon completion of the interim withdrawal, each Party will permit the free movement of the nationals and vehicles of the other into and within its territory according to the general rules applicable to nationals and vehicles of other states. Neither Party will impose discriminatory restrictions on the free movement of persons and vehicles from its territory to the territory of the other.

2. Mutual unimpeded access to places of religious and historical significance will be provided on a nondiscriminatory basis.

Article 5
Cooperation for Development and
Good Neighborly Relations

1. The Parties recognize a mutuality of interest in good neighborly relations and agree to consider means to promote such relations.

2. The Parties will cooperate in promoting peace, stability and development in their region. Each agrees to consider proposals the other may wish to make to this end.

3. The Parties shall seek to foster mutual understanding and tolerance and will, accordingly, abstain from hostile propaganda against each other.

Article 6
Transportation and Telecommunications

1. The Parties recognize as applicable to each other the rights, privileges and obligations provided for by the aviation agreements to which they are both party, particularly by the Convention on International Civil Aviation, 1944 ("The Chicago Convention") and the International Air Services Transit Agreement, 1944.

2. Upon completion of the interim withdrawal any declaration of national emergency by a party under Article 89 of the Chicago Convention will not be applied to the other party on a discriminatory basis.

3. Egypt agrees that the use of airfields left by Israel near El Arish, Rafah, Ras El Nagh and Sharm el Sheikh shall be for civilian purposes only, including possible commercial use by all nations.

4. As soon as possible and not later than six months after the completion of the interim withdrawal, the Parties shall enter into negotiations for the purpose of concluding a civil aviation agreement.

5. The Parties will reopen and maintain roads and railways between their countries and will consider further road and rail links. The Parties further agree that a highway will be constructed and maintained between Egypt, Israel and Jordan near Eilat with guaranteed free and peaceful passage of persons, vehicles and goods between Egypt and Jordan, without prejudice to their sovereignty over that part of the highway which falls within their respective territory.

6. Upon completion of the interim withdrawal, normal postal, telephone, telex, data facsimile, wireless and cable communications and television relay services by cable, radio and satellite shall be established between the two Parties in accordance with all relevant international conventions and regulations.

7. Upon completion of the interim withdrawal, each Party shall grant normal access to its ports for vessels and cargoes of the other, as well as vessels and cargoes destined for or coming from the other. Such access shall be granted on the same conditions generally applicable to vessels and cargoes of other nations. Article 5 of the Treaty of Peace will be implemented upon the exchange of instruments of ratification of the aforementioned Treaty.

Article 7
Enjoyment of Human Rights

The Parties affirm their commitment to respect and observe human rights and fundamental freedoms for all, and they will promote these rights and freedoms in accordance with the United Nations Charter.

Article 8
Territorial Seas

Without prejudice to the provisions of Article 5 of the Treaty of Peace each Party recognizes the right of the vessels of the other Party to innocent passage through its territorial sea in accordance with the rules of international law.

AGREED MINUTES

AGREED MINUTES
TO ARTICLES I, IV, V AND VI
AND ANNEXES I AND III
OF TREATY OF PEACE

ARTICLE I

Egypt's resumption of the exercise of full sovereignty over the Sinai provided for in paragraph 2 of Article 1 shall occur with regard to each area upon Israel's withdrawal from that area.

ARTICLE IV

It is agreed between the parties that the review provided for in Article IV(4) will be undertaken when requested by either party, commencing within three months of such a request, but that any amendment can be made only with the mutual agreement of both parties.

ARTICLE V

The second sentence of paragraph 2 of Article V shall not be construed as limiting the first sentence of that paragraph. The foregoing is not to be construed as contravening the second sentence of paragraph 2 of Article V, which reads as follows:

"The Parties will respect each other's right to navigation and overflight for access to either country through the Strait of Tiran and the Gulf of Aqaba."

ARTICLE VI(2)

The provisions of Article VI shall not be construed in contradiction to the provisions of the framework for peace in the Middle East agreed at Camp David. The foregoing is not to be construed as contravening the provisions of Article VI(2) of the treaty, which reads as follows:

"The Parties undertake to fulfill in good faith their obligations under this Treaty, without regard to action or inaction of any other Party and independently of any instrument external to this Treaty."

ARTICLE VI(5)

It is agreed by the Parties that there is no assertion that this Treaty prevails over other Treaties or agreements or that other Treaties or agreements prevail over this Treaty. The

foregoing is not to be construed as contravening the provisions of Article VI(5) of the Treaty, which reads as follows:

"Subject to Article 103 of the United Nations Charter, in the event of a conflict between the obligations of the Parties under the present Treaty and any of their other obligations, the obligations under this Treaty will be binding and implemented."

ANNEX I

Article VI, Paragraph 8, of Annex I provides as follows:

"The Parties shall agree on the nations from which the United Nations force and observers will be drawn. They will be drawn from nations other than those which are permanent members of the United Nations Security Council."

The Parties have agreed as follows:

"With respect to the provisions of paragraph 8, Article VI, of Annex I, if no agreement is reached between the Parties, they will accept or support a U.S. proposal concerning the composition of the United Nations force and observers."

ANNEX III

The Treaty of Peace and Annex III thereto provide for establishing normal economic relations between the Parties. In accordance therewith, it is agreed that such relations will include normal commercial sales of oil by Egypt to Israel, and that Israel shall be fully entitled to make bids for Egyptian-origin oil not needed for Egyptian domestic oil consumption, and Egypt and its oil concessionaires will entertain bids made by Israel, on the same basis and terms as apply to other bidders for such oil.

For the Government of the
Arab Republic of Egypt:

A. SADAT

For the Government of
Israel:

M. BEGIN

Witnessed by:

JIMMY CARTER

Jimmy Carter, President
of the United States of America

LETTERS

March 26, 1979

Dear Mr. President:

This letter confirms that Egypt and Israel have agreed as follows:

The Governments of Egypt and Israel recall that they concluded at Camp David and signed at the White House on September 17, 1978, the annexed documents entitled "A Framework for

Peace in the Middle East Agreed at Camp David" and "Framework for the conclusion of a Peace Treaty between Egypt and Israel"

For the purpose of achieving a comprehensive peace settlement in accordance with the above-mentioned Frameworks, Egypt and Israel will proceed with the implementation of those provisions relating to the West Bank and the Gaza Strip. They have agreed to start negotiations within a month after the exchange of the instruments of ratification of the Peace Treaty. In accordance with the "Framework for Peace in the Middle East," the Hashemite Kingdom of Jordan is invited to join the negotiations. The Delegations of Egypt and Jordan may include Palestinians from the West Bank and Gaza Strip or other Palestinians as mutually agreed. The purpose of the negotiation shall be to agree, prior to the elections, on the modalities for establishing the elected self-governing authority (administrative council), define its powers and responsibilities, and agree upon other related issues. In the event Jordan decides not to take part in the negotiations, the negotiations will be held by Egypt and Israel.

The two Governments agree to negotiate continuously and in good faith to conclude these negotiations at the earliest possible date. They also agree that the objective of the negotiations is the establishment of the self-governing authority in the West Bank and Gaza in order to provide full autonomy to the inhabitants.

Egypt and Israel set for themselves the goal of completing the negotiations within one year so that elections will be held as expeditiously as possible after agreement has been reached between the parties. The self-governing authority referred to in the "Framework for Peace in the Middle East" will be established and inaugurated within one month after it has been elected, at which time the transitional period of five years will begin. The Israeli military government and its civilian administration will be withdrawn, to be replaced by the self-governing authority, as specified in the "Framework for Peace in the Middle East." A withdrawal of Israeli armed forces will then take place and there will be a redeployment of the remaining Israeli forces into specified security locations.

This letter also confirms our understanding that the United States Government will participate fully in all stages of negotiations.

Sincerely yours,

For the Government of
Israel:

M. BEGIN
Menachem Begin

For the Government of the
Arab Republic of Egypt:

A. SADAT
Mohamed Anwar El-Sadat

The President,
The White House.

[NOTE: President Carter, upon receipt of the

joint letter to him from President Sadat and Prime Minister Begin, added to the American and Israeli copies the notation:

"I have been informed that the expression 'West Bank' is understood by the Government of Israel to mean 'Judea and Samaria'."

This notation is in accordance with similar procedures established at Camp David.]

March 26, 1979

Dear Mr. President:

In response to your request, I can confirm that, within one month after the completion of Israel's withdrawal to the interim line as provided for in the Treaty of Peace between Egypt and Israel, Egypt will send a resident ambassador to Israel and will receive a resident Israel ambassador in Egypt.

Sincerely,

A. SADAT
Mohamed Anwar El-Sadat

The President,
The White House.

March 26, 1979

Dear Mr. Prime Minister:

I have received a letter from President Sadat that, within one month after Israel completes its withdrawal to the interim line in Sinai, as provided for in the Treaty of Peace between Egypt and Israel, Egypt will send a resident ambassador to Israel and will receive in Egypt a resident Israeli ambassador.

I would be grateful if you will confirm that this procedure will be agreeable to the Government of Israel.

Sincerely,

JIMMY CARTER
Jimmy Carter

His Excellency
Menachem Begin
Prime Minister of the
State of Israel.

March 26, 1979

Dear Mr. President:

I am pleased to be able to confirm that the Government of Israel is agreeable to the procedure set out in your letter of March 26, 1979 in which you state:

"I have received a letter from President Sadat that, within one month after Israel completes its withdrawal to the interim line in Sinai, as provided for in the Treaty of Peace between Egypt and Israel, Egypt will send a resident ambas-

ador to Israel and will receive in Egypt a resident Israeli ambassador."

Sincerely,

M. BEGIN
Menachem Begin

The President,
The White House.

March 26, 1979

Dear Mr. President

I wish to confirm to you that subject to United States Constitutional processes:

In the event of an actual or threatened violation of the Treaty of Peace between Egypt and Israel, the United States will, on request of one or both of the Parties, consult with the Parties with respect thereto and will take such other action as it may deem appropriate and helpful to achieve compliance with the Treaty.

The United States will conduct aerial monitoring as requested by the Parties pursuant to Annex I of the Treaty.

The United States believes the Treaty provision for permanent stationing of United Nations personnel in the designated limited force zone can and should be implemented by the United Nations Security Council. The United States will exert its utmost efforts to obtain the requisite action by the Security Council. If the Security Council fails to establish and maintain the arrangements called for in the Treaty, the President will be prepared to take those steps necessary to ensure the establishment and maintenance of an acceptable alternative multinational force.

Sincerely,

JIMMY CARTER
Jimmy Carter

His Excellency
Mohamed Anwar El-Sadat,
President of the Arab
Republic of Egypt.

March 26, 1979

Dear Mr. Prime Minister:

I wish to confirm to you that subject to United States Constitutional processes:

In the event of an actual or threatened violation of the Treaty of Peace between Israel and Egypt, the United States will, on request of one or both of the Parties, consult with the Parties with respect thereto and will take such other action as it may deem appropriate and helpful to achieve compliance with the Treaty.

The United States will conduct aerial monitoring as requested by the Parties pursuant to Annex I of the Treaty.

The United States believes the Treaty provision for permanent stationing of United Nations personnel in the designated limited force zone can and should be implemented by the United Nations Security Council. The United States will exert its utmost efforts to obtain the req-

uisite action by the Security Council. If the Security Council fails to establish and maintain the arrangements called for in the Treaty, the President will be prepared to take those steps necessary to ensure the establishment and maintenance of an acceptable alternative multinational force.

Sincerely,

JIMMY CARTER
Jimmy Carter

His Excellency
Menachem Begin,
Prime Minister of the
State of Israel.

¹The ceremony was attended by officials of the three governments and was broadcast live on radio and television. Earlier in the day President Carter held separate meetings with President Sadat and Prime Minister Begin, and, prior to the ceremony, the President and Mrs. Carter hosted a private luncheon for President and Mrs. Sadat and Prime Minister and Mrs. Begin at the White House. Following the ceremony, the President met at the White House with Members of Congress to discuss U.S. aid and assistance to Egypt and Israel.

²Text from Weekly Compilation of Presidential Documents of Apr. 2, 1979. Dinner toasts made at a state dinner on the South Lawn of the White House on Mar. 26 are printed in the same Weekly Compilation on p. 523.

Publications

GPO SALES

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% 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—\$31; 1-year subscription service for approximately 77 updated or new Notes—\$31; plastic binder—\$2.00.) Single copies of those listed below are available at 70¢ each.

- Egypt** Stock No. 044-000-91019-5
Pub. 8152 8 pp.
- Iraq** Stock No. 044-000-91086-1
Pub. 7975 4 pp.

- Morocco** Stock No. 044-000-91113-2
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Pub. 8142 5 pp.
- Index** Stock No. 044-000-91105-1
Pub. 8739 3 pp.

Atomic Energy—Technical Information Exchange and Nuclear Safety. TIAS 8867. Agreement with Iran 19 pp \$1.10 (Cat. No. S9 10:8867.)

Technical Cooperation in Establishing an Information Center. Agreement with Saudi Arabia. TIAS 8875. 8 pp 80¢. (Cat. No. S9 10:8875.)

Technical Cooperation in Consumer Protection. Agreement with Saudi Arabia TIAS 8876 8 pp 80¢. (Cat. No. S9 10:8876.)

Technical Cooperation in Desalination. Agreement with Saudi Arabia. TIAS 8878. 23 pp \$1.30. (Cat. No. S9 10:8878.)

Safeguarding of Classified Information. Agreement with Kuwait, amending the agreement of January 18, 1976. TIAS 8905. 2 pp. 60¢. (Cat. No. S9 10:8905.)

Trade in Textiles and Textile Products. Agreement with Egypt. TIAS 8973. 6 pp. 70¢. (Cat. No. S9 10:8973.)

Suez Canal—Clearance of Mines and Unexploded Ordnance. Agreement with Egypt, amending the arrangement of April 13 and 25, 1974, as amended. TIAS 8989. 6 pp. 70¢. (Cat. No. S9 10:8989.)

Highway Transportation. Agreement with Saudi Arabia. TIAS 8991. 15 pp. \$1.10. (Cat. No. S9 10:8991.)

Air Transport Services. Agreement with Israel, amending the agreement of June 13, 1950, as amended. TIAS 9002. 21 pp. \$1.10. (Cat. No. S9 10:9002.)

General Agreement on Tariffs and Trade. Eleventh proces-verbal extending the declaration of November 12, 1959, on provisional accession of Tunisia to the general agreement. TIAS 9011. 9 pp. 80¢. (Cat. No. S9 10:9011.)

Technical Cooperation in Science and Technology. Agreement with Saudi Arabia. TIAS 9019. 25 pp. \$1.30. (Cat. No. S9 10:9019.)

Agricultural Production and Economic Development. Agreement with Syria. TIAS 9022. 13 pp. 90¢. (Cat. No. S9 10:9022.)

Economic Assistance—Loan. Agreement with Israel. TIAS 9028. 18 pp. \$1.10. (Cat. No. S9 10:9028.)

Agricultural Commodities. Agreement with Egypt. TIAS 9040. 18 pp. \$1.10. (Cat. No. S9 10:9040.)

Solar Energy. Agreement with Saudi Arabia. TIAS 9077. 7 pp. 80¢. (Cat. No. S9 10:9077.)

Economic Assistance—Cash Grant. Agreement with Israel. TIAS 9095. 4 pp. 70¢. (Cat. No. S9 10:9095.)

Economic Assistance—Loan. Agreement with Israel. TIAS 9097. 18 pp. \$1.10. (Cat. No. S9 10:9097.)

THE PRESIDENT: *Visit to Egypt and Israel*

On March 7, 1979, President Carter departed the United States to meet with President Sadat in Egypt (March 8-10) and Prime Minister Begin in Israel (March 10-13). He met again with President Sadat at the Cairo International Airport on March 13 before returning to Washington on March 14.¹

DEPARTURE REMARKS, WHITE HOUSE, MAR. 7, 1979²

Vice President Mondale

You leave tonight, Mr. President, on perhaps the most important and difficult mission of your Presidency. You seek a peace vital not only to the people of the Middle East but to the people of our own nation and to all mankind.

There is no challenge more urgent than seeking that peace, for as the Bible tells us, it is the peacemakers who are blessed. And you, Mr. President, Prime Minister Begin, and President Sadat are three such peacemakers.

Your efforts are even more than a pivotal moment in the history of the Middle East, for as a poet once put it: "Peace hath her victories no less renown'd than war."

Each generation bears two fundamental responsibilities to the next: One is to lay down our lives, if need be, for the things that we treasure; the other is to work ceaselessly so that our children will not be asked to make that sacrifice. Both duties are sacred. Both require courage. Both are filled with grave risks.

There are statesmen whose tasks it is to go to the brink of war. For others, their courage is tested by the challenge to go to the brink for peace. In the end, the truest measure of our humanity is how we rise to the second challenge.

Mr. President, tonight, as 6 months ago, you meet that demanding measure. Please know that you have our love, our prayers. The prayers of all humanity are with you this evening as you search for that nobler victory, the victory of peace.

President Carter

Nothing could give me more encouragement and a more gratifying sense than to have surround me here not only the Vice President but the distinguished Members of Congress.

I leave tonight on a new mission in the service of the oldest of human dreams—the dream of peace. And

nowhere is this hope for peace more fervent, more alive than in the Middle East; nowhere is the path to its realization more difficult; nowhere might the price of failure be more terrible.

Peace remains the goal of President Sadat and Prime Minister Begin and of the great peoples of Egypt and of Israel. I know that they share my determination that these long negotiations will bring fruit.

The Middle East has suffered too much and too long from war and from the fear of war. Arabs and Israelis alike must now understand that bloodshed and deprivation and death can never settle their differences, can never be the path toward renewal and hope.

For the first time in a generation, peace in the Middle East has come within reach. President Sadat's visit to Jerusalem, his great and courageous reception by Prime Minister Begin, the reciprocal visit by the Prime Minister

to Egypt—all opened the way toward possible progress. At Camp David, we then worked together for 13 days to forge a political framework within which their differences might be resolved.

Our negotiations have been and are based on the idea that peace can only be achieved when we meet the legitimate needs of all those who are affected by the conflict.

Real peace will not come with a single treaty, important as it would be. But a treaty between Egypt and Israel is an indispensable step toward the broader comprehensive peace that we all seek.

Negotiation is a long and tedious process—I know from personal experience. But there are times when making peace demands more courage than making war. I believe that President Sadat and Prime Minister Begin possess that special kind of courage and that they possess, as well, the vision and the statesmanship to redeem the great hope which they themselves have helped to create.

So, it is with hope that I depart, hope tempered by sober realism. As a friend of Egypt and a friend of Israel, we will do our best to help them achieve the peace that they have paid for in blood many times over.

In doing this, in seeking to lay the basis for a stable and a peaceful Middle East, we will also be serving our own deepest national interests and the interests of all the people of the world.

I know that in this endeavor, I take with me the prayers and the good wishes of the American people. In the difficult work that lies ahead, I will draw strength and sustenance from those worldwide prayers and from your support.

WELCOMING CEREMONY, CAIRO, MAR. 8, 1979³

President Sadat

On behalf of 40 million Egyptians, I welcome you in the cradle of civilization. You are held here with the highest esteem, as one of the greatest statesmen of our time. Your courage and wisdom are paralleled only by the strength of your commitment to morality and justice.

Never before has an American Presi-

WHITE HOUSE ANNOUNCEMENT, MAR. 5, 1979*

President Carter has accepted invitations from Prime Minister Begin and President Sadat and will depart Washington on Wednesday afternoon for Egypt and Israel.

The President will arrive in Egypt on Thursday afternoon for talks with President Sadat. He will then fly to Israel on Saturday evening for talks with Prime Minister Begin.

The talks will focus on the peace process, regional security, and bilateral issues.

As he stated last Tuesday, the President believes that we must not allow the prospects for peace which seemed so bright last September to continue to dim and perhaps to vanish. If we do, the judgment of history and of our children will rightly condemn us.

*Read to news correspondents by White House Press Secretary Jody Powell (text from Weekly Compilation of Presidential Documents of Mar. 12, 1979).

lent been so firm in his devotion to the cause of world peace and the universal brotherhood of man. Never before has a statesman with your awesome responsibility devoted so much of his time and effort to the noble task of promoting peace and cooperation among nations.

This is an historic and courageous mission. On your departure yesterday, you said that you were undertaking it with hope and sober realism. We share your hope and pray for the success of your endeavor. You will find the Egyptian people firm in their dedication to a just and comprehensive peace in the area. We are determined to enable our Palestinian brothers to realize their national rights and regain their freedom.

In the days ahead, we will be working together to make these cherished hopes a living reality. We want to build a viable structure for peace that's based on the rule of law and legitimacy.

The reception you were accorded today by our masses is a testimony of the affection they have for you and for every American. Let us vow to cement the bonds of friendship and cooperation between our nations.

May God Almighty guide our steps and lighten our way and, God willing, we shall overcome.

President Carter

Hundreds of thousands of Egyptians lined the streets this afternoon to express their deepest feelings—feelings not of personal friendship or admiration for me, or even for their noble and beloved leader, President Sadat, but their deepest feeling expressed hundreds of times over was a genuine desire for peace.

The greeting of peace has a special and urgent meaning for all of us today. I come to you, Mr. President, in the service of peace. You receive me in a spirit of peace. We meet to resume together the sacred work of building peace.

It's an honor for me and my wife to be reunited with you, Mr. President, and your wife and with our many other friends with whom we've worked so diligently in recent months.

It's a pleasure to be with you this time in Cairo. We bring with us the respect and the good wishes for President Sadat and for the people of Egypt from the tens of millions of people who live in the United States of America.

I've come to the Middle East to advance the cause of peace between Egypt and Israel. A treaty between these two great nations would be a beginning, not an end. It would bring us



President Carter waves to the crowd during his train trip to Alexandria with President Sadat. (White House photo by Karl Schumacher)

much closer to the broader goal we seek—a real peace, a comprehensive peace, a peace that would reflect the legitimate needs of all those who have suffered so deeply during the last 30 years of conflict, enmity, and war.

It would also be the beginning of a new chapter in the long history of Egypt, one in which the energies of all Egyptians can at last be turned in full force to the human task of building a future of dignity and hope.

I know from experience how deeply President Sadat wants that kind of future. In my many hours of conversation with him, I've learned to respect him as a man of great courage with a passion for peace. He has spoken eloquently, but more importantly, he has acted boldly and decisively.

In his electrifying trip to Jerusalem in November of 1977, President Sadat fully committed himself to the goal of a just and lasting peace. That was also our goal at Camp David where President Sadat, Prime Minister Begin, and I agreed on a framework for a comprehensive peace and on the outlines of a treaty between Egypt and Israel. And that remains the goal of the talks that will continue today.

Our hope is to achieve an agreement which is honorable, just, and which provides security for each of the negotiating parties. But above all, our purpose is to achieve a peace that will last.

If the promise of peace is to be fully realized for the people of Israel and Egypt, then others must be encouraged to join the process of resolving differences through negotiations and accommodations.

The United States will work with any and all parties who are committed to these principles of genuine peace and security. As the relations among us grow stronger, we can all work more effectively to bring stability to the

Middle East region as a whole.

President Sadat has written, and I quote: "No problem should ever be regarded as insuperable." In recent months, we've overcome many problems that once seemed insurmountable. I pray that, with God's help, we may remove the remaining obstacles to the conclusion of a peace treaty between Egypt and Israel and continue the negotiations with great determination on other issues, in accordance with the Camp David agreements.

The most important condition for success has already been met—the sincere conviction on both sides that peace is preferable to war, that differences can better be settled by the exercise of reason than by the spilling of blood.

The people of Egypt have spilled much blood. And in the eyes of the women, in particular, on the streets and in the balconies in the last few minutes, we've seen a desire and a hunger and a prayer that their sons and their husbands would never again have to suffer in a cause of combat and war.

President Sadat and I, in the car together, repledged ourselves not to disappoint those here, in Israel, among the Palestinians, among the countries also presently in a state of war, who depend on us and others to bring the long unrealized but deeply desired state of peace to this region.

Like you, Mr. President, I am dedicated to the cause of peace. Like you, Mr. President, I'm determined to persevere. Our common dedication, our common determination is rooted in the soil of common religious truth. Many signs said: "We believe in God." You and I, Mr. President, believe in God. We believe in truth, that truth takes different forms. But its underlying message is the same—it's a message of love, of faith, and of peace.

As we work together in the crucial discussions that are about to begin, let

us pray God, in the words of the Christian Gospel, "to guide our feet into the way of peace."

**INFORMAL EXCHANGE
WITH AMERICAN TV
CORRESPONDENTS (EXCERPTS),
MAR. 9, 1979¹**

Q. How are the talks going?

President Carter: I think very well. We still have some problems, obviously. But President Sadat genuinely wants peace. So do I. So does Prime Minister Begin. We don't know yet what will happen until we get through with the talks.

Q. Do you have a feeling that you can wrap up this end of it on the scheduled trip?

Q. Will you be able to leave on schedule?

President Carter: I don't know.

Q. Maybe stay another day?

President Carter: I don't know. I really don't know.

Q. At where you are at the moment, would you think that you and Sadat will have an agreement by the time you leave?

President Carter: That's hard to predict. Prime Minister Khalil and Secretary Vance are talking about language and specifics. President Sadat and I have always been basically in agreement on strategic matters. And that's the situation now. We'll get together in Alexandria with the whole group to see what differences still remain.

Q. You said before you came out that you didn't think it would be easy. Is it any less difficult now that you're here?

President Carter: That's hard to judge. We obviously came on this trip without any assurance of success. But I know two things: One is that the people of Israel and Egypt want peace. That's obvious. And I believe that the leaders of Israel and Egypt want peace.

Q. If it's possible that you may have to stay 1 more day, can we conclude that the talks are not going as you thought they might?

President Carter: I don't think that's easy to predict, because if they should go well or shouldn't go well, 1 day in my life wouldn't be very significant compared to the prospect of improving chances for peace. So, I don't

believe that that would be a good measurement.

Q. If you went 1 day later, would that foul things up on the Israeli side, with the arrangements that they've made?

President Carter: No. I don't think there's any likelihood at all that I would get to Israel a day later. I think what it will do is to take to Israel either an encouraging prospect or one that would require some substantial modifications. And we really wouldn't know what the chances were until we got through with our discussions in Israel.

Q. Are you in communication with the Israelis while you are here?

President Carter: Only through the Ambassadors. But there's really nothing to report to the Israelis yet, because we're in the process of discussing the specific terms on which there is a disagreement still. And I think it'll be after our meetings in Alexandria this evening and tomorrow that we'll know how close we are together. Obviously, we'll go to Israel with some differences still remaining. And I'll do the best I can to resolve those differences.

Q. Were you surprised by the Egyptian counterproposal?

President Carter: No. We've had a very clear picture of the Egyptian position, both from the statements and attitudes of Prime Minister Khalil in Camp David and, also, my own private conversations and communications with President Sadat. So there have not been any surprises.

Q. How far apart do you presently regard the Israelis and Egyptians to be on the question of Palestinian autonomy?

President Carter: The question of Palestinian autonomy will have to be resolved in the talks that would commence 1 month after the Israeli-Egyptian peace treaty. The Palestinian autonomy description is best summarized in the Camp David agreements, and both President Sadat and Prime Minister Begin have reconfirmed their commitment to me that all of the Camp David agreements will be carried out. And the details, obviously, will have to be worked out over a period of a year after the peace treaty is signed.

Q. You expect it's possible that you may arrive in Israel 24 hours late?

President Carter: No. I think we'll get to Israel on time.

Q. Even though you are having more difficulties here than perhaps you'd imagined?

President Carter: As I said, I have not been surprised after I got here. I've not been disappointed nor pleasantly surprised. It's about what we anticipated. But my expectation is that we'll get to Israel on time.

Q. Could you characterize the talks for us so far? How do you think they've been doing?

President Sadat: We had a 3-hour talk yesterday, very intensive talks. I think there is progress, for sure there is progress. And I think it is time now that we can say that the signing of the agreement is not so far at all. From my side, as you know, I'm doing my best and I shall be doing my best. But in all candor, without the intensive effort by President Carter and the American people and the Congress behind him we would have never reached this. Let me hope that everything will be clear in this visit.

Q. What is the greatest problem? What is the biggest difficulty?

President Sadat: I commented last night after the 3-hour talk with President Carter, Secretary Vance, and [National Security Adviser] Brzezinski—and the [Egyptian] Vice President, and the Prime Minister was with me. Let me tell you this: We must get rid of the distrust, because, unfortunately, there are still some shades of distrust until this moment, and it is not from the Egyptian side. We have dropped all complexes and everything through my visit to Jerusalem. It is a word here, a word, but I don't see any difficulty in reaching an agreement upon the main principal issues.

And, as I told you, if it was not the effort and the perseverance of President Carter, we couldn't have achieved this. And it is needed now in this precise moment to reach the final result.

Q. On the basis of your discussions with President Carter and what you know from him of the Israeli position, are you now ready to sign an agreement?

President Sadat: I am ready to sign the agreement, yes.

Q. There will be nothing more required for Egypt to do or for Israel to do before an agreement can be consummated?

President Sadat: I can speak for myself, not for the Israelis. For myself, I am ready.

Q. Without making any changes in the positions you held before President Carter came here?

President Sadat: In the very frank

discussions we had last night, I found that there is no obstacles in the way, because there is only a misunderstanding about the main issues. But apart from this—and this will be President Carter's, I mean, goal to do—yes, I think we are on the verge of an agreement.

Q. For example, are you now satisfied with the question of full Palestinian autonomy in the occupied territories?

President Sadat: Let us always put emphasis on the Camp David documents. This is a great achievement, and maybe you heard me before saying that let us try and defuse the explosive situation. Camp David documents didn't defuse only the explosive situation but has opened the way to a comprehensive settlement. So, adhering to the Camp David two documents, for sure we shall be reaching an agreement.

Q. What is the main obstacle now? What is the main problem you still must solve?

President Sadat: I think—and it may appear, I mean, ridiculous—some words here or there, only some words here or there.

Q. Can that be resolved by tomorrow night, by Saturday night?

President Sadat: Between me and President Carter, be sure of one thing: Whatever arises between me and President Carter, we are identical, and we shall continue to be identical.

EXCHANGE OF TOASTS, ALEXANDRIA, MAR. 9, 1979⁵

President Sadat

... for the very noble cause of peace. My people have welcomed President Carter yesterday and today. For me, I want to tell you how happy I am and how proud I am to have our dear friend and brother among us on Egyptian soil. All I can say is this: Let us raise our glass for a great President of a great nation and to Mrs. Carter.

President Carter

On a rare occasion in a person's life and on extremely rare occasions in the history of all humankind, there comes along a man or person with extremely great courage, a man who has the sensitivity to understand a complicated issue, who recognizes the deep feelings that exist because of historical animosities and hatreds, who has himself suffered through tortuous political

evolutionary times, even revolutionary times, and one who's seen his own people suffer on many occasions from combat and war. And when all others are too timid, too fearful—or whose horizons are too narrow, fear to act—that great leader acts and, therefore, inspires others to join with him in a common, noble effort.

President Anwar al-Sadat is such a man. He has aroused the admiration of the entire world. He has become a hero in many nations, and he deserves this esteem and admiration completely.

I have never seen so many people as were along our route today from Cairo to Alexandria. And it was the most impressive political event that I have ever

witnessed—hundreds of thousands of Egyptian citizens, millions of Egyptian citizens. The number itself was impressive, but the most impressive aspect of this tremendous outpouring of emotion was their love and respect for their President and their obvious appreciation for our common search for peace.

I look upon President Sadat as a partner, sharing with him a common past, a common present, and a common future. But I also look upon him as a brother. The closeness with which he and I work and communicate, consult and plan and act is reassuring to me. And I can well understand, now that I know him better, how he could have made such a momentous decision to

PRESIDENT CARTER'S ITINERARY

- Mar 7 Departs Washington for Egypt
- Mar 8 Arrives at Cairo International Airport and is met by President Sadat. The two Presidents motorcade to Qubba Palace where the official welcoming ceremony takes place. Meets with President Sadat at Tahra Palace.
- Mar 9 Travels by train with President Sadat to Alexandria. Meets with President Sadat at Mamoura Palace. Receives the Nile Collar award prior to the state dinner.
- Mar 10 Returns to Cairo by plane. Addresses the People's Assembly. Hosts a luncheon for President Sadat at the Mena House in Giza. Meets with President Sadat at Mena House. Tours the Pyramids and the Sphinx with President Sadat. Departs from Cairo International Airport for Israel. Arrives at Ben Gurion International Airport in Tel Aviv. The President and Prime Minister Begin motorcade to the entrance of the city of Jerusalem where, just inside the city limits, he participates in a wine and bread welcoming ceremony at the site of a monument to those who died in the 1948 Israeli war for independence. Attends a dinner at Prime Minister Begin's residence, following which the two leaders meet privately.
- Mar 11 Meets with President Navon at the latter's residence. With Prime Minister Begin, visits

- Yad Vashem, the memorial to Jews killed during World War II. At Yad Vashem, the President visits the Hall of Names, which contains books listing the names of victims of the Holocaust, and then went to the Hall of Remembrance for a wreath-laying ceremony. With Prime Minister Begin, visits Mount Herzl, site of the cemetery where many Israeli war heroes and national leaders are buried. Meets with Prime Minister Begin at the latter's office. Attends state dinner in Chagall Hall at the Knesset.
- Mar 12 Places a wreath at the Knesset Memorial, a sculpture with an eternal flame dedicated to soldiers and civilians who gave their lives for Israel. Addresses the Knesset. Attends a luncheon with members of the foreign affairs committee of the Knesset. Visits the Shrine of the Book, a part of the Israel Museum, to view the Dead Sea Scrolls. Attends breakfast meeting with Prime Minister Begin and members of the Israeli Cabinet at the Prime Minister's residence.
- Mar 13 Breakfasts with Prime Minister Begin at the King David Hotel, following which the two leaders meet privately (joined later by their advisers). Departs from Ben Gurion International Airport for Cairo. Meets with President Sadat in the VIP Pavilion at Cairo International Airport before continuing to the United States.
- Mar 14 Arrives at Andrews Air Force Base.



President and Mrs. Carter with President and Mrs. Sadat at Mena House in Egypt. (White House photo by Karl Schumacher)

slice through generations of hatred and, through a great expression of generosity, attempt to heal wounds.

I also have a great admiration for the Egyptian people. Tomorrow I will speak to your parliamentary leaders and make a more substantive description of my hopes for the future. But tonight I would say that I bring from 200 million Americans to 40 million Egyptians a heartfelt expression of the same kind of friendship and the same kind of mutual purpose that binds me with your President. I said today, as we watched the adoring crowds shouting out their slogan of a pledge of their heart and soul for President Sadat, that I would certainly hate to run against him for a public office in Egypt. But I would add very quickly, that I would also hate to run against him for a public office in the United States of America. [Laughter] I think it's accurate to say that he's perhaps, the most popular person in our own country.

Tonight he and I share great hopes for the future. We recognize the difficulties that we face. Some of the distrust, some of the difficulties in communication, some of the ancient animosities still exist. But we share common faith in two things: One is that the people of Israel and Egypt pray for peace, and the other one is that the leaders of Israel and Egypt pray for peace.

This will be a first step only to a common peace for all the citizens of the Middle East and for the redressing of wrongs, for the realization of dreams and hopes. And I would like to offer a toast tonight to my friend, to a great and courageous leader who, himself,

with the strength of his character, the nobility of his ideals and the purpose—which I share—is responsible above all others for this kindling of new hope in the hearts of those that join with us in this common effort.

PRESIDENT CARTER'S ADDRESS, EGYPTIAN PEOPLE'S ASSEMBLY, MAR. 10, 1979

I also come before you in the name of God, as a partner with my great and good friend, your President, Anwar al-Sadat, to address the Egyptian people through the Members of this People's Assembly of Egypt.

My heart is full as I stand before you today. I feel admiration for the land of Egypt, and I feel a profound respect for the people of Egypt and for your leader, President Sadat, a man who has reached out his strong hand to alter the very course of history.

And I also feel a deep sense of hope as I consider the future that will unfold before us if we have the will and the faith to bring peace. And we have that will and faith, and we will bring peace.

As a boy, like other schoolchildren all over the world, I studied the civilization of Egypt. In the last few days, I have at last seen the legacy of that great civilization with my own eyes. As a citizen of a very young country, I can only marvel at the 7,000-year heritage of the Egyptian people whom you represent.

For most of the last 500 years, Egypt suffered under foreign domination. But Egypt has again taken its place among

the world's independent countries and has led the resurgence among the Arab people to a prominent place among the nations of the world. I'm very proud of that great achievement on your part.

Tragically, this generation of progress has also been a generation of suffering. Again and again, the energies of the peoples of the Middle East have been drained by the conflicts among you—and especially by the violent confrontations between Arabs and Israelis. Four wars have taken their toll in blood and treasure, in uprooted families, and young lives cut short by death.

Then, 16 months ago, one man, Anwar al-Sadat, rose up and said: "Enough of war." He rose up and said: "Enough of war. It is time for peace."

This extraordinary journey of President Sadat to Jerusalem began the process which has brought me here today. Your President has demonstrated the power of human courage and human vision to create hope where there had been only despair.

The negotiations begun by President Sadat's initiative have been long and arduous. It could not have been otherwise. The issues involved are complex, and they are tangled in a web of strong emotion. But among the people of Egypt and the people of Israel alike, the most powerful emotion is not hostility; it is not hatred; it is a will to peace. And more has been accomplished in 1 year of talking than in 30 years of fighting.

As the peace process has moved forward—sometimes smoothly, more often with pain and difficulty—the Government of Egypt has been represented by able diplomats, fully attuned to Egypt's national interests and continually mindful of Egypt's responsibilities to the rest of the Arab world.

Last September, the course of negotiations took the President of Egypt and the Prime Minister of Israel to Camp David, in the wooded mountains near the capital of the United States of America.

Out of our discussion there came two agreements: A framework within which peace between Israel and all its neighbors might be achieved and the legitimate rights of the Palestinian people realized—and also an outline for a peace treaty between Egypt and Israel, in the context of a comprehensive peace for the Middle East.

Those agreements were rooted in U.N. Security Council Resolution 242, which established the basic equation between an Arab commitment to peace and Israeli withdrawal in the context of security. The treaty which is now being

negotiated between Egypt and Israel reflects those principles.

Since the two agreements were signed, we have been working to bring both of them to fruition. The United States has served as a mediator, working to solve problems—not to press either party to accept provisions that are inconsistent with its basic interests.

In these negotiations, a crucial question has involved the relationship between an Egyptian-Israeli treaty and the broader peace envisioned and committed at Camp David. I believe that this body and the people of Egypt deserve to know my thinking on this subject.

When two nations conclude a treaty with one another, they have every right to expect that the terms of that treaty will be carried out faithfully and steadfastly. At the same time, there can be little doubt that the two agreements reached at Camp David—negotiated together and signed together—are related and that a comprehensive peace remains a common objective.

Just in recent days, both Prime Minister Begin in Washington and President Sadat here in Egypt have again pledged to carry out every commitment made at Camp David.

Both leaders have reaffirmed that they do not want a separate peace between their two nations. Therefore, our current efforts to complete the treaty negotiations represent not the end of a process but the beginning of one, for a treaty between Egypt and Israel is an indispensable part of a comprehensive peace.

I pledge to you today that I also remain personally committed to move on to negotiations concerning the West Bank and the Gaza Strip and other issues of concern to the Palestinians and also to future negotiations between Israel and all its neighbors. I feel a personal obligation in this regard.

Only the path of negotiation and accommodation can lead to the fulfillment of the hopes of the Palestinian people for peaceful self-expression. The negotiations proposed in the Camp David agreements will provide them with an opportunity to participate in the determination of their own future. We urge representative Palestinians to take part in these negotiations.

We are ready to work with any who are willing to talk peace. Those who attack these efforts are opposing the only realistic prospect that can bring real peace to the Middle East.

Let no one be deceived. The effect of their warlike slogans and their rhetoric is to make them in reality advocates of the status quo, not change; advocates of war, not peace; advocates

of further suffering, not of achieving the human dignity to which long-suffering people of this region are entitled.

There is simply no workable alternative to the course that your nation and my nation are now following together. The conclusion of a treaty between Israel and Egypt will enable your government to mobilize its resources not for war but for the provision of a better life for every Egyptian.

I know how deeply President Sadat is committed to that quest. And I believe its achievement will ultimately be his greatest legacy to the people he serves so well.

My government, for its part, the full power and influence of the United States of America, is ready to share that burden of that commitment with you. These gains which we envision will not come quickly or easily, but they will come.

The conclusion of the peace treaty that we are discussing will strengthen cooperation between Egypt and the

United States in other ways. I fully share and will support President Sadat's belief that stability must be maintained in this part of the world, even while constructive change is actively encouraged. He and I recognize that the security of this vital region is being challenged. I applaud his determination to meet that challenge, and my government will stand with him.

Our policy is that each nation should have the ability to defend itself, so that it does not have to depend on external alliances for its own security. The United States does not seek a special position for itself.

If we are successful in our efforts to conclude a comprehensive peace, it will be presented obviously—each element of it—to this body for ratification.

It is in the nature of negotiation that no treaty can be ideal or perfect from either the Egyptian or the Israeli point of view. The question we've faced all along, however, is not whether the treaty we negotiate will meet all the

EGYPT—A PROFILE

Geography

Area: 386,000 sq. mi. (slightly larger than Calif., Nev., and Ariz. combined)
 Capital: Cairo (pop. 8.4 million).
 Other Cities: Alexandria (2.5 million), Port Said, Suez, Ismailia.

People

Population: 40 million (1978 est.).
 Annual Growth Rate: 2.7%.
 Ethnic Groups: Egyptian, Copt, Bedouin, Nubian.
 Religions: Sunni Muslim (90%), Christian.
 Languages: Arabic, English, French.
 Literacy: 40%.
 Life Expectancy: 54 yrs.

Government

Official Name: Arab Republic of Egypt
 Type: Republic.
 Date of Constitution: 1971.
 Independence: 1922.
 Branches: *Executive*—President (Chief of State), Prime Minister (Head of Government). *Legislative*—Unicameral People's Assembly (350 elected members and 10 appointed by the President). *Judicial*—Court of Cassation, State Council.

Economy

GDP: \$12 billion (approx. FY 1977).
 Annual Growth Rate: 9%.
 Per Capita Income: \$280.
 Agriculture: *Land*—3%. *Labor*—50%.

Products—cotton, wheat, rice, corn.
 Industry: *Labor*—12.7%. *Products*—textiles, processed foods, tobacco manufactures, chemicals, fertilizer, petroleum and petroleum products.
 Trade (1977): *Exports*—\$2.1 billion: cotton, rice, petroleum, manufactured goods. *Partners*—U.S.S.R., Eastern Europe, Italy, F.R.G., India. *Imports*—\$5.3 billion. *Partners*—U.S.S.R., capital goods. *Partners*—U.S.S.R., F.R.G., France, U.K., Italy, U.S.
 Official Exchange Rate: 1 Egyptian pound = US\$1.43.

Membership in International Organizations

U.N., Arab League, Organization of African Unity, General Agreement on Tariffs and Trade.

Principal Officials

Egypt: President—Anwar al-Sadat; Prime Minister and Foreign Minister—Mustafa Khalil; Ambassador to U.S.—Ashraf Ghorbal.
 United States: Ambassador to Egypt—Herman F. Eilts.

Taken from the Department of State's December 1978 edition of the BACKGROUND NOTES on Egypt. Copies of the complete NOTE may be purchased for 70¢ 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).

immediate desires of each of the two parties but whether it will protect the vital interests of both and further the cause of peace for all the states and all the peoples of this region. That is the basic purpose and the most difficult question which we are resolved to answer.

Such a treaty, such an agreement, is within our grasp. Let us seize this opportunity while we have it.

We who are engaged in this great work, the work of peace, are of varied religious faiths. Some of us are Muslims; some are Jews; some are Christians. The forms of our faith are different. We worship the same God. And the message of Providence has always been the same.

I would like to quote the words of the Holy Koran: "If thine adversary incline towards peace, do thou also incline towards peace and trust in God, for he is the one that heareth and knoweth all things."

Now I would like to quote from the words of the Old Testament: "Depart from evil and do good; seek peace, and pursue it."

And now I would like to quote from the words of Jesus in the Sermon on the Mount: "Blessed are the peacemakers, for they shall be called the children of God."

My friends, my brothers, let us complete the work before us. Let us find peace together.

REMARKS FOLLOWING MEETING, GIZA, MAR. 10, 1979⁶

President Carter

President Sadat and I have a few words to say about this visit. First of all, on behalf of the American people and myself personally, I want to express my deep thanks to President Sadat and to the people of Egypt for a welcome that has been exhilarating to me and which I will never forget.

We have had hours of discussion about the issue of peace. It's obvious to me that the Egyptian people, from their tremendous outpouring of welcome to me and to President Sadat, genuinely want peace.

It's equally obvious to me that President Sadat and the people of Egypt and Israel are determined to carry out all the provisions, all the agreements made at Camp David, not only for peace between Israel and Egypt but for a full and comprehensive peace involving the realization of the rights of those who have suffered so long, and a step-by-

step progression toward peace between Israel and all its neighbors.

We have resolved some difficult issues here. Difficult issues still remain to be resolved.

I will leave here this afternoon, going to Israel to meet with Prime Minister Begin and the officials of the Israeli Government. I'm hopeful that the differences which still remain can be resolved.

President Sadat

Let me seize this opportunity to express really how happy my people and I were to receive President Carter, for whom we hold great esteem and great love, the man who has really, through his patience, perseverance, morale, and principles, has already achieved more than 59% of the whole problem, one of the most complicated problems in the whole world.

We are happy to receive President Carter and Mrs. Carter, and we are happy also to ask them to convey to our friends, the American people, who supported my initiative wholeheartedly—we ask him to convey to them our gratitude. And in this precise moment, I prefer to say only that we had a very fruitful talk. Exactly as President Carter stated, we have overcome some of the difficulties. Some other issues are to be settled.

And in the name of the Egyptian people, my name and my wife's name, we wish to President Carter and Mrs. Carter all the best wishes and fulfillment and achievement in his visit to Israel.

WELCOMING CEREMONY, TEL AVIV, MAR. 10, 1979⁷

President Navon

In the name of the people of Israel, it is a great pleasure and privilege, together with my wife, to greet you and the distinguished officials who have come with you with all our hearts in sincere friendship and profound appreciation.

We cherish these feelings toward you personally and also as a representative of the leading nation in the free world—the great and noble democracy of the United States—which has done so much to deserve our admiration and gratitude.

You come to us, Mr. President, on a unique mission for a goal which is dear to all of us and for which you have mustered all your energy, your dedication, and your leadership, to put an end

to hatred and hostility and to open a new page of peace in the troubled annals of the peoples of this area.

At this moment we do not know as yet what tidings you carry with you from your visit to our great neighbor, Egypt. Does the dove of peace, which has emerged from the ark, carry an olive branch in its beak, or will it have to wait some time longer until the waters of the flood are abated from off the Earth so that it can at last find a resting place for its feet?

You are not unaware, I'm sure, of the differences of opinion in our country in the sphere of foreign policy and national security. Two sentiments, however, are shared by all sections of our people—a sincere and ardent desire for true peace and the profound conviction that in order to achieve that peace, Israel has made enormous sacrifices above and beyond what might have been expected or demanded of it.

These sacrifices, as you well know, take the form of very tangible things—withdrawal of our forces from strategic territories three times as large as the area of Israel, the evacuation of vitally important airfields and oil resources, the evacuation of flourishing villages. These concessions, once made, are irrevocable. In this situation, it is easy to understand our desire to insure that the peace treaty we sign shall guarantee a true and permanent peace and shall not contain elements liable to endanger the peace and our security.

During your visit here, you will meet the people who feel at one and the same time deep concern and a great hope. It is our prayer that your visit will remove that concern and justify that hope.

My dear President and Mrs. Carter, 5 years ago you toured our country as private citizens. Today Divine Providence has brought you here on an historic mission. I hope it will not be long before you can come to Israel again and see that the seedlings of peace which you planted will have grown into sturdy trees bearing plentiful fruit on every hill and valley in Israel, in Egypt, and the entire area.

President Carter

As the elected leader and the representative of the people of the United States of America, I am indeed honored and pleased to set my foot on the soil of the free nation of Israel.

I come to you as a fellow worker in the cause of peace. I know how much this cause means to the people of this land. No people in all history have

suffered more from violence than the Jewish people. The State of Israel was born as a refuge from that violence. Yet, after four wars in three decades, every Israeli citizen still knows at first hand what it is to grieve for a fallen loved one or a friend.

As I walked down the ranks of representatives of your military forces, certainly among the finest fighting men on Earth, I said a silent prayer to God that none of these men nor their compatriots would ever again have to give their lives in war.

As Prime Minister Begin has said many times, Israel truly wants peace. Of that there can be no doubt. And I feel absolutely certain, after my experience of the past 3 days, that the people of Egypt fully share that desire for peace.

During the last 3 days I have spent many hours discussing with President Sadat what could be the final details of a treaty of peace in the context of comprehensive peace for the whole region. Prime Minister Begin and I will soon begin discussing the same details with the same end in mind—to seek in the present situation the means and the will to take this next crucial step toward a just and lasting peace for the Middle East.

We have come a great distance together—perhaps a greater distance than many would have dreamed of. Under the strong and courageous leadership of Prime Minister Begin, the Government of Israel has been willing to make difficult decisions, as your President has just said, all along the way. I need not add that it would be a tragedy to turn away from the path of peace after having come so far.

I have good reason to hope that the goal can now be reached. But, of course, the ultimate choice lies where those choices have always lain—with the chosen representatives of the people who have suffered directly from so many years of destruction and bloodshed. I look forward to completing the urgent business at hand on this brief visit.

I bring with me the best wishes of the American people and also the greetings of President Sadat, whom I left no longer than 1 hour ago, and the hopes for peace of the entire world.

The task we are striving to accomplish together demands more than reason, more even than will. It demands faith. For in a very real sense, the task of building peace is a sacred task. In the words of the Midrash: "Peace is important, for God's name is Shalom." Let us have *shalom*. Let us make peace together.



President Carter prays at wreath-laying ceremony in the Hall of Remembrance for victims of the Holocaust (White House photo by Karl Schumacher)

REMARKS FOLLOWING MEETING (EXCERPTS), JERUSALEM, MAR. 11, 1979⁸

President Carter

This morning and this afternoon I, the Secretary of State, Secretary of Defense, National Security Adviser, and others, have met with the Defense Council of the Government of Israel and with the Prime Minister to discuss the issues that still remain to be resolved between Israel and Egypt.

It was a friendly meeting, a frank meeting, a thorough meeting. We have not yet reached a final agreement. Important issues still remain to be resolved. All of us are dedicated to continue with our best efforts to reach success.

Prime Minister Begin

I subscribe to the statement made by the President. We had a long meeting with a break for luncheon. I can assure you, and my colleagues in the Cabinet say, it is one of the best they have ever eaten. And we are grateful to the President and his advisers that they honored not only our meeting but also our luncheon downstairs. And then after the luncheon we continued our talks which were very serious; I suppose also very friendly, as the President said.

Now, we decided to call a Cabinet of the full—excuse me, we decided to call a session of the full Cabinet for tonight

at 10 o'clock. And tomorrow the President will meet with our full Cabinet at 8 o'clock in the morning. So, certain issues concerning the peace treaty between us and Egypt will be clarified and decided upon by the Cabinet during the nocturnal session, so that we will be able tomorrow to give replies on those certain issues to the President.

EXCHANGE OF TOASTS, JERUSALEM, MAR. 11, 1979⁹

President Navon

It is my privilege to greet you in Jerusalem, the Eternal City of David.

We have met here this evening to honor an illustrious statesman, his distinguished and devoted wife, and his great country.

The United States of America is great not only because of its scientific, technological, and military strength but also because of the profound human values that are deeply implanted in the hearts of its people. It is a beacon of hope for all those who walk in darkness.

Greatness in a man or a nation is no easy thing. It takes supreme wisdom to refrain from exerting all the power at the disposal of the strong. To be leader of a nation which is responsible in large measure for the destiny of the entire world, a man needs profound faith and constant prayer. It is our profound

conviction, Mr. President, that you have within you that fountain of living waters from which you can draw a never-failing source of inner faith.

By your side is your devoted helpmate, a loyal partner in your joys and sorrow. In voting for her forever, if you will permit me a personal note, you have realized one of your favorite watchwords: "Why Not the Best?" [Laughter]

In your life, my dear Rosalynn, you have also known the dark side of the Moon; hence your particular sensitivity toward those to whom fate has not been kind. Your heartfelt involvement in the welfare of the individual does not distract your attention from the problems of the great world which is, in fact, composed of individuals. The Talmud has forbidden us to pronounce all the praises of any person in his presence. I will be content, therefore, to say no more than this: that all those who have met you have surrendered unconditionally to your sincerity, nobility, and warm personality.

One thread runs through the entire history of our people. It is a long and epic story of the few against the many, a prolonged struggle to preserve our spiritual character and identity against powerful forces that threaten to destroy us.

If it is not easy to be great, it is even harder to be small. We strive for two aims which, on the face of it, appear to be contradictory—to be equal but different. We continue to cherish our national aims, to gather in our scattered people from the four corners of the Earth, to solve our social and economic problems, to make the desert bloom, and, above all, to build a society founded on the spiritual heritage of our fathers and universal human values.

We have worked hard to achieve these aims, even in times of stress and war. But we are profoundly convinced that only true peace will enable us to achieve these ideals. It is my sincere and earnest prayer that the efforts you have devoted here toward that end and the efforts devoted by the Prime Minister, Mr. Begin, and the government, will be crowned with success.

Mr. President and Mrs. Carter, while it is irrelevant now, I read that both of you shook hands, while running for the governorship of Atlanta, you shook, in 4 years, 600,000 hands. Yesterday we added a few more. Today we wanted to save you some, but the President went down and shook a few hands more, so I lost count of it. [Laughter]

Anyhow, I can tell you those hands stretched to you, and those whom you did not shake are very friendly hands.

Ladies and gentlemen, I will ask you

all, please, to join me, to stand up and join with me in drinking a toast to our illustrious guests, the President of the United States and his honored lady, to the success of his noble mission, to the family, to Miss Lillian, to the friendship between our peoples, and to the progress and prosperity of the United States of America.

Prime Minister Begin

On behalf of the Government and the people of Israel, I welcome you to the eternal capital of the land of Israel, the indivisible Jerusalem.

The saga of America is living in our hearts. What is the saga of America? Thirteen colonies, ruled by a great nation but by a foreign power, rising in revolt against a regular army, including mercenary troops, going through a horrible winter of suffering and deprivation, fighting on, ultimately winning the day and receiving the surrender of General Cornwallis, proclaiming its independence, explaining to the world why that separation took place.

That Declaration of Independence written 13 years before the Declaration of Rights of Man and Citizen during the French Revolution—and I, a Jew, dare say, which reads as a chapter of the Bible—proclaiming those self-evident truths for which man, almost in every generation, has to rise and fight; giving a Constitution which is working for 200 years, and working well, which helps overcome every crisis in democracy; and then three times in 60 years saving all mankind from the dangers of militarism, from the peril of the most horrible tyranny ever known in the annals of mankind, and from Communist domination over the world—indeed saving thrice all mankind in a short period of 60 years.

The saga of America, to which in 25 years 2½ million Jews emigrated, one of the greatest phenomenon of people's wanderings, 100,000 per year, for the *shtetl*, bring with them and transferring with them all the traditions of the *shtetl*, knowing no word of English, speaking their old language; and then giving birth to a new generation, to another generation; and then turning into the mightiest Jewish community in the history of our people since the days of Alexandria during the Second Temple, and contributing so much to the civilization and culture and development of the United States, and helping so much the State of Israel.

Since the famous words were written to America and about it—"give us the poor"—well, if not for that miracle of those 25 years, millions more of Jews would go the way you and I, Mr.

President, saw today when we visited Yad Vashem.

May I say, although it's a festive dinner, that when we both heard the children singing, {In Hebrew: "I believe with a perfect faith in the coming of the Messiah, and though He tarry, I shall wait daily for His coming."} and knowing that with this prayer, our fathers and mothers went into the gas chambers, I couldn't help all the time thinking these children and smaller ones were dragged to a wanton death. If I said this, I said everything.

And this is the reason, why we, remembering the saga of America, who helped to save a whole section of our people, is living in our hearts; why we love and respect your country, not because of any interest, but from the heart; why we are your friend and your faithful ally; why we are grateful for your help; and why we help as much as we can your country.

And this is also the reason why we want so much peace, with all our hearts, with all our souls; why we pray for it, why we yearn for it; why we made so great sacrifices for its sake; why this parliament gave an overwhelming support, with the sacrifices, to the completion of our labors to achieve peace.

We have to care for the security and the future of our people. This is our responsibility. We shall carry it out under any circumstances. Never again should a foe, a bloodthirsty enemy, be capable of killing Jewish children. And we shall do whatever is humanly possible to make their life secure, not only in this generation but for all generations to come, in this land of our forefathers, to which, as of right, we came back.

Therefore, we want a real peace treaty. It must be real. It cannot last a few months, or even a few years. It must last for generations, actually forever. Therefore, we must care of its wording, because it has to be clear that this is going to be a real peace, and with the peace must come security.

Therefore, we cannot, and we shall not put under jeopardy and danger our civilian population. We shall defend it, under any circumstances, even with our lives, if necessary, as we have done. This is the problem. Some say to us: "What do you care? Even peace treaties are broken, can be broken." Respectfully, I would like to explain to the learned men who teach us this chapter in history that we, too, read some pages of history.

For instance, I always remember since my boyhood the famous saying made by the German Ambassador to Edward Grey, the Foreign Minister of

Great Britain, on behalf of the German Chancellor, Bethmann Hollweg, when the German army swept through neutral Belgium, and so an international agreement which lasted for 84 years was trampled underfoot. And when Grey said: "If you don't evacuate Belgium, we shall go to war against you." That Ambassador, on behalf of his Chancellor, Bethmann Hollweg said: "But, Mr. Minister, are we going to go to war for a scrap of paper?"

Those who say so pay a price for it. A peace treaty is not a scrap of paper. A peace treaty is, as it must be, a serious document. It should be carried out.

It can be broken by cynics, by enemies of peace, by enemies of mankind. But, of course, our nation, with our experience, cannot be asked to sign any document which would make legitimate a breach of the peace treaty. Therefore, we have problems.

Yes, Mr. President, you, and may I say respectfully, I will tell our peoples the truth. And therefore, here and now, it's my duty to say that we have serious problems to solve until we can sign the peace treaty with Egypt—and we want so much to have this serious document signed.

And today we dealt with the serious problems. We all work quite hard—you perhaps harder than anybody else—for the sake of peace. But we do work hard, and we shall go on during the night to deal with these difficult problems. We only hope we shall be able to solve them.

But there are serious issues and difficult problems. This is what it is my duty to say at this juncture, at this moment. Hopefully, we shall overcome the difficulties and be able to sign a peace treaty, a real peace treaty between Egypt and Israel, as a first step toward a comprehensive settlement in the Middle East.

We wouldn't like to have a separate peace treaty with Egypt and have an eastern-northern front, a combination of 6,500 tanks—excuse me, 5,600 tanks—more than 6,000 heavy guns, more than a thousand fighting, first-line planes, et cetera; it's a great danger to us. But, of course, we cannot compel anybody to come to the table.

We invited them. We are prepared at any moment to resume negotiations with them—with Syria, with Jordan, with Lebanon, with all our neighbors, with all Arab states—if they wish. Of course, nobody can force them to come. In God's good time, they will, I believe, with all my heart, in God's good time. Until then, of course, the peace treaty with Egypt is the first step, and it must be a real document.

We are proud to have you with us,

you and your gracious lady. We met many times in your great country, built on the saga of America, which is so dear to all of us. We meet here tonight in Jerusalem, in the Knesset, in the center of our democracy, this democracy which gives Israel the inherent stability which gives you a reliable and stable ally in the Middle East—and may I say the only democracy in the Middle East—and, therefore, *the* ally, *the* stable and reliable ally of the free world and of its leading power, the United States.

Mr. President, you hold the greatest office in the world, the most difficult office. But I believe that you will go down in history with a higher title than even that of President of the United

States. And this higher title is servant of peace.

In this spirit, ladies and gentlemen, may I raise my glass to our honored and dear guest, the President of the United States, and to Mrs. Carter, to the President of our Republic, Israel, and to Mrs. Navon, to peace and to the everlasting friendship between the United States of America and the State of Israel.

President Carter

I thank you, Mr. President, and Mr. Prime Minister, for your gracious and your kind and your wise words. For both Rosalynn and for me, I want to express to President Navon and Mrs.

ISRAEL—A PROFILE

Geography

Area: 7,993 sq. mi. (about the size of N.J.)
 Capital: Jerusalem (pop. 392,100). (Israel proclaimed Jerusalem its capital in 1950. The U.S., like most other countries, maintains its Embassy in Tel Aviv.)
 Other Cities: Greater Tel Aviv (1.2 million), Haifa (534,000).

People

Population: 3.7 million.
 Annual Growth Rate: 2.2%.
 Ethnic Groups: Jewish (85%), Arab (15%).
 Religions: Judaism, Islam, Christianity, Druze.
 Languages: Hebrew, Arabic, English.
 Literacy: Jewish 90%, Arab 64%.
 Life Expectancy: 72 yrs. male, 75 yrs. female.

Government

Official Name: State of Israel.
 Type: Parliamentary democracy.
 Date of Independence: May 14, 1948.
 Constitution: No written document.
 Branches: *Executive*—President (Chief of State), Prime Minister (Head of Government), *Legislative*—unicameral Knesset (120 members), *Judicial*—Supreme Court.
 Political Parties: Likud (Herut, Liberals, La'am), Labor Alignment (Labor and Mapam), National Religious Party, and numerous smaller parties including a small Communist Party.

Suffrage: Universal over 18.
 Administrative Subdivisions: 6 Districts.

Economy

GNP: \$13 billion (1977).
 Annual Growth Rate: 1% (1977).
 Per Capita Income: \$3,666 (1977).
 Annual Rate of Inflation: 40%.

Agriculture: *Labor*—5.8%. *Products*—citrus and other fruits, cotton, wheat, grains, vegetables, beef and dairy products, poultry.

Industry: *Products*—food processing, textiles, metal products, electronics, chemical and petroleum refining, transport, diamonds.

Trade (1977): *Exports*—\$2.94 billion: polished diamonds, citrus and other fruit, textiles, clothing, processed foods, fertilizer and chemical products. *Imports*—\$4.65 billion: military equipment, rough diamonds, chemicals, machinery, iron and steel, cereals, textiles, vehicles, ships, aircraft. *Partners*—EEC, U.S., U.K., Japan, Hong Kong.

Official Exchange Rate: 16.5 IL = US\$1.00 (average for first half of 1978).

Economic Aid Received: \$13.8 billion (FY 1949-78); of this \$12.8 billion was from the U.S.

Membership in International Organizations

U.N., General Agreement on Tariffs and Trade, International Atomic Energy Agency, 27 others.

Principal Officials

Israel: President—Yitzhak Navon; Prime Minister—Menahem Begin; Minister of Foreign Affairs—Moshe Dayan; Ambassador to the U.S.—Ephraim Evron.
 United States: Ambassador to Israel—Samuel W. Lewis.

Taken from the Department of State's revised edition of the BACKGROUND NOTES on Israel to be published in May 1979. Copies of the complete NOTE may be purchased for 70¢ 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).

Navon appreciation for the personal hospitality they've shown us.

We know that we are among friends within this room. Indeed, I have a sense that in many ways we are all one family. As in a family, the relationships between us are frank and sometimes very lively. But also like family members, we recognize that the bonds between our nations and our people are more than just strong for now; they are both strong and permanent.

We in the United States will stand by Israel, and we will never waiver in our admiration for you or in our support for you for a strong and secure and a free State of Israel.

We realize that our own security is intimately tied with yours. There are bonds of blood between us, bonds of history, bonds of culture, bonds of religious belief. Perhaps most important of all are the enduring values which we share, the values for which my nation was formed and exists, the values for which your nation was formed and exists—a belief in individual liberty, a common commitment to representative democracy, a common vision of human brotherhood, the conviction that there is no higher pursuit than that of peace with justice, not only among our own kin and our own kind but we share this commitment with like men and women throughout the world.

We are now engaged together in a common effort, to achieve a real peace, a comprehensive peace, in the Middle East, a peace that would enable the people of Israel and all Middle Eastern people to live in security, to live in prosperity, and to develop to their full potential.

We are now in sight of an important initial phase of that great objective. The events of the past 16 months, beginning with President Sadat's visit to Jerusalem and Prime Minister Begin's immediate response, have engendered that great hope. More progress has been made in the last 16 months than in all previous three decades of bloodshed.

I, myself, as President of the United States of America, have spent literally hundreds of hours in detailed negotiations trying to realize the peace which I have just described briefly.

We are not looking for just a peace document signed by two nations grudgingly. We are looking for a document of peace signed in a spirit of mutual trust, mutual friendship, mutual commitment, mutual understanding, mutual realization of common purpose, that will open the avenue in the future to an easy interrelationship between neighbors either in a spirit of animosity and hatred and bloodshed or in a spirit

of cooperation and good will and progress.

We love Israel, but we are not jealous. We want you to have many other friends. That's our common hope and our common prayer. There have been disappointments and frustrations, some still remain. But the progress that has been made would not have been possible without Israel's great leader, Prime Minister Menahem Begin.

He's a man of courage, of integrity, of utter and selfless dedication. He and his colleagues have been tough negotiators. They know what is at stake for Israel. And I know they want the best agreement for Israel.

This concern is based on horrible historical fact, actions which we saw memorialized this morning, that brought horror to a world and which must not ever be forgotten. But in guiding the negotiations, the Prime Minister has never lost sight of his original vision, a strong, free, vibrant, Jewish people, living in Israel—which you are now—but also living in peace. And we've all seen abundant evidence that he possesses the political skills to translate this vision into reality.

I am absolutely confident from my conversations within the last 3 or 4 days with President Sadat and from my conversations with Prime Minister Begin that both are determined not to let this great opportunity for peace slip from our grasp.

If we can resolve the few remaining differences—and I am still hopeful that we can—our meeting tonight will be just a prelude for an occasion of joyous celebration, the signing of the first peace treaty between Israel and an Arab nation.

I ask all of you to join me in a toast to our gracious hosts, President and Mrs. Navon, to Israel's courageous leader and his wife, Prime Minister and Mrs. Begin, and to our common goal:

President Carter with Prime Minister and Mrs. Begin. (White House photo by Karl Schumacher)



the transformation of the Middle East into a land of peace.

PRESIDENT CARTER'S ADDRESS, ISRAELI KNESSET, MAR. 12, 1979

For the last 24 hours, I have been writing different versions of this speech. I have discarded the speech of despair; I have discarded the speech of glad tidings and celebration. I have decided to deliver the speech of concern and caution and hope.

I'm honored to stand in this assembly of free men and women, which represents a great and an ancient people, a young and courageous nation.

I bring with me the best wishes and the greetings of the people of the United States of America, who share with the people of Israel the love of liberty, of justice, and of peace. And I'm honored to be in Jerusalem, this holy city, described by Isaiah as a quiet habitation, in which for so many of the human race the cause of brotherhood and peace are enshrined.

I am here in a cause of brotherhood and of peace. I've come to Cairo and also here to Jerusalem to try to enhance the bold, brave, and historic efforts of President Sadat and Prime Minister Begin and to demonstrate that the United States of America is as determined as these two leaders are to create lasting peace and friendship between Egypt and Israel and to put an end to war and the threat of war throughout the Middle East.

No people desire or deserve peace more than the Jewish people. None have wanted it so long. None have spoken of it more eloquently. None have suffered so much from the absence of peace. Pogrom after pogrom, war after war, Israel has buried its sons and its daughters.

Yesterday morning, at Yad Vashem, I grieved in the presence of terrible reminders of the agony and the horror of the Holocaust.

Modern Israel came into being in the wake of that historic crime, the enormity of which is almost beyond human comprehension. I know that Israel is committed and determined, above all, that nothing like it must ever, ever be permitted to happen again on Earth.

Americans respect that determination, and we fully share that determination with you. And Americans recognize that for Jews over the centuries, as for Israel since its independence, caution and wariness have been a practical and a moral necessity for survival. And yet, in these past months, you've

made enormous sacrifices, and you've taken great risks for peace.

This sacred dedication to peace, born and fostered in Jerusalem and in Cairo, has given to men and women everywhere renewed sense of hope that human reason, good will, and faith can succeed, can break down barriers between peoples who, in our lifetimes, have only known war.

As Prime Minister Begin said after the Camp David summit, the agreements reached there proved that any problem can be solved if there is some—and he repeated—just some wisdom. Those are truthful and also reassuring words. I know from my intense, personal involvement in these negotiations that President Sadat and Prime Minister Begin have not wavered from their often-expressed commitment to peace.

President Sadat told me in Cairo that he will let nothing stand in the way of our shared goal of finishing the treaty of peace between Israel and Egypt and of making it a living testament of friendship between the two neighboring peoples. I believe him, and I know in my heart that Prime Minister Begin and the Government of Israel are no less fervently committed to the same noble objective.

But we've not yet fully met our challenge. Despite our unflagging determination, despite the extraordinary progress of the past 6 months, we still fall short. It's now the somber responsibility of us all to exert our energies and our imaginations once again to contemplate the tragedy of failure and the legitimate exultation if we bring peace.

In this effort, the support of the Members of the Knesset will obviously be crucial. Our vision must be as great as our goal. Wisdom and courage are required of us all, and so, too, are practicality and realism. We must not lose this moment. We must pray as if everything depended on God, and we must act as if everything depends on ourselves.

What kind of peace do we seek? Spinoza said that peace is not an absence of war; it is a virtue, a state of mind, a disposition for benevolence, for confidence, for justice. Americans share that vision and will stand beside Israel to be sure that that vision is fulfilled.

In Egypt I saw vivid evidence of this deep longing for peace among the Egyptian people, millions of them. But like you, they worry about the uncertainties of that first crucial stage in the broad task of pounding Middle East swords into plowshares. Like you, they hope to banish forever the enmity that

has existed between the neighbors, the permanent neighbors of Egypt and of Israel. Like you, they want this peace, and like you, they want it to be real and not just a sham peace.

My friends, from my own experience as President of the United States, I understand all too well that historic decisions are seldom easy, seldom without pain. Benjamin Franklin, who negotiated the treaty of peace between England and America after our own War of Independence, once said that he had never seen a peace made, even the most advantageous, that was not censured as inadequate.

Throughout the peace process, both Israel and Egypt have understood that no treaty can embody every aim of both nations. What a treaty can do—what it can do far better than the fragile *status quo*, and infinitely better than the insidious tensions that will build if our efforts are further stalled or fail—is to protect the vital interests of both Israel and Egypt and open up the possibility of peace for all the states and all the peoples of this troubled region.

Doubts are the stuff of great decisions, but so are dreams. We are now at the very edge of turning Israel's eternal dream of peace into reality. I will not pretend that this reality will be free from further challenges. It will not. And better than most, the Jewish people know that life is seldom easy. But we must make this beginning. We must seize this precious opportunity.

Fifty-seven years ago, the Congress of the United States of America committed itself to a Jewish homeland. Twenty-six years later, President Harry Truman recognized the new State of Israel 11 minutes after your nation was born. Seven Presidents have believed and demonstrated that America's relationship with Israel is more than just a special relationship. It has been and it is a unique relationship. And it's a relationship which is indestructible because it is rooted in the consciousness and the morals and the religion and the beliefs of the American people themselves.

Let me repeat what I said to Prime Minister Begin last year on the lawn of the White House, on the anniversary of the founding of the modern State of Israel. And I quote: "For 30 years we have stood at the side of the proud and independent nation of Israel. I can say without reservation, as President of the United States of America, that we will continue to do so not just for another 30 years, but forever."

We recognize the advantages to the United States of this partnership. You know that America deeply desires peace between Israel and Egypt and

that we will do everything we can to make peace possible.

The people of the two nations are ready now for peace. The *people* of the two nations are ready now for peace. The leaders have not yet proven that we are also ready for peace, enough to take a chance. We must persevere. But with or without a peace treaty, the United States will always be at Israel's side.

Meeting in this hall of liberty reminds us that we are bound more than in any other way by instinctive common ideals and common commitments and beliefs. This Knesset itself is a temple to the principle and the practice of open debate. Democracy is an essential element to the very nationhood of Israel, as it is to the United States.

You've proven that democracy can be a stable form of government in a nation of great diversity and in a time and a place of danger and instability. But Israel and the United States were shaped by pioneers—my nation is also a nation of immigrants and refugees—by peoples gathered in both nations from many lands, by dreamers who, and I quote, "by the work of their hands and the sweat of their brows" transformed their dreams into the reality of nationhood.

We share the heritage of the Bible, the worship of God, of individual freedom, and we share a belief in cooperative endeavor, even in the face of apparently insurmountable obstacles.

In nations around the world where governments deny these values, millions look to us to uphold the right to freedom of speech, freedom of the press, the right to emigrate, the right to express one's political views, the right to move from one place to another, the right for families to be reunited, the right to a decent standard of material life.

These are the kinds of unbreakable ties that bind Israel and the United States together. These are the values that we offer to the whole world. Our mutual dedication to these ideals is an indispensable resource in our search for peace.

The treaty between Egypt and Israel that we hope may be placed before you for approval promises to be the cornerstone of a comprehensive structure of peace for this entire region.

We all recognize that this structure will be incomplete until the peace can be extended to include all the people who have been involved in the conflict. I know and I understand the concerns you feel as you consider the magnitude of the choices that will remain to be faced even after a peace treaty is concluded between Israel and Egypt. And

as the time for these choices approaches, remember this pledge that I make to you again today: The United States will never support any agreement or any action that places Israel's security in jeopardy.

We must proceed with due caution. I understand that. But we must proceed.

As recently as 2 years ago, after all, these present steps that have already been taken seemed absolutely unthinkable. We know that confrontation magnifies differences. But the process of negotiation circumscribes differences, defines the differences, isolates them from the larger regions of common interests, and so makes the gaps which do exist more bridgeable. We've seen the proof of that in that last 16 months.

At Camp David, Prime Minister Begin and President Sadat forged two frameworks for the building of that comprehensive peace. The genius of that accomplishment is that negotiations under these frameworks can go forward independently of each other, without destroying the obvious relationship between them.

They are designed to be mutually reinforcing, with the intrinsic flexibility necessary to promote the comprehensive peace that we all desire. Both will be fulfilled only when others of your Arab neighbors follow the visionary example of President Sadat, when they put ancient animosities behind them and agree to negotiate, as you desire, as you've already done with President Sadat, an honorable solution to the differences between you.

It's important that the door be kept open to all the parties to the conflict, including the Palestinians, with whom, above all, Israel shares a common interest in living in peace and living with mutual respect.

Peace in the Middle East, always important to the security of the entire region, in recent weeks has become an even more urgent concern.

Israel's security will rest not only on how the negotiations affect the situation on your own borders but also on how it affects the forces of stability and moderation beyond your borders.

I'm convinced that nothing can do more to create a hospitable atmosphere for those more distant forces in the long run than an equitable peace treaty between Israel and Egypt.

The risks of peace between you and your Egyptian neighbors are real. But America is ready to reduce any risks and to balance them within the bounds of our strength and our influence.

I came to Israel representing the most powerful country on Earth. And I can assure you that the United States intends to use that power in the pursuit

of a stable and a peaceful Middle East.

We've been centrally involved in this region, and we will stay involved politically, economically, and militarily. We will stand by our friends. We are ready to place our strength at Israel's side when you want it to insure Israel's security and well-being.

We know Israel's concern about many issues. We know your concern for an adequate oil supply. In the context of peace, we are ready to guarantee that supply. I've recommitted our nation publicly to this commitment, as you know, only in recent days in my own country.

We know Israel's concern that the price of peace with Egypt will exacerbate an already difficult economic situation and make it more difficult to meet your country's essential security requirements. In the context of peace, we are prepared to see Israel's economic and military relationship with the United States take on new and strong and more meaningful dimensions, even than already exist.

We will work not only to attain peace but to maintain peace, recognizing that it's a permanent challenge of our time.

We will rededicate ourselves to the ideals that our peoples share. These ideals are the course not only of our strength but of our self-respect as nations, as leaders, and as individuals.

I'm here today to reaffirm that the United States will always recognize, appreciate, and honor the mutual advantages of the strength and security of Israel. And I'm here to express my most heartfelt and passionate hope that we may work together successfully to make this peace.

The Midrash tells us that, and I quote: "Peace is the wisp of straw that binds together the sheaf of blessings." But the wisp of straw, we know, is fragile and easily broken.

Let us pray God to guide our hand. Millions of men, women, and children, in Israel and Egypt and beyond, in this generation and in generations to come, are relying on our skill and relying on our faith.

In the words of a Sabbath prayer: "May He who causes peace to reign in the high heavens let peace descend on us, on all Israel, and on all the world."

DEPARTURE CEREMONY TEL AVIV, MAR. 13, 1979⁷

President Carter

As we depart for Cairo, and then for my own country, I want to express on

behalf of Rosalynn, my wife, myself, and all the American party, our gratitude to the Government and to the people of Israel for your hospitality and for your kindness.

I came here in the service of a cause which binds together, which unites Israel, Egypt, and the United States of America—the sacred cause of peace. We have talked and reasoned together in that cause for many hours during the past 3 days. We've talked as friends, and our conversations have been characterized by the frankness, the honesty, the mutual respect and concern that true friendship demands.

In our discussions we've concentrated on the differences that still exist between Egypt and Israel in the peace process, differences that are now very small compared to the much larger areas of agreement.

Good progress has been made. There are fewer differences than when I first arrived, and those few differences which still remain have been substantially narrowed.

Last night, there were further intensive discussions among members of the Israeli Cabinet and the U.S. delegation on the two or three most difficult issues. And this morning, building on those discussions, Prime Minister Begin and I were able to make substantial additional progress.

I will now fly to Cairo to review with President Sadat the discussions that we have had here and the progress which we have made together.

As I depart, I want to repeat once again what I said in the Knesset yesterday. The friendship between America and Israel is more than strong. It is indestructible.

In the past 3 days I have been impressed deeply by the extraordinary story of faith and perseverance in the face of adversity, which is Israel.

President Sadat, Prime Minister Begin, and I remain determined to exert every ounce of effort at our command to bring the peace negotiations to a successful conclusion. We will not fail.

Prime Minister Begin

We take leave of you, Mr. President, on behalf of the Government and the people of Israel. On behalf of them, I wish to express our gratitude, my wife and myself, and all my colleagues in the Cabinet, that you honored us with your visit, you and your gracious lady, the Secretary of State and Secretary of Defense, and your other advisers.

Undoubtedly, those 3 days of your visit to Israel were 3 hectic days, and

there were also 3 white nights, but they are memorable days. I believe they will be unforgettable.

You came on the highest mission in humanity—for peace—and you have succeeded. We made real progress in the peacemaking process. Now, of course, it's the turn of Egypt to give its reply.

Nobody can deny that we worked as expeditiously as humanly possible and, therefore, we worked day and night. And we are not tired, because of the elation in our hearts that we did a good job in the service of peace.

May I say respectfully that you can leave this country with satisfaction, and we are happy that we could have helped you to the best of our ability. And when you embark on your journey and mission to Egypt, we wish you God-speed.

And when you come back home, may I again ask you, tell the great American people that here is a free nation which loves and respects your great country, your people, and is grateful for their friendship and cherishes your personal friendship for Israel, which is a treasure in our time.

Now we shall wish you all the success in Egypt, and we shall guard our friendship between America and Israel forever.

PRESIDENT CARTER'S REMARKS, CAIRO, MAR. 13, 1979¹⁰

I have a statement to make which I consider to be extremely important.

I have just given to President Sadat a full report on my discussions in Israel. During that visit the United States made proposals for resolving a number of outstanding issues, proposals which were accepted by Prime Minister Begin and his Cabinet.

President Sadat has now accepted these proposals. Based on discussions in Egypt and Israel, I have also presented U.S. proposals to President Sadat and to Prime Minister Begin for resolving the few remaining issues.

Earlier today, Prime Minister Begin agreed to present these proposals to his Cabinet for consideration. This will be done at the earliest opportunity.

President Sadat has carefully reviewed all these remaining issues and has accepted these same proposals. I have just informed Prime Minister Begin by telephone of President Sadat's acceptance.

I am convinced that now we have defined all of the main ingredients of a peace treaty between Egypt and Israel, which will be the cornerstone of a

comprehensive peace settlement for the Middle East.

ARRIVAL CEREMONY, ANDREWS AIR FORCE BASE, MAR. 14, 1979

Vice President Mondale

Mr. President, 6 days ago you left for the Middle East in search of peace. You and Rosalynn took with you our love, our prayers, and the hopes of all humanity. You return tonight to a happy and a grateful nation, for you have drawn two ancient enemies to the brink of peace.

We thank you tonight, not only for the breakthrough in the Middle East, but we thank you also for renewing our confidence in the deepest of American values.

Where there were risks, you stood for hope. And where there were obstacles, you followed conscience. Where there were suspicions, you sought to build a lasting foundation of trust. It is the trust that you won from President Sadat and Prime Minister Begin that made these historic discussions possible. And it is that same trust that made these talks a success.

Mr. President, Rosalynn, welcome home to a proud and a hopeful nation.

President Carter

You are looking at a tired but a grateful man. [Laughter]

All of us who made this journey appreciate the opportunity that we have had to render some service in the cause of peace. Now the journey is done and we are glad to be home, back in our own country, our beloved United States of America.

It's good to see so many familiar and welcome faces, and I want to thank you for being out here in the middle of the night to greet us and to give us one of the best welcomes I have ever known. Thank you from the bottom of my heart.

As you know, we did not go to Egypt and to Israel in order to confirm what was already a guaranteed result. We went there to use our influence and our good offices to help the leaders of those two great nations move decisively toward that peace that is so ardently desired by the people whom they serve.

There were risks involved. They were pointed out to me by many people, political risks to me as President, therefore, perhaps a risk even to the prestige of the United States.

Fortunately, our work has had a

happy result. But I want to stress that the effort would have been worth making regardless of the outcome of this trip. Risk of failure should never deter us from a worthy goal. And no goal is higher than that of genuine peace.

In war we offer our very lives as a matter of routine. And we must be no less daring, no less steadfast in the pursuit of peace.

For more than 30 years, the nations of Egypt and Israel, which have been and will be perpetual neighbors, have existed in a continual state of hostility. That hostility has exploded into combat four times. And each war has brought with it suffering and pain and the loss of life, renewed fear and hatred and great danger for that entire region and for the world far beyond. But in the last 16 months the way has finally been opened to peace.

When I decided to make this trip, the peace negotiations, as you know, seemed to have reached a stalemate. After long hours of discussion in both Egypt and in Israel, proposals were made for resolving all the outstanding issues. All but two of these issues have been resolved with Prime Minister Begin and the Israeli Cabinet.

Less than 3 hours from now the Prime Minister will present the remaining proposals to the Israeli Cabinet for consideration. I have even left instructions to wake me up if the news is good—[laughter]—and I believe it will be. As you also know, President Sadat has already accepted all of the proposals.

Therefore, we have now defined the major components of a peace treaty between the largest and most powerful Arab country, Egypt, and its neighbor and former enemy, Israel. There may be sharp internal debates before this process is complete. But the treaty that emerges can be the cornerstone of a comprehensive settlement, one that can bless with peace all the people who have suffered from the long, enduring conflict in the Middle East.

The leaders of Egypt and Israel are now daring to break the pattern of bitterness and war. They are following the advice of the Biblical proverb: "When a man's way please the Lord, he maketh even his enemies to be at peace with Him."

In choosing peace, President Sadat and the Prime Minister of Israel, Prime Minister Begin, are venturing into the unknown. But they know that the United States of America will be with them as they begin to make peace a living reality for their own people.

I'm thankful that the friendships between their countries, both countries,

Interview for Israeli Television

The following is an interview President Carter held with Dan Shilon of Israeli Television on March 22, 1979; it was taped for later broadcast in Israel.¹

Q. Less than 2 weeks ago when you addressed the Israeli Knesset, you said, and I quote: "The people of the two nations are ready now for peace. The leaders have not yet proven that we are also ready for peace, enough to take a chance."

After the leaders approved the peace treaty, it seems that the leaders are celebrating. The peoples are still a bit cautious about it. How can you explain it?

A. Let me correct you, first of all. I didn't say the leaders of the two nations; I said we leaders. And I was referring also to the adjacent countries—Syria and Jordan—where I believe a substantial portion of the population are intensely desirous of peace and an end to hatred and terrorism and destruction and death. So, that's what I meant when I talked to the Knesset.

I don't believe that the peace treaties can have their full, permanent, beneficial impact if they are just based on a relationship between or among leaders or documents, because Sadat, Begin, Carter will not be in office many years under the best of circumstances. And until we have a genuine interrelationship among the people of, say, Egypt

and Israel, we can't have the full connotation of the meaning of peace. We need students to move freely back and forth between the two countries, tourists, open borders, free use of the Suez Canal, the Strait of Tiran. We need increased trade, mutual investment, exchange of employees back and forth between the two countries, an opening up of trade between Israel and the United States, Egypt and the United States, and Western Europe, that hasn't been there before.

As soon as the people of the two countries get to know each other, to trust each other, to like each other, to become mutually dependent on each other, to recognize their common future, common problems, common opportunities, at that point, peace will be permanent and will be full.

And I think that's the best way to demonstrate to the Palestinians, to the Jordanians, to the Syrians, and others the full advantages to them of emulating what Egypt and Israel have already done.

Q. But on the other hand, what are the risks to Israel and to Egypt, if there are any, by signing the peace treaty?

A. I think the risks of not signing it are much greater than the risks of signing it. Obviously, there is going to be a period of time within which the PLO [Palestine Liberation Organization] and some of the Arab countries will threaten increased violence or economic punishment, ter-

rorism, instability. I really believe that that period is going to be relatively brief.

To compare the risks with the advantages of signing the peace treaty; obviously, the advantages far outweigh the risks.

There are some doubts about the future. This is kind of a new life, and both countries are going into the unknown with great predictions of problems. I think the problems have been grossly exaggerated from the very beginning. And, of course, to the extent that we can use our influence in a beneficial way, the United States is not only willing but eager to guarantee that the outcome of the peace negotiations will be fulfilled to their complete degree.

And we can help to alleviate some of these concerns. And if problems do arise that we cannot presently anticipate, we'll be full partners in trying to address those problems when they become evident.

Q. Can you foresee realistically that Syria, Jordan, and the Palestinians—encouraged by Saudi Arabia—will cooperate with the continuation of the peace process?

A. I think this is a very good possibility in the future. But there's going to be a transition period when they try to posture and threaten and see if they can weaken the ties of friendship and peace between Israel and Egypt.

I think they'll be unsuccessful in trying to destroy the peace process when it becomes evident that the advantages of peace directly improve the quality of life of the Israelis and the Egyptians. In my opinion, the large number of Jordanians, who also presently want peace, will become much more vocal, and perhaps King Hussein and the other Arab leaders will say: "Well, this is a good thing for me and my people as well." I think that could very well happen in the future.

Q. During the past year, you mentioned several times the right of the Palestinians to participate in their own determination of their own future.

A. Yes.

Q. This participation is now defined as self-rule or autonomy. Could the following steps, after establishing the self-rule, lead to an independent Palestinian state?

A. We drafted this language—the Palestinians' right to participate in the determination of their own future—very carefully. It's been adopted by

President's Trip (Cont'd)

and the United States will now grow even stronger when our own two friends are friends with one another.

Through private messages and public statements, many messages sent from Air Force One on the trip back here from Egypt, I am urging all other world leaders to support what Egypt and Israel have done, for it offers hope to all who love peace everywhere in the world.

My friends, let me thank you again for coming out to greet us. I believe that God has answered our prayers. □

Weekly Compilation of Presidential Documents of Mar. 12; other material from the Weekly Compilation of Mar. 19.

²Made on the South Lawn of the White House.

³Made at Qubba Palace where President Carter stayed during his visit to Cairo.

⁴Held on board the train from Cairo to Alexandria.

⁵Made at Ras-al-Tin Palace. (Due to technical difficulties at the dinner, the White House Press Office was unable to provide a complete transcript of President Sadat's toast.)

⁶Held at Mena House, the hotel where the two Presidents held their meeting.

⁷Made at Ben Gurion International Airport.

⁸Made to reporters assembled outside the Prime Minister's office.

⁹Made in Chagall Hall at the Knesset.

¹⁰Made at Cairo International Airport following a meeting with President Sadat.

¹Departure remarks on Mar. 7, 1979, from the

both Israel and Egypt as a basis for the Camp David agreements. And, of course, that's incorporated within the peace treaties themselves. Also, the principles expressed in U.N. Resolutions 242 and 338 are part of the Camp David agreements and also this treaty.

It's not up to the United States to decide the ultimate status of the West Bank or the Gaza area. This is the reason for the future negotiations, in which not only the Palestinians but also the Jordanians and the Egyptians will negotiate.

I don't want to say what the ultimate status or who has sovereignty might be. The first step, to define what is—to use Prime Minister Begin's words—full autonomy will be difficult enough without my trying to decide here what decision might be reached 5 years in the future on the permanent status.

Q. Can you define the exact American attitude these days toward the PLO?

A. Our attitude these days is the same as it has been for a long time. The PLO has not been willing to recognize the applicability of U.N. Resolution 242, and the PLO has not been willing to accept the right of Israel to exist. Until the PLO is willing to do these things, we will not deal with the PLO.

Q. Are you actually suggesting a defense treaty between Israel and the United States?

A. No. We've never suggested this. But there will be a memorandum of understanding that will exist between Israel and the United States for the first time. It will be fairly far-reaching, and it's exactly what we want and exactly what Israel wants, as well.

We've never had any sort of proposals on either side that there be an actual defense treaty between our two countries. I think Israel has always cherished the concept that they are perfectly able to defend themselves. And I think that's an accurate assessment.

Q. It seems that accomplishing this goal was important to you personally, at least as important as to the parties involved.

A. Yes.

Q. Why was that?

A. It's important to my country. We have a political, a philosophical, and a moral commitment to Israel—Israel's right to exist, to exist permanently, to exist securely, to exist in prosperity, and to exist in peace. And this is not a personal—this is not *merely* a

Interview for Egyptian Television

The following is an interview President Carter held with Adib Andrawes of Egyptian Television on March 22, 1979; it was taped for later broadcast in Egypt.¹

Q. You have committed the United States to be a full partner in the peace process until the Palestinian problem is settled, which is the core of the Middle East conflict. Would you care to tell us what are your immediate plans for the Palestinian people?

A. The immediate plans are specified in the Camp David agreements and, also, in the terms of the peace treaty. They involve—to use part of the language—the right of the Palestinians to have a voice in the determination of their own future and to recognize the legitimate rights of the Palestinians. This is encompassed in the mutual agreement, signed by Prime Minister

personal—belief of mine, but it's a belief that accurately represents the overwhelming portion of the American people.

Additionally, we have a strong friendship with Egypt. And obviously, it's to our own nation's advantage to have our two friends—who are permanent neighbors—be friends with each other.

In addition to the personal commitment that I've had, I think I accurately represent what's best for my country and the aspirations which the people of my country have cherished for many years.

Q. Finally, during the ups and downs of the negotiations, was there any moment in which you felt despair or thought of giving up your efforts?

A. I despaired many times, but I never reached such a state of discouragement that I thought about giving up. I was always determined to continue the peace process as long as I hold the office of President of the United States. And if there should evolve, in the future, problems, I'll be just as determined to work for peace as I have been in the past. □

Begin, President Sadat, and myself: first of all—to use Prime Minister Begin's words—full autonomy for the Palestinians who live in the West Bank and Gaza areas; secondly, the termination of the Israeli military government; third, the withdrawal of Israeli troops into specified security locations.

I think the success of this effort will depend to a substantial degree on the willingness of the Palestinians and others to participate in the negotiations themselves.

Obviously, President Sadat and I and Prime Minister Begin and our representatives can do a substantial amount for the Palestinians, even in their absence. But the full realization of their expectations under these terms would obviously be dependent on how willing they are to participate themselves.

Q. The Palestinian people feel they have been victims and evicted from their homes; the United States, as a superpower, should take the lead in inviting them and asking them to come and talk with the Administration on their needs and their problems and so on. Could this be envisaged in the very near future?

A. Yes. We would like to have direct relations with the Palestinians, and we will, as part of the negotiating process in the future. The Palestinians who live in Gaza and the West Bank will be invited and encouraged to participate in these discussions, the mayors of the cities and other representatives to be chosen by the Palestinians themselves.

We have a problem with the PLO [Palestine Liberation Organization]. The PLO has never yet been willing to accept the applicability of U.N. Resolution 242, the basis for the Camp David agreements and, I think, a document that's been adopted by all of the Arab nations as a foundation for future progress. The PLO has never been willing to accept this document. Also, the PLO has never recognized Israel's right to exist. And as soon as the PLO itself, as an organization, is willing to accept these bases, then we'll immediately start working directly with that organization as such.

But in the meantime, the Palestinians who reside in the West Bank-Gaza area, the Palestinians who reside in Egypt and Jordan, and even others who

¹Text from Weekly Compilation of Presidential Documents of Mar. 26, 1979.

don't reside in either of these countries, if they're mutually acceptable, will participate in the negotiations.

Q. But wouldn't it be useful if you, as a superpower, took the first step and explained to the Palestinian people the necessity of accepting Resolution 242 and getting into the peace process? You have actually said before, and invited them to participate in the process, even accepting 242 with reservations.

A. Yes, and I hope they will do that.

We have not only sent representatives to meet with Palestinian leaders in the West Bank and Gaza areas—both from the Administration and the State Department and also, for instance, the Majority Leader of the Democratic Party in the U.S. Senate met with a representative group—but when I've met with President Asad of Syria and King Hussein of Jordan and with King Khalid and Crown Prince Fahd in Saudi Arabia, I have encouraged them to do everything they could, possibly, to involve the Palestinians in the peace process.

As you know, there are threats made, and there are demonstrations of terrorism which tend to prevent the Palestinians who want to have peace and who want to have full autonomy from participating in these processes. And I think the threats of terrorism and the hatred that presently exists, the threat of war, the threat of economic boycotts and punishment against Egypt are certainly not conducive to realizing the hopes of the Palestinian people.

There is no leader in the Mideast who has done more to open up an opportunity for progress and the restoration of the rights of the Palestinians than President Sadat. If the other leaders in Jordan and Syria and Saudi Arabia would do half as much as President Sadat has done, then these hopes that have been described in the agreements reached could be realized very quickly.

Q. How do you see Prime Minister Begin's recent statements in the

Knesset that Israel will not allow a Palestinian state or will not go back to the border of 1967? Are these useful at that time?

A. I don't want to characterize either the statements made by Prime Minister Begin or Prime Minister Khalil, and so forth. You know, we're in the process now of completing the first step in a long process that will lead to a comprehensive peace. These treaties, which have now been concluded after laborious negotiation, will just be a cornerstone, as President Sadat and I have said, for that comprehensive peace that we desire.

We've specified a negotiating process. And the differences that presently exist between, say, Egypt and Israel on the definition of full autonomy are substantial, substantial differences. But they're not nearly as wide as the differences that existed before the Camp David agreements.

It's inevitable that both nations, both negotiating parties, will express their own point of view in the strongest possible terms originally. But after a while, as they get to understand one another and see the mutual advantages of agreement, I hope and expect that both positions will be moderated to some degree and an agreement can be reached. And we'll add our good offices as a negotiating partner. But I can't approve specifically what one leader or another says at the beginning. We'll be there to try to help them reach agreement.

Q. Are you prepared to invest as much time and labor as you have with the Egyptian-Israeli peace treaty on the second phase?

A. I would hope that my personal involvement would be much less and that the negotiating teams could make substantial progress.

Q. Do you think they can, without your personal intervention from time to time as you've—

A. I believe so, because the terms of the agreement and the ultimate goal of

the agreement have now been spelled out between myself and Prime Minister Begin and President Sadat. And this gives kind of a framework or a guideline for the negotiators in the future. We didn't have any such document, we didn't have any agreements to start with less than a year ago when we went to Camp David. And I think the results of what we've done now will make it much easier in the future for subordinates to negotiate than has been the case in the past.

Q. Are the talks going to be in Washington?

A. I would presume that the talks would be in the Middle East. I hope that 3 months from now, that Egypt will be the sovereign power over El Arish and will have control of this region. And it could be that that beautiful seacoast town, as a part of Egypt, with no Israeli occupying forces, somewhere like that might be a good place to negotiate.

I never had a chance to visit El Arish or Mt. Sinai and so forth, but I've told President Sadat that when it's under Egyptian control, I'd like to come back sometime.

Q. Very good. You visited Egypt and you've seen the Egyptian people. What impression did you leave with?

A. Perfect. I saw people who were friendly toward me, who supported their wonderful leader, President Sadat, and who demonstrated to the world that they genuinely want peace and an end to hatred and war and death and destruction; a people who want a better life in the future and who now have opened up an opportunity to benefit from a new relationship not only with Israel but with other nations in the world.

I could not have been more pleased or favorably impressed than I was in my visit to Egypt. It was a great visit. □

¹Text from Weekly Compilation of Presidential Documents of Mar. 26, 1979.

THE SECRETARY: *America's Commitment to Third World Development*

Address before the Northwest Regional Conference on the Emerging International Order in Seattle, Washington, on March 30, 1979.¹

These past weeks have been a time to deal with immediate diplomatic issues of extraordinary importance to our nation. Tonight I want to speak about an issue that may seem less immediate but is no less important: our approach to the economic future of the developing nations.

Before turning to our strategy toward the North-South dialogue between the industrial and developing nations, let me first talk for a moment about why the development of Third World countries matters to us.

Its human dimension is clear. At least ½-billion people regularly go hungry in a world of plenty. A half-billion is an abstract number, another statistic among many and, therefore, too easily dismissed. But when we pause to picture in our minds how much human suffering lies behind that single statistic, the scope of our moral challenge is evident. The continuation of that suffering is an affront to the conscience of men and women everywhere.

Americans have long recognized this challenge: We have generously shared our resources in times of tragedy and need abroad, from the great hunger in Ireland in 1847, to the Marshall plan and point 4 program 100 years later. We are determined today, despite budgetary stringency, to live up to that historic moral responsibility.

Our humanitarian commitment is reinforced by the recognition that it also serves our national self-interest to assist the process of equitable growth within the developing nations. We need to help shape an international economic system which will support and stimulate that growth.

Here on this Pacific rim, you know well a fact that is true for our entire nation: that your prosperity and well-being depend on the increasing prosperity and well-being of others throughout the world.

Some 75% of the Northwest's wheat crop is sold on world markets. Fully one-third of western Washington's forest products economy is dependent on those markets, and that dependence is increasing.

One dollar in eight in this State's

economy comes directly from international trade. More than a quarter of a million jobs in Washington and Oregon alone depend on exports.

Much of this trade, as you know, is with developing countries. Four of the State's 10 biggest export customers are developing countries. Seven of the State's biggest sources of imports—imports without which your economy could not function—are developing countries.

These countries of the Third World are increasingly involved in our daily lives. We know how oil from these countries affects us. As a nation, we also get more than 50% of the tin, rubber, and manganese we need from less developed countries and substantial amounts of our tungsten and cobalt. We now export more to the developing countries, including the Organization of Petroleum Exporting Countries, than to the Common Market, Japan, and the Communist countries combined. For example, almost one-half of our commercial aircraft sales abroad are to developing nations.

So, as we survey and address questions of the evolving international economic order, we do not do so on some abstract basis. We do so as a matter of

90% of this increase will be in developing countries. And perhaps more troubling, this growth seems certain to be greatest in already hard-pressed urban centers. Imagine, if you can, what current projections would indicate: a Mexico City with 32 million people; a Sao Paulo with 26 million; Calcutta, Bombay, Rio de Janeiro, Seoul, Beijing, and Shanghai each with some 19 million in 20 years or so.

We all recognize that the developing countries themselves bear the major burden for responding to these challenges. The industrial countries, however, can play a crucial role in assisting their efforts. Whether, and how, we help the developing nations in pursuing their development goals is one of the central issues of our time.

U.S. Approach

Our approach to development in the Third World is based on four fundamental tenets.

First, we are committed to supporting strong and equitable growth in the developing nations, as a matter of our national interest as well as our national ideals. And we recognize that at times

Our humanitarian commitment is reinforced by the recognition that it also serves our national self-interest to assist the process of equitable growth within the developing nations.

economic self-interest and, for some sectors of our economy, of survival.

The participation of the developing countries is also essential to solving pressing global problems that will shape the character of our future. Inefficient and wasteful use of the Earth's resources, pollution of the oceans and atmosphere, nuclear proliferation, unchecked arms competition, all of these involve the well-being and safety of the human race. None can be solved without the involvement of the developing nations.

Most countries of the Third World have too little food and rapidly growing populations. We face the prospect of a population increase in the final quarter of this century which will equal the entire growth of world population from the birth of Christ to 1950. Roughly

this requires facilitating adjustment in our own economy in ways which will support economic growth in the Third World.

Second, we are committed to improving the international system in ways which will be mutually beneficial to all, which respond to the particular needs of the developing nations, and which accord them an appropriate voice in decisions that affect them. By the same token, we believe firmly that as nations develop and grow stronger, they incur increasing responsibility to contribute to, as well as gain from, the international economy.

Third, despite the economic pressures we and other industrial nations now face, the United States remains committed to increasing transfers of re-

sources from the richer to the poorer nations.

Let me emphasize, however, a **fourth** point. As we cooperate with developing nations in seeking useful changes in the international system, and as we consider the level and nature of our resource flows, we must be clear about our priorities. Alterations in the international system and resource transfers among nations are not ends in themselves. They are a means to the compelling goal of development within nations.

We cannot spend so much time and energy on our international discussions of the roadmap that we lose sight of our destination. The destination—the goal we share—is to find practical ways to have an appreciable impact on the lives of people around the world, and especially on the lives of those for whom daily survival is an unanswered question.

We envision an international economic system which is not rigidly divided into northern and southern blocs. We seek a global community which furthers the well-being of all countries, in which all recognize the responsibilities of each to the others, in which the richer help the poorer for the benefit of all, in which international deliberations are focused as much on practical ways of serving human needs as on levels of resource flows among nations, and in which every nation dedicates itself to economic justice as well as economic growth.

We can help build such a system in a number of ways: in our closer cooperation with the other industrial nations, constantly taking account of the effect on each other of our domestic decisions; in encouraging constructive involvement of Communist nations in the promotion of a healthy global economic system; in our positive participation in the current North-South dialogue, and in our search for practical programs that can best promote Third World development.

North-South Negotiations

Let me concentrate today on the negotiations that are taking place between industrial and developing nations and the practical focus on development itself that we hope can be achieved.

The distinction between industrial and developing nations, between North and South, is clearly eroding. The industrial and agricultural performance of some of the developing nations now surpasses that of some of the industrial countries. But negotiations between North and South remain valuable. While we believe a broader global

community is emerging in which rigid economic blocs no longer predominate, we understand the importance the developing countries attach to the Group of 77. The developing nations can use their cohesion to bring greater clarity and purpose to our negotiations.

We face an unusually large number of important international conferences in the coming 18 months. These meetings provide an extraordinary opportunity for progress on issues of importance to developing nations—and to us all.

We cannot spend so much time and energy on our international discussions of the roadmap that we lose sight of our destination.

As we prepare for them, we must first recognize the progress that already has been made. Last week in Geneva, for example, agreement was reached on most of the basic elements of a common fund to help finance international buffer stocks and other commodity development measures. This marks an important milestone in a process launched at the fourth U.N. Conference on Trade and Development in 1976. Over the past 2½ years of intensive negotiations, all participants moved from their original positions in search of common ground. The negotiations now move into a more technical phase leading to the drafting of articles of agreement, a process which could be concluded as early as the end of this year.

In the past few years, industrial nations and international institutions have undertaken a number of other important measures of concrete benefit to the developing countries.

- Multilateral and bilateral aid flows have increased steadily in recent years. Agreements have recently been or will soon be concluded to enable the multilateral development banks to increase significantly, in real terms, their lending levels over the next 3 to 4 years.

- Resources available through the International Monetary Fund (IMF) for financing balance-of-payments difficulties have been substantially increased—through liberalization of the IMF Compensatory Financing Facility; through the fourth IMF quota increase; and through the establishment of new IMF facilities including the trust fund and the \$10-billion Witteveen facility.

- Consuming countries have agreed to the concept of shared responsibility

with producing countries for financing buffer stocks to stabilize prices in commodity markets. Agreements for coffee and tin were renegotiated; a new agreement for sugar has been reached; and negotiations on rubber and a new cocoa agreement are underway. Such agreements can have important anti-inflationary benefits for our own economy.

- All Western industrial countries have implemented preferential tariff systems for developing countries. The multilateral trade negotiations will provide new opportunities for all nations to increase their economic welfare. Just as consumers and producers will benefit in our own country, so they can gain in the developing world.

- And donor countries have agreed to the concept of easing or eliminating the official debt burden of the poorest countries.

The United States has played a leading role in many of these and other international initiatives and we have taken national measures to support them.

- We have increased our foreign economic assistance from \$3.7 billion in fiscal year 1975 to \$7 billion in fiscal year 1979.

- In the commodities field, the United States is a member of the tin agreement, and we intend to make a contribution to the tin buffer stock. We are seeking Senate approval to join the sugar agreement, and we hope to conclude new cocoa and rubber agreements in which we can participate. Last month we put forth ideas on a price stabilization agreement for copper.

- We endorsed the concept of a common fund, and we worked toward that end with flexible new proposals on the major issues involved.

- On trade, the United States has generally resisted protectionist pressures. We have a preferential tariff system for the developing countries which has assisted growth in their manufactured exports.

- We now have legislation enabling us to waive interest payments on past development loans to the poorest countries and to allow principal to be paid into local currency accounts to be used for development purposes.

- Almost all our development assistance to the poorest countries is now in grant form.

- We have facilitated access to the technology that is in the public domain, and we have helped developing countries draw upon our advanced technologies—using satellites, for example, to develop their natural resources and improve their internal communications.

• The President is proposing the creation of an international development cooperation administration which would consolidate or improve coordination among our bilateral and multilateral development assistance programs.

In short, there has been real progress. But far more remains to be done in concluding agreements to stabilize commodity markets, bringing the developing nations more fully into the world trading system and implementing the new codes and tariff reductions of the multilateral trade negotiations, facilitating the adjustment of domestic economies to changing patterns of world trade, arriving at a common understanding of the responsibilities of both governments and corporations to create a better environment for international investment and the flow of technology, assuring adequate assistance to nations facing acute financial difficulties, strengthening the scientific and technological capabilities of developing countries, increasing aid flows to countries which need it most and can use it effectively, and finding ways to assure an appropriate role for developing countries in international economic institutions.

This is a heavy agenda. And these are difficult times in which to address it, since most of the industrial nations face difficult domestic economic challenges.

In a period of fiscal austerity, there is a danger, which we must frankly address, that negotiations between North and South could return to the rancor of earlier years. This will happen if each nation becomes so concerned with its own problems that it forgets the essential reality of an interdependent age: that each nation can surmount its own difficulties only if it understands and helps resolve the difficulties of others as well.

The industrial nations must maintain their commitment to the well-being of the developing nations. The developing nations must recognize that making demands which the industrial nations cannot meet will only produce international acrimony, not progress. And the oil-producing nations must recognize their special responsibilities for the health of the global economy and their fundamental stake in its continued vitality.

A Practical Focus

This brings me to a central point. Our progress in North-South negotiations—our progress toward a more equitable and healthy new international economic order—will turn on

our common ability to avoid endless debates on sterile texts and to focus instead on concrete development problems which we can tackle together and which directly affect people's lives.

Only by focusing on practical ways to meet human needs can we remain clear about our goals and clear in explaining them to our peoples. I know that the American people will never be convinced that there is an inherent value only in resource flows among nations. They want to know, and have a right to know, how their taxes are being used to better the lives of people abroad.

It is this practical—and human—focus which compels us to concentrate our aid on programs that directly improve the lives of poorer people abroad. We believe it is important that we concentrate our resources on programs which most directly contribute not only to growth but also to equity in those countries which receive our aid.

This approach is not only this Administration's policy. It has been expressed by the Congress in the 1973 Foreign Assistance Act and the International Development and Food Assistance Act of 1978. And it applies not only to our bilateral aid programs but also to those programs we support in the multilateral development institutions.

Growth without equity can lead to a situation in which a growing economic pie is cut into ever more unequal pieces. Equity without growth can lead to a situation where a shrinking economic pie is cut into equal but ever smaller pieces. Neither situation can lead to long-term political or economic

. . . while we will continue to work with the developing countries in addressing the future of the international political and economic system, we intend increasingly to concentrate on specific development goals

health. Both growth and equity are necessary.

A practical focus also requires that we be clear about our priorities. Thus while we will continue to work with the developing countries in addressing the future of the international political and economic system, we intend increasingly to concentrate on specific development goals: energy, food, health, and increasing the capacity of the developing countries to obtain and apply the knowledge and technology they need.

There is good reason for seeking international emphasis on each of these areas:

- An ample supply of energy at reasonable prices is essential to economic advancement. It is also a key to our own prosperity.

- Adequate food and good health are basic to human survival and productivity.

- And the ability of people and institutions in the developing countries to obtain, develop, adapt, and apply technology is critical to most development problems.

Let me illustrate these priorities today by describing our current efforts and future plans in two areas—energy and food. In the coming months and in other forums such as the U.N. Conference on Science and Technology for Development and the World Health Assembly, we will be addressing the others as well.

Energy

No issue we face today more clearly demonstrates the interests we share with the people of the developing world than energy. The commuter buying gasoline in Seattle and the peasant farmer buying kerosene near Khartoum both face the harsh reality of rising world petroleum prices. Governments in the richest countries and those in the poorest must deal with the impact of higher energy costs and rising energy demand on their national economies.

Let me be frank. The worldwide energy situation, already serious, is likely to get worse before it gets better. For the foreseeable future, in the ab-

sence of substantial new efforts, worldwide growth in energy demand will continue to outpace worldwide growth in energy production.

We must do what is necessary in our own country to restrain consumption and increase domestic production. But we cannot solve the energy problem by what we do here alone. It is a global challenge.

Thus, we have a direct interest in helping developing countries devise their own effective energy policies—helping them identify their energy resources, determine their current and future energy demand, identify the technology they need, and obtain the

necessary financing. Let me tell you what we are already doing in each of these areas.

We are now helping several developing countries survey their national energy resources, define their future energy needs, and construct alternative energy strategies.

With our strong support, the World Bank is significantly expanding its program to help developing countries finance further exploration and development of fossil fuels. The Bank envisages loans amounting to as much as \$3 billion over the next 5 years.

We are devoting substantial financial resources to research on renewable energy sources. In addition to private financing, the Department of Energy has budgeted over \$600 million this year to study, develop, and demonstrate renewable energy technology. We have asked the Congress for more than \$700 million for these efforts next year. These programs can lead to technological developments that directly benefit the developing nations.

The Agency for International Development (AID) has requested \$42 million in FY 1980 for the actual application of renewable energy technologies in developing countries.

We have accelerated our training and technical assistance programs for

conventional power projects. And the other development banks also are active in this area.

But we must and will do more.

- We will respond positively to additional requests from developing nations for help in evaluating their energy resources, needs, and strategies.

- We will encourage the regional development banks to expand their energy programs and to consider new approaches to encourage further private capital flows into mineral and energy development in their regions.

- President Carter and other heads of state at the Bonn economic summit last July pledged to increase assistance for harnessing the vast energy potential of the Sun, the wind, the oceans, and other renewable resources. We are now in the process of formulating a coordinated effort which will be discussed at the Tokyo summit in June.

- With strong U.S. backing, the United Nations will hold a World Conference on New and Renewable Energy in 1981. We intend to play an active role in that effort.

- We will increase our support for research, development, and training efforts of national and regional energy institutions in developing countries.

We believe it is important that we concentrate our resources on programs which most directly contribute not only to growth but also to equity in those countries which receive our aid.

energy professionals and institutions in the developing countries. We have proposed a new institute for scientific and technological cooperation, which would become an important element of our foreign assistance program. Energy will be a major focus of the work of the institute as it both helps strengthen scientific and technological capacities in developing countries and also identifies domestic American research relevant to development abroad.

And we are providing substantial direct and indirect financial assistance to help developing countries acquire the energy technology they need. The Export-Import Bank authorized approximately \$2 billion in energy-related loans and guarantees to developing countries in fiscal year 1978. This has produced more than \$3 billion in U.S. exports of energy equipment. The World Bank, to which we are the largest contributor, has already provided about \$10 billion for financing of

We will encourage other nations to join us in this effort.

- We will also work with other nations to determine whether it would be useful to supplement the work of such institutions. Together we will seek to identify gaps in current efforts, and ways to fill them, including the possible establishment of new institutions. For example, international research centers—which enjoy support from developed and developing countries, private organizations, and multilateral institutions—have played a major role in addressing developing country agricultural problems. If, as a result of discussions with our colleagues in developed and developing countries, there is agreement that this approach would be appropriate in the field of energy, the United States would support such international energy centers.

- We must assure that as new renewable energy technology becomes relatively less expensive, adequate

financing is available for the developing countries to acquire it. We will ask the World Bank to undertake a thorough review of this question.

These steps and others we will be discussing with developed and developing countries in the months ahead can help assure that high energy costs do not undermine economic growth and a steadily improving way of life for those who live in the developing world.

Our future economic well-being and theirs carries an inescapable imperative: We must work together to expand the availability of energy for developed and developing countries alike. There is no promise for any of us in an intensifying competition for limited energy supplies.

Food

Let me turn to a second development priority which we intend to focus on in the months ahead—the stark fact that one out of every five of our fellow human beings is sick or weak or hungry because he or she simply does not have enough to eat.

In one respect, this is a question of the equity with which economic benefits are distributed. Millions are too poor to buy food, even when it is available. As I have stressed, our overall development efforts must address this fundamental issue.

But it is also clear that in many developing countries, food production is not keeping pace with population growth. The long-range prospects point to even greater food deficits in developing countries in the years ahead. Not only will we approach the limits of new land to cultivate, but soil erosion, desert encroachment, and simple overuse are robbing the world's historic breadbaskets of their productive capacity because of inadequate land and resource management practices.

The United States is already doing a great deal to increase the availability of food in the developing world. Roughly half of our bilateral economic development assistance—approximately \$600 million this year—is devoted to agriculture and rural development. We provide roughly two-thirds of the world's concessionary food assistance. Our contribution this year will amount to \$1.4 billion. And we have contributed \$200 million to the International Fund for Agricultural Development.

But, as with energy, we must and will do more. Last September the President established a Commission on World Hunger. The commission will report this summer on concrete propos-

als for additional efforts in dealing with the world food problem.

In the meantime, we are moving ahead in several areas. We continue to believe that an effective International Wheat Agreement, with an expanded Food Aid Convention, would help stabilize world wheat prices and strengthen world food security. We are disappointed that after more than 2 years of effort, a workable international arrangement could not be achieved at last month's negotiations. If prospects improve for reaching an accord, we are prepared to resume these negotiations.

Under the existing Food Aid Convention, we are committed to providing a minimum of 1.9 million tons of food assistance annually. We will more than double that minimum commitment, regardless of whether a new Food Aid Convention is successfully negotiated. And we are strongly encouraging other current and potential donors to do the same.

To assure that our food aid commitments can be met even during periods of tight supply, we are seeking to establish a special government-held wheat reserve which would add to food security for food-deficit countries.

The agricultural research breakthroughs of the past decade and a half have been of enormous benefit to the developing world—with improved plant strains, better animal breeds, and more efficient farming techniques. Much of this research has concentrated on cereal crops and cattle. While continuing research in these areas, we must now devote greater attention to some of the traditional crops and animals raised by poor farmers on marginal lands and to less widely grown crops that hold promise as new sources of food and income. These will be major agricultural priorities of the institute for scientific and technological cooperation. Other government agencies will also increase their support for such research.

We must also do more to prevent the tragic loss of 10–20% of the food which is produced each year in the developing countries. More food is lost to rodents, insects, and spoilage in the developing world than all the food aid to the developing world combined. We are already a major contributor to the Food and Agriculture Organization's post-harvest loss fund, and both AID and the new institute will be devoting increasing resources to finding better ways to assure that what people toil to produce is available to sustain them.

Finally, we intend to channel our food and development assistance in-

Question-and-Answer Session Following Seattle Address

Q. You spoke about energy. What about domestic conservation?

A. Domestic conservation is a matter of the utmost importance and in dwelling upon energy and food, two of the items that are of special importance to me in my responsibility, I do not want in any way to lessen the importance that should be attached to domestic conservation.

Q. The present international institutions in trade and finance don't appear to be functioning very well for any group of countries now-a-days. Many developing countries are asking that developed, industrialized countries join them in building the foundations for a new Havana conference, one for the 1980's, which would restructure international commodity, trade, and financial affairs to reflect a change in structure not only of the industrialized nations,

creasingly to countries which are seeking to adopt domestic policies which encourage their own food production and equitable distribution and promote better use of water and land resources. We intend to participate actively in the upcoming World Conference on Agrarian Reform and Rural Development which will be addressing these essential questions.

Conclusion

Programs such as those I have mentioned today are no cure-all. But they come to grips with the most pressing problems of the developing countries, and they will make a difference where it counts most—in the daily lives of people. They will insure that more people in the developing countries will have enough food to eat, that fewer children will die in infancy, that there is sufficient energy to power more irrigation pumps and to bring more heat and light to distant villages.

The resources we can bring to bear may seem small in comparison to the magnitude of the problems which must be solved. But let us remember that development is a long-term process. Our hopes for the coming decades are lifted by the fact that people are better off in most developing countries today than they were two decades ago.

but the Socialist countries and developing nations as well.

This objective of the developing countries appears to be a centerpiece of the UNCTAD [U.N. Conference on Trade and Development] agenda, the UNCTAD V meeting being one of the conferences of the next 18 months to which you referred. Could you give the U.S. position on this particular UNCTAD V agenda item?

A. The question was addressed to dealing with the structural changes which will be one of the subjects which will be coming up at the forthcoming UNCTAD conference. The question of structural change is, obviously, a question of great importance, and one which should be addressed and should be discussed fully in all of its aspects. However, as I tried to make clear tonight, I think that we should try and

Life expectancy in the developing world in the past two decades has jumped from 42 to over 50, an increase which took the industrial nations a century to accomplish. Adult literacy in the developing world has jumped from one-third in 1950 to over one-half. In the past quarter of a century, per capita income in the developing countries grew on the average of almost 3% a year. This is about 50% better than historical growth rates in Western nations during their industrialization.

This is not cause to be sanguine; but it is reason to be confident that practical progress can be made. But only if:

- We and the other industrial countries recognize that we share a common destiny with the developing world;

- They, the developing nations, recognize their responsibilities both within the international system and for equity as well as growth in their own societies; and

- All of us, together, recognize the wisdom of a great man the world has now lost—Jean Monnet. "We must put our problems on one side of the table," Monnet said, "and all of us on the other." □

¹ Press release 88.

concentrate on those matters where we can bring about practical results which will have an immediate or rapid effect upon improving the well-being and the lives of people in the developing countries; and that is why I have stressed tonight the emphasis which the United States places on the particular items which I singled out.

There are many other items which will be coming up at the UNCTAD conference which are of great importance. One of those in which I have particular interest is that of the common fund. The Minister [Manuel Perez Guerrero, former Minister of State for International Economic Affairs of Venezuela] and I have talked about this and worked for it over the years. I am pleased to say that I think we have recently made real progress in arriving at an agreement on the framework for the common fund. This, I think, is in a sense, one of the structural changes that can and will make a substantial difference.

So, in sum, to answer your question, I recognize the importance of addressing the question of structural changes, but insofar as we are concerned, I would like to see us, in so doing, not lose sight of these specific items where I think we can have an immediate and practical effect.

Q. You said in your speech that you wanted to make sure that distribution of American foreign aid is more widespread than it has been in the past, that it benefit more of the population of each nation. How do you intend to do that without interfering with domestic governments?

A. This is a difficult problem. We do not wish to interfere in the domestic affairs of the countries involved. However, I think we can make it very clear to the countries involved that we believe that it is important not only that

the aid be received but that it be equitably distributed among the people of the country involved so that it really does reach the people who need it.

This has been the structure of the program which has been developed by the Congress of the United States. Our Congress has said that our aid should go to the poor people of the countries of the world. That does not mean that it can go only to the poorest countries, because there are poor people in countries which are at the median level or even some at the more advanced level. And we, therefore, should be careful that we see that it goes to poor people wherever they may be.

Q. Forty miles away in Bangor, Washington, there is a Trident submarine base, and I was wondering how you reconcile the development of a new submarine, with broader and more powerful weapons than ever before, with your concerted efforts at reducing arms around the world.

A. I'm very happy to answer that question. The question was, how do I reconcile the development of the Trident submarine and the costs that are involved in the production of that new system with the efforts for arms control.

I think in order to have peace, that one has to have a combination of strength coupled with arms control. We are not going to reach the millennium overnight, and, therefore, we must develop the necessary forces to protect our nation—the values for which we stand—and those of our friends and allies. Yet, at the same time, we must work unceasingly to try and bring along, hand-in-hand with that, effective arms control. And that is the reason we have been working so hard on so many arms control measures.

I have spent more time, I can assure you, working to achieve a new SALT [Strategic Arms Limitation Talks]

agreement than on any other item, with the exception of seeking peace in the Middle East. I do it because I, my President, and our government believe that arms control, coupled with strength, is in the interest of our nation, is in the interest of peace in the world, and that we must persevere as long as we have to bring about that result.

Q. You talk about the importance of pledging additional aid to countries as far as energy and food supply goes, but it seems to me that you don't stress the importance of educating the people of these underdeveloped countries as to their objectives and their problems that they need to overcome—and educating them insofar as showing them ways to enable them to be self-sufficient so they won't, in the future, have to depend on the powerful nations of the world.

A. The question was why do I seem to stress such things as energy, food, and the like and not talk more about educating people so that they can play a more active and a fuller role in the developing of their institutions in their own life.

This, in my judgment, is something for each of the countries to do for itself. This is of vital importance, but it is individualistic and each country must develop in its own way. We should not be the ones to be dictating how this should be done. However, I think that if we can help by educational programs such as we have—by exchange fellowships and programs like that—that this is money very, very well spent and very important for us. So that by concentrating on what I have concentrated on tonight, I, again, don't want to underestimate the importance of the matter which you raised. □

Press release 88A.

Interview on "Face the Nation"

Secretary Vance was interviewed on CBS's "Face the Nation" on March 18, 1979, by George Herman, CBS News (moderator); Marvin Kalb, CBS diplomatic correspondent; and Eleanor Clift, White House correspondent for Newsweek.¹

Q. Yasir Arafat [Chairman, Palestine Liberation Organization Executive Committee] has been in Jordan and is going to Saudi Arabia trying to shift the balance one way. Our own mission, headed by [the President's national security adviser] Mr. Brzezinski and [Chairman of the Joint Chiefs of Staff] General Jones, has been in Saudi Arabia and is going to Jordan to shift the balance the other way. Who is winning? Have we won anything that we really need, for example, from Saudi Arabia in these talks?

A. It's too early to say yet what will come out of the discussions that Professor Brzezinski and [Deputy Secretary of State] Warren Christopher and David Jones are having there. We've made it very clear to the Saudi Arabian Government and to our friends in the area that we consider the peace treaty to be the cornerstone of progress toward a comprehensive peace. I think they understand this very clearly. They're good and close friends, we share the same objective of a stable and moderate Middle Eastern region, and we will continue to work together toward that end.

As to the specifics of what action they will or will not take on the treaty itself, we'll have to wait and see.

Q. You say it is still too early to tell which way Saudi Arabia—which, I take it, is the principal concern of the U.S. policy at this moment—too early to tell which way they're going. But a front-page editorial in an influential Saudi newspaper says the U.S. mission is doomed to failure. Do you take that lightly, or do you take it seriously?

A. I would take it seriously. I do not think that they put those kind of statements in a government paper in less than a serious vein. On the other hand, I think that these issues are of such critical importance that it will take time for them to reflect on what actions will or will not be taken as the facts unfold in the future.

Q. This peace treaty, at least in the short term, seems to be producing more turmoil than it is reducing. How do you reverse that tide? How can it be reversed?

A. First let me say that the peace treaty, in my judgment, is a momentous step. For 30 years the countries of the region have been searching for peace. At long last, as a result of the mission of the President and of the far-sighted and courageous action of the leaders of these two countries, we now are on the threshold of signing a peace treaty.

This could not have been possible, let me say, without the work of the President of the United States and without the presence of the United States, because it was absolutely essential that there be a trusted friend who could sit with the parties and, when they came to problems they could not resolve, come forward with suggestions that could bridge these gaps.

Now this is not the end of the process; this is merely the beginning of the process. The process leads toward the end of a comprehensive peace treaty.

The next step along the road toward a comprehensive peace treaty will be dealing with the questions of the West Bank and Gaza—the Palestinian issues, which are of fundamental importance. Those issues, as they are debated and discussed in the negotiations, will be watched very carefully by the people in the area, both the Palestinians and the other nations. If progress is made in those very difficult negotiations, I think the attitudes can begin to change. I think a momentum will take place that can begin to move this, because this, in my judgment, is the only road to peace.

All the other alternatives at this time are really maintenance of the status quo. This has the objective of moving forward toward the ultimate end—a just and lasting peace.

Q. Almost to bear that out, one of the principal actors—the leader of the PLO, Yasir Arafat—is quoted today as saying, in fact promising, an explosion in the Middle East if this treaty is signed. Do you yourself expect violence in the Middle East if the treaty is signed? Has the State Department taken any precautionary measures so far?

A. The answer is that we cannot rule out that there may be some violence after the signing of a peace treaty. We have taken the necessary precautions in light of this fact.

Q. Do you yourself feel, or could you tell us—the obligatory kind of question at this point when you're in that kind of delicate negotiation—were there any secret understandings that will be popped on the Congress or the American people in another couple of weeks?

A. The answer is, there were no secret understandings that will be popped on the Congress.

Q. What about the American people?

A. Nor the American people, I can assure you of that.

Q. Let me go back and pick up that, I think, rather remarkable statement. When Marvin asked you about the possibility of violence, you said: "We have taken the necessary precautions. . . ." Can you enlarge on that a little bit?

A. We have been in touch with our embassies in the area, indicating to them that they should take the necessary and normal kinds of actions that one would take in such a situation.

Q. You were considering only violence against American embassies?

A. Yes.

Q. The larger picture—if I may just pursue that for a second—is violence against Israel, violence against Egypt, violence against the person of President Sadat.

A. I was not talking about those when I gave you the answer that I did.

Q. In his speech before the Knesset in Jerusalem, President Carter spoke of a new military dimension in the U.S. relationship with the Middle East. Can you explain what he meant by that?

A. Yes. He was at that time talking about the need in the post-treaty signing period to make sure that the requirements of Israel would be met in terms of the necessary defensive equipment. This is one of the matters that will be discussed with the representatives of both Israel and Egypt who are here at the present time. This has been raised with the Members of the Congress in the reports that the President has already made.

Q. I'd like to talk to you about a

statement made by the Deputy Assistant Secretary of State [for Near Eastern and South Asian Affairs], Mr. Crawford, before a congressional committee this past week. He was asked by Congressman Hamilton whether the United States would go to war in order to protect—and I wasn't quite sure here whether he meant—Saudi Arabia or the oil in Saudi Arabia. Would the United States go to war to protect either?

A. We would deal with a situation which jeopardized the kinds of elements that you are talking about when such a situation arose. And the President would, of course, take such action as he and his advisers deemed appropriate after full consultation with the Congress and within the constitutional processes.

I must go further and say that I think it would be premature at this point to speculate about hypothetical situations which are not facing us now.

I want to make one other point; I want to make it very clearly: There is no question that we have vital interests in this area. There is no question also that we have made it very clear, through a series of statements by Presidents over the years, that we consider the territorial integrity and the security of Saudi Arabia to be a matter of fundamental importance to the United States.

Q. So in other words, it's not based then on a specific piece of legislation or a treaty that has already gone through Congress. When you assert a vital interest of the United States for Saudi Arabia, you are talking about a series of Presidential statements over the past 15, 20 years perhaps. Is that correct?

A. That is correct.

Q. And what you are talking about then, too, is a vital interest in terms of the country? Or are you talking about oil which introduces a whole new definition of a vital interest?

A. I am talking about stability in the region. This is a fundamentally important region, not only to the United States but to the world in general. And, of course, peace in the region is of fundamental importance to the people of the region. So I am talking about all of those when I answer your question.

Q. There have been a number of reports—semiofficial, I think you would call them in the Middle East—that the United States will take a direct role in the negotiation between Israel and Egypt on the question of Palestinians and the pos-

sibility of a Palestinian state however it works out. Is that true, and can you explain a little bit what kind of a role?

A. The letter which will be signed at the same time that the peace treaty itself is signed will have in it a statement that the United States will participate fully in the negotiations which will be taking place pursuant to the provisions of that letter. Those discussions are the discussions which deal with the question of the establishment of the self-governing authority in the West Bank and Gaza. So we will be—to use a phrase that has been used before—a full partner in the discussions which will be taking place, and this is at the request of Egypt and Israel.

Q. Will the United States be in any sense safeguarding the interests of the Palestinian people in those talks?

A. The interests of the Palestinian people are of fundamental importance, great importance, as the President has said and as I think all the parties recognize. Certainly that is one of the issues that has to be dealt with before you are going to get a final and comprehensive peace.

Q. When are you going to get elections for the self-governing Palestinian authority?

A. The basic agreement which is contained in the letter provides that 1 month after the exchange of the documents of ratification on the peace, negotiations will start, that the goal of the negotiations is to complete those negotiations within 1 year, and that as expeditiously as possible after those negotiations have been completed elections will be held. The purpose of those negotiations is to define what in the jargon we call the modalities of the election—how you set up the negotiations and the powers and responsibilities of the self-governing authority.

Q. Since I'm not a diplomatic correspondent I can ask kind of a dumb question here. We see so many reports coming in about anti-American statements being made in various Muslim countries in the Middle East. The question occurs to me—not understanding fully all these things—is the United States better off? Is our standing better or worse in the Middle East as a result of negotiating this treaty?

A. I think that our standing in the long run is clearly going to be better off. We are going through, I am sure, a difficult short-term period immediately

after the signing of the treaty. But in the long run, I believe that people are going to recognize that this is the only road to peace. There is no other suggestion that those who criticize the treaty are making. What they are suggesting is merely the maintenance of the *status quo*, which does not resolve these problems but leaves them to fester.

Q. In the short run, are things likely to get worse before they get better?

A. I would think that we will probably have some difficulties in the short run, yes.

Q. Could you explain a little bit?

A. I think there is going to be a good deal of criticism of the peace treaty. What particular actions will be taken remain to be seen. I don't want to try to guess at this point what the Baghdad group will do in terms of specific actions, but I can expect that some action will come out of that.

Q. Since it took the personal involvement of Jimmy Carter to pull this treaty off, what kind of precedent does that set? I mean, do you worry that no one around the world will want to settle a problem without a personal visit from the President?

A. No. I believe that they will recognize that this was an issue of paramount importance that had come to a point of stalemate, and, therefore, it was necessary that the President of the United States himself intervene to try and break that stalemate.

It was such an important matter, and the time factor I think was important—that it be broken and broken when it was so that the deterioration, which was taking place I think, would not continue. So I don't think it's going to establish the precedent that every problem has to be solved by President Carter.

Q. You said a moment ago that some action will come out of the Baghdad group perhaps. You weren't predicting any, of course. But what about continuing Saudi economic support of Egypt?

A. Again, I would have to say that that remains an open issue. I don't know the answer to that.

Q. When you came back from the Middle East, you did see [Soviet] Ambassador Dobrynin at least twice, that were announced anyway. Have you now completed the basic framework for a new strategic arms agreement with the Russians?

A. No, we have not completed it. But we really are now at what I would call the bitter end. We're very close to completing it.

Q. Have you discussed a summit between Presidents Carter and Brezhnev?

A. The answer is yes.

Q. Have you decided on a time and place as yet?

A. Not yet.

Q. You make it sound as if the bitter end is not likely to be bitter.

A. The bitter end is not used in the sense that the treaty which would come out of it would not be a satisfactory one. I believe that the treaty which will come out of it will be a sound treaty; it will be a treaty that protects and enhances the security of the United States and of our allies. We would not sign any other kind of treaty.

Q. Do the issues have to be resolved at the summit level—those that still remain on a SALT [Strategic Arms Limitation Talks] agreement?

A. There may be an issue that has to be discussed—

Q. On the Backfire?

A. I'm not going to get into detail.

Q. How soon do you see a summit as a possibility?

A. It all depends on what happens in the next several days. As I say, we're down to negotiating on one or two issues at this point, and if we can make progress on those, then I think we can move promptly onto scheduling a summit.

Q. Politically do you think the President's breakthrough in the Middle East will make it any easier for him to win ratification of a SALT treaty in the Senate?

A. I believe it will. I believe that an action which is as important and historic as that action is going to have a positive effect on the Hill. I think it will have a good and substantial effect on such issues as the ratification debate.

Q. Beijing says it has taken all of its troops out of Vietnam; Vietnam says, Hanoi says, the Chinese have not taken all their troops out and fighting continues. What do you know about the situation?

A. We know that there is a difference of opinion as to whether they have completely withdrawn. I think it is

quite clear that, except for some minor border areas, all of the Chinese troops are out. But I think there are still some debates on whether it is the border that the Chinese would urge or the border that the Vietnamese say is the proper border. But other than that, it is our best information that they are all now out.

Now yesterday, as you know, the Vietnamese said that they would be prepared to sit down and enter into discussions, starting I think on the 23d of March, on the resolution of the issues between themselves and China. I think that is an important step.

Q. As I am told, in the reports that we receive over the wires here, Vietnam continues its mobilization and movement of troops—some toward the border with China, some toward the border with Cambodia and Laos. What is going on? Do we know?

A. I think they're putting themselves in the position where they will strengthen the regular forces that they have in the area. At the time of the incursion by the Chinese into Vietnam, there were only paramilitary type troops in that area, and now they are putting regular forces up along that area to flesh out what was there.

Q. So you don't see anything ominous in it?

A. No, I don't.

Q. The U.S. position had been that the summit should take place in the United States. Is that a position accepted now by the Soviet Union?

A. That remains our view. We really have not had any serious discussion about that. They know very clearly we believe that should be the case. But we haven't gotten to the point of trying to set down the date. I believe the meetings will take place in the United States.

Q. Given the Soviet paranoia about the Chinese, do you think you can convince the Russians that the United States is going to deal with them in an even-handed way when there is so much pressure from industry and from the public to court the Chinese?

A. I believe that we can. Let me say that I believe it is essential that we do deal in a balanced way with both the Soviet Union and the People's Republic of China. We have said, for example, that insofar as arms are concerned, we will not sell arms to either; and we will not. That has been our policy, and our policy will remain that we will not do so.

In addition to that, on other matters we will deal with them both in a balanced way. I think to do otherwise would give us a foreign policy that was skewed, and a skewed foreign policy in dealing with the two of them, I think, could have serious consequences.

Q. Would the Administration be willing to withhold most-favored-nation status from the Chinese if you couldn't get the Congress to grant it to the Russians at the same time?

A. On the question of most-favored-nation status, that is an issue which we are studying at this point. I hope it will be possible to find a way to give most-favored-nation status to both because I believe it is in our interest to trade with both of them.

Q. Do you expect oil prices to go up? Do you see an end to these continuing increases?

A. It is clear that oil prices already have risen substantially because of the shortages which were brought about by the cutoff of Iranian oil. We indicated at the time, when the cutoff took place because of the Iranian situation, that we did not believe that the OPEC [Organization of Petroleum Exporting Countries] prices which were announced were justified. We felt that they were too high and that they created a danger to the world economy—not only the industrialized countries but particularly the developing countries as well.

It is necessary that we take action on our own part, however, to see what we can do to cut back on our consumption. That's why I was very pleased to see the International Energy Agency taking the position the other day that all of us—the 20 countries—will cut back 5%. I think it's terribly important that we do it, and that was a very positive step. I think that once the Iranian oil gets back on the market, you'll find the spot prices beginning to drop.

Q. In the past, when we've had oil price troubles and oil supply troubles, we've always relied on the Saudi Arabians as our chief friends and allies in balancing things out. Considering the pressure that they're under now, can we rely on them anymore to keep oil production up to its extraordinarily high levels?

A. I think you have to go back to the question of what are our mutual long-term interests. Our mutual long-term interests are for stability in the region. We share that view. I think we will have that very much in mind as we

AFRICA: U.S. Policy Toward Zaire

by Richard M. Moose

*Statement before the Subcommittee on Africa of the House Committee on Foreign Affairs on March 5, 1979. Mr. Moose is Assistant Secretary for African Affairs.*¹

I welcome this opportunity to discuss with you the Administration's policy toward Zaire because I believe that there are some fundamental misunderstandings about the objectives, content, and thrust of this policy, including our assistance programs.

Zaire has a bad image in the Western press, among interested governments, in business circles, and in the halls of Congress. The critics see a corrupt and repressive regime which engages in serious human rights violations, has mismanaged the economy to the point where it is hopelessly in debt, and where the brunt of the crisis falls upon the Zairian poor and disadvantaged. More than that, critics believe that the Zairian regime is on the verge of collapse in the face of serious and growing threats from opposition forces. The critics ask why the United States should be identified with such a situation or lend support to such a regime.

Zaire's supporters maintain that the essential problem is economic and point out that some of the major foreign banks, businesses, and governments did not give good economic advice to Zaire when the copper prices were high. On the contrary, most foreigners were simply bent on securing fat contracts and otherwise pushing Zaire into the very prestige projects which today are cited as examples of Zaire's misplaced priorities. The supporters of Zaire predict that the economic crisis can result in chaos with

great damage to U.S. interests. They say that the way to assure stability and prosperity is to join in the current international efforts to put together an economic recovery package. Zaire's supporters ask why the United States is not doing more in this regard.

How does this Administration look at the problem of Zaire, you ask? First of all, we do not believe that the stark options presented by either the strong critics or the apologists—"principled disassociation" versus "strategic identification"—provide sound bases for American policy. On the one hand, there is no way for us to walk away from the problems of Zaire; our interests will not permit it. On the other hand, we cannot restrict our vision to economic self-interest alone. Zaire's serious social and political problems and our humanitarian instincts do not allow such an approach.

With these parameters in mind, we have tried to fashion a policy which takes into account the following:

- First and foremost, U.S. interests over the long term;
- Economic and political progress and stability in central Africa;
- Humanitarian concerns; and
- Perhaps most importantly, reform—since all else hinges upon it.

In sum, the Administration's policy aims at addressing the very real problems and opportunities which exist for us in Zaire. We believe our policy will stand the test of time and does not merely respond to today's political and economic conditions.

U.S. Interests Over the Long Term

Zaire's geopolitical and economic weight in African scales of power is significant. Zaire is the size of the United States east of the Mississippi and has boundaries and ethnic connections with nine other nations.

When Zaire is at peace, the region breathes easier. When Zaire's significant mineral reserves move to market under stable conditions, the world breathes easier.

We must not forget that Zaire is the world's leading producer of both cobalt and industrial diamonds, the world's 7th largest producer of copper, and the world's 13th ranked producer of coffee. A measure of this nation's latent importance is the fact that the Zaire

river holds 13% of the world's hydroelectric potential.

A few short years ago, when copper prices were high, the American hotel, tire and battery factories, vehicle assembly plant, flour mill, other U.S. investments—and the 1,500-mile high-tension line being built by an American company—were all considered to be important and growing U.S. interests. They still are, although each is in difficulty as a result of the severe economic crisis that prevails in Zaire. Our policy and our actions are designed to improve economic conditions and thus protect and enhance U.S. business there.

U.S. trade with Zaire, totaling more than \$300 million last year in spite of economic difficulties, puts Zaire in third place among our black African trading partners. We ran a deficit last year with Zaire of more than \$140 million, reflecting significant purchases by us of cobalt, zinc, and coffee. Historically, U.S. exports have consisted of mining and construction machinery, passenger cars, aircraft, and locomotives, although more recently our exports are mainly connected with our assistance programs—wheat, rice, and tobacco. We want to get back to a position where we can export more than food to black Africa's fourth largest market.

Zaire owes American private and official creditors more than \$.5 billion as of now. The Export-Import Bank alone has lent more than \$400 million. And it is clear that economic recovery in Zaire is the only way for us and other Western creditors to be repaid on time and in full.

Not least, Zaire is pro-Western in its outlook and in the positions it takes in international arenas. We want to encourage this support.

Some might argue that the foregoing exposition is too self-centered. The fact is that our policy must be designed to serve a range of very real and very specific interests.

Economic and Political Stability and Progress

Thus, we believe that Zaire is important in its own right and important to us. Now let us look at recent developments and trends to see how they impact on Zaire and on U.S. interests.

By the early 1970's, Zaire had moved far beyond the chaos associated with the postindependence period. Political stability seemed assured. Copper prices were high and rising, and the economy was booming.

In 1974, however, the bottom fell out of the copper prices and with it the

Interview (Cont'd)

work together in the months ahead.

Q. Does that mean we can rely on them to help us?

A. I don't want to give you an iron-clad answer on that. I think it is certainly a consideration, however, that we do share common values and ideas on many of these important and strategic issues. □

¹Press release 76.

momentum of economic progress. Zaire soon found itself unable to pay the huge debts it had unwisely incurred during the good years, with the result that foreign suppliers and creditors cut off further credit.

The lack of foreign exchange began to impact on local businesses, including American investment, which could no longer import the needed raw materials to keep their plants operating at capacity. Unemployment, inflation, and black market activity increased sharply. As President Mobutu has so frequently pointed out, the causes and the effects of this vicious downturn in economic activity were exacerbated by economic mismanagement and corruption.

In the midst of Zaire's economic difficulties, and just as major international efforts were underway to address these problems, ex-Katanga gendarmes struck across the border from Angola into Shaba Province in 1977. A year later the ex-gendarmes attacked again, this time capturing the center of Zaire's copper and cobalt producing facilities.

In both instances, the invaders were repulsed and relative security reestablished through the intervention of foreign forces, mainly Moroccan, French, and Belgian. Each time the scenario for economic stabilization and recovery was set back. And on both occasions serious questions were raised as to the prospects for stability in Zaire.

Clearly, U.S. policy must work to reestablish economic and political stability and progress in this part of central Africa. Otherwise, the very basis and context for our interests and those of the West in general will continue to disintegrate.

Humanitarian Concerns

But beyond the question of our material interests, these economic and security crises have had disastrous effects on the people of Zaire.

- As a result of the two Shaba wars, as many as several hundred thousand Zairian refugees left Zaire for Angola and other bordering states. Over 100,000 have returned under an amnesty program. The consequent feeding and resettlement problems are enormous.

- The urban and rural poor have borne the brunt of economic deterioration, inflation, and corruption. It takes approximately 300 zaires to buy a monthly market basket of food for a poor family of five in Kinshasa. The head of that household, however, makes only 100-120 zaires.

- Natural disasters, a cholera outbreak in the Kivu region, and a drought followed by destructive heavy rains in Bas-Zaire have added to the number of sick and hungry. The current crop failure in Bas-Zaire, for example, has resulted in famine conditions for over 400,000 people and has seriously affected an additional 900,000 people in that region alone.

- Severe malnutrition is widespread in Zaire with certain negative effects for the current and future generations of Zairians. The infant mortality rate is among the highest in the world.

In view of these circumstances, we have built a substantial humanitarian element into our policy, and we believe we should continue to address the enormous suffering of the people of Zaire.

Real and sustained improvement in the lot of the average Zairian, however, depends upon improvement in the economy as a whole. This is why our policy must go beyond short-term humanitarian assistance to attack longer range problems.

Reform

The solution to Zaire's problems obviously depends upon resources from abroad—military, economic, and humanitarian assistance programs. We and Zaire's other friends recognize this and have been engaged for some time in a major international effort aimed at economic stabilization and recovery and at improving the security situation.

All the donors realize, however, that for assistance programs to be effective, fundamental reforms must be undertaken. I would refer you to President Mobutu's speech of November 25, 1977, for the most complete and scathing analysis of the ills that beset the Zairian society and economy. The necessary reforms that have been agreed upon fall into three categories: political and human rights, security, and economic.

Political and Human Rights Reforms. Since the middle of 1977, Zaire has been engaged in the process of liberalizing its political system, and we have seen what amounts to the beginnings of a decentralization of authority and responsibility.

Elections have been held at the levels of the urban zone, the legislature, and the political bureau. The Office of Prime Minister has been instituted. The Legislative Council has shown encouraging signs of activity. Much remains to be done, however, to insure that these institutions work to their full potential.

On the human rights front, I would refer the subcommittee to the report already submitted to the Congress. We can point to the general amnesty of last June whereunder more than 100,000 refugees have returned to Zaire. In addition, a number of prominent political prisoners have been released, including the former foreign minister.

The other main reforms under the political and human rights category concern reconciliation with Shaba Province. The region has been returned to civilian rule, but there have been reports of mistreatment of returning refugees. Overall, progress on the Shaba front has not been very impressive.

Security Reforms. Zaire and its friends also realized that in order to achieve real stability in the area, Zaire and Angola would have to reconcile their differences and work together to assure secure borders and peace in the region. Another requirement no less urgent is the reform of the Zairian Armed Forces.

Presidents Mobutu and Neto have made remarkable progress toward resolving the longstanding differences between their two countries. Military discipline, however, remains a real problem for the Zairian forces. Military pay systems have been revised, and the Belgian and French training missions have begun new programs. But it is still too early to say when Zairian forces will be able to replace the inter-African forces in Shaba.

Economic Reforms. Lastly, concerning economic reforms, significant progress has been made, although the problem of corruption remains very serious. On the positive side, the Zairians can point to:

- As of last August, an expatriate Principal Director of the Zairian Central Bank and a team of specialists provided by the International Monetary Fund (IMF);

- Still other foreign experts soon to enter the Finance Ministry and Customs Service;

- A decree that prohibits a large number of prominent Zairians from engaging in foreign exchange transactions until they have paid past debts to the banking system; and

- A high-level Zairian delegation which has been in Washington to continue negotiations with the IMF on a new stabilization program.

In summary, the Zairian Government itself has provided the framework for a comprehensive reform program. What is needed urgently now is effective implementation. Progress to date has been mixed. More has been accomplished

ZAIRE—A PROFILE

Geography

Area 905,063 sq. mi. (about the size of the U.S. east of the Mississippi River).
 Capital: Kinshasa (pop. 2.5 million, 1977).
 Other Cities: Kananga, Lubumbashi, Mbuji-Mayi, Kisangani, Bukavu (more than 200,000 in each).



People

Population: 26.4 million (1977 est.).
 Annual Growth Rate: 3%.
 Density: 28 per sq. mi.
 Ethnic Groups: Bantu tribes (80%), over 200 African tribal groups in all.
 Religions: Catholic and Protestant (50%), Kimbanguism, other syncretic sects, traditional religions.
 Major Languages: French, Lingala, Kikongo, Kikwana, Kikongo, Tshiluba.
 Literacy: 20% (1976).
 Life Expectancy: 44 years.

Government

Official Name: Republic of Zaire
 Type: Presidential, one-party
 Independence: June 30, 1960.
 Date of Constitution: June 24, 1967 (amended Aug. 15, 1974; revised 1978).
 Branches: The Popular Movement of the Revolution (MPR) is the sole legal political institution, its organs include the Political Bureau, the Party Congress, the Executive Council (Council of Ministers), the 272-member Legislative Council (unicameral), and the Judicial Council. The President of the party is automatically President of Zaire.
 Suffrage: Compulsory over 18
 Administrative Subdivisions: 8 Regions (Provinces) and one urban Region (Kinshasa).

Economy

GDP: \$3.37 billion (1977, constant 1970 prices).
 Annual Growth Rate: -0.7% (1977, constant 1970 prices).
 Per Capita Income: \$127 (1977).
 Per Capita Growth Rate: -4% (1977).
 Agriculture: *Land*—2% cultivated or pasture, 20% unused cropland. *Labor*—70-80%. *Products*—coffee, palm oil, rubber, tea, cotton, cocoa (cash crops); manioc, bananas, plantains, corn, rice, vegetables, fruits, sugar (food crops).
 Industry: *Products*—processed and unprocessed minerals, consumer products, metal and chemical products, construction materials, steel.
 Natural Resources: Copper, cobalt, zinc, industrial diamonds, manganese, tin, gold, columbium-tantalum, rare metals, bauxite, iron, coal, 13% of world hydroelectric potential.
 Trade: *Exports*—\$971 million (1977

t.o.b.); copper 40%, cobalt 11%, diamonds, gold, coffee 24%, palm oil, wood. *Partners*—Belgium 18% (1977), U.S., F.R.G. *Imports*—\$1.28 billion (1977 c.i.f.). crude petroleum, petroleum products, chemicals, transport equipment, textiles, food. *Partners*—Belgium 33% (1977), F.R.G., U.S.

Official Exchange Rate: 1 zaire=U.S. \$.662.

Economic Aid Received: *Total*—\$260 million (1977). *U.S. only*—\$48 million (1978), \$36.65 million (1979 est.).

Membership in International Organizations

U.N. and most of its specialized agencies, Organization of African Unity, Intergovernmental Council of Copper Exporting Countries, African Development Bank, African countries associated with the EC, INTELSTAT, International Coffee Organization, International Tin Council, Economic Community of the Great Lake Countries.

Principal Government Officials

Zaire: President and Commissioner of State for Defense—**Mobutu Sese Seko**; Prime Minister—**Bo-Boliko Lokonga**; Ambassador to U.S.—**Kasongo Mutuale**
 U.S.: Ambassador to Zaire—Walter L. Cutler

Taken from the Department of State's June 1978 edition of the BACKGROUND NOTES on Zaire with updated information provided where available. Copies of the complete NOTE may be purchased for 70¢ 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).

overall in the past 9 months than most would have thought possible. However, very serious problems remain, and much still has to be done.

Assistance Programs

Recognizing the severe impact of Zaire's difficulties on the disadvantaged poor, we have consciously reshaped the nature and emphasis of our assistance programs. We have shifted away from balance-of-payments support in favor of project and humanitarian assistance which will have direct benefits for the people. We are stressing basic human needs: agriculture and related infrastructure necessary for food production and marketing, nutrition, health, and human resource development—together with assistance

to special groups such as refugees and victims of natural disasters—and provision of essential food and commodities for local manufacture.

Our agricultural projects are designed to lay the foundation for substantial food production increases. In the interim, our PL-480 Title I program is having a significant impact on food availabilities by providing badly needed food resources without directly depressing local production. Other projects are directed at lowering the incidence and severity of malaria and measles and at the increased availability of locally produced tools for the small farmer.

We are contributing up to \$5 million through the U.N. High Commissioner for Refugees to the resettlement of the refugees returning to Zaire under

President Mobutu's amnesty and an additional \$.5 million in PL-480 emergency Title II commodities.

Based on the findings in November-December of last year of a joint Zairian-U.S. nutritional survey team that pointed to rising incidence and levels of malnutrition in Bas-Zaire, especially in the zones of Tshela and Lukula, we are now furnishing \$625,000 in emergency aid for purchase and distribution of food and seed. We are attempting to provide this aid to the victims of famine through several voluntary organizations, including the Catholic Relief Service, International Rescue Committee, Caritas, League of Red Cross Societies, and the Church of Christ in Zaire. By utilizing these groups, we hope to determine whether an expanded

Promoting Peace in Southern Rhodesia

by Richard M. Moose

Statement before the Senate Foreign Relations Committee on March 7, 1979. Mr. Moose is Assistant Secretary for African Affairs.¹

I wish to thank the committee for this opportunity to testify on an issue to which the Administration attaches considerable importance: how best to promote peace, democratic government, and independence for Rhodesia. The committee has before it for consideration two specific proposals, one introduced by Senators McGovern and Hayakawa, the other by Senators Schweiker and DeConcini. Before commenting on these two proposals, I believe it might be useful for the committee if I first attempt to place their consideration in a broader context by outlining what the Administration's efforts with respect to Rhodesia are designed to achieve.

As you know, the United States has for over 2 years been engaged with the Government of Great Britain in a serious effort to help resolve the issues that have led to the current tragic conflict in Rhodesia. We have done so out of a recognition that if a solution is not found that can command the support of

the people of Rhodesia and of the international community, the inevitable result will be a long and bitter conflict in which many more people will suffer and which will have grave consequences for the whole of southern Africa. Already that conflict poses a serious threat to the political and economic stability of states throughout the region. The longer it continues, the greater will be the risk of involvement by outside powers whose interests conflict with our own. And finally, a continuing conflict could destroy the prospects for cooperation among the races in building a peaceful and prosperous future for an independent Zimbabwe and diminish the hopes for peaceful progress toward racial equality in South Africa.

As is often the case, the outlines of the problem emerge much more clearly than the outlines of a solution. While the situation in Rhodesia is often perceived simplistically as a conflict between two sides, the actual circumstances are in fact much more complex.

On the one hand, the patriotic front is in reality a tenuous alliance of the two externally based groups, [the Zimbabwe African People's Union (ZAPU) and the Zimbabwe African National Union (ZANU)] each of which

cherishes its own ambitions and possesses its own army. Inside Rhodesia, the Salisbury parties have formed a coalition which only thinly disguises the political rivalries among them.

In addition to the two factions of the patriotic front and the Rhodesian security forces, the situation has been further complicated by the acquisition by Bishop Muzorewa [head of the United African National Council] and the Reverend Sithole [head of the African National Council/Sithole] of their own private armies, loyal only to them. Adding further to the potential for confusion and chaos is the fact that each of the parties and their armies are dependent to one degree or another upon the support of external parties.

All of these factions lay claim to the leadership of the country. Each seems prepared to enforce its claim by a resort to armed force. If there is to be any hope of avoiding the violent confrontation that this situation portends, then it is clear that a way must be found to sort out these conflicting claims and ambitions through a peaceful process.

The aim of the British and American Governments has been to help institute just such a process. We have become increasingly convinced that the key to averting a prolonged and debilitating struggle for power involving both blacks and whites is through impartially administered elections held under international supervision in which all political groups will be able to participate equitably. We believe this is the only way of assuring that whatever government emerges will be able to command the support of the people of the country and of the international community.

Both these elements are essential to Rhodesia's future peace and security. Any government that does not enjoy the broad support of the people of the country will be inherently unstable and vulnerable to challenge from both within and without. Only a democratically elected government would have the broad support needed to resist factional opposition. Moreover, only a process that can command the acceptance of the surrounding states and the international community can remove any and all pretext for outside intervention on behalf of one faction or another.

Our experience in the Namibia negotiations has demonstrated that it is possible to gain the support of seemingly implacable enemies and of the international community for the principle of free and fair elections under U.N. supervision which do not guarantee power to any particular faction or party. While the results of this

PL-480 Title II program is feasible for Zaire in the present circumstances.

Through our ongoing military assistance programs, we are emphasizing basics—communications, transportation, and training—as opposed to costly and overly sophisticated programs which Zaire cannot afford and which would offer little prospect of effective defense. We welcome the Belgian and French efforts to retrain Zairian units with a view toward replacing the inter-African force in Shaba.

In sum our programs are directly related to our policy goals—protection of U.S. interests, economic and political stability and progress, and humanitarian concerns. Most importantly, each of our programs is tied to progress on reform.

Looking Ahead

I began this presentation by suggesting that there might be some

misunderstanding about the thrust of our policy and our programs. I have tried to be candid about the very serious challenges that remain in the way of economic and political progress. I have tried as well to recognize the very important steps that Zaire has taken toward fundamental reforms.

Our policy is to encourage and facilitate reform and recovery by linking our assistance to Zaire's progress in actually implementing changes. We believe our interests in that part of Africa warrant continuation of this policy so long as there is such progress. If there is not, then we should consider policy options other than those we are now pursuing. □

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.

negotiation are not yet completed and important issues remain to be resolved, the fundamental principle of impartially administered, U.N.-supervised elections has been accepted by South Africa and the Southwest Africa People's Organization (SWAPO) as the basis for a settlement and has been strongly supported by the front-line states.

What the British and American Governments are seeking from the parties to the Rhodesian conflict is their acceptance of this very same principle.

Elements of the Anglo-American Proposals

The key to being able to conduct U.N.-supervised elections is the agreement of the parties to the conflict to a fair and impartial process. The Anglo-American proposals emerged out of the efforts of the British and American Governments to outline the basic conditions under which U.N.-supervised elections could be held. It might be helpful to review the essential elements of those proposals and the problems they were designed to confront.²

- It was recognized that free elections cannot be conducted in an atmosphere of violence and intimidation. Therefore, the proposals placed special emphasis on the need for a negotiated cease-fire and on the introduction of a substantial U.N. presence to maintain and monitor it.

- But in order to get a cease-fire, one must first have agreement on a fair political process. Therefore, it was recognized that the arrangements governing the elections must be such that no faction could predominate and in which all parties could have confidence. Thus we and the British proposed a neutral transition administration to govern the territory during the brief period leading up to the elections and a U.N. presence to insure the impartiality of the elections process.

- We recognized the critical importance of finding a way to deal with the existence of no fewer than five separate military forces and to create a single army that would be loyal to the elected independence government.

- It was accepted that all those involved would feel more secure about the outcome if there were agreement by the parties to the outlines of a democratic constitution that would provide due protection for individual rights.

The Anglo-American proposals constitute one approach—we believe a valid one—to the problem of how to create conditions essential to the hold-

ing of free and fair elections. There may be others that are equally valid. But it seems to us that the essential feature of any settlement is the principle of impartially administered, U.N.-supervised elections. Once that fundamental principle is accepted by the parties, then it will be possible to conduct productive negotiations on the specific arrangements to implement that goal.

Status of the Negotiations

When Secretaries Owen [U.K. Foreign Secretary David Owen] and Vance met with the leaders of the patriotic front in Dar es Salaam last April, they agreed to two of these basic provisions for free and fair elections: They accepted the idea of a U.N. presence to maintain a cease-fire and monitor the elections, and they agreed to a neutral resident commissioner who would exercise control over law and order and defense during the transition

Southern Rhodesia

DEPARTMENT STATEMENT, MAR. 21, 1979¹

The conflict in Rhodesia, which has brought widespread human suffering to that territory and to neighboring states, has been a matter of deep concern to the United States and to the international community. We, therefore, wish to endorse the appeal issued by the International Committee of the Red Cross (ICRC) on March 20 which calls upon all parties to the Rhodesian conflict to take immediate steps to end the proliferation of indiscriminate violence against civilians and to permit the ICRC to carry out its humanitarian work.

In keeping with our commitment to the principles and provisions of the Geneva conventions, the United States wishes to associate itself to this appeal and to urge all concerned to do the same. We again urge the parties to the conflict to recognize the wisdom of compromise on an impartial settlement process leading to U.N.-supervised elections that can end the suffering of people who have already suffered for too long. □

¹Read to news correspondents by Department spokesman Hodding Carter III.

period. They also agreed to attend an all-parties meeting where the details of a settlement agreement could be negotiated. At the same time, however, the patriotic front has insisted on other arrangements for the transition period that would have the effect of giving it a predominant political position. We and the British have made it clear that such arrangements are incompatible with the concept of an impartial transition process and, as such, could not have our support.

I think it is important to note that in our frequent discussions with them, the front-line states have stated their clear preference for a settlement based on impartially administered, U.N.-supervised elections. They see this process as not only assuring an irreversible transition to majority rule but also—and just as important—as a means of averting a subsequent civil war in Rhodesia of the kind that was recently witnessed in Angola.

On the other hand, it is fair to say that the preoccupation of the Salisbury parties—going back even before March 3 of last year—with their own internal arrangements has been a significant obstacle to progress toward a more comprehensive settlement that would involve all of the parties in U.N.-supervised elections. Not until October, during the visit of the Salisbury Executive Council to Washington, did the internal parties finally agree to attend an all-parties meeting. Since then, our efforts to engage the parties in Salisbury in the kind of preliminary discussions that are essential to the success of an all-parties meeting have met with a persistent lack of interest. Meanwhile, the externally based guerrilla groups have become more insistent in their demands for what would amount to a direct transfer of power to them.

It was because of the obstacles encountered on both sides that [U.K.] Prime Minister Callaghan's special emissary, Cledwyn Hughes, and U.S. Ambassador Stephen Low were forced to conclude following their tour of southern Africa last December that there was, for the moment, no realistic prospect of convening a successful all-parties meeting.

There are increasing indications, however, that some of the leaders in Salisbury and their supporters have come to realize that the April 20 elections cannot solve the fundamental problem of ending the conflict or of installing a government that will be able to command the broad support of the people of Rhodesia and of the international community. Chief Chirau [head of the Zimbabwe United People's Or-

ganization], himself a signatory to the March 3 internal settlement agreement, is among those in Salisbury who have been prepared to say publicly what many other Rhodesians, both black and white, feel privately: that a viable and lasting settlement will require further negotiations which involve all parties, including the patriotic front.

The Internal Settlement

The Administration has frequently been accused of having prejudged the internal settlement and of being fundamentally opposed to the leaders involved in it. Some have even alleged that the Administration's position is one of support for the patriotic front in its effort to impose its authority by force of arms. None of these accusations bears any truth.

The President will faithfully fulfill the requirement placed upon him by law to make a determination on the conduct of the scheduled April 20 elections. In making that determination under the Case-Javits amendment to the 1978 International Security Assistance Act, the President will take into account all of the information available to him but will not be bound by the report of any particular body or group.

In the final analysis, however, it is not what we in the U.S. Government, or in the U.S. Congress, or in any other outside body think of the internal settlement and its arrangements. What matters is whether those arrangements will in the first instance command the support of the people of Rhodesia. If they do not, then it would be accurate to say that these arrangements will not contribute to a solution of the Rhodesian problem.

In assessing whether the scheduled April elections are likely to provide a lasting solution to the Rhodesian problem, it is important to take into account the conditions which are likely to prevail over the next 2 months.

- The country is torn by war. The patriotic front will do everything it can to prevent the scheduled April 20 elections from being held. The Rhodesian security forces may similarly resort to force to get voters to the polls. And there is every indication that the various leaders in Salisbury are prepared to use their own private armies to compel support for their candidates.

- As matters now stand, large areas of the country are not under the effective control of either side, and more than 85% of the country is governed under martial law.

- In addition, the two wings of the patriotic front have been banned or-

ganizations inside Rhodesia since September of last year and many ZAPU and ZANU supporters have been placed in indefinite detention. Under these current restrictions, they have been prohibited from engaging in any organized political activities and from publishing their views.

- The scheduled elections will be held on the basis of a constitution which blacks representing 97% of the population have been given no opportunity to approve and which gives what many would regard as a disproportionate share of power and influence to the white minority.

Given these circumstances, it is not unreasonable to question whether the government that emerges from the April 20 elections will be able to command the support of either the people of Rhodesia or of the international community. If not, then we see every likelihood that the war will not only continue but escalate. The longer it continues, the greater will be the danger of a subsequent civil war which could very likely bring increased involvement by outside powers. The threat to the stability and independence of states throughout the region—such as Botswana, Zambia, and Malawi—will increase. And the prospects for peaceful change through negotiation and accommodation will diminish.

This committee presently has before it for consideration two resolutions: one dealing with the issue of whether and under what circumstances the United States should continue to apply mandatory Security Council sanctions against Rhodesia; the other with the question of sending observers to the April elections.

I would like to state frankly and without prejudice to the deliberations of the committee that one of the more unfortunate aspects of the debate on these two issues is that it has tended to obscure the perceptions of all of us as to the real issues and stakes involved in Rhodesia. I believe it is extremely important that the committee consider whether its endorsement of either of these proposals would contribute to solving the fundamental problem of bringing a just and lasting settlement to Rhodesia.

The Administration has decided that it will not send observers to the scheduled April 20 elections because the involvement of the United States in an election process which is widely regarded—not only in Africa but by our friends around the world—as inherently illegal and unrepresentative could seriously undermine the international standing and prestige of the

United States. And it could seriously damage our ability to work with all the parties for a lasting solution to the Rhodesian conflict.

One must also consider the likely consequence of encouraging the parties in Salisbury to persist in their present course in the expectation of receiving material and moral support from the United States and others which is most unlikely to be forthcoming. Certainly the Administration would oppose the direct or indirect involvement of the United States in the Rhodesian conflict, and we strongly doubt that the American people would support such involvement. Under these circumstances, the likely consequence of raising expectations of support in Salisbury would be to prolong the war and the suffering and to diminish the prospect for reaching a viable and lasting settlement.

In this situation, the responsibilities of this Administration—indeed, I believe, of any U.S. administration—are clear. We will not endorse the unreasonable claims and demands of any party to the conflict. We cannot support the patriotic front in its insistence on arrangements that would assure it a dominant political position. Nor will we support the Salisbury parties in their efforts to institute arrangements which effectively exclude the equitable participation of recognized political groups.

We must continue to hold out the prospect, dim though it might sometime seem, of a political solution that can provide a rational alternative to the violence and suffering. For that reason we will continue to work closely with the British to secure agreement of the parties to a settlement based on genuinely fair and impartially administered elections held under U.N. supervision. We will do so because we can see no other way of averting a wider and more tragic war or of bringing about a lasting solution to the Rhodesian problem. □

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 proposals, see BULLETIN of Oct. 3, 1977, p. 424.

ARMS CONTROL: SALT II and the National Defense

Following are addresses by National Security Adviser Zbigniew Brzezinski before the Chicago committee of the Council on Foreign Relations at the Art Institute of Chicago on April 4, 1979, and by Secretary of Defense Harold Brown before the Council on Foreign Relations and the Foreign Policy Association in New York on April 5.

NATIONAL SECURITY ADVISER BRZEZINSKI¹

The United States and the Soviet Union are on the verge of an historic achievement: completion of a comprehensive agreement on limiting strategic offensive nuclear forces. Our nation has been striving to achieve this goal since the SALT [Strategic Arms Limitation Talks] negotiations began nearly 10 years and three Administrations ago. Today, I want to talk with you about the importance of this SALT agreement in terms of our national security and our relations with the Soviet Union.

The signing of the SALT II agreement will engage us in a vigorous and, we hope, enlightening national debate leading to Senate ratification of the SALT II treaty. Equally important, this national dialogue should produce a fresh consensus for policies to insure our national security in the 1980's. President Carter began this dialogue in his recent address at Georgia Tech.² Secretary of Defense Harold Brown will be discussing military and defense aspects of the treaty tomorrow in New York City.

The security of the United States can only be achieved through the full participation of our elected leaders and of the American people. As we all realize, the issues which challenged us in negotiating SALT II will not disappear once the agreement is signed and ratified. Protecting our strategic interests and pursuing a constructive strategic relationship with the Soviet Union will remain on our national agenda as far into the future as we can see. As a result, our policies must be based on realism, patience, and wisdom about the future. The American people must understand these policies. So must our allies. So must the leaders of the Soviet Union.

SALT and U.S. Policy Toward the U.S.S.R.

As President Carter has stated, U.S.-Soviet relations will continue to be a mixture of competition and cooperation. Our policies must be designed to pursue both and to draw an effective balance between the two—seeking to broaden cooperation where we can but effectively meeting the challenge of the competition where we must.

The Soviet Union is a military superpower that is now pressing forward to become a true global power. In some parts of the world, the Soviet Union challenges our security interests and those of our close friends and allies.

In pursuing its goals, the Soviet Union relies primarily on its military power. This is its strength—strength which we match—but in many ways it is also the source for its weakness. By diverting massive resources from its civilian economy to build its military machine, the Soviet Union has weakened the strength of its society.

In contrast, the United States enjoys many unique assets: our economic and technological dynamism; our thriving and stable society; our government

military power to gain influence. This leads it to be both more assertive toward others and more fearful of its own position—a combination that poses deep challenges to our steadfastness and resolve. We are meeting these challenges today; we will continue to do so in the future.

At the same time, the Soviet Union has gradually come to understand the risks of a competition that is so heavily influenced by military issues. It is a nation that directly suffered the full brunt of the worst conflict of modern times. With us, the Soviet Union has come to recognize that SALT can help contain the risks of nuclear holocaust which would flow from unrestrained competition in strategic arms. As a result, SALT, in the context of programmed U.S. strategic capabilities, can provide the needed strategic stability for progress in political relations between our two countries.

Even with this SALT agreement, the competitive elements of our relations with the Soviet Union will remain. We will need a sustained and long-term effort to protect our interests and those of our friends. But this competition can be managed more safely and effectively

[The SALT II treaty] unambiguously establishes that verification is a necessary component of arms control agreements in general and SALT II specifically.

which can count on genuine public participation and support; our ability to count on allies who have joined with us in free association.

The Soviet Union's ideological appeal has flagged at home and abroad. Its economic and political systems are models for none. Perhaps most remarkable is its political isolation, as it has discovered that it is difficult to transform raw military power into political gain. It has allies, clients, and proxies. But these are associations usually defined by Soviet might, not by mutual respect or self-interest.

The limits on open and free Soviet political engagement with the community of nations—relationships which we enjoy in full measure—force the Soviet Union to concentrate on its

if our two nations can and will contain the dangers of nuclear confrontation, through the agreed and reciprocal exercise of restraint.

In pursuing mutual restraint through SALT, we are concerned not only about the Soviet Union of today but also about the Soviet Union of tomorrow. During the next several years, the Soviet leadership will change. We cannot predict the character of the new leaders or all the major aspects of future Soviet policy. But we can work now to insure that Soviet leaders of the present and the future will understand the policies and purposes of the United States—both our determination to protect our interests and those of our friends and allies and our desire to broaden detente and cooperation.

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When the next generation of Soviet leaders decides its policies toward strategic arms and toward the United States, we want them to face clear and agreed restraints on the competition in strategic arms. We want these to be the restraints of SALT II, not the milder restraints of the SALT I Interim Agreement. We want them to see convincing evidence that the United States recognizes its interests and will successfully defend them whatever the challenge. And we want them to know how they can join with us to further detente and cooperation.

That is a vital objective of the new SALT agreement: helping to determine the way in which the Soviet Union will see future relations with the United States—setting limits now on its actions in the strategic field and increasing the chances that limits on these arms can lead to more peaceful relations.

What is SALT?

Our goals in SALT are the same as our goals in overall strategic policy: to promote greater stability, to reduce incentives for either side to use nuclear force, to limit pressures to build up strategic arms, and to guarantee the security of our national interests and those of our friends and allies.

The SALT treaty of 1972 sharply limited deployment of antiballistic missile systems on both sides. It averted a costly and dangerous antiballistic missile (ABM) competition which neither side wanted but which both feared the other was about to initiate. We reached a comprehensive agreement with relative ease because extensive ABM deployment had not yet begun, and neither side was confident that its ABM technology would be effective.

The challenges involved in negotiating a comprehensive agreement on limiting strategic offensive arms have been far greater because both sides already have large deployments of these systems. Moreover, marked differences in the composition of Soviet and American offensive forces have made it extremely difficult to define limitations that are both balanced and equitable.

But we have persevered, and the expected agreement will go far beyond the interim SALT agreement. It is much more comprehensive and better suited to America's strategic needs. Let me outline some of the major accomplishments of the SALT II agreement.

- For the first time, it sets equal ceilings on all major intercontinental

strategic delivery systems, as well as important subcategories of MIRV'ed [multiple independently-targetable reentry vehicle] missiles.

- It imposes an effective upper limit on the number of warheads that can be placed on each MIRV'ed ICBM [intercontinental ballistic missile]. This is critically important because it simplifies our future strategic planning and adds more certainty to our military projections.

- The treaty limits each side to developing and deploying one completely new ICBM before 1985. This provision will inhibit the qualitative expansion of the arms race, while still permitting us to develop an entirely new ICBM and a more secure basing mode for our ICBM force. This we need to do because improvements in Soviet military capacity are increasing the threat to our Minuteman ICBM's. The SALT treaty gives us the flexibility to solve this problem.

SALT II goes beyond SALT I, in all these provisions, by setting equal ceilings for the categories of weapons it covers. This requirement reflects a key demand expressed by the Senate when SALT I was negotiated. This negotiated principle of equality will require an actual reduction in the Soviet Union's intercontinental forces. They will have to eliminate more than 250 systems, and the importance of this step should not be underestimated. It may well be the forerunner of more substantial and significant reductions by both sides.

It is also important to recognize that the SALT II treaty runs only through 1985. While our long-term goal is a permanent treaty, the development of offensive weapons remains far too dynamic for us to make confident predictions about the late 1980's and beyond. But the SALT II treaty does markedly reduce our uncertainty about Soviet forces in the early 1980's—a period in which we must improve our own strategic forces, especially to allow them to survive in the face of potential Soviet attack. These necessary improvements on our part would be far more costly, and we would be far less confident about their success, if we were without the limits which SALT II will impose on Soviet forces.

We have long recognized that SALT II would have little value if we could not be confident that its provisions were being followed by the Soviet Union. That is why verification was such an important issue in the negotiations. The treaty reflects our concerns. It unambiguously establishes that ver-

ification is a necessary component of arms control agreements in general and SALT II specifically. It establishes that national technical means of verification, such as satellite photography, are legitimate tools for insuring compliance. It prohibits both interference with these tools and deliberate concealment that could impede the collection of necessary information. And the agreement mandates that both sides follow special procedures to make verification easier.

These important steps significantly reduce the uncertainty about the threat each country faces. One of the major triggers of increased arms competition is uncertainty about what might exist. And the SALT II treaty takes a critical step toward reducing that uncertainty.

It should also be underscored that the SALT II treaty allows us to proceed with the force improvements that we need within a structure of predictability and confidence.

What SALT Is Not

This is how the SALT II agreement will enhance our security and provide the basis for further limits on strategic arms in the future. But a sensible evaluation of the SALT II agreement also requires clear understanding of what it does not do, and what it cannot do.

First, and most important, the SALT II treaty is not an agreement based on trust. It stands on its own merits based on common interest, expressed in hard bargaining and compromises. It provides for adequate verification of essential provisions, it is backed up by strong U.S. capabilities to respond to both present and future military needs.

Clearly, the SALT II treaty will also not signal the end of East-West competition. Where our interests are threatened, we shall defend them. And where we can broaden detente and achieve new forms of cooperation with the Soviet Union, we shall seek to do so as well.

SALT II is not the end of military competition with the Soviet Union, even in strategic arms. During the last two decades, the Soviet Union has expanded and modernized its armed forces in all areas. Its steadily growing defense budget consumes more than 10% of Soviet GNP. As a result, we are confronted in many areas with military competition to which we must respond.

The SALT II treaty will keep those requirements lower than they would otherwise be in one area—strategic arms—but it will not end them. The

most urgent problem we face is the growing vulnerability of our ICBM force. In addition, we must modernize and improve our theater nuclear and conventional forces. We can and shall do so, and nothing in the SALT II treaty prevents us from taking these necessary steps on our own and with our allies.

No one should regard the SALT II treaty as a way to impose comprehensive constraints on everything that the Soviet Union does in its military and foreign policy, much less on what it does within its own society. In our own national debate about SALT, some observers question whether we can sign an agreement when the Soviet Union continues to act against our interests in many areas abroad and fails to recognize basic human rights at home. They thus insist on linkage.

Our position on linkage is clear. We believe that limitations on strategic arms are desirable in themselves. The quest for such limitations should not be held hostage either to other American or Soviet policies or to competition between us. We do not accept any linkage, for example, between closer U.S.-Chinese cooperation on a variety of issues and SALT, and we would strongly reject any Soviet effort to impose such a negative connection.

By the same token, we cannot insist that the Soviet Union accommodate us in regard to matters of concern to us as a condition for an agreement with the United States on strategic limitations. To impose such a linkage would mean that no problem in the U.S.-Soviet relationship could be solved unless all major issues were resolved simultaneously. This is not a prescription for policy but for paralysis. Accordingly, our task is to obtain a good SALT agreement and to meet as appropriate Soviet challenges where and when they arise.

Criticisms and Rebuttals

In the weeks ahead, the SALT II agreement will be subjected to searching discussion by the Senate and by the people of the United States. And that, in our democracy, is the way it should be. It is impossible to negotiate an agreement on anything that will please everyone. Critics of the SALT II treaty will raise a wide variety of objections. I think it might help to clear the air if I tried to answer some of the more common criticisms of this agreement.

It will be maintained that the agreement does not go far enough, that the ceilings are too high, and that the limitations are too modest. Let me assure you that no one agrees more sincerely

with this criticism than President Carter. Yet he recognizes—and we all need to—that the pursuit of the best cannot be permitted to stand in the way of achieving the good. The achievements of the SALT II treaty are useful and real. They move the prospects for peace and stability far ahead of where they would be in the absence of this treaty. The road to achieving more ambitious strategic arms control lies in approving this agreement and then moving ahead toward greater goals.

There will be those who will argue that this agreement—despite the principle of equality on which its essential provisions are based—will impose a

We believe that limitations on strategic arms are desirable in themselves. The quest for such limitations should not be held hostage either to other American or Soviet policies or to competition between us.

degree of strategic inferiority on our nation. I believe these criticisms are unwarranted, alarmist, and I would like to explain why.

- It will be said that the Soviet Union is permitted to have very heavy missiles, while ours are much lighter. Yet we have never had an interest in building heavier missiles ourselves, relying instead on our qualitative advantages. And we have achieved in SALT II a truly important restriction on how the Soviets can exploit their heavy missiles by limiting the number of warheads each can carry.

- It will be said that the agreement fails to cover the Backfire bomber, which could reach the United States. Yet, the agreement also does not constrain our F-111 bombers based in Britain or other aircraft which could also be used against the Soviet Union.

- It will be said that the agreement includes limits on cruise missiles which are more important to us than to the Soviet Union. Yet, we are permitted to mount a sizable force of air-launched cruise missiles without a limit on their range. And limits on sea-launched and land-launched cruise missiles will expire well before we could deploy them.

I cite these examples—and there will be more—for a simple reason: We have gained or retained one or more advantages for ourselves for every one we have granted the Soviet Union. And where any Soviet capability truly presents a military problem, we are free within the terms of the agreement to respond in appropriate ways to guarantee our security. This is what it means to have a good and equitable agreement;

not symmetry of systems but a framework for equal security.

Furthermore, much criticism of the SALT II treaty will focus on whether it can be adequately verified. We are fully confident that it can. We maintain a vast, sophisticated, and expensive array of means to detect and monitor what the Soviet Union is doing in its strategic programs. They are totally under our own control; in no way do they require us to simply trust Soviet good will. These means help us to overcome a major difference between our two countries—our open society versus their closed one. We are able to monitor many aspects of the develop-

ment, testing, production, deployment, training, and operation of Soviet strategic forces despite the closed nature of Soviet society and despite Soviet obsession with secrecy.

To be sure, no means of verification can be absolutely perfect. Yet through our enormous efforts—harnessing the world's most advanced technology and the skills of many tens of thousands of our most highly trained people—we are confident that we can detect any significant violation of the SALT II agreement well before we would have to react militarily to such a violation. And the SALT II treaty will continue the Standing Consultative Commission in Geneva to which either we or the Soviets can refer any question of compliance with the treaty.

While negotiating SALT II, it has been vitally important for us to protect the security and the interest of our NATO allies, as well as our own. We have consulted with our allies on SALT II at every step of the process with a thoroughness and intensity that has few precedents.

We have assured our allies that their interests will be fully met by this treaty. The best evidence of the success of our continual efforts to work with our allies on SALT II can be seen in their response: strong support for this treaty by allied leaders, including public statements at Guadeloupe by Chancellor Schmidt, Prime Minister Callaghan, and President Giscard.

We are also determined that the continuing SALT process not divert our attention from the continuing challenge of Soviet military power or undermine our resolve to meet it. This resolve is

unrelated to the merits of the proposed agreement but rests instead on our own good sense and national will.

With or without the SALT talks, with this agreement or any conceivable alternative, we would still face the tasks of judging the military challenge to the United States and our allies and of responding effectively to it. In any event, we would have to provide for the common defense in sober and realistic terms. And in any event we will do so.

During the next several years, we will need to make a number of difficult choices about our force posture in several areas. We shall make these choices in the sober realization that the United States must have military strength sufficient to deter any attack on us or our allies to enable us to deal successfully with any attack and at any level—should an attack occur—and to defend our interests and those of our friends and allies around the world.

The Future of SALT

The SALT II agreement is a major step forward in strategic arms control. But it is only one step. In the future, it will be important for us to move promptly on a complex agenda of arms control issues, including significant reductions in strategic weapons, further qualitative limitations on weapons, and still further improvements in our ability to verify arms control agreements. And at every step of the way, we will work closely with our NATO allies, to insure that our efforts in SALT III will advance their security as well as our own.

We shall continue to press for more and better strategic arms control agreements. But we shall not hold our own needed defense programs hostage to the uncertain prospects of future arms control. Nor shall we hesitate to halt any defense program whose military requirements is effectively and safely removed by successful arms control agreements.

Finally, as we judge the SALT II treaty, we must remember precisely what is being achieved. The SALT process is an effort unique in human history. Never before have two very different and powerful competing nations engaged in an effort to limit their freedom of action in matters vital to their own survival and that of mankind. Never before have two such nations recognized that greater security can come from mutual self-restraint in building their most destructive weapons rather than from continuing an unbridled competition.

This mutual understanding is not based upon trust or upon ignoring our

deep and continuing differences. Rather it is a recognition of the critical importance of reducing strategic uncertainties and the risks of nuclear crises and devastation. Our efforts in controlling nuclear weapons will continue to be difficult, halting, and uncertain. It will require our patience, wisdom, and unparalleled efforts to make sound judgments. But I think you will agree that it is a noble effort to achieve goals that are vital to ourselves and to all mankind.

SECRETARY BROWN³

I am pleased to have this opportunity to speak with you about strategic arms limitations and the national defense. I am convinced—and I believe that the President and many of you agree—that the emerging SALT agreement with the Soviet Union will be the single most significant bilateral understanding reached by the two global superpowers during the 1970's.

SALT has become part of the fabric of international relationships. It is an element of stability not only in military terms but in the worldwide political balance. Experience has shown that SALT alone cannot end the political competition between us and the Soviet Union, nor can it fulfill all our hopes for cooperation or all our needs for strategic security. But, as the President's National Security Adviser suggested yesterday, it is necessary to the prudent management of both aspects of our relationship.

Because of the agreement's profound importance, it is essential that the public debate concerning its merits be not only thorough but also well informed. In speaking here today I hope to contribute to both of those essential qualities.

Let me begin my discussion of SALT and the national defense by reporting to you on the status of the talks. Although we are very close to an agreement, there are at least two or three remaining major issues—especially those involving verification and limits on new missiles—of such importance that we must know that they have been resolved satisfactorily before we can be confident a SALT II treaty can be achieved. Whether, and therefore when, agreement can be reached depends largely on the negotiation of these issues. The prospects, in my view, continue to be good.

Under our system of government, of course, the final U.S. decision on whether or not a treaty will take effect will be made by the Senate. Thus, the formal debate over ratification will be

conducted in the Senate and will not start until a treaty is signed and submitted to that body. As a practical matter, however, the debate over SALT II has already begun and, in fact, has been underway for as long as or longer than the negotiations themselves. Moreover, the debate is a far-reaching one and has, properly, addressed our broader strategic policy objectives and programs as well as the provisions of the agreement itself.

I believe the key question each of us must answer centers on the agreement itself: Will its approval make the United States more secure than lack, or rejection, of an agreement? But that question can be answered—and SALT can properly be evaluated—only in the context of U.S. strategic weapons policy and objectives, the state of the U.S.-Soviet balance now and as we expect it in the future, and the programs that we have undertaken to implement our strategic policy.

The Soviet Challenge

Our national security derives from much more than our military strength. The military balance is only a part—but a vital part—of our total national security posture. There is no doubt that the Soviet military power today is much greater than it was in the 1960's both in absolute terms and relative to our own. There has been a steady increase in Soviet military spending during each of the past 15 years. Our current estimate is that it would cost us \$40 billion more than we now spend each year on our own defense establishment to support military forces and programs of the size and nature pursued by the Soviets.

Today, the military balance between East and West is one of rough equivalence but with troubling trends appearing in both strategic and tactical nuclear areas. It is not the current balance but rather the momentum of Soviet strategic programs that is cause for concern.

Despite Soviet military accomplishments, the Soviet Union does not now enjoy a military advantage in nuclear terms. It is not in a position to exploit its strategic weapons or embark on a course that may lead to the use of nuclear weapons without themselves encountering unacceptable risks. A strategic balance exists today because the deterrent forces on the two sides are essentially equivalent. Neither side could launch a first strike that would prevent the other side from responding with a retaliation of devastating proportions. Neither side can effectively

intimidate the other with its strategic forces.

In the face of these circumstances of Soviet challenge and competition, we are pursuing, and need to continue, two complementary courses of action.

- The first is to insure, within SALT constraints, that our strategic forces are capable of meeting our defense objectives despite the continued Soviet strategic buildup. The 1980 Defense budget and our 5 year defense program for 1980-84 are designed to do this.

- The second is to seek, in a SALT II agreement, specific and verifiable provisions constraining Soviet strategic forces as part of the process of limiting further the strategic arms competition between the United States and the Soviet Union.

U.S. Objectives

Two concepts underlie U.S. strategic forces planning: deterrence and essential equivalence.

Deterrence of nuclear war is our most fundamental defense objective. A credible deterrent can be achieved only if we possess the military force necessary to persuade our enemies that, whatever the circumstances, if they start a course of action that could lead to war they will either:

- Pay an unacceptable price to achieve their objective or
- Be frustrated in their effort to achieve that objective.

Our basic strategy requires us to be able to inflict such damage on a potential adversary that regardless of the circumstances the prospect of that damage will preclude his attack on the United States, our allies, or our vital interests. To achieve this we need, first of all, a survivable capability to devastate the industry and cities of the Soviet Union. Assured destruction capability—which is what I've just defined—is the bedrock of nuclear deterrence. It is not, however, in my judgment, sufficient in itself as a strategic doctrine. Massive retaliation may not be appropriate, nor will its prospect always be sufficiently credible, to deter the full range of actions we seek to prevent.

We need capabilities convincingly able to do, and sure to carry out under any circumstances the Soviets consider realistic, whatever damage the Soviets consider will deter them. Put differently, the perceptions of those whom we seek to deter can determine what is needed for deterrence in various circumstances. For fully effective deterrence, we need to be able to respond at the level appropriate to the type and

scale of a Soviet attack. Fully effective deterrence requires forces of sufficient size and flexibility to attack selectively a range of military and other targets and to enable us to hold back a significant reserve.

This ability to provide measured retaliation in response to less-than-total attacks—and thus to prevent the Soviets from imagining that they can gain meaningful advantage at some level of nuclear conflict—is essential to credible deterrence. Moreover, whatever doubts one may have about whether a nuclear war could be kept limited—and I have severe ones—it would be the height of folly to put the United States in a position in which uncontrolled escalation would be the only course we could follow.

By any reasonable standard, we have a credible deterrent today and will have one for the foreseeable future. We have, and will continue to have, survivable forces capable of massive destruction of Soviet cities and industrial potential, even after an all-out surprise attack. We also have—and will have increasingly in the coming years—both the forces and the targeting and

Deterrence of nuclear war is our most fundamental defense objective.

employment policies that allow for selective use of nuclear force to respond to more limited provocations. The rapid Soviet buildup in strategic forces over the past decade, as compared to our own more modestly paced improvements in forces, should not obscure the basic power and credibility of our deterrent.

Moreover, the problems we face—in particular the growing vulnerability of our fixed silo ICBM's—will not force us to choose between all-out attacks on cities, on the one hand, and surrender, on the other. Our capacity to make selective strikes at military and other targets, while maintaining reserve, is large now and will grow in the future, despite ICBM vulnerability.

Essential equivalence, our second broad objective, is somewhat different from credible deterrence. It is one possible criterion for such deterrence, particularly if we want our nuclear forces to have an effect that goes beyond deterrence of an all-out strategic surprise attack. The use of essential equivalence as an objective reflects the reality that nuclear forces—like other military

forces—have a broader political role not entirely determined by technical, static (force-counting), or even dynamic (war-gaming) calculations of military capability.

As long as our relationship with the Soviet Union is more competitive than cooperative—and this is clearly the case in military terms—maintaining essential equivalence of strategic nuclear forces is necessary to prevent the Soviets from gaining political advantage from a real or perceived strategic imbalance.

Essential equivalence thus demands that our forces not only be on a par with those of the Soviet Union but be seen to be so. We need not—we should not—imitate Soviet forces in an inevitably futile, immensely costly, and potentially very dangerous effort to match or exceed the Soviets in every conceivable index of strategic power. To say, however, we can tolerate some "gaps" that are offset by U.S. advantages by other measures is not to say we can tolerate an overall imbalance whether perceived or real.

Today, essential equivalence exists. While the Soviets have certain advantages, such as ICBM throw-weight and deliverable megatonnage, we now have offsetting advantages in numbers of warheads, accuracy, and antisubmarine warfare capability. Most importantly, while no one can assuredly predict the outcome of any nuclear exchange, neither we nor the Soviets would gain in any rational sense from such a conflict.

It's worth considering, for a moment, whether these objectives are ambitious enough.

- Ought we to be satisfied with equivalence and with preventing Soviet actions by deterrence?
- Ought we instead to seek to exploit our resources and our technology to attain strategic superiority?

In the first place, massive numerical superiority in strategic forces, even when we had it in the 1950's and 1960's, proved to be no panacea for our military needs and still less for our diplomatic problems. We and our allies required strong conventional forces for our security.

The potential futility of any quest for superiority derives, I believe, from the realities of nuclear weaponry and bilateral superpower relations. Modern nuclear-weapons technology is such that while equivalence is a realistic goal, superiority is not, providing that the other side is determined to prevent it. Each superpower can, by actions that are well within its technical and economic capability, prevent the other

from gaining an overall advantage, much less supremacy.

The system is not self-equilibrating; neither equivalence nor even deterrence will be maintained automatically. Avoiding inferiority requires us to have the will and resolve to do the things that will enable us to maintain the strategic balance. For, if the Soviets ever were to achieve superiority, I am convinced they would make every effort to exploit it politically and even militarily. I am confident that we will continue to show the will and resolve to prevent the Soviets from attaining superiority. But I think it would be equally wrong to suppose that the Soviets, challenged to a race for superiority, would passively yield such an advantage to us.

In brief, equivalence and deterrence are at one and the same time our maximum feasible, and our minimum tolerable, objectives. And at present our forces meet those objectives.

But if the present balance is adequate in terms of our objectives of deterrence and equivalence, we face challenges for the future that we can ignore only at great peril. If today we are in a satisfactory relationship vis-a-vis the Soviet Union, what of tomorrow; less rhetorically, what will the strategic balance be like during the planning horizons we can reasonably contemplate?

Some trends are of real concern. The Soviets are rapidly catching up to us in a number of key areas where we have led in the past, especially in the areas of accuracy and reentry vehicle numbers. Additionally, the improvements of the Soviets have made in long-range theater nuclear forces may be of great significance as the central balance becomes more equal. Further, the growing vulnerability of our land-based missile force in the early 1980's could, if not corrected, contribute to a perception of the U.S. strategic inferiority that would have severely adverse political, and could have potentially destabilizing military, consequences.

In reviewing the challenges the Soviets are posing in the strategic area, we should remember that the United States has not been idle. In the past 10 years, we have deployed more than 1,000 MIRV'ed missiles, thereby increasing our missile warhead total nearly fourfold. SRAM (the short-range attack missile) has increased the capability of the B-52 force. Further, we have programs to improve each of the three elements of the U.S. triad of strategic forces.

• This year we will begin to put new Trident C-4 missile in our submarine fleet. In addition, the first new Trident

submarine will be on patrol in late 1981, will be quieter—and thus less detectable acoustically—and will be capable of longer on-station times. We are also beginning work on a substantially improved Trident II submarine-launched missile.

• Our cruise missile programs will greatly enhance the effectiveness of the bomber leg of the triad. B-52 aircraft capable of penetrating Soviet air defenses will continue to contribute to the viability of the manned bomber leg of the triad into the late 1980's. We are working on bomber and cruise missile technology for the longer term.

• We are improving the accuracy and yield of the Minuteman forces. We are pursuing and will choose from among a number of options for more

as leader of the Atlantic alliance and the political damage that would be done to our status among allies and friends if the United States were seen to be neglecting, or even rejecting, strategic arms limitations. The SALT process itself is important to the further development of U.S.-Soviet and overall East-West relations. SALT is the foundation for progress in establishing an enduring political relationship with the Soviets that reduces tensions and sets important visible boundaries to our ideological and political and military competition.

The basic elements of the SALT II agreement are familiar to you.

A treaty, to last until 1986, that will:

[SALT II] enhances the stability of the deterrent and allows us the flexibility to embark on needed modernization of our strategic forces without triggering another expensive and potentially destabilizing arms race.

survivable, mobile, basing of part of the ICBM force to deal with the vulnerability problem. The M-X missile for this purpose is funded for engineering development in the fiscal year beginning this October.

To summarize the current situation, despite Soviet military accomplishments, neither the Soviet Union nor the United States has a clear military advantage, and we intend to keep it that way. Our programs are sufficient for the purpose if we receive the support of Congress in providing the funds to carry them out.

The Role of Arms Control

Strategic arms control provides one important way in which we can limit the military challenges we face. It is, therefore, an integral part of our overall efforts to meet our national security objectives. Thus, the SALT II agreements should be judged by the Congress and the American public first of all in terms of their contribution to our security and that of our allies. And it is in terms of this criterion that I will set forth the bulk of my evaluation of the agreement for you today.

We should recognize, however, that in addition to the more specific military security issue, the merits of SALT and the SALT process must also be judged in a broader political context. That broader context has to do with our role

• Set equal limits on strategic nuclear vehicles;

• Establish various sublimits on MIRV'ed systems (that is, ballistic missile systems carrying multiple warheads that can target more than one aim point) and heavy bombers carrying air-launched cruise missiles;

• Limit each side to one new ICBM type with a maximum of 10 reentry vehicles;

• Bar increases in number of reentry vehicles on existing ICBM's; and

• Provide measures to permit unimpeded verification by national technical means.

A protocol, to last about 3 years, that will:

• Bar deployment of ground-launched and ship-launched cruise missiles with ranges greater than 600 km. during that period, while permitting unimpeded testing and development of such vehicles of any range;

• Bar deployment of mobile ICBM's or air-to-surface ballistic missiles during that period; and

• Permit the deployment of these systems after the protocol expires.

The agreement also includes:

• A statement of principles to guide SALT III and

• An exchange of statements on the Soviet Backfire bomber.

SALT II is, I firmly believe, a significant and most useful step in what we hope will be a continuing process.

The 1972 SALT I agreement contributed greatly to stability. It did so by banning nationwide ABM defenses and by capping the buildup of strategic offensive arms through limiting missile launcher numbers to those existing or under construction in 1970. The Vladivostok agreement of 1974 set equal aggregates of all strategic nuclear delivery systems at 2,400 and set a sub-limit of MIRV'ed systems of 1,320.

In 1977, at the beginning of this Administration, we attempted to achieve a comprehensive arms control agreement that would have been substantially more restrictive than the Vladivostok agreement—or the SALT II treaty—but a number of technological and political factors prevented success. We, therefore, took the dual track of trying to negotiate the largest possible reductions to the interim ceilings while making a serious attempt to limit qualitative improvements in new systems. We have achieved real success in both areas.

We have been able to negotiate reductions in the Vladivostok limits—to 2,250 strategic nuclear delivery vehicles and 1,200 MIRV'ed missiles—as well as to impose a new sublimit of 820 on land-based MIRV'ed ICBM's, the most destabilizing strategic force element. In addition, we have broken significant new ground in the qualitative area by limits on numbers of reentry vehicles on each type of ICBM (and sea-launched ballistic missile) and by allowing each side only one new type of ICBM. Taken together, these two tracks have resulted in a significant step forward in the arms control process.

The prospect of continuing the process is a major intangible at stake in the debate. But the SALT II agreement need not be defended merely as a way station to SALT III and beyond. It can be fully and convincingly justified on its own merits.

The simplest way is to observe that, without the SALT II agreement, the Soviet Union could have nearly one-third more strategic systems than with the agreement. And there would be corresponding effects on other measures. For example, instead of the 2,250 strategic nuclear delivery vehicles of the treaty, they could have 3,000. Naturally, we do not know what the Soviets would do in the absence of a treaty, but these higher strategic system levels are well within their capability. And the history of the nuclear era is strewn with the wreckage of confident U.S. predictions that the Soviets would

at some point or another cease to add to force levels that were already, according to the U.S. predictors, as large as the Kremlin could possibly want. In my view, it is probable that without SALT II we would enter into an era of greater uncertainty, in both military and political terms, that would result in increased strategic forces on both sides as hedges against that uncertainty.

Faced with such a Soviet buildup, the United States could and, I am confident would, respond. Given our determination to maintain essential equivalence, and the demonstrated Soviet willingness to avoid strategic inferiority even at great cost, the net result of such a numbers race would be greater strategic force levels at vastly greater expense and at substantial risk to stability.

The United States does not have unlimited resources to spend on strategic weapons programs without significantly affecting other defense priorities—such as improvements in conventional forces—and other government programs, such as those required to combat inflation. But we do need to spend enough, and what is enough depends in part on the actions of our adversaries.

SALT will not solve all our problems. Even with SALT we will need, and we will be permitted, to expand our strategic nuclear efforts above their present levels. Those levels, incidentally, are about half, in constant dollar terms, what they were during the mid-1960's. But SALT will mean greater stability and predictability in the strategic challenges we face, and so the balance could be maintained at a substantially lower level of destructive power. Furthermore, with SALT, it would be significantly less expensive (perhaps as much as \$30 billion less expensive over the next decade) for the United States to maintain that balance than without a SALT II agreement.

SALT II, while forestalling this pointless numbers race, will leave us the flexibility to carry out programs to deal with the challenges the treaty will not eliminate. We can develop, test, and deploy each of our planned programs—cruise missiles, Trident, M-X—in the fashion and on the schedule that we have planned. Apart from putting some distinguishing features on our air-launched cruise missiles and cruise missile carriers (to aid counting under SALT), we will not be forced by SALT II to alter our strategic programs, which we need to balance Soviet programs that are allowed in SALT II and that are, in large measure, already in place.

In at least one important respect—Minuteman vulnerability—SALT II

will make the solution of a problem easier than without an agreement. SALT II will limit to well below previously projected levels the number of Soviet MIRV'ed ICBM's, will freeze the number of warheads on existing ballistic missile launchers, and will limit the number of reentry vehicles allowed for new ICBM's. These restrictions sharply reduce the significance of the Soviet throw-weight advantage, which without limitation would, for example, enable them to deploy 20 or perhaps even 40 warheads on their largest ICBM's.

The combination of limitations on missile launchers and numbers of warheads will ease somewhat the difficulty of maintaining the survivability of our land-based ICBM's. The deployment of a new mobile ICBM system, regardless of basing mode, will be more feasible because an upper bound will be placed on the number of warheads that can be targeted against the aim points represented by that deployment. SALT II becomes, then, an important element in insuring ICBM survivability.

Equally important, SALT II will leave us free to pursue with our allies the important issues of modernization of NATO's tactical nuclear forces and to consider arms control initiatives in this area.

SALT will serve U.S. interests. It enhances the stability of the deterrent and allows us the flexibility to embark on needed modernization of our strategic forces without triggering another expensive and potentially destabilizing arms race. I do not doubt our economic or technical ability to compete successfully with the Soviets in strategic weapons. I do question whether such an effort is the best use of our national—or even Defense—budget. And I do not believe that we would purchase increased security with that sort of effort.

Under the treaty, we can maintain flexible and credible deterrence and assure essential equivalence. Without the treaty, we could also do these things, but it would be more costly and less certain. I see the treaty as a valuable method of meeting our strategic goals—as a major component in our strategy along with our weapons programs. In my judgment, it is a very important component, although we must recognize that it will have to be accompanied by substantial U.S. defense programs—expanded ones in the strategic field.

Verification

Among the concerns expressed about the agreement one is undoubtedly in a

MIDDLE EAST: U.S. Support for the Egyptian-Israeli Peace Treaty

*Statements by Secretary Vance and Secretary of Defense Harold Brown Before the Senate Committee on Foreign Relations on April 11, 1979.*¹

SECRETARY VANCE²

I appreciate the opportunity this morning to discuss with the committee obligations undertaken by the United States in connection with the Treaty of Peace Between Egypt and Israel signed on March 26 (see p. 1).

Together with our Egyptian and Israeli colleagues, we have traveled a long and at times very difficult road during these last 16 months. That journey, however, has been rewarded by the conclusion of an agreement which represents a watershed in the region. The Middle East has been changed for the better, and the world has moved a step closer to peace.

Less than 6 years ago, the armies of Egypt and Israel met in the Sinai Desert in bloody conflict. It was the fourth

time in less than three decades that those two nations had engaged in a destructive and costly war.

Soon, at a site near the battlegrounds of the past, these two nations will exchange the instruments of peace. The era of bloodshed is over. A new era of peaceful cooperation can lie ahead.

It should be noted that the process leading to this event did not begin with this Administration. The negotiations and agreements concluded in the wake of the 1973 war laid the groundwork for further progress—the disengagement agreement of January 1974 and the Sinai II agreement completed in September of 1975.

The members of this committee are already familiar with the main provisions of the treaty. Let me simply note that the treaty applies the essential equation of Security Council Resolution 242 to the Sinai Peninsula—Israeli withdrawal from territory occupied during the 1967 war and, on the part of Egypt, acknowledgment of Israeli sovereignty, territorial integrity and

political independence, and Israel's right to live in peace within secure and recognized borders. The validity and value of Resolution 242 have been borne out by the success of the negotiations between Israel and Egypt. It continues to be the agreed basis for those remaining negotiations necessary to conclude a comprehensive peace in the Middle East.

Assistance Package

My particular purpose today is to concentrate on agreements reached which will require or could involve congressional action. Let me turn to the financial undertakings by the United States associated with the peace process. All of these undertakings were agreed subject to appropriate congressional action.

In evaluating these requirements, it is essential to keep in mind the far greater potential cost of failing to make progress toward peace in the Middle East. Four wars in that region have cost

class by itself: "Will it be verifiable?" Clearly the limits of an agreement with the U.S.S.R. cannot be treated as self-enforcing. The United States must be able to verify with adequate confidence, by its own intelligence systems, the fact that the Soviets are complying with the agreement.

The SALT II agreement will be verified by national technical means, including photo reconnaissance satellites and other technical measures. These means enable us to monitor many aspects of the development, testing, production, deployment, training, and operation of Soviet forces. Despite the closed nature of Soviet society, we are confident that no significant violation of the treaty could take place without the United States detecting it. Because of our vigorous deployment and research-and-development efforts, we would be able to respond with appropriate actions before any serious adverse impact on the strategic balance could take place.

Much has recently been written about the loss of the intelligence sites in Iran and how important these sites were to have been to SALT verification. Intelligence of the kind obtained from these sites is important to our assessment of Soviet strategic forces pro-

grams, including some of the aspects limited by SALT II. We are examining alternative means of collection, and the question is not if we will reinstitute this capability, but how, where, and how quickly we can do it. This and other verification matters will of course be discussed at length during the ratification process.

We are now well into a national debate, not only on the treaty but on our strategic policy and on the overall state of U.S.-Soviet relations. In the course of that debate, I would hope that those who consider themselves thoughtful proponents of military security and those who consider themselves thoughtful proponents of arms limitation, as well as those—among whom I number myself—who are concerned with both, can focus on the specific issue of whether our security, and with it the prospects of peace, will be better served with the treaty than without.

The President of the United States and I think the answer is clear. A sound SALT agreement is in the interest of both the United States and the Soviet Union despite the competition between our two systems that exists elsewhere—and indeed will continue with respect to strategic nuclear forces. SALT II will provide a firmer founda-

tion for other measures to control the growth and proliferation of nuclear and conventional capabilities throughout the world. Indeed, if the Soviet Union will emphasize cooperation rather than competition, SALT II will allow a healthier state of U.S.-Soviet relations.

All these considerations have led me to conclude that assuming the remaining issues can be resolved to our satisfaction, signature and ratification of SALT II are clearly in the national interest of the United States. In my own mind, I am satisfied with that conclusion, but I acknowledge that reasonable people of good will and high purpose may come to a different judgment. I hope that the coming debate will strengthen our understanding, strengthen our resolve to sign and approve the treaty, and in so doing lead to a strengthening of our national security. Indeed, I am confident that will be the result, and that it will be a good one for all of us. □

¹Text from White House press release of Apr. 4, 1979.

²For text, see BULLETIN of Mar. 1979, p. 21.

³Text from Department of Defense news release No. 153-79 of Apr. 5, 1979.

the U.S. taxpayers several *tens* of billions of dollars in direct costs alone. The cost of peace is modest when compared with the cost of further war.

I want to stress three general points about the aid package for Egypt and Israel we are seeking as an addition to the present basic programs for both countries.

First, the proposed FY 1979 supplemental assistance is a coherent interrelated package which requires urgent congressional action. It is a careful balance between foreign policy and budgetary requirements.

Second, the funds requested are to be available to finance programs over a 3-year period.

Third, the impact on our budget is considerably lower than the overall amount of money that will be generated for the program. This is because our foreign military sales loans will be provided by the Federal Financing Bank, guaranteed by the U.S. Government. Accordingly, Congress is being asked to authorize and appropriate \$1.47 billion over 3 years in order to finance programs with a total value of \$4.8 billion.

Secretary Brown will speak in greater detail about our military assistance requests. Let me make a few general observations about the package as a whole.

- The bulk of the additional assistance for Israel and Egypt is to help them meet urgent security requirements. This totals about \$4.5 billion over 3 years—approximately \$3 billion for Israel and \$1.5 billion for Egypt. Of the amount for Israel, about \$800 million will be in the form of grant aid to help finance the construction of two airfields which will be moved from the Sinai to the Negev. This assistance will enable Israel to withdraw in the 3 years agreed under the treaty in a manner consistent with its security requirements. The remaining sum for Israel and the entire military program for Egypt are in the form of foreign military sales financing, to be provided on favorable terms.

- The military program for Israel will help defray the costs of withdrawing forces from the Sinai and relocating them in the Negev. The Government of Israel estimates that the direct costs of withdrawal will be between \$4 and \$5 billion. This program will also enable Israel to continue modernizing its military establishment in light of continuing security threats in the area. For Egypt the \$1.5 billion military program will help Egypt to replace obsolete military equipment.

- In addition to the security assist-

ance I have outlined, we envision \$300 million more in economic assistance for Egypt over 3 years to help President Sadat address the real human needs of his people and so that peace can be translated into a better life for the people of that nation.

We have also urged our friends and allies to contribute economic assistance in support of peace between Egypt and Israel.

It is fair to ask why there should be such a price for peace. At the very least, why is the United States

The cost of peace is modest when compared with the cost of further war.

supplying additional military equipment to countries who have just concluded peace with one another?

The answer to both those questions derives from the fact that in concluding this treaty, both Egypt and Israel are taking a step into the unknown. The unknown in an area as volatile as the Middle East carries its own risks. In order for both governments to lead their people through these uncharted waters, they must be confident that they can deal effectively with threats to their continued security.

In addition, as President Carter said, both Egypt and Israel face immediate economic problems as they enter the post-treaty era. The financial cost to Israel of withdrawal from the Sinai will be substantial. For its part, the Egyptian Government has an urgent and critical need to demonstrate to its people the economic benefits of peace. We will work to accelerate implementation of our current programs; the proposed additional assistance will provide funds to move quickly to meet these new requirements.

Memorandum of Agreement

I believe the benefits of peace to both parties are such that each will make every effort to assure that the treaty is implemented fully and in good faith. Nevertheless, we cannot expect that distrust built up over decades will dissipate overnight. The evolution of completely normal relations will be a gradual one. We, therefore, undertook to offer to the parties a buffer against potential and unforeseen problems in implementing their treaty by assuring them that we would remain a full partner in the implementation process just as we had been during the negotiating phase.

The result is the memorandum of agreement between the United States and Israel, about which I would like to make several comments [see p. 60]. The Government of Egypt declined our offer of a comparable agreement.

First, the purpose of this memorandum is to define certain roles that the United States intends to play should questions arise concerning the implementation or interpretation of the treaty.

There is no hidden purpose or hidden meaning to this memorandum. It cannot be construed as representing a mutual security pact with Israel even though its existence provides Israel with significant psychological reassurance as it enters into this new relationship with Egypt. The United States has agreed to consult with Israel if we are satisfied that the treaty has been violated or that a violation is threatened. However, the determination of whether or not such a situation exists which might call for further action is left to the discretion of the United States. Similarly, what would constitute an appropriate action to take if such is deemed desirable is also left to the discretion of the United States.

Second, let me call your attention to the initial operative paragraph of the memorandum. The intent and effect of that paragraph are to make all of the commitments undertaken in the memorandum subject to our laws and constitutional processes.

As a matter of course, we would envision prompt consultations with the Congress if and when the government perceived the need to become involved in resolving any significant problem under the memorandum.

Third, let me call your attention to paragraph 8 of the memorandum which refers to assurances given Israel in connection with the Sinai II agreement in September of 1975. The sole purpose of this paragraph is to state that, with the exception of those prior assurances specifically enumerated in paragraph 8, existing assurances are not altered by the conclusion of the Treaty of Peace Between Egypt and Israel.

Oil Supply Agreement

In the context of the peace treaty, the United States has also revised and extended the 5-year emergency oil supply commitment arising from Sinai II to a total of 15 years. As with the prior commitment, Israel would turn to the United States only if Israel could not make independent arrangements to meet its own domestic consumption re-

quirements through normal procedures.

Assured long-term oil supplies are crucial to Israel's security. Oil supply commitments were an integral part of the negotiating process. Viewed in that light, we believe this commitment by the United States is worth the small potential added responsibility that may be assumed.

Under the new agreement Israel will pay for any oil which might be provided from the United States at rates comparable to world market prices at the time of transfer. Israel would reimburse the United States for costs incurred by us in providing oil from whatever source.

Our undertaking provides for conclusion of a memorandum of agreement between the United States and Israel within 60 days after exchange of instruments of ratification of the treaty. This memorandum will deal with the specific details of the arrangement. Israeli and U.S. negotiating delegations met here in Washington yesterday to begin that task. Once detailed agreement is reached, we will review it against existing legislative authority and promptly seek from the Congress any new authority necessary for its full implementation.

I want to emphasize three points in connection with this oil supply arrangement.

- Both sides recognize that this undertaking is a legal commitment on the United States, subject to the necessary legislative authority.

- Relatively small amounts of American produced oil are likely to be involved. The Israelis have not had to call on our commitment since 1975, and we are confident they will do everything possible to avoid that situation in the future. If Israel requested U.S. assistance, however, we would first help with the procurement of oil from abroad and turn to our own production only as a last resort.

- Even should Israel at some point turn to us for its full oil requirements, it would require an amount equal to less than 1% of our consumption—hardly noticeable to us.

Future of the Peace Process

Let me say a few words about the future of the Middle East peace process and the U.S. role. The peace and stability we seek can only be achieved ultimately by making this treaty the cornerstone of peace between Israel and all its neighbors. For the United States, no less than for the parties in the region directly involved, continued progress toward such a comprehensive peace is

essential. It is for this reason that we intend to remain a full partner in the negotiations.

The Egyptian-Israeli treaty has fulfilled one of the two framework agreements worked out at Camp David.³ At that same time, the Governments of Egypt and Israel also committed themselves to principles and procedures for a series of negotiations leading to peace between Israel and each of its Arab neighbors. The achievement of that peace depends on success in each negotiation, and each new negotiation builds on what has occurred.

In addition to the Peace Treaty, Prime Minister Begin and President Sadat signed a second document on March 26. In a joint letter addressed to President Carter, they pledged to begin, within 1 month after the exchange of instruments of ratification, negotiations to implement the process agreed upon at Camp David whose ultimate objective, in the words of the Camp David framework agreement, is "... the resolution of the Palestinian problem in all its aspects."

That process will start with negotiations on the establishment of the self-governing authority in the West Bank and Gaza in order to provide full autonomy to the inhabitants. These negotiations will begin in the Middle East about 1 month from now with full American participation. The Egyptian-Israeli treaty has permitted us, for

ing those negotiations within 1 year so that elections will be held as expeditiously as possible after agreement between the parties has been reached. Their goal is to reach agreement on arrangements for electing a self-governing authority in the West Bank and Gaza and on the powers and responsibilities of that body.

Successful conclusion of the next phase of negotiations would thus bring into being a self-governing authority in the West Bank and Gaza for a 5-year transitional period during which negotiations will take place to determine the final status of these areas. These negotiations provide a means—indeed the only practical means now available—by which Palestinians can participate in determining their own future. They will be able to participate throughout the process, from the establishment of the self-governing authority to the final resolution of the status of the West Bank and Gaza.

I also want to reiterate that in all future negotiations, as it has in the past, the United States will remain attentive to what we firmly believe is an essential ingredient for long-term regional stability in the Middle East—the security of Israel.

No one should underestimate the difficulty of the challenges that remain before a comprehensive peace in the Middle East becomes a reality. But

The peace and stability we seek can only be achieved ultimately by making this treaty the cornerstone of peace between Israel and all its neighbors.

the first time in more than three decades of conflict, to turn attention to the practical solution of a central issue of that conflict—the Palestinian issue.

It is evident that the issues involved in the Palestinian question are far too complex to be dealt with all at once. Because of this, we have long felt that the only realistic approach is to establish a transitional period during which the decisions that need to be made can be dealt with in a logical sequence. That approach was agreed to by Egypt and Israel at Camp David, and they have invited other parties to the Arab-Israeli conflict to support it and to join the negotiations.

In their joint letter to President Carter accompanying the treaty, President Sadat and Prime Minister Begin have agreed to negotiate continuously, and in good faith, with a goal of complet-

those challenges must be met. And the United States must remain actively involved in the peace process because the alternatives pose far greater dangers to stability in the region, to the interests of the United States, and to world peace.

We will continue this process regardless of the impediments we may face. We invite others involved in the conflict to join us and urge all nations concerned with peace to support our effort. We see no workable alternative to the process which is now moving ahead. The problems remaining are too complicated and too sensitive to be solved all at once. But with each problem resolved, it becomes all the more possible to resolve the next—with each act of trust, the next act requiring even greater trust becomes more possible. In the end, the overall solution can

emerge, as we put in place the firm building blocks on which a comprehensive peace can stand.

For the first time, in the Treaty of Peace Between Egypt and Israel, a practical beginning has been made toward a just and lasting peace in this troubled region, and a realistic opportunity exists to complete the task. We are committed to help make this treaty the foundation for a wider and greater peace. In this endeavor, we solicit the counsel of this committee and of any party in the Middle East who will share with us our commitment to a comprehensive peace.

SECRETARY BROWN

It is a privilege to appear before you today in support of President Carter's proposed legislation to strengthen Middle East peace.

I think that we as a nation should take considerable pride in the major role played by the United States in facilitating the signing of the Peace Treaty between Egypt and Israel. Certainly, great credit is due to President Sadat, Prime Minister Begin, and President Carter—and to my friend and colleague, the Secretary of State, Cyrus Vance.

The treaty brings to an end 30 years of war that has cost Egypt and Israel so much in lives, in material substance, and in effort. The United States, also, has spent a great deal of money on this war. Now we propose to spend a smaller amount on peace.

The treaty does more than serve the interests of Egypt and Israel; it is intended to be the cornerstone of a comprehensive, just, long-term peace with resulting stability for the entire region. It is in the security interest of the United States that the region evolve into a peaceful and stable one. Our oil access, for example, would again be seriously threatened by regional conflict; indeed, the only major oil interruption we have experienced occurred in the context of the 1973 Middle East war. Resolution of the Arab-Israeli conflict, which began with the Camp David accords and continues with this Peace Treaty, is a vital factor in the protection of American interests.

The signing of the treaty is but the first step toward a durable peace between the two states and the achievement of a comprehensive settlement in this troubled part of the world. Further steps are needed. One factor in this equation is regional security.

The United States seeks a region with strong friendly states, able to defend themselves from external aggres-

sion. Strong states are best able to assure their territorial integrity without requiring direct U.S. involvement. Without this defensive ability, any state is much more vulnerable and subject to external, destabilizing influences. This legislation, reflecting the President's agreement to continue to help Israel and to begin to help Egypt in the modernization of their armed forces, will make a vital contribution to the defense posture of both countries, and, hence, to peace in the entire region.

Let me briefly review the legislative package the Administration has proposed for congressional consideration. This assistance will be in the form of \$800 million in grant aid for two Israeli airbases, \$2.2 billion in foreign military sales (FMS) credits for Israel, \$1.5 billion in FMS credits for Egypt, and \$300 million in economic aid for Egypt. The complete package will extend some \$1.1 billion of grants and \$3.7 billion in loans to Israel and Egypt and will require an appropriation of \$1.47 billion and a total program authorization of \$4.8 billion. The budgetary contribution of the United States to this Peace Treaty is thus \$1.47 billion, rather than the \$4.8 billion in total assistance that has sometimes been taken to be the cost to the United States.

I would now like to turn to the principal security issues involved.

Israel

Israel rightly needs to be certain of its security during and after withdrawal from the Sinai. This matter of security was an important element in the negotiations. The United States agrees that a continuing strong Israeli defense capability is essential. The legislation we are proposing, and the other agreements we have made, help to assure such a capability by facilitating the withdrawal of Israeli forces into new bases within the Negev and by continuing the modernization of Israeli defense forces.

Israel presently maintains a large portion of its active military force structure in the Sinai. In accordance with the Peace Treaty, within 3 years, "Israel will withdraw all its armed forces . . . behind the international boundary . . . and Egypt will resume the exercise of its full sovereignty over the Sinai." Relocation of Israeli forces now in the Sinai has implications for Israeli security in three specific areas: airbase requirements, ground forces re-deployments, and early-warning demands.

Airbases. Israel now has four air-

bases in the Sinai, two of which are forward operating bases at Refidim and Ophir, and two of which are main operating bases at Etam and Etzion. Within 9 months, Israel must abandon Refidim, and within 3 years, Israel must give up the remaining three bases. The bases at Etam and Etzion are of prime concern because they normally house all the Israeli squadrons deployed in the Sinai. Israel requires two new main operating bases to house the squadrons now at Etam and Etzion. These squadrons cannot be deployed to other bases without imposing unacceptable risks to Israeli security through overcrowding.

Construction of these facilities without U.S. assistance would be an extraordinary burden on Israel in two respects. First, it would strain Israel's economy, which is already experiencing severe inflationary difficulties; and second, it would over-tax Israel's construction industry. In order to enable Israel to complete its withdrawal within the time allowed by the treaty, the President has agreed, subject to the approval of Congress, to assist in the construction of two airbases by providing funding and management assistance.

The two proposed bases will be located at Ovda and Matred, in the Negev. These sites are the most suitable in terms of terrain, location, availability, and construction cost. The U.S. Air Force will be the project manager for this undertaking; the Corps of Engineers will be the construction agent. We will work in partnership with Israel; both parties will share responsibility to assure the completion of all construction necessary for initial operational capability prior to the date agreed for final relocation of Israeli forces into the Negev.

The Defense Department's estimate of the cost of building the airbases in the time allowed is about \$1 billion, in FY 1980 dollars (the midpoint of construction), exclusive of infrastructure costs for roads, utilities, and the like. We propose that this amount be drawn from the \$3 billion total assistance package for Israel contained in the legislation. Of this amount, \$800 million is proposed to be made available through grants of defense articles and services. Israel will fund all additional airbase construction costs, drawing on FMS credits as appropriate.

The airbase requirement is a particularly challenging endeavor for several reasons. First, as I mentioned, there is a definite time constraint. The Peace Treaty, in annex I, article I, requires that: "Israel will complete withdrawal of all its armed forces and

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civilians from the Sinai not later than three years from the date of exchange of instruments of ratification of this Treaty." The newly built airbases in the Negev should be sufficiently completed so that the Israeli Air Force can begin deploying to them fully 6 months prior to the abandonment of Etam and Etzion in order to provide continuity of air defense.

Normally, construction of this nature would take more than 5 years. Accelerating the pace means that the construction firms will have to work virtually around the clock, 7 days a week. Much new equipment will have to be acquired at the outset of the project in order to preclude costly and time-consuming breakdowns once construction has begun. The equipment must be able to sustain long-term usage under constant operating conditions.

Ground Forces Relocation. In addition to the airbase construction, there are other costs which will be imposed on Israel as a result of the withdrawal.

One such cost involves the ground forces. Israel presently maintains two active armored divisions in the Sinai. These units, with their supporting infrastructure, will have to be displaced from their present Sinai locations to new facilities in Israel. This relocation will require significant construction.

Supporting infrastructure will also be required—road networks, water and power lines, and landline communications—for army and air force redeployments.

Naval Forces Relocation. Israel will have to move its Sharm-el-Sheikh and Et Tur naval facilities to Elat and its Mediterranean Naval Facility at Dafna to Ashdod.

Early Warning. The loss of the Sinai will reduce Israel's early-warning capability by forcing the closure of Israeli forward positioned early-warning sites. These sites provide important early-warning information, and new measures must be taken to insure, as a matter of prudence, Israel has high

confidence in its early warning. This will require new construction and new procurement.

We estimate that the total cost of these withdrawal actions will be between \$3 and \$4 billion. This can only be a tentative estimate for considerable refinement remains to be done with respect to the withdrawal and relocation. We are helping support the additional costs by making available \$2.2 billion in FMS credits.

Military equipment Modernization. It is important that Israel's Armed Forces remain a modern, militarily effective force. We are confident that, for the immediate future, Israel is fully able to defend itself against external attack. To insure that this is so over the longer run, however, modernization of Israel's Armed Forces must continue. Accordingly, the President has agreed to the sale of additional arms supplies for Israel to be purchased over the next several years. A classified list of this equipment has been provided to the

LETTER TO CONGRESSIONAL COMMITTEE CHAIRMEN, APR. 2, 1979*

I am writing to you to urge your immediate attention to the authorizing legislation and the 1979 supplemental appropriations request I will soon be transmitting to implement the Peace Treaty between Israel and Egypt. This supplemental request requires urgent enactment prior to the likely consideration of other pending supplementals in order to avoid delays which could threaten timely implementation of the Treaty.

The legislation to be transmitted will provide \$4.8 billion in special financial aid to the two countries over the next three years. This will be in addition to ongoing regular programs of military and economic assistance. Because much of the military financing will take the form of guaranteed loans, requiring only fractional appropriations, budget authority for the assistance package will be \$1.47 billion. Estimated budget outlays over the next four years will total \$1.1 billion, with \$350 million occurring in 1979 and \$315 million in 1980.

Within the \$4.8 billion total for special aid, I am proposing that \$3 billion be made available to Israel in two components.

- The first provides \$800 million in grants to cover the direct costs of relocating two Israeli airbases now located on territory to be returned to Egypt.

- The second provides \$2.2 billion in foreign military sales credit financing to Israel. These funds will finance other Israeli relocation costs and some upgrading of

force structure consistent with the new territorial arrangements.

For Egypt, I am also proposing a two part aid package totalling \$1.8 billion

- The larger component provides \$1.5 billion in military sales credit financing on the same terms offered to Israel. It will help Egypt maintain a modern well-equipped military force, and play a responsible role in promoting stability and moderation in the region.

- In addition, I will propose to provide Egypt with \$300 million of special economic aid loans under economic support fund authorities. These funds will help meet Egypt's large development needs and help satisfy the expectations of the Egyptian people for a better life.

As you begin your consideration of these proposals, I urge you to give particular attention to three elements which I can personally assure you are critical.

- First, the proposed assistance is evenhanded. The financing package I will request reflects a careful assessment of the near-term burdens of the treaty balanced against the military and economic circumstances of each country. Our future influence in the Middle East depends on the perception by all affected countries that we do not unfairly support any one country. Alteration of the proposed amounts or terms of assistance to either Israel or Egypt could impair this perception.

- Second, the amounts of aid proposed and the terms offered are the result of a careful balancing of foreign policy needs

and fiscal policy constraints. Thus, while substantial U.S. assistance is required to assure successful implementation of the Treaty, I have made every effort to limit United States funding in light of our current budgetary constraints and my desire to avoid imposing any unnecessary burden on the U.S. taxpayer.

- Third, the proposed United States assistance is a coherent, interrelated package which requires urgent congressional action. Piecemeal treatment would threaten both evenhandedness and the careful balance between foreign policy and budget requirements. Delay in congressional action on the legislation could critically disrupt the carefully negotiated timing for Treaty implementation.

I regard this initiative as the most important foreign affairs proposal currently before the Congress. I am sure I can count on your support for favorable and prompt congressional action.

Sincerely,

JIMMY CARTER

* Identical letters addressed to Frank Church, chairman of the Senate Foreign Relations Committee; Edmund S. Muskie, chairman of the Senate Budget Committee; Warren G. Magnuson, chairman of the Senate Appropriations Committee; Clement J. Zablocki, chairman of the House Foreign Affairs Committee; Robert N. Giaimo, chairman of the House Budget Committee; and Jamie L. Whitten, chairman of the House Appropriations Committee (text from Weekly Compilation of Presidential Documents of Apr. 9, 1979).

committee, and proposed sales will be formally submitted to the Congress in the usual way, in accordance with the Arms Export Control Act.

While modernization of Israel's Armed Forces is desirable and should continue, the peace with Egypt has enabled Israel to make substantial reductions in planned force expansion. As a result of the peace, Israel will have smaller forces than had been expected under its prior Matmon C force plan.

We believe Israel's security can best be assured by Israel itself. This is why, from the point of view of U.S. national security, I recommend this legislation, which will facilitate a successful Israeli withdrawal from Sinai, and also recommend continuing American assistance in modernizing Israel's Armed Forces, so that Israel will remain in a satisfactory posture to defend itself.

This policy of helping Israel help itself does not absolve the United States from maintaining a watchful attitude toward the security of Israel. Indeed, the United States has agreed specifically, for example, in the improbable event that violations of the treaty occur, to "... take appropriate measures to promote full observance of the Treaty of Peace." We do not expect that we would ever have to use U.S. military forces to insure treaty compliance. I do believe, nevertheless, that the United States must be continually concerned with the security of all friendly regional states, for vital American interests are at stake in the Middle East.

Egypt

The proposed legislation includes funds for both military and economic assistance to Egypt. The amount of money allotted for military assistance is larger than is allotted for economic assistance (though much less than the already existing rate of economic assistance). There is no doubt in my mind that a sound economy is at least as important as a strong defense posture to the future of Egypt and to the stability of the region. Indeed, I place first priority on economic development, and I believe President Sadat and the Government of Egypt do also. The future of Egypt will not turn primarily on the strength of its armed forces.

Effective Egyptian Armed Forces are obviously necessary, however, to the defense of the country against aggression. Further, while we do not intend—nor, we believe, does President Sadat intend—that Egypt will become a regional policeman, Egypt can play a positive role in helping other states in Africa and the Middle East. It

U.S. and Israel Sign Memoranda of Agreement

The following two memoranda of agreement were signed by Secretary Vance and Israeli Foreign Minister Moshe Dayan on March 26, 1979 in Washington, D.C.

The oil supply arrangement of September 1, 1975, between the Governments of the United States and Israel, annexed hereto, remains in effect. A memorandum of agreement shall be agreed upon and concluded to provide an oil supply arrangement for a total of 15 years, including the 5 years provided in the September 1, 1975, arrangement.

The memorandum of agreement, including the commencement of this arrangement and pricing provisions, will be mutually agreed upon by the parties within sixty days following the entry into force of the Treaty of Peace between Egypt and Israel.

It is the intention of the parties that prices paid by Israel for oil provided by the United States hereunder shall be comparable to world market prices current at the time of transfer, and that in any event the United States will be reimbursed by Israel for the costs incurred by the United States in providing oil to Israel hereunder.

is important, therefore, that the Egyptian Armed Forces have the appropriate military capability to carry out these tasks.

Since expelling Soviet advisors in 1972 and renouncing its bilateral treaty with Moscow in 1975, Egypt has been without substantive external assistance in meeting its legitimate defense needs. Last year President Carter proposed, and the Congress agreed, to the supply of F-5 aircraft to Egypt to help modernize the air force. Now, in the context of peace between Egypt and Israel, the President proposes to provide additional military assistance to Egypt.

A classified listing of equipment approved by the President has been provided to the committee. As you will note, it includes additional aircraft, air defense equipment, armored personnel carriers, and frigates, among other things. This list is substantially smaller than what is required for full modernization of Egypt's Armed Forces. It is, nevertheless, a very respectable beginning to the modernization process.

Conclusion

In summary, what we are recommending as part of this initiative for

Experts provided for in the September 1, 1975, arrangement will meet on request to discuss matters arising under this relationship.

The United States administration undertakes to seek promptly additional statutory authorization that may be necessary for full implementation of this arrangement.

[M. DAYAN]
For the Government of Israel

[CYRUS R. VANCE]
For the Government of the United States

ANNEX

Israel will make its own independent arrangements for oil supply to meet its requirements through normal procedures. In the event Israel is unable to secure its needs in this way, the United States Government, upon notification of this fact by the Government of Israel, will act as follows for five years, at the end of which period either side can terminate this arrangement on one-year's notice.

(a) If the oil Israel needs to meet all its normal requirements for domestic consumption is unavailable for purchase in circumstances

peace are programs of assistance amounting to \$1.47 billion in budget authority for Israel and Egypt, to help in the relocation of Israel's Armed Forces as they withdraw from the Sinai, and to help in the modernization of the armed forces of both countries. This assistance is militarily justified by the circumstances. This legislative proposal is a substantial sum of money and a generous contribution to the peace. But while peace is expensive, war is more expensive.

This legislation will be, in my judgment and in the judgment of the Carter Administration, a major American contribution to peace in the Middle East, to the security of Egypt and Israel, and to the long-term stability of the region. I unequivocally recommend its approval by this committee and the Congress. □

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 Press release 97.

³ For texts, see BULLETIN of Oct. 1978, p. 7.

Achievement of Peace and the Future Challenge

by Alfred L. Atherton, Jr.

Address before the World Affairs Council in Pittsburgh on April 3, 1979. Mr. Atherton is Ambassador at Large with special responsibility for Middle East peace negotiations.

A week ago a magnificent feat of the human spirit was accomplished. The leaders of Egypt and Israel—enemies for 30 years—sat down together and signed a Treaty of Peace. At the same time on the White House lawn, they pledged to build on this achievement to meet the challenge of bringing peace to the Middle East.

The problems and obstacles which Prime Minister Begin and President Sadat overcame were as intractable and complex as any in the history of statecraft. A legacy of bitterness and bloodshed separated their peoples; doubts, fears, and the open hostility of others stood in their way. But they had fortitude and vision. They remained true to their heritage, their peoples, and their own values. They persevered, and their monument is the documents they signed on March 26.

3. The United States will provide support it deems appropriate for proper actions taken by Israel in response to such demonstrated violations of the Treaty of Peace. In particular, if a violation of the Treaty of Peace is deemed to threaten the security of Israel, including, inter alia, a blockade of Israel's use of international waterways, a violation of the provisions of the Treaty of Peace concerning limitation of forces or an armed attack against Israel, the United States will be prepared to consider, on an urgent basis, such measures as the strengthening of the United States presence in the area, the providing of emergency supplies to Israel, and the exercise of maritime rights in order to put an end to the violation.

4. The United States will support the parties' rights to navigation and overflight for access to either country through and over the Strait of Tiran and the Gulf of Aqaba pursuant to the Treaty of Peace.

5. The United States will oppose and, if necessary, vote against any action or resolution in the United Nations which in its judgment adversely affects the Treaty of Peace.

6. Subject to Congressional authorization and appropriation, the United States will endeavor to take into account and will endeavor to be responsive to military and economic assistance requirements of Israel.

Americans can take pride in the role their country played in this historic event. Both leaders have paid tribute to the key role of President Carter. Without the courage, vision, and persistence of our President, this first practical step in 30 years toward peace in the Middle East would not have been possible. His deep involvement and firm leadership, supported by the patient and tenacious efforts of Secretary Vance, were essential to the final success of the negotiations.

The Egyptian-Israeli treaty lays the foundation for true peace between Israel and the largest Arab state. It provides for the security and integrity of the two nations. It opens new avenues for trade and communications; for economic, scientific, and social betterment; and for the enhancement of learning and cultural exchange. The process of establishing normal relations will begin 9 months after the treaty has come into force—when Israel has withdrawn from three-fourths of the Sinai Peninsula—and will continue to develop as full withdrawal to the international border takes place within 3 years.

7. The United States will continue to impose restrictions on weapons supplied by it to any country which prohibit their unauthorized transfer to any third party. The United States will not supply or authorize transfer of such weapons for use in an armed attack against Israel, and will take steps to prevent such unauthorized transfer.

8. Existing agreements and assurances between the United States and Israel are not terminated or altered by the conclusion of the Treaty of Peace, except for those contained in articles 5, 6, 7, 8, 11, 12, 15, and 16 of the Memorandum of Agreement between the Government of the United States and the Government of Israel (United States-Israeli Assurances) of September 1, 1975.

9. This Memorandum of Agreement sets forth the full understandings of the United States and Israel with regard to the subject matters covered between them hereby, and shall be carried out in accordance with its terms.

[CYRUS R. VANCE]
For the Government of the United States of America

[M. DAYAN]
For the Government of Israel

where no quantitative restrictions exist on the ability of the United States to procure oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel to meet all of the aforementioned normal requirements of Israel. If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

(b) If the oil Israel needs to meet all of its normal requirements for domestic consumption is unavailable for purchase in circumstances where quantitative restrictions through embargo or otherwise also prevent the United States from procuring oil to meet its normal requirements, the United States Government will promptly make oil available for purchase by Israel in accordance with the International Energy Agency conservation and allocation formula, as applied by the United States Government, in order to meet Israel's essential requirements. If Israel is unable to secure the necessary means to transport such oil to Israel, the United States Government will make every effort to help Israel secure the necessary means of transport.

Israeli and United States experts will meet annually or more frequently at the request of either party, to review Israel's continuing oil requirement.

Recognizing the significance of the conclusion of the Treaty of Peace between Israel and Egypt and considering the importance of full implementation of the Treaty of Peace to Israel's security interests and the contribution of the conclusion of the Treaty of Peace to the security and development of Israel as well as its significance to peace and stability in the region and to the maintenance of international peace and security; and

Recognizing that the withdrawal from Sinai imposes additional heavy security, military and economic burdens on Israel;

The Governments of the United States of America and of the State of Israel, subject to their constitutional processes and applicable law, confirm as follows:

1. In the light of the role of the United States in achieving the Treaty of Peace and the parties' desire that the United States continue its supportive efforts, the United States will take appropriate measures to promote full observance of the Treaty of Peace.

2. Should it be demonstrated to the satisfaction of the United States that there has been a violation or threat of violation of the Treaty of Peace, the United States will consult with the parties with regard to measures to halt or prevent the violation, ensure observance of the Treaty of Peace, enhance friendly and peaceful relations between the parties and promote peace in the region, and will take such remedial measures as it deems appropriate, which may include diplomatic, economic and military measures as described below.

This is a moment of immense importance for the Israeli and Egyptian peoples. It is of immense importance to others as well—not least to this nation.

The United States has long been deeply concerned about the Middle East. Americans have longstanding friendships among the peoples there and deep and permanent moral commitments rooted in our own national values. We have labored for years to advance the cause of peace in that region. Four Arab-Israeli wars have not only brought bloodshed and untold suffering to the peoples of the Middle East; they have also cost the United States and the rest of the world incalculable billions. At several points the conflict has threatened world peace itself.

Therefore, all nations which truly care for peace and justice and progress should welcome the treaty. Its achievement against heavy odds is a demonstration to men and women everywhere that human reason, common sense, goodwill, hard work, and faith can prevail. It demonstrates that even those who have been adversaries for generations can overcome enmity and make peace; it is a spark of hope in an uncertain world.

For the Middle East, the Treaty of Peace between Egypt and Israel is a new reality and, I firmly believe, an irreversible reality. We must be under no illusion, however, that this is the end of the road. Peace has come to Egypt and Israel; it has not come to the other peoples of the Middle East. Until it does, the peoples of Egypt and Israel cannot realize the full benefits of the peace between them. The treaty just concluded is an essential cornerstone—but only the cornerstone—for comprehensive peace in the Middle East. Unless we build on it, the danger to our own national interests—and to the future of the people there—remains. The specter of tension and hostility in the volatile Middle East can only be finally removed when the comprehensive peace foreseen last autumn by President Carter, President Sadat, and Prime Minister Begin at Camp David is achieved.

For its part, the U.S. Government does not intend to relax its efforts. We intend to help consolidate the peace between Egypt and Israel and to move with them to the next stage of the negotiations. We have committed ourselves to help insure that what has been agreed to by both sides is scrupulously observed. But these assurances can only supplement the efforts of the parties themselves. The United States does not intend, nor has it ever intended, to play the role of policeman.

Egypt and Israel signed their treaty

in good faith and committed themselves to work in good faith for peace with Israel's other neighbors. We are convinced they intend to carry out these commitments.

Cost to the U.S.

At this point, let me say a word about a matter of valid interest to the American people—the cost to the United States of this treaty. Four wars in the Middle East have cost the taxpayers several tens of billions of dollars in direct costs and billions more in inflation and loss of jobs.

With the advent of Egyptian-Israeli peace, we want to help these two countries in their determination to improve the well-being of their peoples and to assure their security. It seems to us that the added aid we propose—primarily in loans—is small compared to the cost and dangers of another Middle East war to the United States.

In discussing the aid package for Egypt and Israel for which the Administration will seek the approval of Congress, I want to stress two general points: (1) the program will stretch over 3 years and (2) the impact on our budget is considerably lower than the overall amount of money to be generated for the program. This is because our foreign military sales program uses credit from private banks under loans guaranteed by the U.S. Government, so Congress does not have to appropriate money for the entire value of the program. Let me be specific.

The bulk of the additional assistance we envisage for Israel and Egypt is to help them meet their urgent security requirements. It totals about \$4.5 billion over 3 years—approximately \$3 billion for Israel and \$1.5 billion for Egypt. Of the amount for Israel, about \$800 million will be in grant aid for the construction of two airfields which will be moved from the Sinai to the Negev, thereby enabling Israel to withdraw in the allotted 3 years in conditions of security. The remaining sum for Israel, and the full amount for Egypt, are in the form of foreign military sales credits.

Since Congress will need to appropriate only 10% of the total amount to guarantee the credits, the actual budgetary impact of the sum we contemplate will amount to only about \$1.2 billion for the American taxpayer over 3 years.

The military program for Israel, besides helping defray the costs of withdrawal from the Sinai, will enable Israel to continue the modernization of its military establishment against continuing security threats in the area. For Egypt the \$1.5 billion military program

will help Egypt to replace equipment in its military establishment rendered obsolete by the Soviet embargo.

In addition to the security assistance I have outlined, we envisage \$300 million more in economic assistance for Egypt over the 3 years to help President Sadat bring the rewards of peace to his people.

We also plan to continue our current assistance programs to both countries. These have been running at the level of \$1.785 billion annually for military and economic assistance to Israel and about \$1 billion in economic aid annually to Egypt.

We shall also be urging our friends and allies to contribute their share of economic assistance in support of peace between Egypt and Israel.

There is, I know, a gut reaction among many people: "Why should the United States pay for peace in the Middle East? Why doesn't peace save money?"

The answer, I believe, is that in the short run, risks are being taken by each side. We are contributing to the achievement of our longrun goals of stability and moderation in the Middle East. By strengthening the forces of moderation now against threats to their well-being and security, we pave the way for reducing our burdens in the long run through reducing the risk of war.

I repeat, the peace and stability we seek can only be achieved ultimately by making this treaty the cornerstone of peace between Israel and all its neighbors. For the United States, no less than for the parties in the region directly involved, continued progress toward a comprehensive peace is essential. As in the negotiations just concluded, so in the negotiations just ahead, the United States intends to remain a full partner.

Let me now discuss, first, why we consider this full involvement is dictated by our national interests, and, second, how we foresee the next stage of the peace process developing.

Reasons for U.S. Involvement

The reasons for our involvement in this strategic area are clear.

First, there are few areas in the world today where so many different and important American interests come together. Americans have come to recognize the profound degree to which those interests are tied to peace in the region. Those interests include:

- Our historic and moral commitment to the security of Israel;
- The important and mutually beneficial economic and other relationships between the United States and Arab

nations of the Middle East, including access to oil, and cooperation in maintaining order in the global economy;

- Our humanitarian commitment to those people of the region—above all the homeless Palestinians—who cannot now look forward to the fully productive lives which are the human right of all peoples; and

- Concern for the dangers which persisting crisis in this region poses for global stability, for superpower confrontation, and for the prosperity of the United States and its allies.

Second, this is an area where fundamental changes are taking place at a dramatic rate. The Middle East includes some of the most resource-rich and rapidly modernizing nations of the world, as well as some of the poorest. We must, therefore, expect a period of instability. The recent upheaval in Iran is but one reminder of how events in one part of this region impact on the other parts.

Third, because of the importance and interrelatedness of all our interests, the only sensible American policy toward this area is one which permits us to pursue all of those interests at the same time in conditions of change.

With these interests in mind, let me now turn to where we go next in the peace process. The Egyptian-Israeli treaty has fulfilled one of the two framework agreements worked out at Camp David.¹ At those historic meetings in the Maryland mountains, the Governments of Egypt and Israel committed themselves to principles and procedures for a series of negotiations leading to peace between Israel and each of its Arab neighbors. The achievement of that peace depends on success in each negotiation, and each new negotiation builds on what has occurred.

The Palestinian Question

I said earlier that, in addition to the Peace Treaty, Prime Minister Begin and President Sadat signed a second document on March 26. In a joint letter addressed to President Carter, they pledged to begin almost immediately the process agreed upon at Camp David whose ultimate objective, in the words of the Camp David framework agreement is "... the resolution of the Palestinian problem in all its aspects."

That process is to start with negotiations related to the West Bank and Gaza—in other words, those parts of the former mandated territory of Palestine lying outside of the pre-1967 armistice line boundaries of Israel—territory which has been occupied by Israel since the 1967 war. These

negotiations will begin in the Middle East, with full American participation, within 1 month of the exchange of instruments of ratification of the treaty, which will bring the Egyptian-Israeli treaty into force. We expect this to occur in the very near future. For the first time in more than three decades of conflict, the Egyptian-Israeli treaty has permitted us to turn our full attention to the practical solution of a central issue of that conflict—the Palestinian issue.

It is evident that the issues involved in the Palestinian question are far too complex to be dealt with all at once. Because of this, we have long felt that the only realistic approach to their solution is to establish a transitional period during which decisionmaking institutions can evolve and in which the decisions that need to be made can be dealt with in a logical sequence. That approach was agreed to by Egypt and Israel at Camp David, and they have invited other parties to the Arab-Israeli conflict to support it. In their letter to President Carter accompanying the treaty, President Sadat and Prime Minister Begin have agreed to negotiate in good faith, with a goal of completing those negotiations within 1 year. Their goal is to reach agreement on arrangements for electing a self-governing authority for the West Bank and Gaza and on the powers and responsibilities of that body.

Let me briefly review what the Camp David framework calls for on the Palestinian issues.

- A Palestinian self-governing authority will be established in the West Bank and Gaza for a 5-year transitional period, during which negotiations will take place to determine the final status of these areas.

- At the start of the transitional period, the Israeli military government and its civilian administration will be withdrawn and replaced by the self-governing authority freely elected by the inhabitants of these areas. An initial withdrawal of Israeli military forces will take place, and those remaining will be redeployed to specified security locations.

- Elected Palestinian representatives and the Government of Jordan are invited to participate, along with Egypt and Israel, in negotiations based on all the provisions and principles of Security Council Resolution 242, the basis for all peace efforts in the Middle East since 1967. Thereby the Palestinians can participate, as they have every right to do, in determining their own future. They can participate in setting up their self-governing authority and in the subsequent negotiations to determine the final status of the West Bank

and Gaza, as well as in the negotiations for an Israel-Jordan peace treaty. The agreement on the final status of the West Bank and Gaza will be submitted to a vote by the elected Palestinian representatives. These elected representatives will, by themselves, decide how they shall govern themselves after the 5-year transitional period, consistent with the terms of their agreement on the final status of the area.

- Representatives of Palestinians not now living in the West Bank and Gaza, as mutually agreed, may join the negotiations on establishing the elected self-governing authority in those areas. Throughout the 5-year transitional period, in all the negotiations, Palestinians in this area and outside it almost certainly will reflect each other's views and concerns.

- Egypt and Israel have agreed to work with other interested parties to establish agreed procedures for a prompt, just, and permanent implementation of the resolution of the refugee problem.

- Israel and Egypt have agreed that the solution from the negotiations must recognize the legitimate rights of the Palestinian people and their just requirements, as well as provide for the security of Israel.

Future Negotiations

In future negotiations, as in the past, the United States will remain attentive to an important ingredient for long-term regional stability in the Middle East: the security of Israel. Seven American Presidents have believed and demonstrated that America's relationship with Israel is a unique relationship. It is a relationship which is indestructible because it is rooted in the consciousness and the morals and the religion and the beliefs of the American people themselves. As President Carter has said [March 12, 1979]: "For 30 years we have stood at the side of the proud and independent nation of Israel. I can say without reservation, as President of the United States of America, that we will continue to do so not just for another 30 years, but forever. . . . The United States will never support any agreement or any action that places Israel's security in jeopardy."

Israel as a sovereign state within the family of nations has the right to recognition and acceptance by its neighbors. Beyond this the people of Israel, like people everywhere, have a deep-felt longing and inherent right to live in peace and security—a security which derives not only from our commitment and Israel's own strength and

fortitude but from a peace based upon the growing cooperation and goodwill of its neighbors and from firm and lasting security agreements mutually arrived at and observed.

No one should underestimate the difficulty of the remaining challenges in the Middle East. For all the reasons I have mentioned, the challenge must be met. Failure to do so poses sufficient dangers to world peace that your government would be irresponsible were it not to remain actively involved in helping the parties meet the challenge.

Only the resolution of the Arab-Israeli conflict in its broadest context can assure stability in the greater Middle Eastern region. The process involved is mutually reinforcing: Without an Arab-Israeli settlement, stability in the Middle East will be difficult to achieve; that stability is impossible without settlement of the Palestinian issue; and until there is stability in the region at large, the concerns of both Arabs and Israelis for their security, independence, and territorial integrity cannot be completely allayed.

Answer to the Critics

As we go forward in this work, we are aware that there are those who do not support it, or who hesitate to do so openly. There are some who do not want peace and would even unravel the fabric of work already done. There are others who are committed to a peaceful settlement but who criticize the Camp David framework—the only approach in three decades that has begun to produce results. There are those who demand that their concerns be addressed and their rights insured but who have refused so far to engage in the effort required to bring about the kind of future they want.

To them we say: We are sensitive to your anxieties and your doubts. You fear that the Egyptian-Israeli treaty will turn out to be a separate peace and that your legitimate interests will be forgotten. We say to them: The documents signed and the solemn pledges made, including the pledge of the President of the United States, are proof that this fear is unfounded. A beginning has been made. The process continues. The critics provide no practical alternative. War is no solution. The solution lies in negotiations whose momentum toward peace will grow as concrete results are achieved. The results which seem impossible today become realistic tomorrow as confidence in the peace process grows. The United States remains committed to achieving a comprehensive peace, fair and just to all concerned.

We will go on with this process re-

UNITED NATIONS: *Summaries of* U.S. Statements

Dominica

The United States supported the application of the Commonwealth of Dominica for membership in the United Nations. (Amb. Richard W. Petree in the Security Council on Dec. 6, 1978; USUN press release 153) It was admitted as the 151st member of the United Nations on December 18, 1978.

Human Rights

The United States urged that the United Nations concentrate on improving its human rights machinery and programs. In an address before the assembled members of the United Nations on March 17, 1977, President Carter suggested that the U.N. Commission on Human Rights meet more often and move the entire human rights division back to central headquarters in New York. He also asked the United Nations to reconsider the proposal to create the post of a U.N. high commissioner of human rights.

Accordingly, the United States continued to press that the Human Rights Commission's overall analysis has a

positive impact on improving the human rights mechanisms and that there be a periodic review of all U.N. activities in this respect. We also supported initiatives concerning the creation of autonomous human rights institutions and regional human rights organizations. (Brady Tyson in Committee III on Nov. 28, 1979; USUN press release 138)

Mass Communications

The United States welcomed the excellent report on major developments in mass communications during the last 16 years which was submitted to the U.N. Secretary General by the Director General of the U.N. Educational, Scientific and Cultural Organization (UNESCO). We also noted that the work of the 20th session of the UNESCO general conference signified the triumph of cooperation over confrontation and laid the foundation for a more equitable "new world information order."

The U.S. general policy statement at the conference (for text see BULLETIN of February 1979, p. 50) proposed

regardless of pressure or of the indifference of others. We invite others involved in the conflict to join us and urge all nations concerned with peace to support our effort. The full fruits of peace cannot be harvested unless its seed is sown widely and nurtured by all. We see no present alternative to the process begun at Camp David. The problems remaining are too complicated and too sensitive to be solved all at once. Most complicated of all is the unresolved problem of Jerusalem. But with each problem resolved, it becomes all the more possible to resolve the next—with each act of trust, the next act requiring even greater trust becomes more possible. In the end, the overall solution will emerge, as we put in place the firm building blocks on which a comprehensive peace can stand.

A framework for peace was established at Camp David and an Egyptian-Israeli treaty has now been concluded. This was the first indispensable step on the road to a just and lasting peace. The challenges ahead are formidable, and overcoming them will at times tax our patience and our fortitude. But, for the first time, a practi-

cal beginning has been made toward peace in this troubled region, and a realistic opportunity exists to complete the task.

We are determined to help make this treaty the foundation for a wider and greater peace. What we seek, in the words of Thomas Jefferson, is: "Equal and exact justice to all men, of whatever state or persuasion, religious or political; peace, commerce, and honest friendship with all nations. . . ."

Sixteen months ago, President Sadat traversed in less than an hour the light years separating Cairo and Jerusalem. By that symbolic act, he charted a new course that can make Jefferson's vision a reality for the peoples of the Middle East. Six months ago three men of vision—President Sadat, Prime Minister Begin, and President Carter—set out from Camp David on the long road to achieve that reality. One week ago those same three men reached the first major milestone on that journey. We are determined to stay on that road until, together, we reach its final and successful destination. □

¹For texts of the Camp David frameworks and related material, see BULLETIN of Oct. 1978, p. 1.

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measures to further the free flow of information.

- The United States pledged to develop a plan of cooperation and assistance in communications with developing countries.

- The United States announced that an AID-funded program using the facilities of INTELSAT would be initiated to enable developing countries to disseminate information on health, education, and agriculture in remote rural areas.

- The United States recommended consideration of a consultative role for appropriate international organizations for action upon requests for communications assistance and mobilization of resources.

We suggested that the Special Political Committee on Questions Relating to Information especially consider three areas of activity:

- Defining needs and aspirations of the world community in realistic terms;
- Organizing procedures for providing consultative services; and
- Mobilizing resources.

In conclusion the United States cautioned against radical and politically motivated prescriptions for structural changes. We cannot acquiesce in or be indifferent to concepts of a new world information order which imply linkage with ideas and proposals totally unacceptable to any society that constitutionally guarantees freedom of expression against restriction by the state. To establish a more just and effective world order, all nations must pursue, without discarding their differences, the commonalities that exist in constructive and practical approaches to the problems before them. (George A. Dalley in the Special Political Committee on Questions Relating to Information on Dec. 4, 1978; USUN press release 149)

Middle East

The United States strongly opposed UNGA Resolution 33-71A. Its main point is a request that the Security Council, under Chapter VII of the U.N. Charter, apply a mandatory arms embargo against only one nation in the Middle East—Israel. The United States believes that this would undermine the security of Israel, create a fundamental imbalance in the Middle East, and so contribute significantly to a dangerous destabilization in the region. Rather, the way to achieve stability in the Middle East is for Israel and its Arab neighbors to resolve their differences through negotiations leading to a com-

prehensive settlement of the Arab-Israeli dispute. (Amb. Adrian S. Fisher on Nov. 27; USUN press release 139)

The United States supported the Security Council's renewal of the U.N. Disengagement Observer Force. (Amb. Richard W. Petree in the Security Council on Nov. 30, 1978; USUN press release 147)

The United States expressed concern that little progress had been made in fulfilling the mandate of the U.N. Interim Force in Lebanon (UNIFIL). Members of the Security Council, Israel, and other governments and organizations having influence in the region have responsibility for cooperating with UNIFIL in order to insure that the relative stability in the UNIFIL area can be consolidated and that the authority of the Government of Lebanon is extended to southern Lebanon. UNIFIL's operation must be extended in southern Lebanon and its freedom of movement assured. (Amb. James F. Leonard in the Security Council on Dec. 8, 1978; USUN press release 157)

At the pledging conference for the U.N. Relief and Works Agency for Palestine Refugees in the Near East (UNRWA), the United States pledged \$53 million for 1979. Of this amount \$9.5 million is contingent upon receipt by UNRWA of matching contributions from members of the Organization of Petroleum Exporting Countries. The United States noted that it has been the largest contributor to UNRWA since its establishment in 1949. (Betty-Jane Jones in the pledging conference for UNRWA on Dec. 7, 1978; USUN press release 159)

Refugees

At the pledging conference for the U.N. High Commissioner for Refugees, the United States pledged \$12.5 million as its initial contribution toward the Refugees' 1979 general program and indicated its intention to seek additional funds during the 1979 operational year. (William J. Stibravy, U.N. High Commissioner for Refugees pledging conference on Nov. 17, 1978; press release 123)

South Asia

The United States voted in favor of UNGA Resolution 33-65 on the establishment of a nuclear-weapon-free zone in South Asia. We believe that an effective nuclear-weapon-free zone that is developed and supported by states in the area can enhance the security of the parties and reinforce nonproliferation on a regional basis. (Amb. Adrian S. Fisher in Committee I on Nov. 29, 1978; USUN press release 141)

South Africa

The United States cosponsored UNGA Resolution 33-42 to assure that students from Zimbabwe, Namibia, and South Africa are not denied the opportunity to obtain training and education under the U.N. Educational and Training Program for Southern Africa. The United States urged a unanimous international commitment to the youth and future of southern Africa. (John Graham in Committee IV on Nov. 2, 1978; USUN press release 129)

World Assembly on the Elderly

The U.S. Government believes the problems of older citizens are a concern for all nations. The rapid rise in numbers and proportions of older people characterized almost all developed nations in this century. In developing nations, the number of older people is expected to triple over the next 50 years.

The United States presented a draft resolution (later adopted as A/RES/33/52) which proposes convening a World Assembly on the Elderly in 1982. Such an assembly would allow all nations to exchange knowledge and experience on current and projected measures to improve life for the elderly. Also, the General Assembly is asked to consider observing an International Year of the Elderly.

The U.S. Congress approved and President Carter signed a bill authorizing the contribution of \$1 million or 25% of the cost (whichever is lower) to a world assembly. (Ruth Morgenthau in Committee III on Nov. 15, 1978; USUN press release 120) □

WESTERN HEMISPHERE: *Nicaragua*

DEPARTMENT SPOKESMAN'S RESPONSE TO A QUESTION, FEB. 8, 1979¹

A three-nation negotiating group, which has been trying since last October to help the government and opposition forces in Nicaragua to reach a peaceful and democratic solution to that nation's political crisis, has suspended its mediation efforts.

It is concluded that it cannot break the impasse between the opposition and the Nicaraguan Government caused by President Somoza's unwillingness to accept the essential elements of the mediators' *most recent proposal*.

Following the events, strikes, and violence of last August and September in Nicaragua, the Organization of American States (OAS) on September 23 noted the willingness of the Government of Nicaragua to accept the mediation effort. In response, the United States, Guatemala, and the Dominican Republic offered their cooperation. This offer was accepted both by the Nicaraguan Government and the opposition coalition known as the Broad Opposition Front (FAO). That group began its work on October 6.

On December 20, it presented to both the governing National Liberal Party (PLN) and the FAO a carefully constructed proposal for a resolution of the political crisis through a national plebiscite. The plan was based upon the conditions and views which were presented both by the government and by the opposition. It included plans for international administration and supervision of a plebiscite, along with other special conditions which the negotiating group felt were essential to secure voter confidence in the fairness of the plebiscite process and without which agreement to hold such a plebiscite could not be achieved.

The proposal was accepted by the FAO but not by the PLN, which submitted a counterproposal.

The three-nation group studied that counterproposal carefully but deemed it insufficient to have any prospect of being accepted by the opposition.

On January 12, the group asked the PLN to reconsider its position. On January 17, the PLN reconfirmed its

position and its opposition to the plan. The mediating group, therefore, concluded that the existing impasse could not be broken by further negotiations.

The unwillingness of the Nicaraguan Government to accept the group's proposals, the resulting prospects for renewed violence and polarization, and the human rights situation in Nicaragua, as reported by the Inter-American Commission on Human Rights, unavoidably affect the kind of relationship we can maintain with that government. It was with this background that the U.S. Government reassessed its relationship with Nicaragua and concluded that in these circumstances, it cannot continue to maintain the same level and kind of presence in Nicaragua as we have had in the past. Therefore, the United States will take the following steps in connection with its relationship with the Government of Nicaragua.

First, the United States is withdrawing the U.S. military assistance group in Nicaragua, and it is terminating our military assistance program which has, in fact, been suspended for some months.

Second, with respect to economic assistance, those Agency for International Development (AID) projects which are well-advanced will continue since they are aimed at the basic human needs of the poor, and termination of AID funding at this time—at this particular advanced stage—would leave many elements only partially completed. However, no new projects with the government will be considered under present conditions. At this point, AID does not intend to implement two loan projects signed in August 1978 on which work has not yet begun. There have been substantial changes in conditions affecting these projects since the loans were negotiated.

Third, we are withdrawing all Peace Corps volunteers from Nicaragua.

Fourth, we are also reducing the number of U.S. Government officials at our embassy in Managua.

The United States wants to note again its willingness to resume the conciliation efforts should conditions and circumstances warrant. We hope that efforts to negotiate a peaceful solution to the political crisis can be resumed, and we urge all Nicaraguans to avoid the temptation to seek violent solutions to problems that are best resolved through a national consensus.

We would deplore any outbreak of terrorism or violence emanating from whatever source, which besides the suffering and loss of human life it

would cause would only complicate the task of finding a peaceful solution to Nicaragua's crisis.

We call upon other governments in the region to avoid contributing to the continuation or spread of violence. We will continue to work closely with the OAS to the end that we can assist in promoting peace, democracy, and full respect for human rights in Nicaragua. This has been conveyed to the government in Nicaragua, and that is the current status and our intentions. □

¹ The question was asked at the noon briefing and answered by Department spokesman Hodding Carter III.

TREATIES: *Current Actions*

MULTILATERAL

Arbitration

Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959, for the U.S. Dec. 29, 1970. TIAS 6997.

Extended to: Isle of Man by the United Kingdom, Feb. 22, 1979; effective May 23, 1979.

Astronauts

Agreement on the rescue of astronauts, the return of astronauts, and the return of objects launched into outer space. Done at Washington, London, and Moscow Apr. 22, 1968. Entered into force Dec. 3, 1968. TIAS 6599.
Accession deposited: Peru, Mar. 21, 1979.

Aviation

Convention for the suppression of unlawful seizure of aircraft. Done at The Hague Dec. 16, 1970. Entered into force Oct. 14, 1971. TIAS 7192.

Ratification deposited: Ethiopia (with a reservation), Mar. 26, 1979.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal Sept. 23, 1971. Entered into force Jan. 26, 1973. TIAS 7570.

Ratification deposited: Ethiopia (with a reservation), Mar. 26, 1979.

Protocol on the authentic quadrilingual text of the convention on international civil aviation (Chicago, 1944) (TIAS 1591), with annex. Done at Montreal Sept. 30, 1977.¹
Acceptance deposited: Seychelles, Mar. 23, 1979.

Bills of Lading

Protocol to amend the international convention for the unification of certain rules of law relating to bills of lading signed at Brussels Aug. 25, 1924 (TS 931). Done at Brussels Feb. 23, 1968. Entered into force June 23, 1977.²

Accession deposited: German Democratic Republic, Feb. 14, 1979.

Signature: Netherlands, Feb. 5, 1979.

Collisions

Convention on the international regulations for preventing collisions at sea, 1972, with regulations. Done at London Oct. 20, 1972. Entered into force July 15, 1977. TIAS 8587.
Accessions deposited: Panama, Mar. 14, 1979; Trinidad and Tobago, Feb. 15, 1979; Yemen Arab Republic, Mar. 6, 1979.

Containers

International convention for safe containers (CSC), with annexes. Done at Geneva Dec. 2, 1972. Entered into force Sept. 6, 1977; for the U.S. Jan. 3, 1979. TIAS 9037.
Accessions deposited: Bahamas, Feb. 16, 1979; Denmark, Mar. 2, 1979;³ Yemen Arab Republic, Mar. 6, 1979.

Counterfeiting

International convention and protocol for the suppression of counterfeiting currency. Done at Geneva Apr. 20, 1929. Entered into force Feb. 22, 1931.²
Notification of succession: Singapore, Feb. 12, 1979.

Cultural Relations

Agreement on the importation of educational, scientific, and cultural materials, and protocol. Done at Lake Success Nov. 22, 1950. Entered into force May 21, 1952; for the U.S. Nov. 2, 1966. TIAS 6129.
Acceptance deposited: Hungary, Mar. 15, 1979.

Customs

Convention establishing a Customs Cooperation Council, with annex. Done at Brussels Dec. 15, 1950. Entered into force Nov. 4, 1952; for the U.S. Nov. 5, 1970. TIAS 7063.
Accession deposited: United Arab Emirates, Feb. 7, 1979.
 Protocol concerning the European Customs Union Study Group. Done at Brussels Dec. 15, 1950. Entered into force Mar. 30, 1951; for the U.S. Nov. 5, 1970. TIAS 7063.
Accession deposited: United Arab Emirates, Feb. 7, 1979.

Defense

Memorandum of understanding no. 3 concerning the execution of a joint test program for the Roland II weapons system, with annexes. Entered into force Dec. 12, 1978.
Signatures: U.S., Sept. 28, 1978; France, Nov. 15, 1978; Federal Republic of Germany, Dec. 12, 1978.

Diplomatic Relations

Vienna convention on diplomatic relations. Done at Vienna Apr. 18, 1961. Entered into force Apr. 24, 1964; for the U.S. Dec. 13, 1972. TIAS 7502.
Accession deposited: Ethiopia, Mar. 22, 1979.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976. Entered into force Nov. 30, 1977. TIAS 8765.
Accession deposited: Paraguay, Mar. 23, 1979.

Fisheries—North Pacific

Protocol amending the international convention for the high seas fisheries of the North Pacific Ocean of May 9, 1952, as amended (TIAS 2786, 5385), with agreed minutes and

memoranda of understanding. Done at Tokyo Apr. 25, 1978. Entered into force Feb. 15, 1979.

Proclaimed by the President: Mar. 14, 1979

Gas

Protocol for the prohibition of the use in war of asphyxiating, poisonous, or other gases, and of bacteriological methods of warfare. Done at Geneva June 17, 1925. Entered into force Feb. 8, 1928; for the U.S. Apr. 10, 1975. TIAS 8061.
Accession deposited: Bhutan, June 12, 1978; effective Feb. 19, 1979

Human Rights

International covenant on civil and political rights. Done at New York Dec. 16, 1966. Entered into force Mar. 23, 1976.²
Accession deposited: Gambia, Mar. 22, 1979.

Load Lines

International convention on load lines, 1966. Done at London Apr. 5, 1966. Entered into force July 21, 1968. TIAS 6331.
Accession deposited: Yemen Arab Republic, Mar. 6, 1979.
 Amendments to the international convention on load lines, 1966. Done at London Oct. 12, 1971.¹
Acceptance deposited: Panama, Mar. 14, 1979.

Maritime Matters

Convention on the Intergovernmental Maritime Consultative Organization. Signed at Geneva Mar. 6, 1948. Entered into force Mar. 17, 1958. TIAS 4044
Acceptance deposited: Yemen, Mar. 14, 1979.
 Convention on facilitation of international maritime traffic, with annex. Done at London Apr. 9, 1965. Entered into force Mar. 5, 1967; for the U.S. May 16, 1967. TIAS 6251.
Accession deposited: Yemen Arab Republic, Mar. 6, 1979.

Narcotic Drugs

Convention on psychotropic substances. Done at Vienna Feb. 21, 1971. Entered into force Aug. 16, 1976.²
Ratification deposited: Trinidad and Tobago, Mar. 14, 1979.

Oil Pollution

International convention for the prevention of pollution of the sea by oil, with annexes, as amended. Done at London May 12, 1954. Entered into force July 26, 1958; for the U.S. Dec. 8, 1961. TIAS 4900; 6109.
Acceptance deposited: Yemen Arab Republic, Mar. 6, 1979.
 Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Adopted at London Oct. 21, 1969. Entered into force Jan. 20, 1978. TIAS 8505.
Acceptance deposited: Yemen Arab Republic, Mar. 6, 1979.

International convention on civil liability for oil pollution damage. Done at Brussels Nov. 29, 1969. Entered into force June 19, 1975.²
Ratification deposited: Italy (with a declaration), Feb. 27, 1979.

International convention relating to intervention on the high seas in cases of oil pollution casualties, with annex. Done at Brussels Nov. 29, 1969. Entered into force May 6,

1975. TIAS 8068

Accession deposited: Yemen Arab Republic, Mar. 6, 1979.

Ratification deposited: Italy, Feb. 27, 1979.
 International convention on the establishment of an international fund for compensation for oil pollution damage. Done at Brussels Dec. 18, 1971. Entered into force Oct. 16, 1978.²
Accession deposited: Italy, Feb. 27, 1979.

Patents

Patent cooperation treaty, with regulations. Done at Washington June 19, 1970. Entered into force Jan. 24, 1978, except for chapter II. Chapter II entered into force Mar. 29, 1978.² TIAS 8733.
Ratification deposited: Monaco, Mar. 22, 1979.

Pollution

International convention for the prevention of pollution from ships, 1973, with protocols and annexes. Done at London Nov. 2, 1973.¹
Accession deposited: Yemen Arab Republic, Mar. 6, 1979
 Protocol of 1978 relating to the international convention for the prevention of pollution from ships, 1973. Done at London Feb. 17, 1978.¹
Signatures: France, Mar. 6, 1979;⁴ Sweden, Mar. 1, 1979.⁴
 Protocol relating to intervention on the high seas in cases of pollution by substances other than oil. Done at London Nov. 2, 1973.¹
Accession deposited: Yemen Arab Republic, Mar. 6, 1979.

Safety at Sea

International convention for the safety of life at sea, 1960. Done at London June 17, 1960. Entered into force May 26, 1965. TIAS 5780.
Acceptance deposited: Iraq, Feb. 27, 1979
 International convention for the safety of life at sea, 1974, with annex. Done at London Nov. 1, 1974.¹
Accessions deposited: German Democratic Republic, Mar. 15, 1979; Yemen Arab Republic, Mar. 6, 1979.
 Protocol of 1978 relating to the international convention for the safety of life at sea, 1974. Done at London Feb. 17, 1978.¹
Accession deposited: Bahamas, Feb. 16, 1979.
Signatures: France, Jan. 26, 1979;⁴ Federal Republic of Germany, Nov. 16, 1978;⁴ Netherlands, Nov. 17, 1978;⁴ Poland, Oct. 16, 1978;⁴ Sweden, Mar. 1, 1979.⁴

Satellite Communications System

Convention on the international maritime satellite organization (INMARSAT), with annex. Done at London Sept. 3, 1976.¹
Ratification deposited: Australia, Mar. 16, 1979.

Slavery

Supplementary convention on the abolition of slavery, the slave trade, and institutions and practices similar to slavery. Done at Geneva Sept. 7, 1956. Entered into force Apr. 30, 1957; for the U.S. Dec. 6, 1967. TIAS 6418.
Accession deposited: Djibouti, Mar. 21, 1979.

Space

Treaty on principles governing the activities of states in the exploration and use of outer space, including the Moon and other celestial

bodies Done at Washington, London, and Moscow Jan. 27, 1967. Entered into force Oct. 10, 1967.

Ratification deposited. Peru, Mar. 1, 1979

Convention on registration of objects launched into outer space. Done at New York Jan. 14, 1975. Entered into force Sept. 15, 1976. TIAS 8480.

Accession deposited. Peru, Mar. 21, 1979.

Telecommunications

International telecommunication convention, with annexes and protocols. Done at Malaga-Torremolinos Oct. 25, 1973. Entered into force Jan. 1, 1975; for the U.S. Apr. 7, 1976. TIAS 8572.

Accession deposited: Nauru, Mar. 8, 1979.

Tonnage Measurement

International convention on tonnage measurement of ships, with annexes, 1969. Done at London June 23, 1969.¹

Acceptance deposited. Argentina, Jan. 24, 1979

Accessions deposited: Trinidad and Tobago, Feb. 15, 1979; Yemen Arab Republic, Mar. 6, 1979.

Whaling

International whaling convention and schedule of whaling regulations. Done at Washington Dec. 2, 1946. Entered into force Nov. 10, 1948. TIAS 1849.

Notification of adherence: Seychelles, Mar. 19, 1979.

Protocol to the international convention for the regulation of whaling of Dec. 2, 1946 (TIAS 1849). Done at Washington Nov. 19, 1956. Entered into force May 4, 1959. (TIAS 4228).

Notification of adherence: Seychelles, Mar. 19, 1979.

Wills

Convention providing a uniform law on the form of an international will, with annex. Done at Washington Oct. 26, 1973. Entered into force Feb. 9, 1978.²

Ratification deposited: Ecuador, Apr. 3, 1979.

BILATERAL

Australia

Agreement relating to the limitation of meat imports from Australia during calendar year 1979. Effected by exchange of notes at Washington Jan. 11 and Mar. 29, 1979. Entered into force Mar. 29, 1979; effective Jan. 1, 1979.

Brazil

Agreement extending the agreements of Apr. 22, 1976, as amended (TIAS 8737, 8738), relating to trade in manmade fiber textiles and textile products and cotton textiles and textile products and amending the cotton textile agreement. Effected by exchange of notes at Washington Mar. 27, 1979. Entered into force Mar. 27, 1979.

Canada

Protocol amending the convention of Aug. 16, 1916, for the protection of migratory birds in Canada and the United States of America (39 Stat. 1702). Signed at Ottawa Jan. 30, 1979. Enters into force on the date of exchange of instruments of ratification.

Memorandum of understanding pertaining to coordination of cooperative research and development. Signed Feb. 1, 1979. Entered into force Feb. 1, 1979.

Agreement concerning fishing off the west coast of Canada, with annex. Effected by exchange of notes at Washington Mar. 29, 1979. Entered into force Mar. 29, 1979.

Protocol amending the convention for the preservation of the halibut fishery of the Northern Pacific Ocean and Bering Sea (TIAS 2900). Signed at Washington Mar. 29, 1979. Enters into force on the date of exchange of instruments of ratification.

Treaty to submit to binding dispute settlement the delimitation of the maritime boundary in the Gulf of Maine area. Signed at Washington Mar. 29, 1979. Enters into force on the date of exchange of instruments of ratification of this treaty and the agreement on East Coast fishery resources.

Special agreement to submit to a chamber of the International Court of Justice the delimitation of the maritime boundary in the Gulf of Maine area. Signed at Washington Mar. 29, 1979. Enters into force on the date of entry into force of the treaty to submit to binding dispute settlement the delimitation of the maritime boundary in the Gulf of Maine area.

Agreement to submit to a court of arbitration the delimitation of the maritime boundary in the Gulf of Maine area. Signed at Washington Mar. 29, 1979. Enters into force in accordance with article II or III of the treaty to submit to binding dispute settlement the delimitation of the maritime boundary in the Gulf of Maine area.

Agreement on east coast fishery resources. Signed at Washington Mar. 29, 1979. Enters into force on the date instruments of ratification of this agreement and the treaty to submit to binding dispute settlement the delimitation of the maritime boundary in the Gulf of Maine area signed Mar. 29, 1979, are exchanged.

Egypt

Agreement for sales of agricultural commodities, with annexes. Signed at Cairo Mar. 20, 1979. Entered into force Mar. 20, 1979.

Agreement amending the agreement for sales of agricultural commodities of Nov. 8, 1978. Effected by exchange of notes at Cairo Mar. 20, 1979. Entered into force Mar. 20, 1979.

Germany, Federal Republic of

Memorandum of understanding on the participation of the Federal Republic of Germany in phase III of the deep sea drilling project. Signed at Bonn-Bad Godesberg July 18, 1974. Entered into force July 18, 1974.

Hong Kong

International express mail agreement, with detailed regulations. Signed at Hong Kong and Washington Jan. 2 and Feb. 6, 1979. Entered into force Mar. 15, 1979; effective Feb. 1, 1979.

Iran

Memorandum of understanding concerning revisions of foreign military sales (FMS) letters of offer and acceptance in force between the U.S. and Iran. Signed at Tehran Feb. 3, 1979. Entered into force Feb. 3, 1979.

Israel

Memorandum of agreement concerning assur-

ances. Signed at Washington Mar. 26, 1979. Entered into force Mar. 26, 1979.

Memorandum of agreement concerning an oil supply arrangement, with annex. Signed at Washington Mar. 26, 1979. Entered into force Mar. 26, 1979.

Jamaica

Agreement on procedures for mutual assistance in connection with matters relating to the Jamaica Nutrition Holdings Ltd., its holding company, State Trading Corporation, and its associated companies. Signed at Washington Mar. 30, 1979. Entered into force Mar. 30, 1979.

Japan

Agreement in the field of liquid metal-cooled fast breeder reactors. Signed at Tokyo Jan. 31, 1979. Entered into force Jan. 31, 1979.

Jordan

Loan agreement for a potash plant. Signed at Amman Aug. 28, 1978. Entered into force Aug. 28, 1978.

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 letters at Amman Feb. 6 and Mar. 11, 1979. Entered into force Mar. 11, 1979.

Korea

Agreement relating to export of color television receivers from the Republic of Korea, with annex. Effected by exchange of letters at Seoul and Washington Dec. 14, 1978, Jan. 2, and Mar. 12, 1979. Entered into force Mar. 12, 1979; effective Dec. 14, 1978.

Agreement amending the air transport agreement of Apr. 24, 1957, as amended (TIAS 3807, 7083), with exchange of letters and related note. Effected by exchange of notes at Seoul Mar. 22, 1979. Entered into force Mar. 22, 1979.

Liberia

Agreement relating to jurisdiction over vessels utilizing the Louisiana offshore oil port. Effected by exchange of notes at Washington Oct. 27, 1978, and Jan. 15, 1979. Entered into force Jan. 15, 1979.

Netherlands

Agreement on procedures for mutual assistance in connection with matters relating to the McDonnell Douglas Corp. Signed at Washington Mar. 21, 1979. Entered into force Mar. 21, 1979.

New Zealand

Agreement extending the agreement of Feb. 27, 1974, (TIAS 7806) for scientific and technological cooperation. Effected by exchange of notes at Wellington Feb. 27, 1979. Entered into force Feb. 27, 1979.

Agreement amending the agreement of Mar. 20, 1970, (TIAS 6857) concerning the acceptance of certificates of airworthiness for imported aircraft. Effected by exchange of notes at Washington Mar. 16 and 30, 1979. Entered into force Mar. 30, 1979.

Romania

Memorandum of understanding on scientific and technological cooperation, with annex. Signed at Bucharest Feb. 27, 1979. Entered into force Feb. 27, 1979.

Saudi Arabia

Project agreement for technical cooperation in executive management development. Signed at Jidda Nov. 18, 1978.

Entered into force: Mar. 4, 1979

Project agreement for technical cooperation in agricultural bank management and training, with annex. Signed at Jidda Nov. 18, 1978.

Entered into force: Mar. 5, 1979

Project agreement for technical cooperation in transportation, with annex. Signed at Jidda Nov. 18, 1978.

Entered into force: Mar. 5, 1979

Senegal

Air transport services agreement, with memorandum of understanding. Signed at Dakar Mar. 28, 1979. Entered into force provisionally, Mar. 28, 1979; definitively, upon an exchange of notes stating that the agreement has been approved in accordance with each contracting party's requirements

Sri Lanka

Agreement for sales of agricultural commodities, relating to the agreement of Mar. 25, 1975, (TIAS 8107) with related letter. Signed at Colombo Feb. 22, 1979. Entered into force Feb. 22, 1979.

Sudan

Agreement for sales of agricultural commodities, relating to the agreement of Dec. 24, 1977, (TIAS 9157) with agreed minutes. Signed at Khartoum Feb. 8, 1979. Enters into force upon U.S. Embassy receipt of notification of the completion of the constitutional procedures for ratification required by applicable law of Sudan.

Suriname

Agreement on procedures for mutual assistance in connection with matters relating to the Reynolds Metals Company. Signed at Washington Mar. 14, 1979. Entered into force Mar. 14, 1979.

Taiwan

Agreement relating to export of color television receivers from Taiwan, with annexes. Effected by exchange of letters at Washington Dec. 29, 1978, and Mar. 5, 1979. Entered into force Mar. 5, 1979; effective Dec. 29, 1978.

Tunisia

Agreement for sales of agricultural commodities, relating to the agreement of June 7, 1976 (TIAS 8506). Signed at Tunis Mar. 2, 1979. Entered into force Mar. 2, 1979.

U.S.S.R.

Memorandum of understanding on continued participation of the Union of Soviet Socialist Republics in the deep sea drilling project from Jan. 1, 1979, through Sept. 30, 1980. Signed at Washington and Moscow Feb. 16 and 21, 1979. Entered into force Feb. 21, 1979; effective Jan. 1, 1979.

United Kingdom

Memorandum of understanding concerning cooperation in the testing and development of antimisting kerosene and related equipment, with appendix. Signed at Washington and London June 1 and 14, 1978. Entered into force June 14, 1978.

Third protocol further amending the convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to

taxes on income and capital gains, signed at London on Dec. 31, 1975. Signed at London Mar. 15, 1979. Enters into force immediately after the expiration of 30 days following the date on which instruments of ratification are exchanged

Reciprocal fisheries agreement. Signed at London Mar. 27, 1979. Enters into force on the date of exchange of instruments of ratification.

Zaire

Agreement regarding the consolidation and re-scheduling of certain debts owed to, guaranteed, or insured by the U.S. Government and its agencies, with annexes. Signed at Washington Feb. 7, 1979.

Entered into force: Apr. 4, 1979

Agreement amending the agreement for sales of agricultural commodities of May 24, 1977 (TIAS 8813). Effected by exchange of notes at Kinshasa July 7, 1978. Entered into force July 7, 1978. □

¹ Not in force.

² Not in force for the U.S.

³ Not applicable to Greenland and the Faroe Islands.

⁴ Subject to ratification

CHRONOLOGY: March 1979

- Mar. 1 U.S. and P.R.C. exchange Ambassadors and establish Embassies in Beijing and Washington, D.C. George M. Seignious II confirmed by the Senate to be ACDA Director. Israeli Prime Minister Begin visits the U.S. Mar. 1-8. Spain holds parliamentary elections, and Prime Minister Suarez's Democratic Center Union party wins 168 seats—8 short of a majority.
- Mar. 2 Secretary Blumenthal and P.R.C. Finance Minister Zhang initial agreement on settlement of financial claims in Beijing.
- Mar. 3 President Carter meets with Canadian Prime Minister Trudeau in Washington, D.C., and affirms U.S. commitment to complete the Alaskan oil pipeline. French President Giscard returns to France from visit to Mexico (Feb. 28-Mar. 3).
- Mar. 4 Iran breaks diplomatic relations with South Africa.
- Mar. 5 Israeli Cabinet approves U.S. proposals for compromise in peace treaty negotiations. P.R.C. announces that it has begun withdrawing troops from Vietnam.
- Mar. 6 South Africa formally rejects a cease-fire proposal by U.N. Secretary General Waldheim to help transition to majority rule in Namibia.
- North and South Yemen agree to Arab League's call for a cease-fire.
- Mar. 7 President Carter and Secretary Vance visit Egypt and return to Washington, D.C., on Mar. 14 (for details, see p. 16).
- Mar. 9 U.S.S.R. Premier Kosygin visits India Mar. 9-15.
- Mar. 12 Luis Herrera Campins sworn in as President of Venezuela.
- Mar. 13 President Sadat approves proposed peace treaty between Egypt and Israel. Maurice Bishop assumes control of the Government of Grenada through a coup d'etat
- Mar. 14 Israeli Cabinet accepts compromises in the proposed peace treaty between Egypt and Israel.
- Mar. 15 Gen. Joao Baptista de Oliveira Figueiredo sworn in as President of Brazil. Egyptian Cabinet approves draft peace treaty.
- Mar. 15 A U.S. delegation consisting of the Assistant to the President for National Security Affairs Brzezinski, Deputy Secretary of State Christopher, Chairman of the Joint Chiefs of Staff Gen. Jones, and Chip Carter visit Saudi Arabia and Jordan Mar. 16-19. On Mar. 19 they visit Egypt before leaving the Middle East. From Cairo Deputy Secretary Christopher travels to Rome, Bonn, Paris, London, and Brussels Mar. 19-22, and the rest of the delegation returns to the U.S. on Mar. 19.
- Mar. 16 Kano accord, signed by all factions to the civil war in Chad, concludes the Kano conference of Mar. 10-16. It dissolves the former government in Chad and calls for new government consisting of all factions and creates a demilitarized zone around N'Djamena where fighting erupted on Feb. 12.
- Mar. 18 Parliamentary elections held in Finland Mar. 18-19. The governing center-left coalition loses some seats but maintains a majority in Parliament; the conservatives make significant gains. A new government will not be formed for several weeks.
- Mar. 19 Secretary Vance attends proximity talks on Namibia Mar. 19-20 in New York.
- 8th session of the Law of the Sea Conference opens in Geneva for 6 weeks.
- Mar. 20 International Committee of the Red Cross appeals to all parties to Southern Rhodesian conflict to take immediate steps to end increased indiscriminate violence against

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Department
of State
bulletin June 1979

The Official Monthly Record of United States Foreign Policy / Volume 79 / Number 2027

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19/2027



Department of State **bulletin**

Volume 79 / Number 2027 / June 1979

Cover Photo:

Thomas O. Enders
President Carter
Secretary Vance
Julius L. Katz
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The Department of State Bulletin, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

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

The Secretary of State has determined that the publication of this periodical is necessary in the transaction of the public business required by law of this Department. Use of funds for printing this periodical has been approved by the Director of the Office of Management and Budget through January 31, 1981.

NOTE: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the DEPARTMENT OF STATE BULLETIN as the source will be appreciated. The BULLETIN is indexed in the Readers' Guide to Periodical Literature.

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402

Price:

12 issues plus annual index —
\$18.00 (domestic) \$22.50 (foreign)

Single copy—
\$1.40 (domestic) \$1.80 (foreign)

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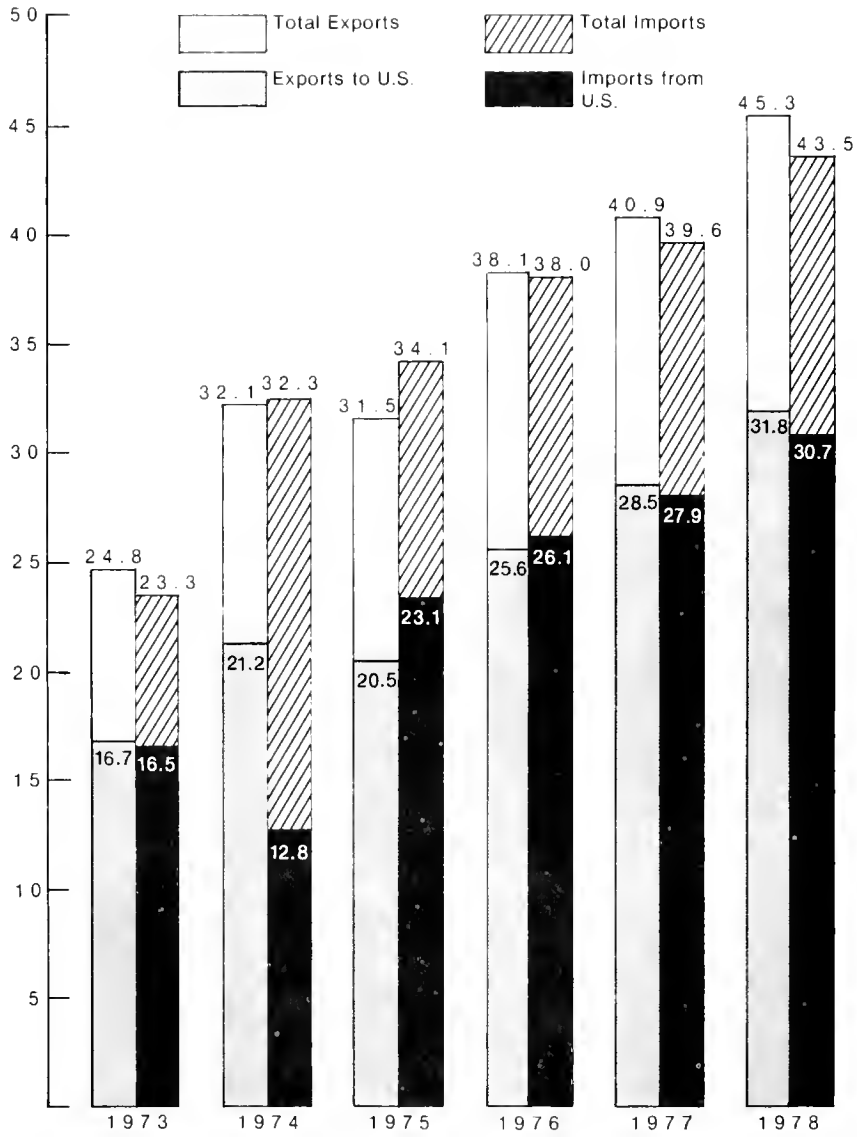
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Canada's Trade
(Billion U.S. \$)



THE UNITED STATES AND CANADA: COMPARISONS AND INTERRELATIONS

by Thomas O. Enders

Remarks at Stanford University on May 3, 1979.

Clearly we've been doing something right these past couple of years in Canada-U.S. relations. Two months ago External Affairs Minister Jamieson said our relations "had seldom been better." Secretary of State Vance made the same comment shortly before. People all up and down the border find that we have come much closer to each other, work better together, and are having much success in solving our joint problems and taking advantage of our joint opportunities.

You'll say, why not? After all, aren't Canada and the United States two of the most compatible societies in the world dedicated to the same vision of individual freedom, each built by immigrants from Europe, each blessed by those rarest endowments in the late 20th century: space and resources?

Sure, our political systems are structured quite differently, but our political values are almost the same. Sure, our individual interests are rarely identical, but there is almost always a substantial overlap. We trade more with each other, see more of each other, than any other peoples on Earth. We are the only two peoples to have a fully integrated common defense of our territories. We can be for each other models for social change, as Canada is now for the States in health insurance, and the United States may be for Canada in freedom of information. In practically every aspect of life we depend on each other more than other peoples.

Yet we know that our interdependence is not always free of stress. It comes out in Canadian fears that the United States will use its enormous weight to achieve a bargaining advantage. Or in U.S. concern that Canada will be able to assert that its smaller size exempts it from common obligations in economics or defense. Or in charges of being taken for granted by the other country, as many Canadians felt up until recently and as Americans felt in the early 1970's. Or in worries on both sides of the border that the burdens and benefits of common enterprises—pollution control, the auto pact, other trading arrangements, the

seaway, the pipeline—will not be fairly shared between us.

Quite clearly our interdependence can be enormously productive of wealth and progress. But I think it is the beginning of wisdom in our relationship to realize that increased interdependence can also bring tension between us.

The "Special Relationship"

The history of the "special relationship" makes the point. Both Canadians and Americans used that term to describe their relationship from the Second World War until the early 1970's. No one ever defined the "special relationship" but its main features are well known:

- The closest collaboration in international affairs and defense (including the fully integrated North American Air Defense Command system);
- Intensive two-way trade and investment (the U.S. share of Canada's trade held steady at a high level—about 70%—as has the U.S. share of all domestic and foreign investment in Canada—at about 40%); and
- Access by Canada to exceptional

economic arrangements the United States made available to no other country (exemption from oil import quotas, from capital export regulations, from buy-American rules on defense procurement).

There can be no doubt about the great benefits each country drew from the special relationship. Canada's economy grew explosively during this period and became a more and more indispensable element in U.S. prosperity. The joint security arrangements helped keep the peace. Exchanges of people and ideas advanced enormously.

Then the reaction set in. It came first in Canada, in the mid-1960's, triggered by the Vietnam war. For the first time in more than a century, the great majority of Canadians found themselves disagreeing fundamentally with what the United States was doing. And that disagreement sensitized Canadians astonishingly rapidly to how dependent they were on U.S. investment capital and U.S. media, which commanded the biggest audiences for radio, television, and news magazines.

Within short order the Canadian Government moved to distance itself from U.S. foreign policy (in its open-

U.S. AMBASSADOR TO CANADA

Thomas O. Enders was born in Hartford, Connecticut, on November 28, 1931. He graduated first in his class with a B.A. degree in history and economics from Yale (1953), took a Doctor of University degree in colonial history from the University of Paris (1955), and received an M.A. degree in economics from Harvard (1957).

Ambassador Enders entered the Foreign Service in 1958 and was assigned to the Department's Bureau of Intelligence and Research. In 1960 he was assigned to Stockholm. He subsequently served in the Bureau of European Affairs, as Special Assistant to the Under Secretary for Political Affairs, and in 1968 became Deputy Assistant Secretary for International Monetary Affairs in the Bureau of Economic Affairs.

He became Deputy Chief of Mission at the U.S. Embassy in Belgrade in 1969 and at Phnom Penh in January 1971; at the latter post, he served as Charge d'Affaires ad interim beginning in September 1973. Am-



bassador Enders was Assistant Secretary for Economic and Business Affairs from July 1974 until February 5, 1976, when he was sworn in as Ambassador to Canada.

CANADA—A PROFILE

Geography

Area: 3,851,809 sq. mi. (second largest country in the world)

Capital: Ottawa (pop. 693,288)

Other Cities: Toronto (2,803 million), Montreal (2,802 million), Vancouver (1.2 million)

People

Population: 23.6 million (1978).

Annual Growth Rate: 1.3%.

Density: 6.4 per sq. mi. (one of the lowest densities in the world)

Religions: Roman Catholic (46%), United Church of Canada (18%), Anglican (12%).

Languages: English, French

Literacy: 99%.

Life Expectancy: 69 yrs. (males), 76 yrs. (females).

Government

Type: Confederation with parliamentary democracy.

Date of Constitution: July 1, 1867.

Branches: *Executive*—Queen of England (Chief of State, represented by Governor General), Prime Minister (Head of Government). *Legislative*—bicameral Parliament (104-Member Senate, 282-Member

House of Commons). *Judicial*—Supreme Court

Political Parties: Liberal, Progressive Conservative, New Democratic, Social Credit

Suffrage: Universal over 18.

Administrative Subdivisions: 10 Provinces, 2

Territories.

Economy

GNP: \$202 billion (1978).

Annual Growth Rate: 3.4% (1978)

Per Capita GNP: \$7,032 (1978).

Agriculture: *Products*—wheat, livestock and meat, feedgrains, oilseeds, dairy products, tobacco, fruits, vegetables.

Industry: *Products*—motor vehicles and parts, fish and forest products, petroleum and natural gas, processed and unprocessed minerals.

Natural Resources: Metals and minerals, fish, forests, wildlife.

Trade: *Exports*—\$45.3 billion (1978): motor vehicles and parts, lumber, wood pulp and newsprint, crude and fabricated metals, natural gas, crude petroleum, and wheat.

Partners (1978)—U.S. (70.2%), EC (8.4%), Japan (5.9%), and Latin America (4.6%). *Imports*—\$43.5 billion (1978): motor vehicles and parts, industrial machinery, crude petroleum, chemicals, and agricultural machinery. *Partners* (1978)—U.S. (70.5%), EC (7.3%), Japan (4.9%), and Latin America (4.6%).

Official Exchange Rate: (floating) approx. C\$.87 = U.S. \$1.00 (May 1979)

Economic Aid Extended: Total official and private resource flow (1976)—\$2.4 billion, official development assistance (1976)—\$886 million

Membership in

International Organizations

U.N., NATO, OECD, British Commonwealth, International Energy Agency (IEA), Agency For Cultural and Technical Cooperation.

Principal Government

Officials

Canada: Prime Minister—Joe Clark; Secretary of State for External Affairs—Flora MacDonald; Ambassador to the U.S.—Peter Howe.

United States: Ambassador to Canada—Thomas O. Enders.

Taken from the Department of State's BACKGROUND NOTE on Canada to be published in the summer of 1979. Copies of the complete NOTE may be purchased for 70¢ 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).

ing to China and radical Third World countries), downgrade its contribution to joint defense, screen incoming investment, limit energy flows, and limit access by U.S. media. In 1972 Canada adopted a formal policy of diversifying its foreign relations so as to diminish its dependence on the United States (the so-called third option).

American reaction against the special relationship came in the early 1970's. With the two countries pulling apart on so many issues, there no longer appeared to be a compelling case for exceptional treatment of Canadian economic interests. So when the United States imposed an import surcharge in 1971 as part of the effort to devalue the U.S. dollar, Canada received no exemption. Washington added insult to injury by misspecifying Japan as the United States' number one trading partner. An explosion of exasperation followed in Canada.

This mutual pulling apart made the first half of the 1970's a turbulent period in U.S.-Canada relations, marked by accumulation of irritants, by distrust, and occasionally by bitterness.

Yet in retrospect the adjustment was not only necessary but sound. Not only

was the special relationship inherently unequal, and thus inappropriate to the conduct of mature relations between Canada and the United States, but its enormous success produced perceived levels of dependency intolerable to Canadians and ultimately to Americans.

By mid-decade conditions were ripe to begin constructing again a forward-looking relationship. The Vietnam war was over. The seemingly automatic prosperity of the 1960's and early 1970's—that gave each side the impression it could do without the other—was also gone. Each side's adjustments to the relationship were in place, but it was already clear that their scope would be self-limiting. Canada had new formal links with the European Community and Japan, but they were not even marginally a substitute for the economic connection with the States. And the challenge to Canadian unity gave both countries a new motive for making their relationship work well.

It is against this background that President Carter and Prime Minister Trudeau set out to build Canada-U.S. cooperation anew. And the last 2 years

have been remarkably rich in achievement. Not only have the old irritants been largely bargained out—or at least neutralized—but there have been many major new successes: agreement to build the Alaska pipeline together, the biggest tariff reduction and trade regulating deal we've ever reached, agreement on east coast fisheries and boundary arbitration, an innovative new accord on the Great Lakes cleanup, and revision of St. Lawrence Seaway toll structure. And we are working together on replacement of Canada's fighter planes.

Let me see whether I can articulate some of the lessons implicit in this cycle and in the structure of our relationship.

Basic Objectives and Mutual Confidence

First, it is clear that some of the basic objectives of each society cannot be attained unless we attain them together. We can't complete the Great Lakes cleanup nor begin to control two-way air pollution, nor stimulate productivity and fight inflation by freeing up trade, nor make our separate



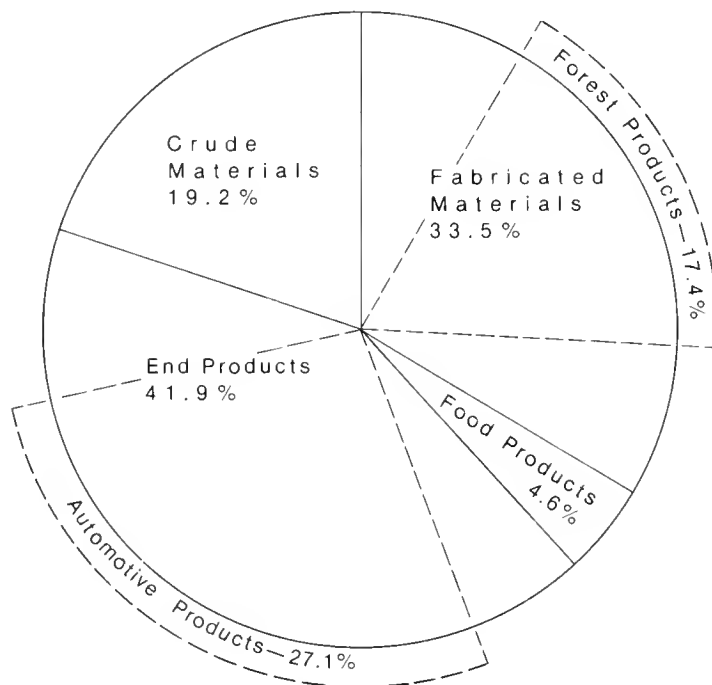
Canadian Exports to U.S. by Category, 1971-77*

CRUDE MATERIALS

Crude Petroleum	8.5%
Natural Gas	4.2%
Iron Ore and Concentrates	1.5%
Asbestos	0.5%
Nonferrous Ore and Concentrates	1.4%
Other	2.9%

FABRICATED MATERIALS

Forest Products	17.4%
Chemicals	3.4%
Coal and Petroleum Products	2.0%
Iron and Steel Products	2.1%
Nonferrous Metals and Alloys	4.6%
Other	3.7%



END PRODUCTS

Automobiles and Parts	27.1%
Industrial Machinery	2.2%
Aircraft and Parts	1.4%
Farm Machinery and Tractors	1.7%
Communication and Related Equipment	0.9%
Other	8.3%

FOOD PRODUCTS

Live Animals	0.4%
Whiskey	1.0%
Fish and Fishery Products	1.3%
Other	1.7%

*As percentage of total Canadian exports to U.S., average over period 1971-77. (Percentages for the segments in the main circle do not add to 100 because special transactions are excluded. This category includes items such as private donations of goods, settlers' effects, and imports for diplomats.)

SOURCE: "Canada-United States Relations," Vol. II, Canadian Standing Senate Committee on Foreign Affairs, June 1978.

energy systems more efficient, nor take full advantage of the 200-mile economic zone offshore unless we do it together.

Second, without an atmosphere of mutual confidence we will not be able to take advantage of these opportunities. In the late 1960's, powerful voices on both sides of the border argued that neither Canada nor the United States should put itself in thrall to the other by building a cross-Canada oil pipeline. In the suspicious ambiance of the time, these voices prevailed. The United States lost arguably the best option for moving Alaskan oil to deficit markets in the lower 48 States, and Canada lost a major source of employment and revenue. Now both countries are seeking to patch together second and third best solutions to the same problem.

Mutual Dependency

Third, confidence depends in turn on respect for our mutual dependency. This means that we should consult before we act, a commonplace observation but only in the 1970's a common practice. That means we should try to use our consultation to accommodate, and this is only now coming.

Less obviously, but no less importantly, that means we shouldn't link unrelated issues. No doubt as a matter of practical politics, both the United States and the Canadian Cabinets are going to want to think twice before giving a concession if their interests on a range of other subjects are being clobbered. But formal links—say between two environmental questions—can only violate the interests of the communities concerned. If frequently practised, linkage could bring the whole relationship to a halt.

Cooperative Action

Fourth, we should choose our targets for cooperative action with perspicacity, to be sure the benefits really outweigh the cost of greater mutual dependency.

There will always be thorough-going nationalists—on both sides of the border—to argue that any cooperative agreement involves more cost in lost independence than gain in other measures of welfare. Most Canadians and most Americans disagree with that argument, and with good reason. Without Canada-U.S. cooperative action, Detroit and Cleveland could never have persuaded the Congress to finance municipal waste treatment plants for

hem. Without the seaway, the development of the Great Lakes economy would have been much slower. Without the auto pact, cars would be far more expensive in Canada, and the U.S. industry would be less efficient. For most of us, the gains in these great projects swamp the cost.

But the corresponding argument of the thorough-going internationalists on both sides of the border—that whatever is done together is *ipso facto* better—can also be wrong.

There may not be very many, or indeed any, industrial sectors beyond autos in which the payoff from rationalization induced by free trade is so great as to outweigh the inevitable arguments between us on whether the benefits are being fairly shared. Even in the auto pact, which has generated an astounding real annual increase in two-way trade of 22% for the last 14 years, the constituency on both sides of the border remains thin, and periodic, abrasive controversies on sharing break out.

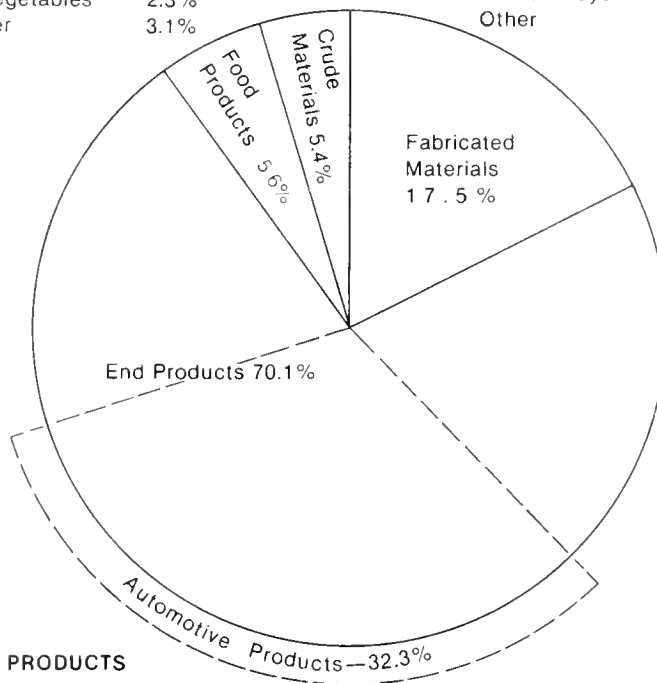
Nor is it at all evident that a north-south free trade area—an idea that comes back occasionally in both countries—would yield enough economic benefit to justify the political costs. With the application of the results of the most recent multilateral trade negotiations, U.S. tariffs on dutiable industrial imports from Canada will fall to an average 4%, with 80% of imports duty free. Canada's average tariff on imports from the United States will be 9%, with 65% coming in without duty.

A free trade area would do away with these residual barriers. But it would cut across the vocation we both have to be worldwide traders. And it might seem to promise a reciprocal responsibility for each other's well-being beyond what either country could realistically—or would—live up to.

Similar care is required in the energy field. There is a lot we can do together to make our separate energy systems more efficient—joint oil storage, increased trade in electricity, cooperation in transporting Alaska oil into the U.S. Midwest, and use of surplus Canadian refinery capacity to meet U.S. shortfalls in gasoline. Augmented Canadian sales of gas and U.S. sales of coal are important to both countries. But proposals to create a "North American energy market," which occasionally surface in the United States, are likely only to arouse American expectations that cannot be met and stir up Canadian fears that are difficult to put to rest. After all, such proposals do not increase the availability of energy

Canadian Imports from the U.S. by Category, 1971-77*

FOOD PRODUCTS		CRUDE MATERIALS		FABRICATED MATERIALS	
Grains	0.2%	Coal	1.8%	Forest Products	2.0%
Nuts, Fruits, and Vegetables	2.3%	Other	3.6%	Fabric and Textile Materials	1.4%
Other	3.1%			Chemicals	5.2%
				Petroleum and Coal Products	0.6%
				Nonferrous Metals and Alloys	1.4%
				Other	6.7%



END PRODUCTS	
Industrial Machinery	10.0%
Farm Machinery and Tractors	3.9%
Automobiles and Parts	32.3%
Aircraft and Parts	2.1%
Communications and Related Equipment	2.5%
Electronic Computers	1.5%
Other	17.4%

*As percentage of total Canadian exports to U.S., average over period 1971-77. (Percentages for the segments in the main circle do not add to 100 because special transactions are excluded. This category includes items such as private donations of goods, settlers' effects, and imports for diplomats.)

SOURCE: "Canada-United States Relations," Vol. II, Canadian Standing Senate Committee on Foreign Affairs, June 1978.

in North America, but they do set us to arguing over its distribution.

Interdependence

That leads me to a fifth reflection. Canada-U.S. relations will not work well if we feel that we are prisoners of our interdependence, not its masters.

How can we retain control? There are a variety of means. One is to recognize the need for such national safeguards as Canada's Foreign Investment Review Act (FIRA) and the United States' countervailing duty authorities. It was feared that FIRA might act as a barrier to new incoming investment in Canada. But rather it has applied its mandate—to assure benefit to Canada in investment proposals. Its current approval rate of 90% is an indication of the quality of proposals it receives. I can understand how Canada, relying as heavily as it does on outside investment, feels the need for having such a mechanism to insure that its interests are identified and met.

Similarly, I don't see how the United States could cut its tariff protection toward Canada, as low as it has, and not retain the means of protecting itself against unfair competition from subsidized imports. This is particularly true, given the widespread use of subsidies as an instrument of industrial policy in Canada.

That doesn't mean that any national safeguard, however applied, should be acceptable. Clearly some can be cause for quarrel in themselves. The practice of random deletion of Canadian origin TV commercials broadcast by U.S. border stations—the manipulation of a signal originating in the United States—is a case that comes to mind. Others, such as FIRA and countervailing duties, could become highly contentious if applied unfairly or excessively.

Where safeguards are needed, two procedures should be followed.

- We should look for a solution to the problem that expands our exchanges rather than cuts into them. For example, some Canadians have proposed a discriminatory tax on cinemas showing U.S. films as a means of further stimulating Canada's developing film industry and asserting Canada's cultural identity. But such a measure

which could have led to a "film war," and Canada's industry cannot prosper without access to the American market. Thus the American Motion Picture Association is promoting distribution of additional Canadian-made feature films in the United States as an alternative.

- We should make the safeguards subject to agreed international discipline. That's what is now happening on countervailing duties and subsidies and has already happened through the Organization for Economic Cooperation and Development with regard to national treatment for investors once they are permitted to establish.

But the most difficult of control problems are those involving adjustment of major deals between us. Classically, our most important agreements have no reopener clause. But the world changes and interests change, and the dangers of rigidity have to be balanced off against the advantages of stability.

Recently we've made some progress in this difficult, delicate area. Despite the fact that whole port systems were built on the basis of the original St. Lawrence toll structure, we were able to agree last year on modifying them, in order to cover rising costs.

The provisions of the newly signed agreement on east coast fisheries and boundaries are innovative in this regard. The agreement is permanent, yet either party can ask for renegotiation of the catch split every 10 years. However, the treaty puts an absolute limit on the cumulative change in percentages that can be negotiated.

I'm not suggesting the reopener in the east coast treaty should be copied elsewhere; it's controversial itself. But proper allowance for change within an overall framework of stable bargains is clearly one area of unfinished business in the relationship.

Style and Institutions

My sixth and last point concerns style and institutions.

The Constitutions of both countries give exclusive responsibility for the conduct of the relationship to the Federal governments. Yet clearly not only are the Federal executives, the Parliament, and the Congress involved but increasingly the Provinces and States,

as well as a mass of new actors—environmental groups, labor unions, businesses, and so forth.

One implication is that we have to conduct our relations far more openly than before, using the media as a means to inform and engage the players on both sides. During the special relationship, an effort was made by officials to vestpocket our affairs, and the concept was even formalized in the Merchant-Heene principles for partnership of June 1965, which typically appeared just as the reaction to the special relationship was about to set in. Such an attempt is not only impossible now, it would be damaging.

Another implication is that diplomacy must now include the Provinces and States. That does not mean that either Ottawa or Washington should attempt to contract business with the States or the Provinces; that would violate the Constitutions. But each capital can and is developing its liaison with other governments in its own country. And informal contacts between the Provinces and the U.S. Embassy in Ottawa and the States and the Canadian Embassy in Washington can prevent misunderstanding and expedite our affairs.

There is no way one can codify Canada-U.S. relations, and this is not an effort to do so. We are continuously evolving new procedures to meet new opportunities or problems.

And no doubt we will have a new set of problems in the 1980's. Industrial development and technology are bound to be among them; perhaps they will be the central issues. Both societies are dissatisfied with the rate at which they are generating industrial innovation, and it is increasingly clear that for both, success or failure in energy will depend on technological change. Technology may thus define quite new opportunities for cooperation as well as new areas for rivalry.

During the 1970's the United States learned a lot more not only about Canada but how it behaves in relating to Canada. I think Canada has had a similar experience. With that knowledge—and the sense that we've achieved something in the relationship—we should be exceptionally well placed to meet the challenges of the 1980's. □

Maritime Boundary and Resource Agreements

by *Thomas R. Pickering*

Address before the Oceans Policy Forum in Washington, D.C., on April 5, 1979. Mr. Pickering is Assistant Secretary for Oceans and International Environmental and Scientific Affairs.

On March 29, 1979, Secretary Vance and the Canadian Ambassador, Peter Towe, signed important maritime agreements relating to both the Pacific and Atlantic coasts. I would like to describe those agreements briefly for you, review the background of their negotiation, and comment on the necessity for the arrangements encompassed by them.

The agreements relating to Pacific coast fisheries were contained in a protocol amending the Pacific halibut convention and in an exchange of diplomatic notes under which U.S. fishermen will be allowed to catch 3,250 metric tons of groundfish off the coast of British Columbia in each of the next two 12-month periods. Under the amended halibut convention, Canadian fishermen will take 2 million pounds of halibut in the U.S. zone this year and 1 million pounds the following year.

The west coast agreements, in essence, phase out reciprocal commercial fishing over a 2-year period but provide for continued joint management of the halibut resource in the bilateral International Pacific Halibut Commission. Reciprocal sport fishing in accordance with State and local laws and regulations is also provided for.

Maritime Boundaries

The maritime dispute in the Beaufort Sea and the disputed Pacific boundaries in the Dixon Entrance and Juan de Fuca areas have not been resolved. The area claimed by both sides in the Beaufort Sea, although large, is not of any present fisheries importance. The areas of overlapping claims in the Pacific are much smaller and of relatively little importance in fisheries terms.

Also signed on March 29 was an east coast fisheries agreement and a treaty committing the two governments to resolve, by third-party means, the disputed maritime boundary in the Gulf of Maine area. Two related agreements were signed with the boundary settlement treaty. The first sets out in

elaborate detail the method and procedures for submission of the delimitation of the maritime boundary in the Gulf of Maine area to a chamber of the International Court of Justice (ICJ). The other agreement describes, in similar detail, arrangements for submission of the issue to an ad hoc Court of Arbitration of agreed members should it prove impossible to proceed before a chamber of the ICJ. Our preferred method of settling the boundary is by a chamber of the ICJ. In the ICJ process, although the special chamber would do the actual work, the award would be an award of the ICJ. This could be—if we are able to go the ICJ route—the first instance in which a case submitted to that Court's jurisdiction by the United States would be decided by the Court.

Fisheries Resources

Related to the boundary settlement treaty is the agreement between Canada and the United States on east coast fisheries resources which will enter into effect simultaneously with the boundary settlement treaty. The fisheries agreement will endure beyond the actual delimitation of the maritime boundary—a process which may itself require several years for completion.

The boundary settlement treaty, with its two alternative agreements, like the west coast arrangements on halibut and groundfish, is not, as far as I am aware, controversial or opposed by concerned segments of our society or economy. The east coast fishery agreement on the other hand is controversial.

Although I cannot here now recapitulate the entire process which led to the signing of the fishery agreement, it is worthwhile to keep in mind the background against which we undertook the negotiations.

Background to Negotiations

Historically we lived in a world where national jurisdiction, in any form, did not extend beyond 3 miles. It was only in 1964 that the United States established a 9-mile contiguous fisheries zone, thereby extending U.S. jurisdiction (for fisheries purposes only) out to 12 miles. The 1958 Continental Shelf convention, which we ratified in 1961, entered into force in

June 1964. Even then, we did not actually delimit shelf claims. We did, however, discuss shelf delimitation with our Canadian neighbors, and we discovered that we had differing opinions on our shelf boundaries. In 1970, we began negotiations, without any success, to resolve the shelf boundaries, particularly the North Atlantic one since there was even then considerable interest in hydrocarbon exploration and exploitation on the Georges Bank.

Throughout the early 1970's pressure grew for extension of U.S. fisheries jurisdiction to 200 miles. Following passage of the Fishery Conservation and Management Act of 1976, we again tried to resolve by negotiation our maritime boundary differences with Canada. We have not yet succeeded, although the treaty signed last week provides for resolution of the dispute in the Gulf of Maine area. Of the four boundaries in dispute, it is the one that is most contentious, and it most affects exploitation and management of our two countries' fishery resources. The overlap in the two countries' claims is very large and encompasses extremely productive fishing grounds.

Since passage of the Fishery Conservation and Management Act, it has become increasingly apparent that any logical or effective management of transboundary east coast fishery resources requires, as a *sine qua non*, agreement with Canada on who will manage each stock; what the shares of each country will be; and, to the extent that it is mutually beneficial, the amount and areas of any reciprocal fishing. Under the interim fisheries agreement we worked out for 1977, and also under a similar agreement for 1978 which never was put into force, there were serious differences with the Canadians. A part of the problem related to the rather special case of Pacific salmon fishing by Canadians off the Washington coast. More basic, however, on both coasts, was the difference in management approaches and the resultant discord on management and sharing of transboundary stocks of fish. Canadian dissatisfaction with U.S. management of groundfish in the New England area was a primary cause of the collapse of the 1978 reciprocal and the cessation of reciprocal fishing.

Even were there not a large disputed area of overlapping claims, the fact that several major fish stocks migrate back and forth across any conceivable boundary would preclude effective management of such stocks by either country acting independently. The overlap of claims also makes the division of catch extremely contentious.

The classic illustration of these management and shares problems is what has happened with haddock and scallops during the past 2 years.

Each side has formulated its own management regime for haddock (as well as cod and other species). Canada has repeatedly claimed that our regulations were not adequately conservationist. We have effectively raised the catch level on three occasions. In a thinly veiled "object lesson" Canada, in late 1978, allowed Canadian fisher-

men to take very heavy harvests of haddock in the disputed area.

In the case of scallops the United States has not yet implemented a management plan, but U.S. efforts on Georges Bank scallops have increased remarkably in the past 2 years. Canada has become very alarmed both at the increased U.S. effort level and at the possible effect on the stocks. Similar problems and differences exist with regard to other species as well.

Given this kind of situation, it is

clear that for the good of the fishery resources an agreement was necessary. There is, in addition, a very real need to maintain a friendly, although businesslike, relationship with as close a neighbor as Canada.

Neither the imperative of resource conservation and management nor of our bilateral relations would be justification for negotiating an unbalanced agreement, and I do not believe we have done so. The agreements we have reached will lead to the drawing of a boundary that will resolve the question of jurisdiction in the area including Georges Bank.

They will also guarantee continuation of U.S. fisheries of long standing in the Canadian zone and the avoidance of economic disruption in those segments of the industry which would, absent an agreement, be closed out of the Canadian fishery. They will assure rational management of the fish stocks with which we are mutually concerned. They will assure U.S. fishermen equitable shares of those stocks.

There are those who claim that certain segments of the U.S. fishery industry come off better in the agreement than other segments. Whether that is true, I leave to the analyses and judgments of others. What I am prepared to state unequivocally is that any such imbalance in advantages as may come about was not arrived at by design or intent. We simply sought the best overall package of arrangements we could achieve. And I do not believe any segment of the U.S. industry is worse off than it has been in recent years or than it would be without the agreement.

The maritime boundary dispute and the attendant resource management and utilization problems faced us with a limited array of alternatives. Continuation of the status quo could only lead to a worsening of both the bilateral relationship and the conditions of the fishery resources. This leaves us effectively with only settlement by third-party means or negotiated solutions to resolve our problems. We have mixed these two alternatives in the east coast treaties that have been signed. Let me now describe briefly the substance of the fisheries agreement.

East Coast Treaties

The agreement divides fish stocks into three management categories: A—full joint management; B—management by the country of primary interest but in accordance with management principles specified in the treaty; and C—management by one country or the other according to its own management standards. A few

Garrison Diversion Unit

On March 28, representatives of Canada and the United States met in Washington to discuss the recent developments relating to the Garrison Diversion Unit—a multipurpose water project in the State of North Dakota.

The meeting was requested by Canada to consult about the implications for Canada of the Department of the Interior's recommendation to reauthorize the unit to include 96,300 acres of irrigation.

The revised Interior proposal, released on March 7, would reduce the irrigation area to be covered by the project from 250,000 acres. The revised proposal will be reviewed by U.S. Government agencies in order to formulate an Administration position for presentation to the Congress.

Canadian officials indicated that Canada remains concerned about the impact of the new plan. In particular they are concerned that the plan involves the transfer of water from the Missouri to the Hudson Bay drainage basin. In their view this would permit the introduction of new fish species, diseases, and parasites (foreign biota) into Manitoba waters, with detrimental effects on the multimillion dollar commercial, recreational, and native peoples fishery resource in Lake Manitoba and Lake Winnipeg. They took the position that the plan should be modified to eliminate any transfers of water into the Hudson Bay drainage basin.

They recalled that the International Joint Commission recommended in 1977 that those parts of the project affecting Canada not be built until the problem of biota transfer had been satisfactorily resolved. They reminded the U.S. side of its commitment not to let a contract for the Lonetree Dam

until consultations have been held on the report of the International Joint Commission.

Canadian officials also noted that anything less than full implementation of the waterfowl mitigation plan, proposed in the revised plan, would lead to unacceptable waterfowl losses in Manitoba. They noted that the impact of the project on Manitoba in terms of flooding and water quality appeared to be substantially eliminated in the new plan, although there was insufficient information to predict all of the water quality implications.

U.S. officials welcomed the detailed presentation of Canada's concerns. They also reiterated their previous assurances to Canada that the United States would honor its obligations under the boundary waters treaty not to pollute to the injury of health or property in Canada and its past commitment that no construction potentially affecting Canada would be undertaken until it is clear that this obligation will be met.

Both sides characterized the Washington meeting as a useful step toward resolving questions surrounding the transboundary implications of the Garrison project.

The United States undertook to give careful consideration to Canadian views and to the report of the International Joint Commission and to take them into full account in the Administration's review of the Department of the Interior's revised plan. The Canadian side expressed its expectation that as a result of the meeting those portions of the revised plan that could affect Canada would be modified. □

Press release 84 of Mar. 29, 1979 (list of participants omitted).

stocks do not fit neatly into the three-category scheme and have been made subject to special arrangements.

In the case of scallops, each side will set the annual permissible commercial catch level on its side of 68° 30' W., and those catch levels will then be combined to form a total annual permissible commercial catch.

The annual permissible commercial catch for mackerel will be set jointly, but other regulations will be set by each side under category B.

Lobster will be managed jointly in the disputed area only, until a boundary line is drawn. Each side will manage resources in its undisputed fishery zone under category C.

In addition to management responsibilities, the agreement also assigns percentage shares of each stock, by area, to fishermen of the two countries. The statistical areas set up under the International Commission for Northwest Atlantic Fisheries and continued under the Northwest Atlantic Fisheries Organization are used for this purpose.

Finally, the agreement specifies access for each country's fishermen to catch specified shares of some stocks in the other country's zone. In the case of Canadian redfish (ocean perch) and U.S. loligo squid, both the shares assigned to the other country's fishermen and the access for fishing them will terminate after 10 years.

To carry out these rather complex arrangements, a joint commission will be established with a cochairman and a panel of seven members from each side. The U.S. panel will have on it two Federal officials, three members selected by the New England Fishery Management Council from among its membership, and two similarly chosen by the Mid-Atlantic Council. The joint commission will meet as often as the two sides agree but at least once each year. If there are unresolved differences between the two sides on the commission, the dispute will go first to the two cochairmen and, if not resolved there, ultimately to a permanent, jointly selected arbitrator.

The agreement is intended to provide a basis for long-term, optimal management and utilization of the fishery resources so vital to both sides. There are provisions in the agreement for modifying not only the procedures of the joint commission itself but also the percentage shares and the management category to which any particular stock is assigned as well. In the case of changes in the shares, any reduction is limited to a maximum of 10% of the annual permissible commercial catch at the end of each 10-year period if the original share was more than 50%, or

Visit of Prime Minister Trudeau

Prime Minister Pierre Elliott Trudeau of Canada visited Washington, D.C., on March 3, 1979, to meet with President Carter.

JOINT COMMUNIQUE, MAR. 3, 1979¹

Energy

During their discussion today over lunch at the White House, the Prime Minister and the President discussed the world energy situation and noted that increased energy self-reliance is a major objective of both their governments. They reaffirmed that enhanced bilateral cooperation in the field of energy will serve the interests of both countries. They also agreed that maximizing the supplies of domestic energy available to each country was a common and shared objective.

Recent international events have served to underline the vulnerability of the USA and Canada and other oil-consuming countries to oil supply and pricing disruptions. The Pres-

5% of the annual catch if the original share was less than 50%. An original entitlement share could not be cumulatively reduced by more than one-third.

The most frequent question regarding the agreement seems to be: "Why didn't we negotiate a fisheries agreement limited to 10 years or to some fixed period following the actual drawing of a boundary line?" The answer in the simplest terms is that it was not possible. During the course of the negotiations we, in fact, proposed such a 10-year limit and worked very hard for it. But Canada was unwilling to gamble everything on the outcome of the boundary. In fact, although some boundary outcomes could result in more favorable fishery shares for the United States than those agreed to, other conceivable outcomes could result in much smaller shares overall. Moreover, as I stated earlier, the agreement does provide for some limited upward or downward adjustments in shares after an initial 10-year period so that there is a bit more flexibility in these fishing arrangements that some would suggest.

A similar question is: "Why didn't we just agree to arbitrate the boundary issue and not bother with a fishery agreement until we actually have a firm boundary?" The answer is, again, that

dent and the Prime Minister endorsed the coordinated undertaking of March 2 by the member countries of the International Energy Agency to reduce demand for oil on the world market on an urgent basis in response to the current global supply situation. The Prime Minister noted that Canada is raising its oil production and that production in the first quarter of 1979 will be some 13 percent above the previous year, a portion of it being used to offset domestic shortfalls resulting from the Iranian situation.

The United States plans to take appropriate action to increase its oil production to offset the world supply shortfall.

The Prime Minister outlined to the President the progress already achieved in Canada toward construction of the Northern Gas Pipeline. The President affirmed his government's strong commitment to the completion of the line, which will bring Alaskan gas to the lower 48 states and eventually Mackenzie Delta gas to Canadian markets. He noted that he is sending a reorganization plan to the Congress no later than April 1, establishing the Office of the Federal Pipeline Inspector. He also stated his determination to ensure that the U.S. regula-

Canada would not agree to submit the boundary to a third-party settlement process except in the context of an enduring fishery agreement. Moreover, the implications of this course of action from a conservation point of view might have been chaotic with attendant adverse consequences for the valuable fish stocks in question.

Finally, we have at times heard the suggestion that we should use the economic leverage represented by the fact that the United States is Canada's principal market for fisheries products in order to achieve better entitlements for our own fishermen. We are opposed in principle to such an approach, because we do not believe it appropriate to link the issues of access to markets with the question of access to natural resources. This has wide policy significance for us in Canada and elsewhere in terms of energy and other important resource issues. Moreover, we do not believe that such a course would take into account the constraints and realities of a relationship between two countries that are each other's best customers in the trade arena. Thus, there was no viable method of resolving our differences except by mutually acceptable arrangements. We believe the arrangements we have made are fair and mutually beneficial to both sides. □

Atlantic Coast Fisheries and Boundary Agreements

**JOINT STATEMENT,
FEB. 14, 1979¹**

The Secretary of State, the Honorable Cyrus Vance, and the Secretary of State for External Affairs, the Honorable Don Jamieson, announced on February 14 the approval by the Governments of the United States and Canada of the recommendations of Special Negotiators Lloyd N. Cutler and Marcel Cadieux for an Atlantic coast fisheries agreement and an agreement to resolve the boundary delimitation issue of the Gulf of Maine area by binding third-party procedures.

The agreements reached will be set out in two separate but related treaties, one on fisheries and the other on third party resolution of the boundary delimitation issue, which would enter into force simultaneously. Treaty texts should be ready for signature by the first of March. The treaties will then be subject to ratification in accordance with the domestic legal requirements of each country. Mr. Vance and Mr.

Jamieson expressed their desire to have both treaties ratified as early as possible.

The fisheries agreement builds on the joint report of the special negotiators that was approved by the two governments in October 1977. A joint fisheries commission will be established to implement the agreement and to provide for cooperative management of fish stocks of mutual interest. Dispute settlement mechanisms will be included as part of the institutional framework created by the agreement in order to resolve any differences that might arise in its interpretation or implementation.

The fisheries agreement also contains detailed sharing, access, and management provisions for fish stocks of mutual interest on the Atlantic coast including the disputed area as well as areas in which each exercises undisputed fisheries jurisdiction. These provisions include agreement on entitlement shares for the following major fish stocks in the Georges Bank area:

73.35% (Canada), 26.65% (U.S.) for scallops; 17% (Canada), 83% (U.S.) for cod; 21% (Canada), 79% (U.S.) for haddock; and, after 6 years, 33.33% (Canada), 66.66% (U.S.) for herring. There are also provisions for allocating to U.S. and Canadian fishermen shares of cod, haddock, pollock, and certain other stocks off the United States and Canada. In addition, for the first 10 years of the agreement, U.S. fishermen will be permitted to fish for agreed entitlement shares of the total allowable catch of redfish off Nova Scotia, and Canadian fishermen will be granted reciprocal privileges to catch loligo squid off the United States.

The fisheries agreement will be permanent, but the shares will be subject to review every 10 years, at which time either side may request changes in the shares set out in the agreement in light of the boundary delimitation and other relevant factors. Should the two parties not be able to agree on changes, the binding dispute settlement machinery can be invoked, but the agreement protects the interests of both parties by limiting the extent of the changes which can be made under this procedure.

With regard to the resolution of the boundary delimitation in the Gulf of Maine area, the two governments have agreed to submit this issue to binding third-party settlement. While basic principles concerning this submission have been agreed upon, some questions, such as the forum and procedures to be used, remain to be settled in detail. The two governments expect to resolve these issues promptly so that the two treaties can be concluded at an early date.

If, for any reason, the boundary issue is not submitted within 2 years after the entry into force of the fisheries treaty to a binding third-party dispute settlement procedure constituted in accordance with the terms of the boundary delimitation treaty, either party may terminate the fisheries treaty upon 6 months' notice to the other party.

Mr. Vance and Mr. Jamieson welcomed these agreements on Atlantic coast issues as a positive development which would strengthen the close and harmonious relationship between the two countries. They expressed the hope that these agreements would provide momentum for the continuation of negotiations directed toward the resolution of the Pacific and Atlantic coast issues in an equally amicable fashion. □

Joint Communiqué (Cont'd)

tory process on all aspects of the Northern Gas Pipeline proceeds as quickly as possible.

The two leaders agreed to seek ways whereby any additional Canadian gas exports, should they be authorized, could facilitate timely construction of the entire Northern Gas Pipeline.

In order to enhance the already close and timely cooperation in other bilateral energy areas, the two leaders agreed to establish a consultative mechanism at the sub-cabinet level which would function at least to the end of 1979. This consultative mechanism is charged with:

- Ensuring that decision-making processes in each country on the matter of a delivery system to transport Alaskan crude oil to the northern tier and other inland states proceed in a parallel and timely manner;

- Developing options for decision by each government on a number of operational issues in bilateral energy relations, including oil supplies and oil exchanges, strategic petroleum storage, the utilization of surplus Canadian refinery capacity, electricity exchanges, possibilities for liquefied and synthetic natural gas exports to the U.S., and other energy-related tasks as may be appropriate.

The President and Prime Minister will designate promptly senior officials from their respective governments to serve on this consultative mechanism

MTN

The Prime Minister and the President expressed satisfaction over progress achieved between them in the Multilateral Trade Negotiations. They agreed that timely completion of a balanced MTN agreement involving all the participants would make a notable contribution to reducing inflation and improving the prospects for sustained and balanced growth in the world economy.

SALT

The President and the Prime Minister discussed prospects for the conclusion of a SALT II treaty with the Soviet Union and agreed that such a treaty would be a significant step forward in the important task of restraining the nuclear arms race and of developing a more stable basis for maintaining world peace and security. The President acknowledged the Prime Minister's contribution to the nuclear arms control debate and expressed his appreciation for Canada's support for the U.S. pursuit of SALT II negotiations. □

¹Text from Weekly Compilation of Presidential Documents of Mar. 12, 1979. Their exchange of remarks made on the South Lawn of the White House upon the Prime Minister's departure is printed in the same Weekly Compilation on p. 379.

THE PRESIDENT: SALT II— *The Path of Security and Peace*

Address before the American Newspaper Publishers Association in New York City on April 25, 1979.¹

I want, first of all, to commend and endorse the theme of this convention: the defense of the first amendment of our Constitution and the freedom of the press. Liberty of expression is our most important civil right, and freedom of the press is its most important bulwark. We can never afford to grow complacent about the first amendment. On the contrary, you and I and others must actively protect it always.

The American press has grown enormously since the nation's early days—not only in its size and breadth but in its concepts of its own duties and its own responsibilities. The highest of these duties is to inform the public on the important issues of the day. And no issue is more important than the one I want to discuss with you today in a solemn and somber and sincere way—the control of nuclear arms.

Each generation of Americans faces a choice that defines our national character, a choice that is also important for what it says about our own nation's outlook toward the world. In the coming months, we will almost certainly be faced with such a choice: whether to accept or to reject a new strategic arms limitation treaty. The decision we make will profoundly affect our lives—and the lives of people all over the world—for years to come.

We face this choice from a position of strength—as the strongest nation on Earth—economically, militarily, and politically.

Our alliances are firm and reliable. Our military forces are strong and ready. Our economic power is unmatched. Along with other industrial democracies which are our friends, we lead the way in technological innovation. Our combined economies are more than three times as productive as those of the Soviet Union and all its allies. Our political institutions are based on human freedom. Our open system encourages individual initiative and creativity—and that, in turn, strengthens our entire society. Our values and our democratic way of life have a magnetic appeal for people all over the world which a materialistic and a totalitarian philosophy can never hope to challenge or to rival.

For all these reasons, we have a capacity for leadership in the world that surpasses that of any other nation.

That leadership imposes many responsibilities on us, on me as President, and on you, other leaders who shape opinion and the character of our country. But our noblest duty is to use our strength to serve our highest interest: the building of a secure, stable, and a peaceful world. We perform that duty in the spirit proclaimed by John F. Kennedy in 1963, the year he died: "Confident and unafraid," he said, "we labor on—not toward a strategy of annihilation but toward a strategy of peace."

In our relations with the Soviet Union, the possibility of mutual annihilation makes a strategy of peace the only rational choice for both sides. Because our values are so different, it is clear that the United States of America and the Soviet Union will be in competition as far ahead as we can imagine or see.

Yet we have a common interest in survival, and we share a common recognition that our survival depends, in a real sense, on each other. The very

Why We Need a SALT Treaty

We need it because it will contribute to a more peaceful world—and to our own national security.

Today, we and the Soviet Union, with sharply different world outlooks and interests, both have the ominous destructive power literally to destroy each other as a functioning society, killing tens of millions of people in the process. And common sense tells us—as it tells the Soviet Union—that we must work to make our competition less dangerous, less burdensome, and less likely to bring the ultimate horror of nuclear war. Indeed, the entire world has a vital interest in whether or not we control the strategic arms race.

We have consulted closely with our allies, who count on us not only to maintain strong military forces to offset Soviet military power but also, and equally important, to manage successfully a stable East-West relationship. SALT is at the heart of both these crucial efforts. That is why the leaders of France, Great Britain, Germany, Canada, and other nations have voiced their full support for the emerging treaty.

We need [a SALT treaty] because it will contribute to a more peaceful world—and to our own national security.

competition between us makes it imperative that we bring under control its most dangerous aspect—the nuclear arms race. That is why the Strategic Arms Limitation Talks (SALT) are so very important. This effort by two great nations to limit vital security forces is unique in human history. None have ever done this before.

As Congress and the American people consider the SALT treaty which is now nearly complete, the debate will center around four basic questions: Why do we need SALT? How is the treaty related to our overall defense strategy? Can Soviet compliance be verified? How does the treaty relate to Soviet activities which challenge us and challenge our interests?

Let me address each question in turn. First, why do we need a strategic arms limitation treaty?

Some nations which have so far held back from building their own nuclear weapons—and at least a dozen other nations on Earth now have that capability—will be strongly influenced in their decision by whether the two nuclear superpowers will restrain our weapons. Rejection of the new strategic arms limitation treaty would seriously undermine the effort to control proliferation of these deadly weapons. And nothing, nothing, would more surely damage our other critical efforts in arms control—from a ban on all nuclear testing to the prevention of dangerous satellite warfare in space; from equalizing NATO and Warsaw Pact forces to restraining the spread of sophisticated conventional weapons on Earth.

Every President since the dawn of the nuclear age has pursued the effort

to bring nuclear arms under control. And this must be a continuing process.

President Kennedy, building on the efforts of Presidents Truman and Eisenhower, signed the first agreement with the Soviet Union in 1963 to stop the poisonous testing of nuclear explosives in the atmosphere.

Five years later, under President Johnson, the United States and the Soviet Union joined other nations throughout the world in signing the Nonproliferation Treaty, an important step in preventing the spread of nuclear explosives to other nations.

In 1972, under President Nixon, the SALT I agreement placed the first agreed limit on the number of offensive weapons, and the Antiballistic Missile Treaty, the ABM Treaty, made an enduring contribution to our own security.

President Ford continued the negotiations at Helsinki and at Vladivostok. Each negotiation builds on the accomplishments of the last. Each agreement provides a foundation for further progress toward a more stable nuclear relationship.

Three Presidents have now spent more than 8 years negotiating the next step in this process—SALT II. We have all negotiated carefully and deliberately. Every step of the way, we have worked with our military leaders and other experts, and we have sought the advice and counsel of the Members of Congress.

An overwhelming majority of the American people recognize the need for SALT II. Our people want, and our people expect, continued step-by-step progress toward bringing nuclear weapons under control.

Americans will support a reasoned increase in our defense effort, but we do not want a wholly unnecessary return to the cold war and an all-out arms race with its vastly greater risks and costs. Through strength, we want world peace.

Let me turn to the second question. How is SALT II related to our overall defense strategy?

SALT II and Defense Strategy

The strategic forces of the United States and the Soviet Union today are essentially equivalent. They have larger and more numerous land-based missiles. We have a larger number of warheads and, as you know, significant technological and geographical advantages.

Each side has the will and the means to prevent the other from achieving superiority. Neither side is in a position

to exploit its nuclear weapons for political purposes nor to use strategic weapons without facing almost certain suicide.

What causes us concern is not the current balance but the momentum of the Soviet strategic buildup. Over the past decade, the Soviets have steadily increased their real defense spending, year-by-year, while our own defense spending over that decade has had a net decrease.

In areas not limited by SALT I, they have launched ambitious programs to strengthen their strategic forces. At some future point, the Soviet Union could achieve a strategic advantage—unless we alter these trends. That is exactly what I want to do—with the support of the American people and the bipartisan support of Congress.

We must move on two fronts at the same time.

The . . . agreement will slow the growth of Soviet arms and limit the strategic competition . . .

First, within mutually accepted limits, we must modernize our own strategic forces. Along with the strengthening of NATO, that is a central purpose of the increased Defense budget that I have submitted to Congress—improvements which are necessary even in a time of fiscal restraint.

And **second**, we must place more stringent limits on the arms race than are presently imposed by SALT I. That is the purpose of the SALT II treaty.

The Defense budget I have submitted will insure that our nuclear force continues to be essentially equivalent to that of the Soviet Union.

This year we have begun to equip our submarines with new, more powerful and longer range Trident I missiles. Next year, the first of our new even more secure Trident submarines will be going to sea, and we are working on a more powerful and accurate Trident II missile for these submarines.

Our cruise missile program will greatly enhance the effectiveness of our long-range bomber force. These missiles will be able to penetrate any air defense system which the Soviet Union could build in the foreseeable future.

We are substantially improving the accuracy and the power of our land-based Minuteman missiles. But in the

coming decade, missiles of this type based in fixed silos will become increasingly vulnerable to surprise attack. The Soviets have three-quarters of their warheads in such fixed-based missiles, compared to only one-quarter of ours. Nevertheless, this is a very serious problem, and we must deal with it effectively and sensibly.

The Defense Department now has under consideration a number of options for responding to this problem, including making some of our own intercontinental ballistic missiles (ICBM's) mobile. I might add—and this is very important—that the options which we are evaluating would be far more costly, and we would have far less confidence of their effectiveness, in the absence of SALT II limits. For without these limits on the number of Soviet warheads, the Soviet Union could counter any effort we made simply by greatly increasing the number of warheads on their missiles.

Let me emphasize that the SALT II agreement preserves adequate flexibility for the United States in this important area.

Our strategic forces must be able to survive any attack and to counterattack military and civilian targets in the aggressor nation. And the aggressor nation must know that we have the ability and the will to exercise this option if they should attack us. We have had this capacity—which is the essence of deterrence—in the past; we have it today; and SALT II, plus the defense programs that I have described, will insure that we have it for the future.

The SALT II agreement will slow the growth of Soviet arms and limit the strategic competition, and by helping to define future threats that we might face, SALT II will make our defense planning much more effective.

Under the agreement, the two sides will be limited to equal numbers of strategic launchers for the first time, ending the substantial Soviet numerical advantage which was permitted in the currently effective SALT I treaty.

To reach these new and lower levels, the Soviets will have to reduce their overall number of strategic delivery systems by 10%—more than 250 Soviet missile launchers or bombers will have to be dismantled. Naturally, the Soviets will choose to phase out their older systems, but these systems are still formidable.

The missiles, for instance, to be torn down are comparable in age and payload to our Minuteman II missiles and to our Polaris missiles presently deployed. Under the agreement, they will not be permitted to replace these dismantled systems with modern ones.

Our own operational forces have been kept somewhat below the permitted ceiling. Thus, under the agreement, we could increase our force level, if necessary.

SALT II will also impose the first limited but important restraints on the race to build new systems and to improve existing ones—the so-called qualitative arms race.

In short, SALT II places serious limits on what the Soviets might do in the absence of such an agreement. For example, without SALT II, the Soviet Union could build up to some 3,000 strategic systems by 1985. With SALT II, we will both be limited to 2,250 such weapons.

This new arms control agreement will, obviously, serve our national interest. It will reduce the dangerous levels of strategic arms and restrain the development of future weapons. It will help to maintain our relative strength compared to the Soviets. It will avert a costly, risky, and pointless buildup of missile launchers and bombers—at the end of which both sides would be even less secure.

Let me turn now to the third of the four questions. How can we know when the Soviets are living up to their obligations under this SALT agreement?

Verification

No objective, no objective, has commanded more energy and attention in our negotiations. We have insisted that the SALT II agreement be made verifiable. We are confident that no significant violation of the treaty could take place without the United States detecting it.

Our confidence in the verifiability of the agreement derives from the size and the nature of activities we must monitor and the many effective and sophisticated intelligence collection systems which we in America possess.

For example, nuclear submarines take several years to construct and assemble. Missile silos and their supportive equipment are quite large and visible. Intercontinental bombers are built at a few plants, and they need major airfields. Our photoreconnaissance satellites survey the entire Soviet Union on a regular basis, and they give us high confidence that we will be able to count accurately the numbers of all these systems.

But our independent verification capabilities are not limits only to observing these large-scale activities. We can determine not only how many systems there are but what they can do. Our photographic satellites and other

systems enable us to follow technological developments in Soviet strategic forces with great accuracy. There is no question that any cheating which might affect our national security would be discovered in time for us to respond fully.

For many years we have monitored Soviet strategic forces and Soviet compliance with the SALT agreements with a high degree of confidence. The overall capability remains. It was certainly not lost with our observation stations in

SALT II and Overall Relations With the U.S.S.R.

Because SALT II will make the world safer and our own nation more secure, it is in our national interest to control nuclear weapons even as we compete with the Soviets elsewhere in the world. A SALT II agreement in no way limits our ability to promote our interests or to answer Soviet threats to those interests.

We will continue to support the in-

Our confidence in the verifiability of the agreement derives from the size and the nature of activities we must monitor and the many effective and sophisticated intelligence collection systems which we . . . possess.

Iran, which was only one of many intelligence sources that we use to follow Soviet strategic activities. We are concerned with that loss, but we must keep it in perspective.

This monitoring capability relates principally to the portion of the new agreement dealing with the modernization limits on ICBM's and to only a portion of such modernization restraints.

The sensitive intelligence techniques obviously cannot be disclosed in public, but the bottom line is that if there is an effort to cheat on the SALT agreement—including the limits on modernizing ICBM's—we will detect it, and we will do so in time fully to protect our security.

We must also keep in mind that quite apart from SALT limits, our security is affected by the extent of our information about Soviet strategic forces. With this SALT II treaty, that vital information will be much more accessible to us.

The agreement specifically forbids, for the first time, interference with the systems used for monitoring compliance and prohibits any deliberate concealment that would impede verification. Any concealment activity would itself be detectable, and a violation of this part of the agreement would be so serious as to give us grounds to cancel the treaty itself.

As I have said many times, the stakes are too high to rely on trust, or even on the Soviets' rational inclination to act in their own best interest. The treaty must—and the treaty will—be verifiable from the first day it is signed.

And, finally, how does SALT II fit into the context of our overall relations with the Soviet Union?

dependence of Third World nations which struggle to stay free. We will continue to promote the peaceful resolution of local and regional disputes and to oppose efforts by any others to inflame these disputes with outside force. And we will continue to work for human rights.

It is a delusion to believe that rejection of a SALT treaty would somehow induce the Soviet Union to exercise new restraints in troubled areas.

The actual effect of rejecting such a treaty might be precisely the opposite. The most intransigent and hostile elements of a Soviet political power structure would certainly be encouraged and strengthened by our rejection of a SALT agreement. The Soviets might very well feel that they then have little to lose by creating new international tensions.

A rejection of SALT II would have significance far beyond the fate of a single treaty. It would mean a radical turning away from America's longtime policy of seeking world peace.

We would no longer be identified as the peace loving nation. It would turn us away from the control of nuclear weapons and from the easing of tensions between Americans and the Soviet people under the system of international law based on mutual interests.

The rejection of SALT II would result in a more perilous world. As I said at Georgia Tech on February 20:

Each crisis, each confrontation, each point of friction—as serious as it may be in its own right—will take on an added measure of significance and an added dimension of danger for it would occur in an atmosphere of unbridled strategic competition and deteriorating strategic stability. It is precisely because we have fundamental differences with the Soviet Union that

we are determined to bring this most dangerous dimension of our military competition under control.

For these reasons, we will not try to impose binding linkage between Soviet behavior and SALT, and we will not accept any Soviet attempts to link SALT with aspects of our own foreign policy of which they may disapprove.

Again, SALT II is not a favor we are doing for the Soviet Union. It is an agreement carefully negotiated in the national security interests of the United States of America.

I put these issues to you today because they need discussion and debate, and because the voices of the American people must be heard.

In the months ahead, we will do all in our power to explain the treaty clearly and fully to the American people. I know that Members of Congress from both parties will join in this effort to insure an informed public debate. And you, more than any other group I can imagine in the United States, share this responsibility with me and with the Congress.

During this debate, it is important that we exercise care. We will be sharing with the Congress some of our most sensitive defense and intelligence secrets. And the leaders in Congress must insure that these secrets will be guarded so that the debate itself will not undermine our own security.

As the national discussion takes place, let us be clear about what the issues are and are not.

Americans are committed to maintaining a strong defense. That is not the issue.

We will continue to compete—and compete effectively—with the Soviet Union. That is not the issue.

The issue is whether we will move ahead with strategic arms control or resume a relentless nuclear weapons competition. That is the choice we face—between an imperfect world with a SALT agreement or an imperfect and more dangerous world without a SALT agreement.

With SALT II, we will have:

- The foundation for further controls on nuclear and conventional arms;
- Far greater certainty in our defense planning and in the knowledge of the threats that we might face;
- Flexibility to meet our own defense needs;
- Our own self-respect and the earned respect of the world for a United States demonstrably committed to the works of peace; and

News Conference of April 30 (Excerpts)

Q. What are the prospects right now for an early extension of most-favored-nation trading status to the Soviet Union and China?

A. I personally favor the extension of the most-favored-nation treatment to both the Soviet Union and China if it can be done in compliance with existing law. I think it's good for us, for our country, to be able to export more goods, to provide more jobs for our own people, and to improve the relationships between ourselves and foreign countries, including the Soviet Union and China, brought about by increased economic interchange or trade.

So when the time comes that I think these requirements can be met, I would personally favor the extension of most-favored-nation to these two countries.

Q. Might that time come soon?

A. I hope so, yes.

Q. Can you provide any more enlightenment on our ability to verify SALT and are those within the Administration who say this ability is,

say, from 1 to 4 years away; are they wrong?

A. The Secretary of Defense made a statement concerning 1 year. That was applying to specifically how rapidly we could overcome the setback resulting from the loss of our Iranian monitoring stations. But in the same brief statement, he replied to a news question that as soon as the SALT treaty is effective, when it's signed and ratified, we would be able to verify the treaty adequately.

There's no doubt in my mind that this is the case. I would not sign nor present to the Congress or to the American people any treaty which in my opinion could not be adequately verified from the first day it's effective. Many of the concerns that we have relate to very complicated questions. For instance, we can't guarantee that every time a test missile is launched by the Soviet Union that every aspect of the flight can be completely comprehended by us.

There are limits on what we can do. But as the Secretary of Defense has testified publicly, in order for the Soviets to develop any kind of signifi-

• Reductions in Soviet strategic forces.

Without SALT, the Soviets will be unconstrained and capable of—and probably committed to—an enormous further buildup.

Without SALT, there would have to be a much sharper rise in our own defense spending, at the expense of other necessary programs for our people.

Without SALT, we would end up with thousands more strategic nuclear warheads on both sides, with far greater costs—and far less security—for our citizens.

Without SALT, we would see improved relations with the Soviet Union replaced by heightened tensions.

Without SALT, the long slow process of arms control—so central to building a safer world—would be dealt a crippling, and perhaps a fatal, blow.

Without SALT, the world would be forced to conclude that America had chosen confrontation rather than cooperation and peace. This is an inescapable choice we face. For the fact is that

the alternative to this treaty is not some perfect agreement drafted unilaterally by the United States in which we gain everything and the Soviets gain nothing. The alternative now, and in the foreseeable future, is no agreement at all.

I am convinced that the United States has a moral and a political will to control the relentless technology which could constantly devise new and more destructive weapons to kill human beings. We need not drift into a dark nightmare of unrestrained arms competition. We Americans have the wisdom to know that our security depends on more than just maintaining our unsurpassed defense forces. Our security and that of our allies also depend on the strength of ideas and ideals and on arms control measures that can stabilize and finally reverse a dangerous and a wasteful arms race which neither side can win. This is the path of wisdom. This is the path of peace. □

¹Text from Weekly compilation of Presidential Documents of Apr. 30, 1979.

cant new missile, they would have to have like 20-50 test launchings. And during that process, it is a very high likelihood that we ourselves would be able to detect any violation of the SALT treaty.

There's another factor that must be considered. If the only purpose of the Soviet Union in the long, tedious negotiations of a SALT treaty is to have a document that they can violate and that's their only purpose in existence, is to violate the SALT treaty, it would make our problem much worse. But there is an element of rationality and stability because the Soviets know that if we ever detect any violation of the SALT agreement, that that would be a basis on which to reject the treaty in its entirety; there would be a possible termination of the good relationships between our country and the Soviet Union on which detente is based, and it might very well escalate into a nuclear confrontation.

So the consequences would be very severe, and that is an additional constraint imposed upon the Soviet Union and on us that strengthens my statement that we can verify. But absent that very important factor, we can still verify to our complete satisfaction the SALT agreement through various means that we have available to us.

Q. You've been quoted by historian James MacGregor Burns as saying that even if the SALT treaty is rejected by the Senate, that you would abide by its terms. I would like to know how far you would go in this. Would you, for instance, abide by the limitations on the range of land- and sea-based cruise missiles, and more generally, don't you think abiding by a treaty that's been rejected by the Senate would amount to thwarting the will of the public?

A. I have no inclination to minimize the importance of the constitutional processes whereby treaties are negotiated by the Executive and ratified or rejected by the Senate.

My belief is that the treaty will be sound enough when it's completely scrutinized by the public and the Senate that it will be ratified. If, because of some factor that I cannot anticipate, the treaty is not ratified, then I would do all I could, monitoring very closely Soviet activities to comply with the basic agreements reached.

It would certainly not be proper for me if the treaty were not ratified to immediately launch our country into a massive nuclear arms race. And the constraints placed on me and the Soviet Union, monitored very carefully by

each other, would be a basis on which to constrain ourselves and to avoid such a nuclear confrontation in the absence of a treaty. But I still believe that we will have the treaty.

Q. Can you tell us how the list was arrived at concerning which Soviet dissidents would be released in exchange for the two Soviet spies? And in view of this exchange, you're now hopeful of gaining the release of other Soviet religious and political dissidents such as Mr. Shcharanskiy?

A. We've not forgotten any human rights activist in the Soviet Union who is being punished or imprisoned. The recent exchange was the result of long and tedious and detailed negotiations extending, I would say, at least over a 6-month period. The final agreement was approved personally by me and, I presume, by President Brezhnev. The identity of the human rights activists who came here from the Soviet Union was one that was the subject of detailed negotiation where the Soviets would put forward names, and we would assess those names and repeatedly reject them because we did not think they were adequate.

In my final judgment reached just a week or so ago, I felt that the list of names was a fair exchange and, therefore, approved them. And I cannot tell you any more detail than that about the negotiations.

Q. Have you considered taking your SALT case to the public next year to try to get a Senate that would approve the treaty?

A. No, I have every intention to conclude the SALT negotiations at the earliest possible moment. No one has ever seriously considered, in my Administration, to my knowledge, any slightest delay in concluding the SALT treaty for political purposes or for any other purpose. And my understanding is that if the SALT treaty can be concluded fairly early, that it will be considered as a very top priority by the Senate, and the action by the Senate will be concluded this year.

Q. On Capitol Hill today, a number of Republican Senators who say that they are uncommitted on SALT II were critical of Admiral Turner, the Director of [the Central] Intelligence [Agency]. They claim that he has been making speeches around the country in support of the treaty, and they feel that he should not get involved in what may become a partisan issue. What is your understanding of Admiral Turner's role?

Is he an advocate of SALT II? And if so, is this at your direction?

A. No, I've never asked him to make any such speech. I think, as is the case with almost every major official in the Federal Government—in the executive branch, at least—they are called upon to make speeches on matters of great moment and importance to the people.

Even in the case of the CIA Director responsible for intelligence, he's not confined just to expressing an opinion on collection techniques, most of which are highly secret in any case. I don't know what comments Admiral Turner has made. I happen to know that he's basically in favor of the SALT treaty.

Q. The Israeli Cabinet has recently approved two new settlements on the West Bank. In light of the enormous cost to the United States of implementing the Egyptian-Israeli Peace Treaty, isn't it reasonable to expect the Israelis to cease from settlement policy which violates international law, and secondly, why should the American people pay for policies of the Israelis that undermine the peace process and run counter to American foreign policy?

A. The position of the United States historically has been consistent and my own position on settlements in the West Bank-Gaza area and on the Golan Heights, and in the Sinai have—my position has been consistent. The Israeli Government knows perfectly well, after hours of discussion on this issue, what my position is.

We do consider the creation of Israeli settlements in these areas as being inconsistent with international law, and, as I've said many times, they are an obstacle to peace. Knowing that, the Israeli Government still on occasion authorizes new settlements.

They interpret the law differently from myself. I hope that the Israeli Government will severely restrain any inclination, either approved by the Knesset or done without legal sanction, in establishing new settlements. But there is a limit to what we can do to impose our will on a sovereign nation.

Q. The Administration position on the Rhodesian election has been, until now, that you are assessing the situation. Can you tell us, though, however, whether you personally are inclined to lifting sanctions against Rhodesia, recognizing the new government there and if you do do that, what impact do you think that will have on your Africa policy? Won't it

THE SECRETARY: *Meeting the Challenges of a Changing World*

Address before the American Association of Community and Junior Colleges in Chicago on May 1, 1979.¹

From the first days of our nation, Americans have held a staunch optimism about the future. We have been a self-confident people, certain about our ability to shape our destiny. And we are a people who have not only adapted well to change, we have thrived on it.

We are now living in a period of history marked by deep and rapid change. Tonight, I want to talk about change and how America can use its extraordinary strength to meet the challenges of a changing world.

America's optimism has been jarred in recent years—by a bitter war, by domestic divisions that tested our democratic institutions and left many of our people skeptical about government, by the sudden awareness that our economic life at home can be shaped by actions abroad, and by the realization that there are events which affect us but which we can only partly influence.

There is much that we can and have learned from these experiences. But fear of the future is not one of them.

Let me share with you frankly my concern that the distorted proposition

being advanced by some that America is in a period of decline in the world is not only wrong as a matter of fact but dangerous as a basis for policy.

For we would imperil our future if we lost confidence in ourselves and in our strength and retreated from energetic leadership in the world. And we would imperil our future, as well, if we reacted in frustration and used our power to resist change in the world or employed our military power when it would do more harm than good.

The realization that we are not omnipotent should not make us fear we have lost our power or the will to use it. If we appreciate the extraordinary strengths we have, if we understand the nature of the changes taking place in the world, and if we act effectively to use our different kinds of power to shape different kinds of change, we have every reason to be confident about our future.

America's Strengths

We must begin with a clear understanding of our own strengths as a nation.

America's military strength today is formidable. I know of no responsible military official who would exchange

our strategic position for that of any other nation.

- We have friendly neighbors on our borders.

- We have strong and reliable security relationships. Together, these allies more than double our overall military strength.

- We have easy access to the sea, which enables us to have diversified strategic forces and the ready capacity to project our power.

Our economy, and those of our allies, are more than three times as productive as those of the Soviets and their allies.

The industrial democracies continue to lead the way in technological innovation and in harnessing that technology to serve mankind.

And the way of life of our people and what we stand for as a nation continue to have magnetic appeal around the world.

Because we and our allies are the engines of creative change in almost every field, because of the vitality of our political institutions and the strength of our military forces, we have a capacity for leadership—and an ability to thrive in a world of change—that is unsurpassed.

The issue is not whether we are strong. We are. The challenge is to use these unquestioned strengths appropriately and effectively to advance our interests in a world undergoing different kinds of change.

What are these changes, and how can we use our strength effectively?

Stable Strategic Equivalence

The first element of change is the evolution from an earlier period of American strategic supremacy to an era of stable strategic equivalence.

We should harbor no illusion that we could return to the earlier era. Neither side will permit the other to hold an exploitable strategic advantage. Each side has the financial and technical resources to keep pace with the other. With the stakes so high, we know that both of us will do whatever is necessary to keep from falling behind. That is why essential equivalence has become the only realistic strategy in today's nuclear world.

This rough balance can also serve the cause of stability—even if some find it

News Conference (Cont'd)

cause you severe troubles for what you've been trying to do on that continent?

A. I am constrained by the law to wait until after the new government is established before I make a decision on whether or not the recent elections have been adequate in my judgment to lift the sanctions. And we are now going through a very careful process of assessing the conduct of the elections themselves and also the consequences of the election.

I'm not going to comment any further on it than that, but I will say that we have not varied our position that the government of Rhodesia ought to be established through democratic principles, the election should be held with all parties willing to vote or run for office being permitted to do so, and that this should be based on one-person, one-vote principle.

We have worked in consonance with most other Western nations all so far as I know and closely with the British who have a legal responsibility for Rhodesia. We have kept the United Nations informed, and I think that our position is a proper one. But after the new government is installed in office, at that time I will make a judgment under the Case-Javits amendment and decide whether or not I think the elections were enough progress toward those principles that I've just described to warrant the lifting of sanctions. I cannot make that judgment at this time. □

For full text, see Weekly Compilation of Presidential Documents of May 7, 1979, p. 747.

¹On Apr. 27, 1979, the U.S.S.R. released five Soviet dissidents from prison (Aleksandr Ginzburg, Eduard Kuznetsov, Mark Dymshits, Valentin Moroz, and Georgi Vins) and flew them to New York in exchange for two convicted Soviet spies in the United States (Valdik Enger and Rudolph Chernyayev).

unsettling compared with our earlier supremacy. It is this essential equivalence in strategic arms which allows us to move ahead on arms limitation. For if one side were far ahead, it would feel no special urgency about arms control, and the side that was behind would refuse to negotiate from a position of weakness. Only when both sides perceive a balance, as is now the case, can we hope for real arms control progress.

Our response to this broad change in the security environment has several elements.

We will assure that essential equivalence in nuclear arms is maintained. We will not be overtaken by the momentum of Soviet military programs.

We have undertaken a far-reaching modernization of our strategic forces. We are improving each leg of our strategic triad—with cruise missiles for our B-52 bombers, with a new Trident I missile for existing submarines and the development of a new Trident submarine and Trident II missile, and with development funding for the M-X missile. And we are examining, in a timely fashion, the options for offsetting the probable future threat to the land-based portion of our missile force.

At the same time, we are equally determined to enhance our security by applying mutual limits to nuclear arms. We are at the threshold of a SALT II treaty. It is a critical step in the process of bringing strategic weapons under sensible control. As its terms become known and debated, I am confident that the Senate will agree that it will enhance our national security and that of our allies. Its rejection would lead to an intensification of the nuclear arms race. The risk of nuclear war would increase. The costs to our taxpayers would rise sharply. It would heighten tensions with the Soviets, trouble our allies, and deal a crippling blow to future arms control prospects.

The American people, and our allies, understand the importance of decreasing tensions with the Soviet Union and seeking common ground where our interests may converge.

While we address strategic issues, we must also be especially sensitive to the importance of maintaining a balance of conventional forces. At the NATO summit last summer, we and our allies committed ourselves to real increases of 3% in defense expenditures and to modernize and upgrade NATO forces. Last year's repeal of the arms embargo against Turkey was an important step to help bolster NATO's southern flank.

In Europe and elsewhere, we are

committed to maintain strong conventional forces. And no one should doubt that we will use those forces if our vital interests or those of our allies are threatened.

In these ways, we will maintain, and strengthen, our security in an age of essential equivalence by meeting the new problems it presents and by seizing the new arms control opportunities it affords.

Growing Risks of Regional Conflicts

A second change is the reality that the risks posed by regional conflicts have grown. Many of these conflicts

... the distorted proposition being advanced by some that America is in a period of decline in the world is not only wrong as a matter of fact but dangerous as a basis for policy.

are long standing. They have roots deep in history, in geography, in religion and ethnic differences.

But as more nations acquire more sophisticated arms, regional conflicts become more dangerous. They pose a constant threat of wider confrontation. As a result, the United States must be more active in working to help settle these disputes peacefully.

The fact is that no nation is more intensively engaged in the continuing effort to dampen the flames of conflict around the world than the United States.

No other nation could have played the role that the United States has played in helping Israel and Egypt achieve an historic peace treaty. And we will continue to remain actively involved in the effort to achieve a comprehensive peace—a peace in which Israel, the neighboring Arab states, and the Palestinian people can live with security and with dignity.

In southern Africa, in the eastern Mediterranean, in Southeast Asia, and elsewhere in the world, we are using the influence we have for peace. Progress does not come easily or quickly. There will be setbacks, for the path to peace is often more difficult than the road to war. But with persistence and steadiness, we *can* help provide the parties to conflict with an alternative to violence—if they choose to take it.

In some cases, these efforts will involve working with other interested nations as a catalyst for bringing the parties together. In other situations, we will support international and regional

institutions that provide a framework for easing tensions. When we believe it will contribute to regional stability, we will assist nations threatened by external force to strengthen their ability to defend themselves.

In all cases, we will oppose attempts by others to transform local disputes into international tests of will. Every nation has a responsibility to recognize that there is greater safety in healing, rather than fueling, local conflicts.

Changes Within Nations

A third kind of change we must address is change *within* nations.

As a result of mass communications,

better education, urbanization, and growing expectations for a better life, there is a new tide in many Third World nations, as more and more people demand a fuller share in their government and their economy. These demands can place extraordinary pressures on economic, social, and political institutions.

This ferment can at times cause the kind of turmoil that adversely affects our interests, at least in the short run. But rather than reacting in opposition to such change, or assuming that it necessarily works against us, let us look at two central questions: Is this kind of change generally in the interest of our nation? And what are the best instruments through which we can help others meet popular aspirations in an orderly and peaceful fashion?

The answer to the first question, in my judgment, is that the growing demand of individuals around the world for the fulfillment of their political, social, and economic rights *is* generally in our interest. These aspirations are producing new or strengthened democratic institutions in many nations throughout the world. And America can flourish best in a world where freedom flourishes.

Should we not gain confidence from this expansion of democracy, which is taking place not because we force it but because of its inherent appeal?

And what is that inherent appeal? Surely it lies in the enhanced opportunity that democracy provides for the realization of fundamental human rights—the rights to political and reli-

gious expression, to political participation, and to economic justice.

These values are remarkably attuned to the demands of change. The change which confronts many nations—particularly the less developed nations—challenges cultures, ways of living and communicating, notions of individual and national autonomy. The great strength of democratic processes is their flexibility and resilience. They allow accommodation and compromise. By giving all groups a voice in the decisions which affect their lives, democratic societies are far better able to shape a peaceful and stable balance between tradition and progress.

Internal change in other countries will sometimes be turbulent and difficult. At times, it may run in repressive directions. But we must not let our concerns about the crosscurrents blind us to the tide running in favor of freedom.

In seeking to help others meet the legitimate demands of their peoples, what are the best instruments at hand?

Let me state first that the use of military force is not, and should not be, a desirable American policy response to the internal politics of other nations. We believe we have the right to shape our destiny; we must respect that right in others. We must clearly understand the distinction between our readiness to act forcefully when the vital interests of our nation, our allies, and our friends are threatened and our recognition that our military forces cannot provide a satisfactory answer to the purely *internal* problems of other nations.

In helping other nations cope with such internal change, our challenge is to help them develop their own institutions, strengthen their own economies, and foster the ties between government and people.

To do so, we must continue to provide them with increasing levels of development assistance. We must maintain human rights policies which work in practical ways to advance freedom. And we must accept the fact that other societies will manage change and build new institutions in patterns that may be different from our own.

Third World nations will fiercely defend their independence. They will reject efforts by outsiders to impose their institutions. We should welcome this spirit. For our national interest is not in their becoming like us; it is that they be free of domination by others.

This strategy of affirmative involvement and support for the independence and the diversity of developing nations serves us well. It capitalizes on the

West's inherent strengths. And it improves our ties to developing countries in a context which does not force them to make an explicit choice between East and West.

The test of our will in dealing with domestic change abroad will come not in how we use our military might but in whether we are willing to put our resources behind our words—and to make them work effectively.

An Increasingly Pluralistic World

A fourth kind of change that we are seeing is in the international system itself. Building on our experience as a pluralistic nation, we must learn to deal effectively with an increasingly pluralistic world.

Since the early 1960's, we have seen the emergence of dozens of new nations, each with its distinctive identity, each fiercely intent on fulfilling its national aspirations.

We have seen the development of new powers in the world, nations

... essential equivalence has become the only realistic strategy in today's nuclear world.

which play an increasingly important role in international economic and political life.

And we have come to recognize that many of the challenges we face are genuinely global in scope. Halting the spread of nuclear weapons, managing the world's resources sensibly and fairly, preserving an environment that can sustain us—these problems do not derive from any single nation nor can any single nation, working alone, resolve them.

A world where many must participate in designing the future rather than a few, where progress often requires cooperative effort, demands more—not less—American leadership. It requires us to exercise that leadership creatively, to inspire others to work with us toward goals we share but cannot achieve separately. It calls for a new kind of diplomacy.

We must practice, wherever possible, an inclusive form of diplomacy, working together with others to achieve common goals. Such multilateral efforts are time consuming and complex. But they can often be more productive than working alone.

The core around which these broader efforts must be built is a strong and solid relationship with our traditional

allies. We have worked hard in this Administration to strengthen that partnership, and we have done so.

Working together with our allies we are able, on an increasing number of issues, to engage others in collective efforts to resolve some of the more intractable problems we face. Let me cite just one example—our effort to find a more proliferation-resistant nuclear fuel cycle.

At our initiative, 44 nations have come together to search for ways—both technical and institutional—to enable nations to pursue peaceful nuclear energy without adding to the danger of nuclear weapons proliferation. There is no "American" answer to the threat of nuclear weapons proliferation; there is only an international answer, and we are working with others to find it.

We are strengthening our ties with those developing nations which exert increasing economic and political influence. We have worked to bring these and other developing nations more fully and fairly into the decisionmaking of international institutions which affect their life and ours. For enduring solutions to problems we face in common can be found only if all who have a stake also have a role and recognize their responsibilities as well as their rights in the world community.

To work effectively in a changing international system we must be prepared to work with nations whose ideologies are different from our own. By establishing full diplomatic relations with the People's Republic of China, for example, we are now in a better position to deal directly and forthrightly with a government that represents one-fourth of the world's people.

We have embarked on a deliberate effort to enhance the role of the United Nations and regional institutions such as the Organization of American States, the Association of South East Asian Nations, and the Organization of African Unity. These institutions often can provide the most effective setting for resolving international disputes and for broadening the realm of international cooperation.

To secure the cooperation of other nations, we must deal with them on a basis of mutual respect and independence. Our achievement of a new Panama Canal treaty, which secures our use of the canal for coming generations, has demonstrated that fair dealing with other nations, whatever their size, can serve our interests as well as theirs. Our relations throughout this hemisphere have benefited as a result.

A Changing World Economy

Let me turn finally to the change we are seeing in the international economy—the growing stake every nation has in economic decisions made beyond its borders.

America's strength rests on the vitality of America's economy. Our economy continues to provide expanding opportunity for our people and continues to fuel growth around the world. We must also recognize the other side of this coin—the health of other economies around the world increasingly affects the health of our economy.

Our exports provide Americans with jobs—in fact, one out of every eight jobs in the manufacturing sector—and income for our firms and farmers. Every third acre of our farmland produces for export. Imports from abroad provide us with essential raw materials, they afford our consumers greater choice, and they dampen our inflation.

This growing economic interdependence requires that our government work with others to help create international conditions in which all nations can thrive. We cannot seek to build our own economic future at the expense of others, nor will we allow others to compete unfairly. For a new era of economic nationalism could have tragic consequences, just as it did during the protectionist warfare of the 1930's.

We are deeply involved in working with other nations to meet the challenges of a changing world economic order.

We have been successful in strengthening economic cooperation among the industrial nations. We have instituted regular economic summits to coordinate our economic policies so that they reinforce rather than under-

mine one another. And there has been far closer collaboration among our monetary authorities in restoring order to foreign exchange markets.

We have initiated an important new multilateral trade agreement that will establish fair trading rules for the next decade. It will have a direct and positive impact on our economy.

We have agreed with the other industrialized members of the International Energy Agency to cut back our collective demand for oil by 2 million barrels a day. To fulfill this commitment—and to reduce our own costly and dangerous dependence on oil imports—the President has initiated a sensible program for achieving greater domestic conservation and production. For we must begin to deal urgently with a markedly changed global energy environment.

There can be no going back to a time when we thought there could be American solutions to every problem. We must go forward into a new era of mature American leadership . . .

We recognize that a well-managed foreign assistance program contributes to the economic performance of the developing countries. Their growth has become an increasingly important factor in the health of our own economy. Aiding that development is not only an investment in the future of others, it is an investment in our own future as well.

The Path We Will Follow

In the foreign policy choices we are now making, we are determining the

path we will follow in a new era. In unsettled times, each of us has a responsibility to be clear about how we would deal with the world as we find it.

Most Americans now recognize that we alone cannot dictate events. This recognition is not a sign of America's decline; it is a sign of growing American maturity in a complex world.

We are stronger today because we recognize the realities of our times. This recognition, together with an equally clear understanding that we remain the most powerful of nations, should make every American as staunchly optimistic about our nation's future as we have always been.

There can be no going back to a time when we thought there could be American solutions to every problem. We must go forward into a new era of

mature American leadership—based on strength, not belligerence; on steadiness, not impulse; on confidence, not fear.

We have every reason to be confident. For 200 years, we have prospered by welcoming change and working with it, not by resisting it. We have understood, at home and abroad, that stability is not the status quo. It comes through human progress. We will continue in this American tradition. □

¹Press release 116.

AFRICA: U.S. Policy and Africa

by David D. Newsom

Address at the George Washington University Institute for Sino-Soviet Studies in Washington, D.C., on March 14, 1979. Ambassador Newsom is Under Secretary for Political Affairs.

I was, initially, much relieved when I saw the topic assigned to me at this conference: "U.S. Policy and Africa." This meant that I could relate Africa to our broader policy considerations and avoid the pitfalls of discussing U.S. policy in Africa.

The more I thought about this, the more I realized I was wrong. To talk about how Africa relates to broader U.S. policies is to address the very basic issues which have been at the heart of 20 years of debate on African policy.

How does Africa relate to our broader policy objectives? Are we interested in the continent primarily for its resources? Is the continent relevant to us only as one more theater in the conflict between East and West? Is Africa primarily important to us because its racial conflicts echo the emotions and injustices of our own civil rights problems? Is it the deep and often tragic human problems which catch our sympathy and drive our policies?

One day in the early 1960's, G. Mennen Williams, then Assistant Secretary for African Affairs, came back from a congressional hearing and called his staff together.

"I have just had a very rough time," he said, "answering a question from the committee on the strategic importance of Africa. I want a study done on this subject."

A professor of political science, who specialized in geopolitical issues, was called in to do such a study. After several weeks of diligent academic labor, he produced a paper. The first line of the paper read: "Africa has no strategic importance for the United States."

Fifteen years ago there were many who felt that Africa was peripheral to our basic global interests. Africa had no "priority." There are fewer who feel that way today.

Africa has a priority today. Its issues are on the front page, but it is not only its strategic interest to us which puts it there.

The fact is that, in American terms,

each one of the elements I mentioned has been important in justifying African policy, in obtaining resources for that policy, and in relating such policies to wider U.S. interests.

Africa's Priorities

Black Africa's priorities are very clear: an end to racial discrimination, the maintenance of territorial integrity, an end to colonization, and progress in economic development.

Africans often speak of each in extreme terms. We do not need to conclude that they want the extreme option in each case.

Let me pause a moment to speak frankly about the first African priority: an end to racial discrimination. It is often pointed out that the African is inconsistent in his approach to this issue: that democracy does not prevail in many African countries; that blacks often dominate other blacks; and that many are not prepared to give to their own people the rights they demand for those in other countries.

Africans may well acknowledge the correctness of some of these criticisms. To them, however, these are aspects of their internal political development—matters they consider to be essentially African. Time and again we have seen indications of the African reluctance to be critical of the internal policies of other Africans. They put into a different category the fundamental question of ending white minority domination and privilege on the African Continent.

One case that has been central to debates on U.S. African policy over the past two decades has been our attitude toward the white-ruled states and, in particular, South Africa. Many in this country have recognized the significant geographic position of South Africa and the major economic strength of that country. Hopes have frequently been expressed in this debate that South Africa and the black African states could cooperate for their mutual benefit.

There has also been strong interest in Rhodesia and the hope that black and white there can find a basis for living and working together. Central to the debate is the question of whether an internal settlement can endure without a satisfactory resolution of the conflict which now engulfs that country. Here, again, the acceptance by Rhodesia's

black African neighbors becomes critical to a longer range solution.

The fact is that U.S. policies have not been successful in relating to Africa itself or to our wider interests unless consideration was also given to black African priorities and sensitivities. To do so is not to reject the justice of the claim of the white African that his rights and his contributions be respected; it is to recognize that Africa is overwhelmingly and consciously black and that no solution to its problems will survive which does not recognize this reality.

Successes and Failures

The successes we have had in African policy have been those in which we recognized not only our wider interests but the concerns of the African nations as well. Our failures have been in cases where we did not fully recognize those concerns.

In the first major crisis we faced in modern Africa—the Congo—we justified our support for the U.N. action to a large extent on keeping the Soviets from gaining a foothold in the center of Africa. We won the support of other Africans because we were supporting the principle of the territorial integrity of an African state.

Later in Nigeria, the equivocal nature of our attitude toward Biafra created difficulties for us with Africa's largest country precisely because we did not pay sufficient attention to this same principle. Only recently have we been able to improve our relations with Nigeria.

Our earlier efforts to bring about an outcome of events in Angola satisfactory to our wider concerns encountered the strong African resentment of the appearance of our being on the same side as South Africa.

Our frustrations over the events in the Horn of Africa were due in part to the fact that the Soviets were, in African eyes by helping Ethiopia, supporting the principle of the territorial integrity of African nations.

In the middle 1960's we agonized over the Tanzania-Zambia railway which the Chinese were building between Lusaka and Dar es Salaam. We sought to find alternatives to it, but we were not prepared to provide resources to do it ourselves. The Africans accepted the Chinese offer because they saw it as a boon to their economic development and as a means to lessen their dependence on the white-ruled areas of Africa.

Taiwan kept itself in the United Nations for many years through the support of a strong bloc of African na-

tions. That bloc was built and nurtured by an astute, imaginative recognition of the need and desire of these nations for simple and appropriate aids to economic development.

Our position today in that belt of African nations which lies at the edge of the Sahara is strong because we were among the first to recognize the deep tragedy of drought and to mobilize others to join with us in remedial aid.

Throughout these two decades of association with Africa, we have been successful in blocking opportunities for our adversaries where we have matched our concerns with those of the majority of African states. We have been less successful where these were in conflict.

We have at times tended to place non-African labels on Africans and on their countries which have been only superficially appropriate. Let us take an African who is brought up in a missionary school and educated to greater expectations. As he seeks a greater degree of expression and dignity, he encounters colonial or white power and is jailed. He comes out of jail, still hoping for a reasonable solution to his problem. As the opportunities for such a solution recede, he becomes increasingly frustrated. Others offer him arms and a militant philosophy. Is he a Communist of the European or Asian variety? Is he a terrorist of the Middle East variety? Or is he, in the last analysis, someone whom we must ultimately accept if we are to see a solution to his nation's problems? I am not sure we yet have a clear answer.

In the early 1970's there was a meeting on the 7th floor of the State Department among representatives of the African Bureau, the Bureau of European Affairs, and the Bureau of International Organization Affairs. The Assistant Secretaries for Africa and International Organization were making a strong plea that the policy be relaxed against any contact with the leaders of the liberation movements in the Portuguese territories. Their plea was rejected on the grounds that Portugal's relations with us were too important, that Portugal was not likely to relinquish its colonies in any foreseeable future, and, finally, that we would be "dealing with terrorists."

Today those men who were so starkly characterized in that meeting are leading African countries important to us and to a satisfactory solution to some of Africa's gravest problems.

In the debates on African policies of the 1960's and early 1970's, a stark picture of the future was sometimes drawn—an Armageddon approach. In this stark picture, the final hard prob-

lems of southern Africa led to a war essentially between races in which our Communist adversaries were pitted on the side of black Africans, and we were on the side of the white regimes. It was the conclusion of those debates I attended that that outcome should, by every possible means, be avoided. We have not reached that "worst case." It is important that we do not.

In assessing where we are today in relation to the Soviets and the Chinese in Africa, as you are doing at this conference, it is important that we keep the continent in perspective.

We, as Americans, tend to be doom-sayers. We seem so often to feel the other side is "winning."

The Chinese, despite their major effort in Africa in the 1960's, are of relatively minor importance today.

The Soviet's position has, over the years, been reduced—in Ghana, in Guinea, in the Sudan, in Somalia, in Egypt to name the most significant cases. Today they are strong in the former Portuguese colonies and in Ethiopia but in few other states. Most black states of southern Africa continue to avoid options that would place them totally in the Soviet debt. The Soviet gains have come only in those areas where, because we have failed to do so, they have benefitted from identity with African objectives. We should not consider that the red paint is spreading on the continent of Africa.

The states of black Africa still look to us as the primary peacemaker. They still find in us ideals they would like to apply to their societies. They still find in the Western nations as a whole their primary markets, capital sources, and assistance for development.

U.S. Objectives

Africa, which was in many ways in prior years peripheral to American global policy, has come on the center stage today. Our objectives remain clear.

- We want to minimize the opportunities and gains of our global adversaries.

- We want continued access to the resources, the transport routes, the

peoples and governments of Africa.

- We want an American contribution to the solution of its greatest problems which is consistent with our own history and our own principles.

- We want a solution which minimizes for all races the tragic consequences of the current confrontation.

It seems temptingly simple at times to ally ourselves with those to whom we relate most easily who profess to be our friends and to support our global objectives. To do so in Africa might well leave us isolated from the greater part of that continent and its peoples without, at the same time, achieving our wider objectives.

To achieve our global policy objectives as they apply to Africa requires not only that we pursue them as we see them but that we include, as well, a full recognition of the priorities as they are seen by the majority of Africa's independent nations. To fail to do so is to reject the experience of two decades of close and active relationships with Africa and to run the risk of giving our adversaries opportunities which should be ours. □

Publications

GPO SALES

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% 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.

Criminal Investigations. Agreement with Sudan TIAS 8723 6 pp. 60¢ (Cat No S9 10:8723.)

Senegal River Basin Survey and Mapping. Agreement with the Organization Pour La Mise En Valeur Du Fleuve Senegal. TIAS 8779 16 pp. 90¢ (Cat No. S9.10:8779)

Drought Assistance in Arusha Region. Agreement with Tanzania. TIAS 8786. 13 pp. 80¢. (Cat. No. S9.10:8786.)

Technical Cooperation—Studies Concerning the Capital Territory. Agreement with Nigeria. TIAS 8809 13 pp. 80¢ (Cat No. S9 10:8809)

Plant Protection—Quelea Bird Research. Agreement with Sudan. TIAS 8814. 7 pp. 70¢. (Cat. No. S9.10:8814.)

Letter of Credence

On March 30, 1979, Timothy T. Thahane presented his credentials to President Carter as the newly appointed Ambassador from Lesotho. □

Southern Rhodesia

SECRETARY VANCE'S STATEMENT, MAR. 17, 1979¹

I have today a statement on Rhodesia—about the situation there and the stakes involved and about the position of the American and British Governments on the best solution to a deepening tragedy.

The conflict in Rhodesia continues to grow and to widen—some 1,000 people are losing their lives every month. Both sides must share responsibility for these human losses, whether in daily combat or through the shooting down of civilian aircraft or in the raids on camps beyond Rhodesia's borders.

Each party also holds in its hands the decisions that can bring peace, majority rule, the protection of individual rights, and internationally recognized independence.

The alternative to this peace is greater bloodshed and destruction, the polarization and weakened economic potential of the Zimbabwe that some day gains independence, and a growing threat to the well-being of neighboring states. As the conflict grows, there is also a growing opportunity for Soviet and Cuban involvement and influence.

Our efforts in support of a peaceful, just solution strengthen our ties throughout Africa, further our fundamental values of human rights and racial equality, deny opportunities for intervention by foreign forces, and promote stability in southern Africa.

Our own nation thus has a tangible interest—in political and moral terms—in helping resolve this conflict. The parties themselves have a far greater stake in such a peace. Yet each still insists on a predominance the other will not allow. It remains our view that the American Government should not—and will not—throw its support to either side; to do so would destroy our ability to work now, or later, for an impartial solution. And it could commit us to further support for whichever side we endorsed.

We have refused to support the demands of the external forces for pre-independence elections. ZAPU and ZANU [Zimbabwe African People's Union and Zimbabwe African National Union] have large popular followings within the country and in Africa; a lasting settlement must include them. But to assure real peace

and stability, they and other parties must be willing to compete on an equal basis in an impartial election for a government reflecting the will of the people.

We have also opposed the lifting of international sanctions against Rhodesia. Such an action would reverse an American policy of more than a decade and thus support the Salisbury parties. It would encourage the illusion that now or later, further American aid might be forthcoming, since the lifting of sanctions could not in itself reverse the deteriorating military situation the Salisbury parties face. It would encourage Salisbury's insistence on its own plan for the future of Rhodesia, a plan we do not believe can succeed. And it would weaken our own position in the area.

There are, however, elements in the situation on which progress might still be built.

- The Salisbury parties have reached agreements which accept the principles of multiracial government and elections.

- The external forces have accepted the principles of elections, nonracial government, and U.N. peacekeeping.

- While a Namibian settlement has not yet been reached, we remain resolved to try to achieve a solution on the basis of acceptance by all parties of the principle of internationally supervised elections.

We therefore believe that both sides should take a first and significant step: to accept the principle of U.N.-supervised elections in Rhodesia and to agree to negotiate the conditions for holding such elections. The proposals we and the British have previously put forward convey our view of such a process. But we recognize that elections arrangements must be negotiated to the satisfaction of the parties themselves. The crucial point is the acceptance of the principle of internationally supervised elections as the only way to avoid protracted and damaging war. We would prefer that negotiations begin prior to the April 20 elections. Failing that, we would hope that the principle of U.N.-supervised elections would be accepted by all the parties before April 20.

With regard to the lifting of sanctions pursuant to the provisions of the Case-Javits amendment, the President

will faithfully make the required determination about the nature of the elections within Rhodesia now scheduled for April 20, taking into account all of the information available to him. The Administration will not be sending its own observers to these elections, since to do so could be to imply official recognition of elections we do not believe can provide a solution to the conflict. The question of congressionally sponsored observers is a matter for the Congress to decide. We would, of course, be prepared to send official observers to U.N.-supervised elections following negotiations if asked to do so.

And let me state clearly that the U.S. Government would support the lifting of sanctions against Rhodesia when an agreed-upon and irrevocable transition process leading to U.N.-supervised elections has begun.

We do not pretend that a solution to the Rhodesian problem will be simple or that the outlook is encouraging. But it is not yet too late, if all will see the wisdom of compromise on an impartial process that can end the suffering of people who have suffered already for far too long. □

¹Press Release 75.

Publications

GPO Sales (*Cont'd*)

Social Security. Agreement with Kenya. TIAS 8847. 6 pp. 70¢. (Cat. No. S9.10:8847.)

Agricultural Commodities. Agreement with Guinea. TIAS 8864. 3 pp. 70¢. (Cat. No. S9.10:8864.)

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ARMS CONTROL: *SALT II Treaty Concluded*

The following announcement was made at the White House by Secretary Vance and Secretary of Defense Harold Brown on May 9, 1979.

SECRETARY VANCE¹

Ambassador Dobrynin and I have concluded our negotiations on SALT. Both governments have now instructed their respective delegations at Geneva to incorporate into the joint draft treaty the agreements reached in negotiations between Ambassador Dobrynin and myself and to complete negotiations on the few remaining secondary items which have not yet been resolved.

Details concerning the time and place of a summit meeting will be announced in the very near future.

Let me make a few comments about the significance of these negotiations. With this treaty, we will take an essential step toward a safer America and a safer world. Our overriding purpose in these negotiations has been to strengthen our nation's security and that of our allies through practical and verifiable restraints on the nuclear arms race. Today we are on the threshold of signing a strategic arms agreement that achieves our purpose.

The treaty will enhance the security of the United States and our allies. It will restrain the nuclear arms race. It will lessen the likelihood of nuclear war. The treaty will serve these essential interests of the American people in several concrete ways. It will establish equal ceilings on the strategic forces of the Soviet Union and the United States. It will begin the process of actually reducing the level of nuclear weapons, and it will limit not only the quantitative but also the qualitative race in nuclear arms.

As a result, this treaty will limit the strategic challenges we would otherwise have to meet. It will hold down the expense we would have to bear to meet those challenges. And it will avoid much of the uncertainty about Soviet arms that would otherwise prevail.

This treaty will not only mark the end of one negotiation, it will open the way for another. When it is ratified by the Senate, it will become the cornerstone for still further limits in reductions in SALT III.

The national debate which we now commence is not only about this treaty.

We are still considering as well the inescapable realities of a nuclear world—the necessity to our security of a strong defense and the grave danger to our security of an unlimited race in nuclear arms, for our security today lies in maintaining a stable strategic balance between two nations with awesome power.

The SALT II treaty will make a substantial contribution to that stability. We have demonstrated through the SALT process that even as we compete in some areas, the United States and the Soviet Union can and must cooperate to lessen the dangers of war. In this way, the treaty can serve to open the path to a more constructive and peaceful relationship between us.

This treaty is a message of hope for us and for all the people of the world.

SECRETARY BROWN²

The highest single priority in our national defense must go to the maintenance of strategic nuclear balance. I want to say a few words about how the SALT II agreement will help us to meet that need.

The outlines of the agreement are well-known. But let me repeat for you some of the main features.

There will be a limit on the number of strategic launchers. Each side can have 2,250. With SALT, the Soviets will have to make some reductions. Without SALT, the Soviets could, by continuing at their present rates of deployment of new systems, have a third more than this by 1985.

There will also be sublimits on the numbers of launchers for missiles with independently targetable multiple warheads, that is, MIRV's. With the SALT II agreement, the Soviet launchers will be limited to 820 for MIRV'ed intercontinental ballistic missiles, the most threatening part of their force. This is fewer than we believe they planned. Without the SALT II agreement, they could have many more than that by 1985.

In addition, there will be limits on the introduction of new intercontinental ballistic systems and on the number of warheads they can carry. With a SALT II agreement, the Soviets can have, for example, 10 warheads on their largest missile. Without the SALT II agreement, they could have 20, perhaps 40.

Finally, there will be a ban on interfering with national technical means of verification, and there will be other provisions to make verification easier.

We now have highly capable monitoring systems in place. They will be bolstered by measures we are taking to replace expeditiously the capability lost in the Iranian stations.

We will be able to detect any Soviet violation in ample time to protect our military security. With a SALT II agreement, we will be able to verify the agreement from the outset. Without the SALT II agreement, we could be faced with concealment, countermeasures, and so-called cheating of all sorts, because without SALT, all of these actions would be permitted.

Even with SALT, we will need to expand our defense efforts, including specifically our efforts devoted to strategic nuclear forces. We are doing so under the program now before the Congress, because SALT won't solve all of our strategic problems. However, SALT will contribute significantly to our security.

With the SALT II agreement, we will be able to avoid the pressures and uncertainties of an unbounded numbers race in strategic forces. The United States could and would engage in such competition if we had to. But the result would be simply more systems, higher costs, and greater risks with no more security, still less a situation of U.S. superiority.

SALT II will ease some of our other problems. For example, the limit on warhead numbers will make more survivable the mobile missiles whose deployment we're considering as an answer to the growing vulnerability of our Minuteman ICBM's [intercontinental ballistic missiles].

SALT II will not prevent us from doing what may be needed in areas where the Soviet challenge is not limited. For example, we will be able to work with our allies on both force modernization and on arms control in response to the problems posed by the Soviet buildup of theater nuclear forces.

SALT II will provide a firmer foundation for other measures to control the growth and spread of nuclear and conventional arms. It will permit continuation of the process of limiting the superpowers strategic forces, leading, we hope, to substantial cutbacks in those arsenals.

In sum, SALT will help us maintain flexible and credible deterrence, stability, and essential equivalence. Without the treaty, we could also do these things, but it would be more costly and less certain. None of the challenges we

The Facts of SALT II

by Leslie H. Gelb

Excerpted from an address before the San Diego World Affairs Council on January 30, 1979. Mr. Gelb is Director of the Bureau of Politico-Military Affairs.

There are three things you should not expect from SALT.

First, SALT will *not* reduce current defense expenditures. It will enable us to spend less than we would in the absence of an agreement. *With* a SALT agreement, expenditures on strategic nuclear forces are likely to rise from 20 to 40% in the coming years; *without* SALT, the same expenditures would rise 50 to 60 %.

Second, SALT is *not* going to propel the United States out in front of the Soviet Union in the strategic arms race nor is it going to allow the Russians to gain advantage over us. It will allow us to maintain nuclear parity.

Third, SALT will *not* bring on the millennium in U.S.-Soviet relations. SALT will be a way to moderate and stabilize these difficult relations, a kind of safety net for what will otherwise be a substantially competitive relationship.

Let me now expand on what we can expect from SALT.

What Is In The Agreement

First, the SALT II agreement provides for an equal ceiling on strategic

Salt Announcement (Cont'd)

face would be less without the treaty, and some would be considerably greater. All the increases we plan in our defense efforts with SALT would still be needed without it. But many more would be needed as well.

I see the treaty as a valuable method of helping, along with our own moderately increased programs, to meet our nation's strategic needs, and, if the Soviet Union will emphasize cooperation rather than competition, SALT will also allow a healthier state of U.S.-Soviet relations. • □

delivery vehicles. Each side will be allowed 2,250 delivery vehicles—that is, long-range bombers, land-based ballistic missiles of intercontinental range (ICBM's), and ballistic missiles fired by submarines (SLBM's). This equal ceiling will correct a major problem we had with SALT I, namely, perceptions.

Under SALT I, the Soviet Union was allowed over 2,300 missiles, the United States just a little over 1,700. SALT I thus created a "perception" of Soviet superiority, even though the superiority was not real.

SALT II wipes that away. It forces the Soviets to destroy some 250 existing missiles and/or long-range bombers. Because the United States has only slightly over 2,000 delivery vehicles at this time, we could build up to the 2,250 ceiling, if we so choose.

SALT II will also place limits on the number of warheads. The 2,250 limit refers only to the platforms and launchers on which warheads are placed. The United States now has almost 10,000 nuclear warheads on the launchers limited by SALT. The Soviet Union has nearly 5,000. Within the SALT II limits on warheads, we will still be ahead of the Soviets in the number of warheads by the end of the period covered by this agreement—1985—but the comparative totals will be closer.

The destructive capability of a single Poseidon submarine illustrates the dimensions of nuclear power, the significance of numbers of warheads. Each Poseidon submarine can hit up to 160 separate targets with individual warheads. Each of these warheads has almost three times the destructive power of the bomb dropped on Hiroshima.

The second point about SALT II is that for the first time there will be qualitative controls on technology, on modernization. Part of these qualitative limits are the warhead limits mentioned above. There are specific limits on the number of warheads that can be placed on all SLBM's, on existing ICBM's, and on the one new type of ICBM each side will be permitted until 1985.

That limitation to only one new type of ICBM is, itself, a most significant qualitative control. To insure that it has real meaning, the modernization of existing ICBM's will be limited so that neither side can circumvent the limitation to one new ICBM. There will also

be other qualitative limitations which are designed to slow the strategic competition.

Third, we believe we can adequately verify this agreement by our photo-reconnaissance satellites and through other national technical means. Thus, the agreement does not depend on believing the Russians but on our own capability to see and estimate that they are complying with the agreement.

That doesn't mean that we can verify each of the many provisions of the agreement with the same degree of confidence. We cannot. Most of the provisions can be verified with good or high confidence. In the case of a few provisions, the confidence is less. However, we believe that we can deal with these particular provisions, even in a "worst case" where the Russians cheated.

On balance, we feel that verification is adequate and that we can deal effectively with the consequences of violation.

Under the SALT I and antiballistic missile (ABM) agreements, it is fair to say that the Soviets pushed the interpretation of many of the provisions to the limit. But on every single occasion—and I underline every—where we drew Soviet attention to a compliance issue, they ended up in compliance with the agreement. Either we cleared up a misunderstanding or they changed their practices.

Fourth, SALT II allows us to continue our patterns of military cooperation with our allies, particularly our NATO allies. This point should be stressed, because one of the most serious pieces of misinformation about SALT is that the agreement will somehow prevent us from continuing to help our allies develop their forces. This is simply nonsense. As Secretary [of Defense Harold H.] Brown and senior military officers have testified to Congress, this agreement does not hamper our ability to continue those patterns of cooperation, including helping our allies modernize their forces.

Finally, the agreement allows the United States to go forward with every single strategic nuclear program now on our drawing boards—every one of them. The SALT agreement does not slow down our plans to develop the cruise missile. It does not in any way impair our ability to move forward with new programs for SLBM's—Trident I and Trident II—with the new Trident submarine, or the new M-X land-based missile. Our military options are open.

All this being said about the terms of the agreement, what does it add up to in arms control value? What is being controlled? The honest answer is that

¹ Press release 127 of May 10, 1979

² Text from White House press release of May 9

the agreement has us taking a step toward control, toward limitation, rather than just accepting unrestrained competition and all that that entails. This is not an insignificant statement—it is a major statement.

In politics, people often scoff at moving on the margins, moving a little here, moving a little there. It's not enough; it doesn't amount to a hill of beans, so some say. Why are we paying such a high price for so little? One really has to understand what arms control is all about to understand why this agreement is so important. Arms control is, in its essence, a confidence-building exercise.

What if we didn't have SALT II? Even with the agreement, we will do what is necessary to compete with the Soviets. No responsible political leader would choose otherwise. That is not the issue. The issue is that, if we both decided to increase our spending substantially on strategic forces, we would end up with a lot more bucks having been spent and no more security. In the nuclear age absolute security is no longer in the cards. Part of our growing up and learning to live with this situation is understanding that fact.

The Treaty and the U.S.-Soviet Strategic Balance

How then does this agreement fit into the general Soviet-American nuclear balance? The first point is that we are strong, that we are not getting weaker, that we are getting stronger. We have underway the nuclear programs that I have mentioned and others, as well as programs to modernize our conventional forces. We are not sitting on our laurels and taking chances with our security. I am very discouraged, as I have gone around the country, to hear so many American political leaders bad-mouthing our military strength, portraying the Soviets as 10 feet tall and the United States as a midget. The danger is that the Soviets and others might believe this and act on it, even though it is not true.

Let me now address a subject that has gained considerable attention and that will continue to be discussed throughout the SALT debate. It is called "ICBM vulnerability," and it lies at the heart of judgments being made about the future of the strategic balance.

As missiles become more accurate, they have more capability to destroy other missiles which are still in silos waiting to be launched. So a situation is evolving where our ICBM force—

the Minuteman force—will in the early 1980's become vulnerable in theory to a Soviet first-strike. This is of concern to many people both inside and outside the Administration. If we keep the problem in perspective, we realize that we cannot be relaxed about it, but neither do we have to panic or react hastily with quick fixes and short-term solutions.

Based on our projections of what the Soviet force will be capable of in the early 1980's we now estimate that they

will have the theoretical capability to destroy up to 90% of our 1,000 Minuteman missiles in a surprise first-strike. But this is a "worst case" scenario and one which I believe the Soviets could never count upon in making their strategic plans. Let me outline some of the assumptions they would have to make to act upon this situation of ICBM vulnerability.

- The Soviets would have to assume optimum performance by their missile

DEPARTMENT: *Reorganization of Foreign Assistance Programs*

WHITE HOUSE ANNOUNCEMENT, FEB. 15, 1979¹

The White House announced on February 15 that President Carter will propose to the Congress a far-reaching reorganization of U.S. foreign assistance programs, the first such restructuring since the Agency for International Development (AID) was established in 1961. It is designed to improve the cost-effectiveness of U.S. assistance to developing nations.

The reorganization would consolidate policy direction of development agencies and responsibilities in a new International Development Cooperation Administration (IDCA). The IDCA Administrator would report both to the President and the Secretary of State and would serve as the principal development adviser to each. The new administration would be a small agency charged with coordinating, providing policy guidance, and evaluating the development activities of:

- The Agency for International Development, which administers the U.S. bilateral foreign assistance program;

- The Overseas Private Investment Corporation (OPIC), which insures and guarantees U.S. private investments in developing countries; and

- The proposed new Institute for Technological Cooperation, which will support research and technological innovation to reduce obstacles to economic development.

The agency will also have the following responsibilities:

- To insure that development goals are considered in executive branch decisionmaking on trade, technology, and other economic policy issues affecting the less developed nations;

- To participate in the selection of U.S. Executive Directors of multilateral development banks (World Bank, Inter-American Development Bank, Asian Development Bank, and African Development Fund) and advise these Executive Directors on proposed projects and programs; and

- To assume lead responsibility for U.S. budget support for policy advice to those international organizations and programs whose purpose is primarily developmental (U.N. Development Program; UNICEF; Organization of American States technical assistance funds; U.N. Capital Development Fund; U.N. Educational and Training Program for Southern Africa; U.N./Food and Agriculture Organization (FAO) World Food Program; FAO Post Harvest Funds; and U.N. Disaster Relief Organization).

The purpose of this reorganization is to manage more effectively U.S. development activities by making a single U.S. official responsible for formulating overall development policy and for overseeing the numerous programs intended to implement that policy.

The reorganization was decided upon by the President after considerable consultation with interested Members of Congress, and is consistent with the objectives of a bill submitted last year by the late Senator Hubert H. Humphrey.

The reorganization will be implemented through a combination of reorganization plan (to be submitted to Congress in accordance with the reorganization authority enacted in 1977), legislation, executive order, and administrative action. These steps will begin during the next several weeks. □

¹Text from Weekly Compilation of Presidential Documents of Feb. 19, 1979

force in a first-strike, including complete surprise. But no one has ever planned, coordinated, and launched such an attack. The imponderables are numerous and enormous. The effects of "fratricide," for example, where incoming missiles destroy each other, are and will remain big question marks.

• They would have to assume we would leave our ICBM's in the silos and let them be destroyed; that is, that we would not launch these ICBM's even though we knew a Soviet attack was under way. But they would be taking great risks to make such an assumption. And if we launch under attack, their missiles would blow up empty silos. The exchange would cripple the Soviet strategic forces and would still leave the United States with its submarines and bombers relatively untouched (and these remaining forces

represent between two-thirds to three-fourths of our nuclear strike force). But that's not all.

• The Soviets would have to assume that we would be so paralyzed by their strike that we would not respond with our remaining ICBM's and all of our submarines and bombers against Soviet cities for fear of inviting Soviet attack against U.S. cities. But if the Soviets struck to destroy all of our ICBM's somewhere between 8 and 20 million Americans would be killed virtually right away. The Soviets would be fools to launch an attack on the assumption that we would not strike back. I said they are not supermen; they are not fools either.

What I am saying is that the real-world danger will be much less than what the doomsayers are predicting.

This danger to our ICBM force, however, has not yet arrived, and since we see it coming we are working to correct it.

One of the main options being considered to solve this problem—the mobile land-based missile—would not be feasible without SALT. SALT didn't create the problem of Minuteman vulnerability. The problem results from the increasing accuracy and destructive power of new Soviet missiles. But, paradoxically, only SALT can make the land-based mobile missile idea a viable one, because it limits the number of warheads that can be placed on ICBM's. Without SALT, the Soviets could just keep putting more warheads on their missiles every time we build a new hole in the ground to hide our missiles.

In sum, SALT does not hurt the strategic balance and U.S. long-term security; it enhances it. This Administration is working, as its predecessors have worked, to keep the United States secure. The weapons programs planned or underway will do just that through the period of SALT II and beyond. We can do the job without SALT, but we can do the job much better with SALT.

EAST ASIA: *Taiwan* Relations Act

PRESIDENT'S STATEMENT APR. 10, 1979¹

I am today signing into law H.R. 2479, the Taiwan Relations Act. This legislation will enable the American people and the people on Taiwan to maintain commercial, cultural, and other relations without official government representation and without diplomatic relations.

The act contains all of the authority that I requested in order to enable us to maintain such unofficial relations with the people on Taiwan. It authorizes the American Institute in Taiwan, a non-governmental entity incorporated under the laws of the District of Columbia, to conduct these relations. Similarly, the people on Taiwan will conduct relations through a nongovernmental organization—the Coordination Council for North American Affairs.

The act is consistent with the understandings we reached in normalizing relations with the Government of the People's Republic of China. It reflects our recognition of that government as the sole legal government of China. Having normalized relations with China in the spirit of the Shanghai communique, I look forward in the coming years to a deepening and broadening of U.S.-China relations

which will contribute to the welfare of our two peoples and to peace in the world.

I wish to express my appreciation to the Congress for the speed and diligence with which it has acted. I believe a different treatment of the issue of diplomatic properties belonging to China would have been preferable, and my action today is without prejudice to any subsequent adjudication of the legal status of these properties. In most respects, however, the Congress and the executive branch have cooperated effectively in this matter.

In a number of sections of this legislation, the Congress has wisely granted discretion to the President. In all instances, I will exercise that discretion in a manner consistent with our interest, in the well-being of the people on Taiwan, and with the understandings we reached on the normalization of relations with the People's Republic of China, as expressed in our joint communique of December 15, 1978, on establishment of diplomatic relations. □

¹Made on signing H.R. 2479 into law. As enacted, H.R. 2479 is Public Law 96-8, approved Apr. 10, 1979 (text from Weekly Compilation of Presidential Documents of Apr. 16).

SALT and U.S.-Soviet Relations

Even if we have a sense of confidence about future security, about measures we are taking to deal with it, how does SALT affect the broader picture of U.S.-Soviet relations? There are two general concerns. One is: Why do we want to have an agreement like this with the Russians when they are acting as they are in Africa or Iran or Indochina? Why don't we withhold SALT until they behave themselves in these other parts of the world? The other concern is: Isn't SALT fundamentally dangerous to the American body politic and isn't it somehow going to lull the American people into a false sense of security and make them think there is peace when there really isn't?

The question is whether we should tell the Soviets that we won't move forward on SALT unless they cease and desist in the Horn of Africa or Iran or Indochina or elsewhere. To begin with we are not negotiating SALT as a favor to the Russians, a favor we will withdraw if they are not "nice guys" elsewhere. We are signing the SALT agreement because it is in our interest to do so; it makes strategic sense. The Soviet Union is in SALT for the same reasons. If we seek to tie the fate of SALT, and all that hinges on it, to the achievement of some benchmark in

ECONOMICS: Major Elements of the Multilateral Trade Negotiations

by Julius L. Katz

Address before the League of Women Voters conference in Racine, Wisconsin, on April 5, 1979. Mr. Katz is Assistant Secretary for Economic and Business Affairs.¹

Within the next several weeks 5 years of multilateral trade negotiations—known as the Tokyo Round—will conclude in Geneva. To a remarkable degree our achievements have matched our objectives. It is particularly remarkable when one considers that these negotiations were conducted during a period of worldwide economic recession and economic adjustment to higher energy costs.

Not surprisingly, we did not meet all of our objectives. And, as in all negotiations, we had to offer to receive. Some of the results are tangible and immediate. Many are less tangible and will depend on the successful and effective implementation of the agreements.

This trade negotiation—to a greater extent than any of the six prior negotiations—set out to bring greater discipline over government intervention as it affects the flow of goods across borders. If we start with the premise that our government is relatively less inclined to intervention in the economy, then this greater discipline in the world trading system redounds to the benefit of our exports and our economy.

Through a series of agreements dealing with the nontariff measures governments employed to interfere with trade, we have set the stage for a major reform of the world trading system. These nontariff measures include subsidies, quotas, customs valuation, and discriminatory government procurement—practices that governments have increasingly used to support and protect domestic industries from import competition or to increase shares of world trade. With the general reduction of tariffs in previous rounds, these nontariff measures have become relatively more important in their impact on international trade.

Results of the Negotiations

What more specifically are the results of these negotiations? Let me briefly discuss some of the main elements.

Although present average tariffs are well below the levels of the 1930's and 1940's and are thus less of a trade barrier than in the past, tariffs remain the central element of trade negotiations. We and our major trading partners—including the Europeans, Japan, and Canada—have agreed to average tariff cuts of about 30%. This is only slightly less than the 35% reduction that was agreed in 1967 during the Kennedy Round of Trade negotiations. Tariff cuts obtained in several areas of special interest to U.S. exporters are paper, electronic products, and heavy industrial equipment. When these tariff cuts are in place, the average tariff of the United States, the European Community, and Japan will be between 6% and 7%. In addition, we are trying to reach bilateral tariff agreements with 15–20 developing countries which are important trading countries.

In this round of negotiations, more has been achieved in the agricultural sector than in any previous round. We have obtained increased access for U.S. agriculture to the markets of Europe, Japan, and other countries for a number of important U.S. agricultural products—including poultry, rice, almonds, tobacco, beef, and citrus. A new framework for consultations among the main agricultural exporters will assist us in dealing with foreign agricultural policies that affect our exports. We also have an instrument to deal with the problem of foreign subsidies that displace American agricultural exports in traditional third-country markets.

Of all the nontariff codes, the one on **subsidies** perhaps ranks as the most important. No other issue has been more contentious recently in our trading relations, and none so clearly reflects the direct intervention of governments in trade. The agreement we have reached will prohibit export subsidies on industrial products. If this agreement is breached countries can

U.S.-Soviet relations, or to Soviet acceptance of our interests in other parts of the world, it will not solve these other problems and we will not have SALT either. The Soviets will pursue their interests, attempting to gain influence elsewhere in the world, and so will we. SALT does not mean the competition is over everywhere, just that the strategic competition, because of mutual interests, will be limited to some degree.

By the same token, going ahead with SALT does not mean we are caving in to the Soviets elsewhere either. We can bring our resources to bear on Soviet behavior in the Third World. We do that, but it is not easy—just as it is not easy for the Soviets simply to accept our stepping in where they have had difficulties or failed such as in Egypt, the Arab-Israel negotiations, Indonesia, Sudan, and elsewhere.

The other concern is that SALT is somehow putting the American people to sleep, leading them to think that "detente" solves all our problems and that the Soviets are our trusted friends. The policy of this Administration—and previous ones as well—is to develop some elements of cooperation even as we compete with the Soviets. It's a mixed, complicated, and even inconsistent relationship, but that's life. It's the kind of thing people accept as normal in dealing with other people. A mature relationship, even with an adversary, necessitates building some bridges of restraint and moderation at the same time as we compete and challenge. It's hard to get some critics to accept this in foreign policy, even though it is readily accepted in their private lives and business relationships. As I move around the country, I am concerned, from what I hear, that the critics are creating a climate where there is less and less willingness to tolerate this type of commonsense, mixed relationship with the Soviet Union.

In the late 1970's there is less tolerance for complexities. I am concerned that this kind of attitude is affecting how we come to terms with something like SALT, which I think lies at the very heart of a sensible, but complex, foreign policy. What is required here is a steadiness, a sense of balance, an awareness of risks and opportunities, and a maturity. In the end, what we are trying to do, what we are trying to persuade you to believe, is that SALT is a part of a process, part of a hard-nosed, pragmatic, American way of attempting to deal with our security. SALT is not a substitute for a strong national defense. It is, in our judgment, a necessary supplement to it. □

take countervailing action. It also provides that where certain domestic subsidies—such as those to assist regional development—have trade effects which cause injury to other nations, their effects can be offset by countervailing action.

Governments often give preferences to domestic industries when making purchases for the government's own use. Sometimes they completely exclude foreign bidders. The agreement we have reached on government procurement takes a major step toward opening the growing public sector to all bidders and removing domestic preferences. It is estimated that as much as \$25 billion in foreign government purchases will be newly opened to bids by U.S. firms.

Countries have legitimate reasons to require that imports meet certain performance and quality standards to protect, for instance, the health and safety of their consumers. The agreement on standards provides that these legitimate standards not be used or administered so as to be trade barriers and will give foreign industries access to domestic standard setting bodies.

One way of increasing the costs of imported goods is to use arbitrary or fictitious means of valuing them for the purpose of setting the import duty. The

agreement we have reached on **customs valuation** establishes the transaction value of a product as the principal means of determining the value of the product for the assessment of customs duties. This will replace many different systems that are currently used by different countries, even within the same country. Thus, importers will now know with greater certainty the duty they will be required to pay. Countries will not be able to use their method of valuation as additional protection for the industries.

A special sectoral agreement is nearing completion on civilian **aircraft**. Tariffs on aircraft and parts will be reduced to zero in signatory countries, which also agree to place restraints on government subsidization for the production and marketing of aircraft and on the "buy national" practices which occur in this sector. As the world's most efficient producer of aircraft, and the biggest exporter, this agreement should be of special benefit to the United States.

Major Trading Problems

This negotiation enabled us to address major problems with a number of our trading partners, such as Japan,

Europe, Canada, and the developing countries. Our problems were perhaps greatest, and certainly the most visible, with Japan, given our trade deficit with Japan of \$12 billion in 1978. We obtained an average tariff cut of about 35% from the Japanese. We also obtained increased access to the Japanese market for high-quality U.S. beef and U.S. citrus products, goals we have been pursuing for years.

And Japanese acceptance of the codes of nontariff measures should bring about some major changes in Japanese practices—for example, in setting product standards—that have frustrated U.S. exporters for many years. In government procurement Japan has kept its market closed, especially for high-technology goods such as telecommunications equipment. We have made it clear that Japan must open these markets to imports if it is to benefit from the MTN [multilateral trade negotiations] code in our market.

With the European Community, we obtained an average tariff cut of around 34%. Agriculture is one area where we have had difficult disputes with the Community in the past. Although the MTN will not end our differences, we have at least obtained tacit recognition by the Community that their agricultural subsidies may cause the United

WORLD TRADE WEEK, A PROCLAMATION, APR. 6, 1971*

A strong position in world trade is one of the foundations of the American economy. By expanding our trade, we enlarge the opportunities for U.S. companies to prosper under our free enterprise system and for U.S. workers to find employment throughout the American industrial complex.

Trade also joins us with other nations of the world in a partnership of peace and trust that advances the well-being of people everywhere. It encourages the international exchange of ideas, knowledge and experience, and assists in developing fuller and more fruitful use of the world's resources.

We in the United States are dedicated to policies that promote freer, wider trade and that avoid the destructive consequences of protectionism. We believe our economy is best protected, and our citizens better served, when barriers to trade between nations are lowered rather than raised.

We are the world's largest trading nation. Yet compared to many of our trading partners, we export less of our rich and varied production than we should.

World Trade Week gives us the opportu-

nity to pledge ourselves to exporting as a national priority and renew our determination to succeed in the world marketplace.

NOW, THEREFORE, I, JIMMY CARTER, President of the United States of America, do hereby proclaim the week beginning May 20, 1979, as World Trade Week, and I request all Federal, State and local officials to cooperate in the observance of that week.

I urge business, labor, agricultural, educational, professional and civic groups, and all the people of the United States to observe World Trade Week with gatherings, discussions, exhibits, ceremonies and other appropriate activities that promote awareness of the importance of world trade to our economy and our relations with other nations.

IN WITNESS WHEREOF, I have hereunto set my hand this sixth day of April, in the year of our Lord nineteen hundred seventy-nine, and of the Independence of the United States of America the two hundred and third

JIMMY CARTER

SECRETARY VANCE'S STATEMENT, APR. 24, 1979

World Trade Week this year is especially timely. After 6 years of painstaking negotia-

tions, we and the other major trading nations have just concluded a series of agreements which represent the most important steps to encourage world trade in more than a generation.

Over time, the so-called Tokyo Round agreements will mean freer and fairer world trade, with more production and more jobs, lower prices, and less inflation for all. And as the world's largest trader, our country stands to gain more than any other from the new, fairer trading rules.

Legislation to give effect to these historic agreements is now before our Congress, which played an important role in launching and helping to carry forward the negotiations. As consumers and as producers, all Americans have an important stake in increased foreign trade. I hope as many of them as possible will use the opportunities which World Trade Week presents to inform themselves on these agreements and their implications and to convey their views about them soon to their representatives in the Congress.

*No. 4654 (text from Weekly Compilation of Presidential Documents of Apr. 9, 1979.

States to lose exports in traditional U.S. markets. They have also agreed to a consultative mechanism in agriculture to help avoid problems before they develop.

We have had a particular problem with the Canadian system of customs valuation, which artificially increased the value of imports for duty assessment purposes. The Canadian agreement to join the customs valuation code should be of considerable benefit to U.S. exporters. In addition, Canada has agreed to moderate the impact of the "made-in-Canada" tariff—a law that raised the duty on any product manufactured north of the border and kept American exporters in doubt.

Developing countries have not as a general rule accepted all the obligations of the world trading system. Many are not GATT [General Agreement on Tariffs and Trade] members, and even those who are GATT members often have extensive exceptions from the normal rules. This is in recognition, of course, of their development status. But as they advance to higher levels of industrialization and take advantage of the relative openness of our market, we expect them to assume an increasingly higher level of obligation. The Tokyo Round has served to advance this objective by bringing developing countries more into the mainstream of the world trading system. For example, several developing countries will join the GATT as a result of these negotiations, and about 20 of the more developed of the developing countries have made tariff reductions, something they have not done in previous rounds. We also expect that the more advanced less developed countries (LDC's) will sign a number of the codes. Since LDC's are increasingly important markets for U.S. goods, these results are clearly in our interest.

In a number of sectors we reached agreements which, while less trade liberalizing than other areas, nevertheless will benefit American exporters and consumers while at the same time provide adequate protection for American producers. For example, among the highest U.S. tariffs have been those on textile and apparel products. In this negotiation, we have made an important reduction in these high tariffs, which will benefit the U.S. consumer.

However, at the same time, the President, recognizing the sensitivity and importance of the domestic textile industry, especially as a major employer of U.S. workers, said that the Administration would act to guard against disruptive and injurious import surges to insure that this industry would not be damaged. This is an

example of a pragmatic policy designed to meet the challenges of the 1980's—lowering tariffs to benefit consumers, while taking parallel actions to insure that an important American industry and American jobs are protected.

I might also mention cheese, a product of great interest to many people here in Wisconsin. Our trading partners—such as the European Community, Scandinavia, Australia, and New Zealand—insisted on obtaining increased access to the U.S. market for their cheese in return for their making concessions important to the United States. In order to deal with this problem, we have agreed to modestly expand access to our market for cheese. But at the same time, we recognize the importance of the U.S. cheese industry to the United States, and so we will maintain most cheeses under absolute quotas to insure that no damage is done to the U.S. industry. We have also made sure that imports will not enter the United States under U.S. support prices. Thus the consumer will gain some benefits by having a wider range of choice for cheese, while the industry maintains some protection. And in return the United States obtained some important benefits from our trading partners.

We faced a similar problem regarding the American selling price (ASP), a practice long objected to by our trading partners. This is a system of customs valuation under which certain products—chiefly benzenoid chemicals—are valued according to their price in the United States, which was generally significantly higher than the price of the import. In effect, this allowed American firms to determine the duty for their import competition. We have agreed to abandon the ASP system of valuation in the context of the customs valuation code and also to obtain additional concessions from our trading partners.

At the same time, we did not want to cause hardship to the U.S. chemical industry by simply removing the system all at once. Therefore, we decided to translate the ASP system into its equivalent tariff protection before making any tariff cuts. For example, assume there was a chemical subject to ASP that had a 10% duty on which we agreed to make a 30% tariff cut—the average cut. This cut would not be made from the 10% base tariff rate. Rather, the U.S. International Trade Commission was asked to translate the effect of the ASP valuation for this chemical into tariff terms. If the Commission discovered that ASP had an additional protection effect of 10%, we

MTN **Agreements**

PRESIDENT'S STATEMENT, APR. 12, 1979¹

The United States today has entered into international agreements that will bring a new order to the world trading system.

Trade negotiators representing 41 nations, accounting for more than 90% of world trade, have agreed in Geneva on the final, substantive results of the Tokyo Round of international trade talks. These multilateral trade negotiations (MTN), the seventh round since World War II, are the most comprehensive and far reaching since establishment of the General Agreement on Tariffs and Trade (GATT) in 1947. For the first time, agreements, or "codes," have been concluded on a broad range of "nontariff" obstacles to trade. Phased tariff reductions averaging about 33% were also approved.

The agreements, when approved by Congress, will establish new trading rules that will increase the opportunities of all nations, rich and poor, to exchange their goods under equitable conditions. Through such fair and open trade, we strengthen peace and trust in the world and make more efficient use of the world's human and material resources.

The agreements steer us away from destructive protectionism and into a path of greater export opportunities, with the prospects of new jobs, improved productivity, and increased industrial and agricultural production. The new opportunities that are thus developed will be realized through vigorous efforts by government, industry, and agriculture to promote exports.

The trade agreements that we have signed are the product of years of work, during which time American negotiators have been advised and assisted by concerned Members of Congress and by hundreds of men and women from the private sector.

I wish to take this opportunity to reemphasize this Administration's commitment to the national export policy that stimulates our export trade. I also wish to commend all those in the United States and abroad whose labors resulted in the new international trade agreements. □

¹Text from Weekly Compilation of Presidential Documents of Apr. 16, 1979.

Multilateral Trade Negotiations

will begin our tariff cut from a tariff level of 20% (10% normal duty plus 10% ASP). Thus, a 30% cut on this item would reduce the protection from 20% to 14%, not from 10% to 7%.

These cases illustrate the sort of problems we faced in many sectors. We sought results which would bring forth concessions valuable to our exporters, benefit the U.S. consumers, and at the same time minimize any potential harm to U.S. producers. It is to the great credit of Ambassador Strauss [Special Representative for Trade Negotiations] and his team of negotiators that we succeeded in high degree in meeting these objectives.

These then, are the broad outlines of the agreements that will result from the MTN. But will the MTN package benefit the United States, and if so, how? These are questions that must be asked—and answered—especially since the Congress will be deciding this summer whether or not to approve the MTN package.

U.S. Benefits

I believe that there are five principal benefits to the United States of the MTN agreements, which argue compellingly for their approval by the Congress.

The first benefit is that the MTN agreements will increase U.S. exports. This is extremely important in view of the U.S. balance-of-payment deficit, recent sluggish productivity gains, and the need to sustain a high rate of employment. I have cited a number of examples of the package that will provide opportunity for increased exports—the industrial tariff cuts, the agricultural agreements, the government procurement code, and the aircraft agreement. The MTN package will particularly promote increased exports to the developing countries—an increasingly important market for U.S. goods. I am confident that American firms can and will aggressively take advantage of the new export opportunities available to them.

A second benefit from the MTN package is that it will help fight inflation. Naturally, in order to obtain tariff cuts overseas, the United States also had to agree to cut its tariffs reciprocally. These tariff cuts will make a wider range of goods available to American consumers at lower prices and thus help in our anti-inflation effort. The staging of these reductions over a period of 8 years will greatly ease any short-term problems of adjustment by U.S. firms. In the longer term they will tend to make U.S. firms more efficient and better able to

Foreign Relations Outline¹

The Tokyo Round of the Geneva-based multilateral trade negotiations (MTN) concluded April 12, 1979, in Geneva with the initialing of the negotiated documents. This was the seventh negotiating session held under the auspices of the General Agreement on Tariffs and Trade (GATT). Previous rounds dealt mainly with tariff reductions; this one also focused on nontariff measures that distort international trade.

As tariffs were progressively reduced, many nations relied more heavily on nontariff measures to restrict imports. These protectionist measures contribute to international tension, which the Tokyo Round seeks to diffuse by establishing new ground rules for the world trading system.

U.S. Benefits

During the past 10 years, U.S. exports have more than quadrupled, to \$143 billion in 1978. We export about 16% of everything we grow, manufacture, or mine, and some 4.3 million American jobs depend on U.S. exports.

compete—thus further helping hold down prices.

A third benefit is that the several nontariff measure codes will lessen government intervention in the world trading system. Rules and limits to government intervention will be strengthened. Since U.S. Government intervention in the trading system is generally much less than that of other governments, this must be a net-plus for the United States and its exporters. In short, these agreements will make the trading system more open—and in such a system it is the best product at the lowest cost which is purchased.

The fourth benefit is both political and economic. The MTN demonstrates the continued commitment of the world's major trading nations to liberalized trade and their rejection of protectionism. This is extremely important to a major trading nation such as ours, for it means that our exporters will have expanded access to foreign markets. In addition, we have put in place a better means to resolve disputes and thus enable countries to resolve

Thus, the United States has a critical stake in the MTN's successful outcome. As President Carter said in his State of the Union message to the Congress on January 25, the proposed trade agreements will:

- Lead to increased opportunities for U.S. exports;
- Insure that import competition is fair; and
- Result in lower prices, increased competition, and greater prosperity for the American people.

The nontariff codes will not take effect until Congress approves them and enacts implementing legislation.

Subsidies

Extensive use of subsidies by our trading partners tends to increase U.S. imports and displace our exports and is a constant irritant to our trade relations. This code will prohibit export subsidies on nonprimary products, increase the discipline on the use of domestic subsidies, and set up rules for countries to take countermeasures against subsidized products that adversely affect their trade.

political conflict caused by trade conflicts.

Finally, there is a longer term benefit. The MTN results will increase the efficiency of the world trading system. This is a major step in the adjustment of the world's economies to the new realities of the 1980's. The next decade will see increasing participation by the developing countries in the trading system both as suppliers and purchasers of goods. It is important that the rules of the world trading system apply to an appropriate degree to these countries. Key developing countries have accepted the concept of graduation and, as they develop, will accept more of the obligations of the trading system, thus making it more efficient.

The issue of efficiency and adjustment may become one of the major economic issues in the last quarter of the 20th century. The MTN package is a major step down this road and thus is an important step in making the world a better place for all of us. □

¹Introductory paragraph omitted.

Technical Barriers to Trade (Standards)

This code is designed to prevent standards and technical regulations from becoming impediments to international trade. Concern over health, safety, and the environment has led to new product standards that have caused numerous trade disputes. The code will allow affected parties to participate in the standards-making process and provide nondiscriminatory access for foreign products to national and regional certification systems.

Customs Valuation

This code attempts to provide a standard method of determining the duties collectible on an import, thereby protecting an exporter from arbitrary increases in assessed duties. Ordinarily, duties will now be assessed on an import's transaction value. If this is not appropriate, other methods of valuation are provided.

Government Procurement

Until now, governments have been allowed to discriminate in favor of domestic suppliers for items purchased for government use. Under this code, an estimated \$25 billion in foreign government procurement will be open to bids from U.S. firms. Since our procurement system is already far less restrictive than that of most countries, we will clearly benefit from this code.

Licensing

This code will reduce the effect of U.S. exports of unnecessary or unduly complicated import licensing requirements.

Aircraft

This agreement, which is still not complete, would eliminate tariffs and reduce nontariff barriers on many aircraft products. The United States is the world's major supplier of civil aircraft and parts, and we should benefit greatly from this agreement.

Agriculture

The United States is vitally interested in the successful negotiation of an agricultural package. As the world's largest exporter of agricultural products, the United States seeks long-term, stable, sustainable export growth through expanded trade opportunities and orderly conditions in international markets, particularly in periods of surplus or shortfall. Consequently, we

U.S. Export Policy

by *Richard N. Cooper*

Statement before the Senate Committee on Banking, Housing and Urban Affairs on March 6, 1979. Mr. Cooper is Under Secretary for Economic Affairs.¹

It is a pleasure to be here today to testify on U.S. export policy. I appreciate the thoughtful questions in your letter of invitation. I will do my best to answer them, at least in general terms, in my opening remarks. We can deal with them in more detail—if you wish—in our subsequent discussion.

In response to two of the questions, I have attached to my statement a summary of restrictions on U.S. exports which have been adopted to further our foreign policy, with an indication as to which of these are also observed by foreign governments.

Before discussing export controls specifically, let me begin by emphasizing the great importance we at-

have helped create a framework for international agricultural trade, including agreements on meat and dairy products. The United States has succeeded in reducing tariff barriers on many agricultural items of great export interest to us.

GATT Reform

Several procedural changes in the General Agreement on Tariffs and Trade (GATT) have been negotiated. An "enabling clause" permits some special and differential treatment for the developing countries. This agreement also recognizes that as these countries advance economically, they must accept more obligations and fewer exceptions under the trade rules. Procedures concerning measures countries can take for balance-of-payments reasons, and measures by developing countries to protect infant industries, were improved. GATT's dispute-settlement procedures were strengthened, and agreement was reached to negotiate improved rules on use of export controls.

Industrial Tariffs

We have reached satisfactory agreements with Japan, the European Eco-

nomic Community, Canada, some smaller countries belonging to the Organization for Economic Cooperation and Development, and about 20 developing countries. Discussions continue with some developing countries. Our tariff cuts will equal 33% on a trade-weighted basis. In return, we have received many concessions, including tariff reductions on items of high priority interest to U.S. industry and agriculture, which should stimulate U.S. exports.

Our economic situation has changed dramatically since the early postwar years. At that time we took our favorable export position for granted. Now we are experiencing large trade deficits which adversely affect both our domestic economy and our foreign relations. We must find effective measures to improve our export performance.

The strength of our economy is highly dependent on international trade. Our country is large, and our productive activities are diversified.

nommic Community, Canada, some smaller countries belonging to the Organization for Economic Cooperation and Development, and about 20 developing countries. Discussions continue with some developing countries. Our tariff cuts will equal 33% on a trade-weighted basis. In return, we have received many concessions, including tariff reductions on items of high priority interest to U.S. industry and agriculture, which should stimulate U.S. exports.

Safeguards

Negotiations have not been completed on a safeguards code that would require countries to observe certain international trading rules and would subject them to international discipline when they temporarily limit imports that seriously injure domestic industries. These negotiations are continuing. □

¹ Taken from the Department of State publication in the GST series, released in April 1979. 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.

But we are not independent economically. We need to emphasize this simple truth. Americans do not sufficiently appreciate that we live in an economically interdependent world.

An estimated one out of eight American manufacturing jobs now depends on export markets. Fully one-third of all our agricultural production is sold abroad. Exports mean more than jobs and higher income at home. They also pay for those materials, like oil, which we have to buy from other countries. Our ability to export must keep pace with our increasing dependence on imported raw materials and foreign manufactures.

A strong position in international trade requires vigorous and highly competitive export industries. We must develop more of them to close the balance-of-payments gap. With these industries will come new jobs, higher productivity, and the technological innovation that our country will need in the 1980's.

Our export performance affects vital U.S. foreign policy interests as well. America's strength is not measured only by our military might; a vigorous economy, which produces goods that can compete effectively in markets at home and abroad, is essential to maintaining U.S. leadership in the world. It is the foundation of our military strength, our diplomacy, and our inherent appeal as a nation.

On the other hand, a steadily growing trade deficit and a weakened currency—which are in part due to poor export performance—can eventually lead to an erosion of our international political standing and influence. For example, the effect on our relations with European nations, Japan, and some oil-exporting nations was evident last year when the dollar plummeted in foreign exchange markets. Thus a stronger export performance, which among other things will bolster the dollar, is fundamentally important to an effective foreign policy.

Export Promotion

Success in the international export market does not come through occasional bursts of energy. A sustained effort is necessary, requiring investment of time, manpower, and market research.

A large part of the burden for improving American export performance falls upon the private sector, but the government can help in a variety of ways. Among them is providing credit support and minimizing regulatory intervention. Our most effective international competitors, notably the highly

industrialized Western European countries and Japan, have consistently and actively supported their export sectors and minimized government restrictions for many years. The President's national export policy announced last September represents our commitment to make the same sustained effort.

One of the most effective means by which our government can promote exports is to provide official export credit support to permit U.S. firms to compete effectively. We are seeking to increase the Export-Import Bank's FY 1980 program level above the level of FY 1979 to allow it to support a greater volume of exports, and Eximbank is seeking more aggressively within the limits of its resources to provide support in individual transactions on terms competitive with those offered by the official export credit agencies of our competitors.

Another measure we can take is to seek the removal or reduction of foreign barriers to our exports. We are now at the end of a major multilateral undertaking which has achieved that objective. As a result of the multilateral trade negotiations in Geneva now nearing completion, our businessmen will have expanded opportunities for increasing their exports.

Equally important, they will be able to do so in the framework of fairer international trading rules. Trade disputes should be less frequent and more easily resolved. A code on subsidies and countervailing duties would impose greater international discipline over trade-distorting subsidies and define more clearly a country's right to take countermeasures. A code on government procurement could open up as much as \$25 billion a year in foreign government markets now closed to U.S. exports.

Congress will shortly be reviewing the results of these negotiations. When you review the agreements, I believe you will conclude that they serve our national interests. Their approval by the Congress will be a major step forward in fulfilling our national need to export.

The Administration thus is moving forcefully to enhance the opportunities for American products in foreign markets. In the area of disincentives, the national export policy will reduce domestic barriers to exports by creating a more sensible regulatory environment and by clarifying some of the ambiguities associated with the enforcement of certain of our laws. More specifically:

- All agencies will weigh more carefully any adverse effect that major

administrative and regulatory actions would have on exports and

- The Department of State and other agencies will take export consequences fully into account when we consider the use of export controls for foreign policy purposes. We will give particular attention to the availability of the product from other suppliers.

Export Controls

It must be recognized, however, that at times our desire to promote exports will be overridden by other foreign policy concerns. There are circumstances under which our overall national interest will be served by export controls. Exports subject to validated license requirements, however, are only a small percentage of our total exports.

The clearest instance is in the area of national security, where we must continue to restrict, in cooperation with our allies, the export of equipment and the transfer of critical technology which would contribute significantly to the military capabilities of potential adversaries. We are now negotiating an updated list of goods and technology to be controlled in our respective countries, to eliminate those products which no longer have a significant security impact.

The principal countries to which these security controls apply are the Soviet Union and China. We have and will continue to apply security controls on exports to these two countries in a balanced manner. It would not serve our political interests to give the appearance of being less stringent with one country than with the other.

In making judgments as to which items of equipment and technology are critical to our security, we will keep in mind that exports are essential to the strength of our economy and that a strong economy is a critical element of our security. Our competitors in Western Europe and Japan, with their greater experience of dependence upon exports to sustain economic growth, understand this point well and have already taken the largest shares of industrial import markets in Communist countries. Our firms lag behind. If they can start to make greater gains, the new trading relationships should add to the stability of our political relations.

Export controls are also of importance to our efforts against nuclear proliferation, international terrorism, systematic violations of human rights, and regional military conflicts. The Administration has clearly articulated its commitment to these goals and has

given high priority to their implementation. The Congress has been generally supportive of these efforts.

As in the case of security controls, however, we are following the President's directive of September 26, 1978, to insure, in those instances where controls are invoked, that the foreign policy gain will outweigh any commercial loss.

The Department of State considers a number of factors in its recommendations on the application of controls: the importance of our foreign policy interest; the relationship between the export in question and the conduct we are trying to influence; and the likelihood that denial of an export license in a particular instance will be an effective means of achieving our purpose.

In making recommendations on the denial of export licenses the State Department does assess the availability of the product from other sources and weighs whether or not this will negate the effects of denial. However, it is important that the President and his principal foreign policy adviser be free to recommend denial of an export license in those cases where there are compelling foreign policy reasons, for example, when we find it imperative to disassociate the United States from some activity which we find particularly abhorrent. We will not sell equipment to police and military entities in South Africa, though we know that such equipment may be supplied by others. There may also be instances where denial is essential to advance our nuclear nonproliferation objectives.

In a few instances, authority granted under the Export Administration Act has been used to limit the export of products which were in short supply and deemed vital to our domestic economic well-being. The imposition of export restrictions in response to a temporary shortage can disproportionately damage long-term export markets and even political relations with purchasing countries. We recognize the importance of avoiding wherever possible such short-term export restraints and maintaining the U.S. reputation as a reliable supplier. Even in the vital area of energy policy, we must take particular care that our legislative restrictions on exports of oil do not interfere with the long-term need for adequate and efficient supplies for countries with which we have especially close political, economic, and security ties.

With regard to the antiboycott provision of the Export Administration Act, we cannot agree to having our companies become the tool of other governments' trade boycotts against a third

party. We are not proposing any changes in this portion of the act.

Conclusion

In conclusion, let me say that while export controls are an important foreign policy tool, I believe that many people have a somewhat exaggerated impression of the extent to which these controls really hamper the U.S. export performance. For those few cases requiring validated licenses, less than 1% are denied, and we are striving to reduce procedural delays that may discourage potential exporters.

This Administration fully recognizes

the growing importance of exports to our nation's economic well-being and overall world standing. The State Department is joining with the Departments of Commerce, Defense, and Energy in a further effort to eliminate those product restrictions which no longer serve our security and other foreign policy interests; to streamline the processing of license applications; and to help individual businesses more clearly understand our export control policies.

The Department of State is committed to increasing its support for export promotion with particular emphasis on small and medium-sized

SUMMARY OF CURRENT U.S. EXPORT CONTROLS FOR FOREIGN POLICY PURPOSES

The following controls have been adopted by the United States. The positions of the governments of our major foreign competitors toward these controls are also indicated.

a. Virtually total embargoes of exports (and imports) from the United States to North Korea, Vietnam, Kampuchea, and Cuba continue because, in the judgment of the Administration, the political conditions for normalizing trade relations with those countries have not yet been achieved. Unresolved differences with these countries include their military activities, U.S. Government and private claims, and our terms for diplomatic recognition. The embargoes constitute a peaceful means available to the United States to support our foreign policy interests in these countries. Our allies and major foreign competitors do not observe these embargoes.

b. Virtually total embargo of exports to Rhodesia and prohibition of arms sales to South Africa are in place in compliance with U.N. resolutions and are thus authorized by the U.N. Participation Act. Other members of the United Nations participate in these sanctions.

The President directed the prohibition of all exports to the police and military entities in South Africa to disassociate the United States from the repressive practices of those organizations. A few other items are controlled for export to other South African Government organizations administering apartheid activities. The export of aircraft to South Africa is conditioned upon assurances of peaceful use. Our major foreign competitors do not apply these controls.

c. All U.S. trade with Uganda is prohibited because of human rights violations, pursuant to Public Law 95-435. It is too early to judge whether this legislated embargo will significantly advance U.S.

foreign policy. Major foreign competitors have not joined us in this embargo.

d. The export of munitions, crime control and detection equipment, and a few other items to a few consignees in a few countries whose governments are seriously violating human rights or are aiding and abetting international terrorism is restricted.

Our allies are in basic sympathy with our human rights policy and antiterrorism goals. While most do not generally deny commercial exports for purely human rights reasons, they may take such matters into consideration when reviewing exports which are subject to control for other reasons, such as an incipient or ongoing conflict in the country of destination.

e. The President decided to require validated licenses for the export of petroleum equipment and to deny a license for a computer for TASS to the U.S.S.R. for foreign policy reasons. Our allies and major foreign competitors do not apply these controls.

f. The export of munitions is controlled in furtherance of the policy of restraint on arms sales. A few items on the Commerce Department list are controlled in the interest of regional stability.

Most other governments control exports of arms. International negotiations are underway on conventional arms transfers.

g. The export of items judged to have the potential to contribute significantly to nuclear proliferation is controlled. We and other members of the London Suppliers Group condition the export of an agreed list of nuclear-related items on safeguards undertaken by the importer.

h. The Federal Insecticide, Fungicide and Rodenticide Act, the Toxic Substances Control Act, and the Consumer Products Safety Act require some restrictions on the export of hazardous substances.

Other governments do not impose legal restrictions on the export of hazardous substances. We are encouraging the exchange of information with our trading partners in the Organization for Economic Cooperation and Development.

The Evolving International Monetary System

by Anthony M. Solomon

*Address at the Royal Institute of International Affairs in London on January 12, 1979. Mr. Solomon is Under Secretary for Monetary Affairs of the U.S. Treasury Department.*¹

Much of the past year was characterized by major international monetary unrest. Continuing large payments imbalances among the industrial countries were accompanied by serious exchange market disorders which ultimately required forceful and internationally coordinated counteraction. These disturbances have given rise to a widespread feeling that our monetary mechanisms are not working as well as they should. Various ideas for change have been advanced.

The year also saw major modification of the formal structure of the monetary system, with implementation of amended International Monetary Fund (IMF) Articles of Agreement and the move toward new monetary arrangements within the European Community (EC). The new IMF provisions, and the Community's efforts to develop closer monetary cooperation and greater economic stability, offer substantial promise for a more smoothly operating international monetary system in the future.

Today I would like to discuss these developments and suggest some implications for the future evolution of the system. My starting point is an ap-

preciation that the international economic imbalances and tensions of today stem in large part from the successes of the post-World War II decision—a brilliant and far-reaching decision—to work toward creation of an open and liberal system of international trade and payments. Catalyzed by progressive trade liberalization and lubricated by international capital flows, the postwar global economy brought rapid and sustained increases in the wealth and living standards of the industrialized countries and progress in the developing countries. A further result of movement toward an open system of trade and capital was an increasing and unprecedented degree of international economic interdependence, particularly among the industrial countries, whose industrial and agricultural structures are now heavily dependent on sources and markets abroad. And this increasingly complicates management of the system.

Toward the end of the 1960's and during the 1970's, the great postwar record of growth, employment, and prosperity ran into trouble. We are all too familiar with the acceleration of inflation as the United States escalated and poured more resources into the Vietnam war; with the shocks to the system associated with the multilateral exchange rate realignments of the early 1970's; with the simultaneous boom in the industrial countries feeding rapid increases in commodity prices worldwide; with the oil embargo and massive increases in oil prices of 1973-74; and with the severe world recession of 1974-75.

We have been living for much of this decade not only with destructively high levels of inflation worldwide but with sharply divergent rates of inflation and real growth among the industrial countries. Because of the major reduction of trade barriers and the greater ease with which capital can move across international boundaries, differences among the industrial countries in growth and inflation can now have not only a much larger potential effect but also a much more immediate effect on the direction and magnitude of trade and financial flows and on the exchange markets.

Our greatly increased interdependence has brought all of us greater wealth and a higher standard of living than would have been possible otherwise. But these gains have not been

without some cost. We have had to pay a price—we are all far more vulnerable now than in the past to developments abroad and to the operations of the international economic system.

The developments of 1978 pointed up this vulnerability with great clarity and posed challenges in two closely related but distinguishable areas. First, we should consider whether changes in our existing monetary arrangements are practical and desirable. Second, and more fundamentally, we must develop better ways of bringing our economic policies and performance into greater harmony in an effort to reduce or avoid the internationally disruptive impacts of sharp divergences in domestic economic performance.

The international monetary system, and the exchange market in particular, is a principal focal point for the pressures arising from our interdependent world economy. Understandably, international monetary arrangements have also become a focal point for proposals to alleviate those pressures. Some have proposed that targets or zones for exchange rates be established and pursued by monetary authorities. Others have proposed limitations on international capital flows as a means of attaining greater monetary and exchange rate stability. Still others see the major role of the dollar in international reserves as a principal source of international monetary difficulty and have suggested that steps be taken to reduce the reserve role of the dollar. Let me comment on these three separate but not necessarily independent questions.

Exchange Market Developments

Exchange market developments over the past year or so have unquestionably posed serious problems. We have seen that when there is uncertainty about the validity of basic economic policies of major countries, the exchange markets, left to themselves, can generate a psychological atmosphere in which rates may be carried beyond what can be justified by any objective standard. But does that fact—and I believe it is widely accepted as a fact—mean that the world now can or should move to a much more highly structured set of arrangements for exchange market intervention?

In the case of the United States, the decline of the dollar under disturbed and disorderly conditions last fall threatened to undermine our anti-inflation efforts and to damage the climate for sustained investment and growth in the United States and abroad. Our action on November 1—jointly

Export Policy (Cont'd)

firms. I have recently sent a message to our ambassadors throughout the world stressing the need to promote U.S. exports.

As you review the Export Administration Act and other related matters within your jurisdiction, I urge that this committee be mindful of the importance of expanding U.S. exports for our economy while at the same time preserving our ability to pursue other fundamental foreign policy interests. □

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.

with Germany, Japan, and Switzerland—to embark on a major program of coordinated intervention was specifically a response to what was and had been happening in the exchange markets. But in order to be successful, that response had to fit into a broader context—a context composed of comprehensive U.S. policy measures to correct its domestic economic problems and clear prospects for a very strong improvement in the U.S. external position between 1978 and 1979.

The United States is now acting forcefully to deal with its inflation problem. Fiscal policy has turned decisively toward restraint. As will be affirmed in the next few days, the President is tightening even further in the FY 1980 budget, with a deficit of under \$30 billion or barely more than 1% of GNP, which compares with deficits currently averaging about 4.5% of GNP in the other major industrial countries. Monetary policy is complementing fiscal restraint, as evidenced by a further pronounced rise in interest rates and welcome slowdown in growth of the principal monetary aggregates. And these measures of demand restraint are being supplemented importantly by wage and price standards, which are gaining a broad measure of support and compliance on the part of the American people.

We anticipate a very sharp improvement in the U.S. current account position between 1978 and 1979. It will reflect the combined consequences of a number of factors, including our rapidly improving export performance, implementation of our energy program and slower growth in the United States coupled with faster growth abroad. Even with the recently announced oil price increase, we expect the deficit to be reduced very substantially in 1979.

We recognize that our inflation problem is destructive to our domestic performance and objectives as well as to our external position. That problem did not arise overnight, and it cannot be solved easily or painlessly. But overcoming it is the policy of the U.S. Government, and the President is determined to persevere and to succeed.

International Capital Markets

We were encouraged by the initial response to the November 1 program, and we are encouraged by the better balance in the markets that has emerged lately. We believe that program will provide a framework of greater stability and order, in which the markets can react positively to the strengthening of the underlying U.S. position. In implementing the interna-

tional aspects of the program, we have greatly intensified and deepened our consultations on exchange market policy and operations with the other countries involved. This process has been of great value to us in analyzing and assessing exchange market developments, and we look toward a continuation of the close consultations and cooperation that have been engendered by this effort.

But important as that cooperative initiative was, we knew that our intervention efforts could succeed only if underlying conditions were moving in our favor, and if we had the policies in place to assure they would continue to move in our favor. Our judgment was that a bandwagon effect was depressing the dollar excessively, well out of line with fundamental economic factors and without regard to the fact that policies were in place to bring about a basic improvement in our position. Timing was essential, and I do not believe the intervention program would have been warranted or successful if those preconditions had not been met.

In short, large-scale intervention can be useful and effective under circumstances of serious disorder, when the basic requirements for greater stability have been met. But it would be a mistake to interpret the November 1 program as a departure from a policy of permitting exchange rates to reflect fundamental factors in different economies—rates were not reflecting such factors. The November 1 initiative does not imply that such intervention can succeed in holding exchange rates against fundamental trends or that efforts to do so would be desirable. Rather, the experience of the past several months reinforces our view that appropriate economic and financial policies must be in place if there is to be meaningful and lasting stability in exchange markets. And I believe that is a view that is fully appreciated and, indeed, frequently expressed by participants in the exchange markets themselves.

Second, the potential for very large international capital flows, with their important implications for exchange rate movements, has led some to feel that greater official control over capital flows could provide a useful technique of exchange market stabilization. Our own experience in the United States with capital controls in the 1960's and early 1970's does not provide any assurance that controls would offer a feasible approach. Moreover, it seems to me to be an approach that removes a critical element of the foundation of our open and interdependent global system, and that could erode the tangi-

ble economic gains that have been achieved over the past decade. Finally, it is an approach that assumes capital flows should not be permitted to influence exchange rates—that only the movement of real goods and services should affect rates. I have great difficulty in accepting this idea.

I do feel that steps can be taken to expand and improve information about world money markets, and perhaps to strengthen official influence over those markets. Consideration can usefully be given to whether steps might be taken to bring banks operating in the Euromarkets more completely and explicitly under the regulations and supervision of national banking authorities. There is, I know, a feeling on the part of some that the Euromarket is unanchored and unregulated. This is a considerable exaggeration. For example, branches of U.S. banks operating abroad—a substantial component of the Eurocurrency market—are subject to U.S. reporting requirements and bank examination procedures as are domestic operations of U.S. banks. Moreover, the Bank of International Settlements is currently working to expand and improve its reporting arrangements and data collection in an effort to provide a basis for more complete understanding of the Euromarkets. But there may well be further steps that could be taken to strengthen bank supervision and mitigate the impression that the market has explosive potential.

International Reserve System

Finally, there is a view that the reserve role of the dollar, and the very large volume of foreign official holdings of dollars, constitute an important source of instability in the international monetary system. This view has led to various proposals—for funding or consolidating dollar balances, for an increasing role in the system for the SDR [special drawing rights], and possibly for a European currency unit or for greater use in reserves of other national currencies such as the Deutsche mark and Japanese yen.

I personally have some doubts that the existence of foreign-held dollar balances—official or private—represents the major part of the problems and instability which have affected the dollar. Certainly sudden changes in the level of these balances can and at times do add to pressures in the exchange markets, but there is ample scope for capital movements and exchange market pressures quite independent of the existing stock of foreign balances. While moves toward funding or consolidation of foreign official

dollar balances might have some positive impact, it seems to me that they are not the root cause of exchange market disorder or dollar instability.

Let me make clear that the United States has no interest in artificially perpetuating a particular international role for the dollar. The dollar's present role is itself the product of an evolutionary process. We would expect the dollar's role to continue to evolve with economic and financial developments in the world economy, and a relative reduction in that role in the future could be a natural consequence.

At this juncture, it is difficult to predict just what evolutionary changes may take place in the years ahead, though we can foresee certain possibilities. Certainly we would expect the SDR to take on a growing role in the system. The world has recently taken important steps to increase the role of this internationally created asset by widening the scope of operations in which it can be used, by strengthening its financial characteristics, and by the decision to resume allocations of SDR after a period of 7 years in which no allocations were made. We in the United States have great hope for the progress of the SDR. As experience with the asset accumulates, as alloca-

tions continue over a period of time, and as the usability of the instrument increases, we believe it will fulfill the promise which its creators foresaw and play an increasingly more valuable role.

Another possibility is that certain national currencies will play an increasing role. Indeed an expansion of the reserve roles of the Deutsche mark and Japanese yen has occurred over the past decade in both absolute and relative terms. I would note that the authorities of other countries have generally tended to discourage use of their currencies as reserves, largely because of concern about the implications for domestic money supply and a fear that domestic financial management will be made more difficult. Whether such attitudes persist will presumably have an important bearing on future developments, as will questions of size and accessibility of nondollar capital markets.

A new possibility for international monetary evolution is posed by the EC's current efforts in the international monetary area. At least in the initial phase, the focus of these efforts is principally on arrangements for intervention and settlement among participating EC countries. However, there is the possibility that in time a

European currency unit may develop as a reserve instrument of broader interest and use.

We are prepared to consider with an open mind these and possibly other ideas for evolution of the reserve system. Such ideas may offer potential for a reduction in the relative role of the dollar, and that prospect is not in itself troublesome to the United States. We do not live in a static world, and we must adjust to changing circumstances. We will not resist change but rather will be concerned to insure that any change be an improvement and that it be accomplished smoothly and in a manner which strengthens our open international trade and payments system.

The Basic Problem

In each of these aspects of our international monetary arrangements—the exchange rate system, the international capital markets, the reserve system—the United States is fully prepared to cooperate with others to consider where improvements might be possible. But I do not believe that possible action in any of these areas—or indeed in all of them—will solve the fundamental problems facing the system. As I see it, the basic problem is a different one: How to coordinate better the economic performance of the major countries, to reduce inflation rates and inflation differentials, and to manage domestic growth rates so as to bring about a better balance in global economic relations.

This is not a short-run problem but a continuing one. There is no magic, overnight solution, and the task of international policy coordination ultimately can raise highly sensitive issues of national sovereignty. Nonetheless, I believe it is the real task we have to address, if we are serious about maintaining our open system and about achieving greater stability in international economic relations.

We do not lack institutional opportunities for pushing ahead with this effort. The industrial countries meet regularly in various bodies of the Organization for Economic Cooperation and Development and heads of state have met with increasing frequency to discuss common economic problems. Most recently, the IMF, in its new Articles of Agreement, has been given potentially important powers of surveillance over the operations of the international monetary system and the balance-of-payments adjustment process.

The basic problem facing the system is recognized clearly in the new IMF

EUROPE: 12th Report on Cyprus

MESSAGE TO THE CONGRESS,
MAR. 23, 1979¹

In accordance with the provisions of Public Law 95-384, I am submitting the following report on the progress made during the past sixty days toward the conclusion of a negotiated solution of the Cyprus problem.

During the past two months, as I outlined in my report of January 29, the United Nations has persisted in its active efforts, to bring about a resumption of the Cyprus intercommunal negotiations on a sound and effective basis. The focus of this effort is to develop a meaningful agenda acceptable to both Cypriot parties. The Secretary General's Special Representative in Cyprus has held frequent consultations with both sides in Nicosia, eliciting their reactions to each other's comments on the present draft agenda and seeking their acceptance of compromise suggestions. These consultations are continuing on an intensive basis. Meanwhile, some consideration has also been given to the possibility of direct consultations involving representatives of the two Cypriot

communities and the Secretary General this spring.

While we believe that both sides would welcome meaningful talks, we should not underestimate the magnitude of the differences between them on matters of substance. The compromises that must be made if an enduring settlement is to be achieved will be politically difficult for both sides.

The Department of State has remained in close and frequent contact with the United Nations Secretariat and with the parties concerned. We have urged both parties to show flexibility and to respond constructively and imaginatively to the ongoing United Nations initiative. We will continue to make every effort to help bring about a productive resumption of negotiations.

Sincerely,

JIMMY CARTER □

¹Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Frank Church, chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Mar. 26, 1979).

MIDDLE EAST: *The Peace Treaty and Its Aftermath*

by *Harold H. Saunders*

Statement before the Subcommittee on Foreign Operations of the House Appropriations Committee on May 8, 1979. Mr. Saunders is Assistant Secretary for Near Eastern and South Asian Affairs.¹

I appreciate this opportunity to review with you the Treaty of Peace between Egypt and Israel and to examine what the practical consequences of this treaty will be to the people of the United States.

I know that you will have specific questions on the details of the treaty, on the proposed U.S. assistance to the parties, and on our plans for the West Bank-Gaza and Palestinian negotiations. I welcome the chance to address whatever interests you may have. First, however, let me briefly set forth our overall view of the situation regarding the treaty and its aftermath.

I am sure that you share the belief that the treaty between Egypt and Israel is a milestone on the road toward a complete and just settlement of the Arab-Israeli conflict.

The treaty offers Egypt and Israel a true peace; it provides for the security and integrity of the two nations; it opens new avenues for trade and communication between them and for en-

objective of ultimate political and economic unification, an objective that is unlikely to be adopted on a global basis for many years to come. Against the background of that objective, the EC is making an ambitious and laudable move to make progress in many of the areas I have touched on today. Most importantly, participating EC nations are attempting to achieve meaningful economic policy coordination, in an effort to reduce imbalances within the Community and create conditions for greater exchange market stability.

The EC's efforts on a regional level can make a major contribution toward progress in the broader global effort to manage international economic interdependence, and we offer the EC every encouragement in attaining its objectives. We have asked only that Europe bear in mind the interests of nonmembers and of the broader system, particularly the critical need to develop the

hanced scientific, educational, and cultural exchange.

For Israel, the treaty is a major step forward in achieving the dream of the Jewish people to live peacefully and normally within secure and recognized borders in their modern state.

For Egypt and other Arabs, the treaty and associated documents restore Egyptian sovereignty throughout the Sinai, and it can begin a political process which will advance significantly other legitimate Arab objectives while assuring Israel's security and right to live in peace with its neighbors.

The signing of this treaty and its associated documents are, therefore, an event of immense importance for the Israeli and Arab peoples. But we must keep in mind that it is of immense importance to us as well.

For 30 years we have sought to encourage Middle East peace, and the core elements behind our approach bear repeating:

- We operate from an unshakeable commitment to the security of Israel. For reasons of history, of interest, and of ideals, this element of our policy is immutable.

- We are also determined to have friendly and mutually beneficial relations with the Arab nations and peoples. We are profoundly important

role of the IMF in the system. We have been assured that this will be the case.

In conclusion, I feel that the developments of the past year point clearly to the need for improvement in our international economic arrangements. We can and will consider with others whether improvements are possible and desirable in the more mechanical aspects of those arrangements. But improvements in our monetary mechanisms cannot solve the more fundamental problem facing the system, the need for governments to improve their international economic policy coordination out of recognition of their own self-interest in preserving our interdependent system. We believe this must be the focal point of our efforts and offers the only real prospect of lasting stability. □

¹Text from Treasury Department news release.

provisions on surveillance, which stress that the attainment of exchange market stability depends on development of underlying economic and financial stability in member countries. These provisions equip the IMF with major potential to address the problems of policy coordination with a view to achieving a more sustainable pattern of payments positions among its member nations and a more smoothly functioning international monetary system. The IMF's focus encompasses not only exchange rate policy, narrowly defined, but also domestic economic policies as they affect the balance-of-payments adjustment process. The IMF has enhanced capability to advise not only countries in balance-of-payments difficulty but also countries in surplus, on the international implications of their policies, and on approaches they might appropriately follow to correct their payments imbalances—a symmetry of approach we believe is essential to an effectively functioning system.

Progress in implementing the IMF's new surveillance role has been cautious and deliberate. This is understandable, given the very short time these powers have existed. But we believe the time has come for the IMF to move more vigorously to fulfill its potential in this area, and we intend to support it in that effort. I have no doubt that the Fund's new provisions afford the international community a framework for policy coordination that can be made effective. The potential is there. The question is whether governments will permit—indeed, help—that potential to develop. If they are willing, the prospects for sustained monetary stability and maintenance of our open interdependent system are good.

We need, in effect, a new attitude—a recognition that if nations want the benefits of an interdependent world with freedom of trade and payments, they must be prepared to give up some of the freedom they have enjoyed to manage their domestic economies without full consideration of the international environment. As part of an interdependent world economy, each country must accept greater responsibilities to exercise its economic management to coordinate better its policies and performance with those of other countries. Whatever the institutional arrangements, unless nations are prepared to accept these responsibilities of interdependence, they cannot expect to continue to receive its full benefits.

The potential role of the emerging European monetary arrangements should be viewed against broader evolution of the system. The European effort is inspired fundamentally by an

to each other, and many of our most critical interests are in common.

- We remain committed to a just solution for those people in the region—especially the Palestinians—who remain displaced and unable to enjoy all the rights essential to human dignity. Our commitment here is practical as well as humane, for in the face of grinding despair and a sense of grievance, a genuine and comprehensive peace will be hard to achieve.

- We see comprehensive peace in the Middle East as an imperative world objective. We know that each crisis in that region has the potential to threaten world prosperity and world peace. The issues dividing Arabs and Israelis may

be regional in scope, but they are truly global in effect.

- Even in purely economic terms, it is clear that the cost to the United States of peace is surely less than a continuation of the state of war. The cost to the United States alone of replacing Israel's battlefield losses from the 1973 war was higher than the budgetary impact of the package the Administration is now proposing, while the price we have paid in inflation, unemployment, and other adverse economic developments attributable at least in part to Middle East instability would add billions more to this total.

Assistance for Israel and Egypt

Let me now turn to some of the details of the assistance package which is presently before the Congress.

In discussing the aid package for Israel and Egypt, I want to stress two general points. (1) The impact on our budget is considerably less than the total amount of money to be generated for the program because the use of U.S. guaranteed loans from private banks obviates the need for Congress to appropriate money for the entire value of the foreign military sales (FMS) credits program, and (2) the terms of our additional assistance will not impose an unmanageable new debt burden on either Israel or Egypt.

The bulk of the additional assistance we envisage for Israel and Egypt is to help them meet their urgent security requirements. The military program for Israel, besides helping the costly withdrawal from the Sinai, will enable Israel to continue the modernization of its military establishment against continuing security threats in the area.

The \$1.5 billion military program for Egypt will help it to replace equipment in its military establishment rendered obsolete by the Soviet embargo.

The total military package comes to \$45 billion over 3 years—approximately \$3 billion for Israel and \$1.5 billion for Egypt.

Of the amount for Israel, \$800 million will be in grant aid money. This sum would allow Israel to construct two airfields in the Negev to replace those being given up in the Sinai; this is essential to enable Israel to withdraw in the allotted 3 years in conditions of security.

The remaining sum for Israel, and the full amount for Egypt, are in the form of FMS credits.

In addition to the security assistance I have outlined, we are seeking an additional \$300 million in economic assistance for Egypt over the 3 years to

help President Sadat bring the benefits of peace to his people.

Since Congress will need to appropriate only 10% of the total amount to guarantee the FMS credit portion of the assistance package, the actual budgetary impact of the \$4.5 billion we contemplate for military programs will amount to only \$1.14 billion in appropriations. The total \$4.8 billion security and economic program will require \$1.47 billion in appropriations.

This assistance is in addition to our current assistance programs to both countries, which involve \$1.785 billion for military and economic assistance to Israel and almost \$1 billion in economic aid to Egypt.

In addition I would also like to stress that we have already begun to urge our friends and allies to contribute meaningfully to the reinforcement of peace. We hope that trade, investment, and economic assistance flows to those who have taken this courageous step toward peace will expand. The World Bank has a role to play also. This is a matter we will pursue vigorously. The entire world will benefit from Middle East peace.

Ability to Repay Loans

Questions have been asked whether Israel, in particular, will be able to live with the added debt burdens. We believe that both Egypt and Israel will be able to do so. The ratio of debt service to export earnings in Israel has declined from a high of over 28% in 1975 to 23% or 24% in 1978.

We anticipate this favorable trend will continue for several years, even with the added burdens of the new debts. Egypt's foreign exchange situation is improving, and its foreign debt situation is being managed satisfactorily.

Legislation on Assistance

Congressional action on additional assistance is vital to the continued implementation of the Peace Treaty between Israel and Egypt. The \$1.47 billion supplemental appropriation we are asking for in FY 1979 is the best way to accomplish this from all perspectives.

It provides the total cost of U.S. support of the Peace Treaty in a comprehensive package which can be dealt with in an integrated fashion; this obviates the need for piecemeal requests which might tend to grow in cost to the American taxpayer if they were to be stretched out over time. It provides money needed to construct the new Israeli airbases rapidly so that the with-

Egypt and the ECWA

DEPARTMENT STATEMENT, MAY 1, 1979¹

The United States deeply regrets the decision of the Economic Commission for Western Asia (ECWA), which is a subgroup in the United Nations, to recommend the suspension of Egypt's membership from the Commission. Moves to expel countries from organizations in which they have every right to belong damage not only the organization but the people who depend on them for services.

The United States will strongly oppose this decision when it comes before the U.N. Economic and Social Council (ECOSOC).

ECWA is one of the U.N.'s five regional economic commissions. Its membership is confined entirely to what we loosely consider Middle Eastern states plus the Palestine Liberation Organization (PLO). And since it was formed in 1973, Israel, as the other logical member, has been excluded—something which we have protested regularly against and as we had protested in 1977 at the time that the PLO was included as a full member.

The decision that has been taken by this regional Commission has to be taken up by ECOSOC and voted on. In the meantime, Egypt maintains its seat in the Commission after the vote and will do so until ECOSOC takes up the recommendation that Egypt be expelled. □

¹Read to news correspondents by Department spokesmen Hodding Carter III

drawal can be completed within the stipulated 3 years. It also provides both Israel and Egypt in one decisive step with the assurance that they will receive not all that they would have wished but a substantial contribution of the funds needed to implement the Peace Treaty, to satisfy some pressing security concerns, and to show the peoples concerned the benefits of peace.

Toward a Comprehensive Settlement

The Treaty of Peace between Egypt and Israel is a reality which is now ratified and firmly in place. There is, however, a long way to go before a comprehensive settlement, which can be the only guarantee of Middle East peace, is achieved.

At Camp David, a framework for negotiations toward a comprehensive settlement of all outstanding issues in the Arab-Israeli dispute, including the key Palestinian issue, was agreed to. In the final days of negotiations for the Egyptian-Israeli treaty, both President Sadat and Prime Minister Begin renewed their commitment to the undertakings made at Camp David. Both leaders reaffirmed that they will continue beyond the peace between their two nations toward a comprehensive peace.

Also of crucial importance is President Carter's promise, made before the Egyptian People's Assembly March 10:

I pledge to you today that I also remain personally committed to move on to negotiations concerning the West Bank and the Gaza Strip and other issues of concern to the Palestinians and also to future negotiations between Israel and all its neighbors. I feel a personal obligation in this regard.

The President's nomination of Ambassador Robert Strauss to lead the U.S. side in the negotiations to establish the self-governing authority in the West Bank and Gaza is a tangible reaffirmation of that commitment. His nomination only underscores our intention to pursue the effort for peace vigorously and with the same determination that has brought us to the peace between Egypt and Israel.

It is our profound hope that those who are directly concerned but still uninvolved will be persuaded to join this process and that all nations that care for peace will lend their support to this treaty and to the continuing effort ahead.

If progress is made on the West Bank-Gaza and basic Palestinian issues, Arab doubts about the Egyptian-Israeli treaty should begin to subside. We will continue in our efforts

Yemen

by William R. Crawford

Statement before the House Foreign Affairs Committee on March 12, 1979. Ambassador Crawford was acting Assistant Secretary for Near Eastern and South Asian Affairs on the day of this testimony.¹

For over 30 years, we have recognized the strategic importance of the Persian Gulf to the United States and to our allies and have had a deep interest in and commitment to the security and stability of Saudi Arabia. Saudi Arabia's security is directly affected by the situation in neighboring North Yemen [Yemen Arab Republic—Y.A.R.] which supplies perhaps a million members of the Saudi work force.

For some years we have been working with Saudi Arabia to improve the stability of south Arabia by fostering a strong central government in North Yemen, which has been subject to political pressure from the Soviet-supplied Marxist regime in South Yemen [People's Democratic Republic of Yemen—P.D.R.Y.] We, the Saudis, and other peninsula countries agree with the Government of the Yemen Arab Republic that the long-term solution to nation building is through

steady economic development and social progress.

The focus of our initial assistance to the Y.A.R., therefore, was economic aid, designed to serve as a catalyst for much more bountiful assistance from Arab neighbors. Since the restoration of relations in 1972, we have supplied over \$75 million in development assistance and PL 480 to the Y.A.R., while Saudi Arabia and other peninsula states have supplied over \$1 billion in aid.

We recognized by the middle of this decade, however, that economic aid was not the sole answer to the pressing problem of stability in North Yemen. As Soviet supply of military equipment dwindled in the north and intensified in the south, a serious imbalance in the military capabilities between the two states developed. Today, we estimate there are 800-1,000 Soviets in South Yemen; perhaps half of them military. There are 500-700 Cuban advisers, half of them military.

The United States in 1976 agreed to its first sale of military equipment to North Yemen—some \$140 million in essentially infantry equipment financed by Saudi Arabia—and began training members of the Yemen Armed Forces under our international military education and training (IMET) program. In the spring of 1978, after informing

to persuade Arab leaders that the treaty represents the beginning of a new, realistic way to proceed and that opposition to it will surely damage the prospects for peace in the Middle East.

The United States—and the President personally—is determined to see that Israel's security is assured, to demonstrate that the next negotiations can produce results that will respect the legitimate rights and just requirements of the Palestinian people, and to see that the essential elements of Resolution 242 are applied.

President Sadat and Prime Minister Begin have agreed to negotiate in good faith, with a goal of completing those negotiations within 1 year, to reach an agreement on the modalities for holding elections to a self-governing authority for the inhabitants of the West Bank and Gaza and on the powers and responsibilities of that body. These negotiations are to begin at the end of this month.

The framework for peace established

at Camp David and the achievement of the Egypt-Israel treaty are parts of a process that have not been concluded. They provide the indispensable foundation and the first effective step on the road to a just and lasting peace. The challenges ahead are formidable, and overcoming them may, at times, tax our patience and our fortitude. But, for the first time, a concrete beginning has been made toward peace in this troubled region, and a real opportunity exists to complete the task.

Our intention is to help make this treaty the foundation for a wider and greater peace that all the Middle East may join and all the world support. We are determined to remain steady on this course and to turn our intentions into a reality. American interests require it. □

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.

Congress of our intent, we agreed to a Saudi transfer of four F-5B trainer aircraft to North Yemen in anticipation of developing an F-5 squadron as the Y.A.R. Air Force.

Last June the President of North Yemen was assassinated. A majority of the Arab League found South Yemen to be responsible for this extraordinary act of international terrorism. Two days later, the more pro-Soviet faction within the Adeni regime ousted and killed the P.D.R.Y. head of state in a coup. From this point the concern of both Saudi Arabia and the Y.A.R. over the threat South Yemen posed greatly intensified.

Because of our own concern over the stability of the region, and after intensive consultations with the Saudis and the Y.A.R., we thought it wise to accelerate deliveries of equipment agreed to in 1976—some of it by aircraft—and to provide some military training teams to facilitate the introduction of this equipment into the Y.A.R. Armed Forces.

In September 1978, after intensive top-level review of urgent Y.A.R. and Saudi requests, we determined to notify Congress of our willingness to supply approximately \$400 million in additional military equipment, including 12 F-5E, 64 M-60 tanks, and 100 armored personnel carriers. The notifications to Congress were held until after the recess and submitted in February of this year.

The current fighting, which began February 23, is more serious than past incidents. It is clearly a carefully planned, coordinated, and amply supported campaign with the apparent intention of seizing and occupying North Yemeni territory and destabilizing the North Yemen Government.

The timing of the attack may have been related to South Yemen's desire to exploit its current superiority in equipment before our announced military assistance reaches and is integrated into the North Yemen Armed Forces.

We have been in close consultations with the Saudis and the North Yemenis since the fighting began and have continued to urge that diplomatic means, primarily in an Arab context, be employed to end the fighting, arrange the withdrawal of South Yemeni forces from Y.A.R. territory, and promote a relaxation of tensions between the two states.

We are encouraged that both Saudi Arabia and other Arab states supportive of North Yemen are emphasizing diplomatic means to deal with this problem. North Yemen has informed the Secretary General of the United Nations of the attack indicating it is the object of aggression and is acting in

legitimate self-defense under Article 51 of the U.N. Charter.

On February 28, in a statement read by the Department's spokesman, we indicated our concern about the situation and our support for the principle of nonaggression.²

We cannot confirm various reports that foreigners, including Cubans and Ethiopians, are assisting South Yemen forces within North Yemen's territory, but it is clear that Soviet and Cuban logistic support and advice have been an important factor in the P.D.R.Y.'s military successes.

We have expressed our concern about the situation to the Soviets, urging the need for restraint on both parties to the fighting. We have also made clear that we consider the security and stability of the Arabian Peninsula to be in the vital interest of the United States and are prepared to take appropriate actions to help defend those interests.

The Iraqis, Syrians, and Jordanians arranged a cease-fire on March 3 but it did not hold. On March 6 the Arab League Council of Ministers called for an immediate cease-fire and a withdrawal of forces within 10 days. The March 6 cease-fire was not observed immediately, but the fighting has abated somewhat.

In the meantime the P.D.R.Y. had made substantial inroads into the Y.A.R., seizing several towns of re-

gional political importance and threatening to cut the road linking the two principal cities in the country. The worsening military situation and the uncertainty that a cease-fire could be established required firm, appropriate U.S. responses to meet an emergency affecting the U.S. national interest.

We thought it prudent to further accelerate deliveries of previously approved equipment by immediate airlift to North Yemen.

Under provisions of the Arms Export Control Act, the President has certified that an emergency exists which requires waiver of the congressional review period for those items of equipment which were already before Congress on an informal notification basis.

We have additionally approved new requests for appropriate amounts of TOW antitank weapons, M-79 grenade launchers, 155 mm howitzers, Dragon antitank weapons, and support equipment and ammunition for the Y.A.R. The value of these additional items falls below the levels specified for notification under Section 36(b) of the Arms Export Control Act.

Finally, we have received requests from Jordan and Saudi Arabia for transfer to Y.A.R. of certain U.S. origin equipment in their inventories. We will notify the Congress of our intention to waive the waiting period for these section 3(d) transfers.

As the President has indicated to Members of Congress, we informed the Saudis of our willingness to deploy a squadron of F-15's and two airborne warning and control system (AWACS) aircraft to Saudi Arabia to bolster the security of Saudi airspace. The Saudis indicated an immediate need for the AWACS, which are now in country. The President also ordered a carrier task force—headed by the U.S.S. *Constellation*—from the 7th Fleet into the western Indian Ocean to demonstrate our concern for the security of the Arabian Peninsula.

These responses indicate the seriousness with which we view this situation and our determination to meet the legitimate defense needs of moderate governments in this strategically vital part of the world. Our military responses to the situation are designed to reinforce the prospect for cessation of hostilities, withdrawal from occupied territories, and an end to violence in this long troubled and strategic part of the Arabian Peninsula. □

NORTH YEMEN—A PROFILE

Area: 75,000 sq. mi. (about the size of Neb.).

Capital: Sana

Population: 6.5 million (1978)

Govt. Type: Republic.

Independence: 1918.

GNP: \$1.7 billion (1976).

Per Capita GNP: \$250-469 (1977).

Exports: \$11.9 million (1977).

Imports: \$1 billion (1977).

U.S. Economic Aid (1959-78) \$90.4 million.

U.S. Ambassador: George M. Lane.

SOUTH YEMEN—A PROFILE

Area: 112,000 sq. mi. (about the size of Wis. and Mich.).

Capital: Aden.

Population: 1.8 million (1979 est.).

Govt. Type: Socialist republic.

Independence: Nov. 30, 1967.

GNP: \$490 million (1976 est.).

Per Capita Income: \$290 (1976 est.).

Exports: \$177 million (1976).

Imports: \$451 million (1976).

U.S. Economic Aid: None.

U.S. Ambassador: No diplomatic relations.

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 see BULLETIN of Apr. 1979, p. 41.

OCEANS: *Law of the Sea* Conference

by Elliot L. Richardson

*Statement released to the press in Washington, D.C., on April 27, 1979. Ambassador at Large Richardson is Special Representative of the President for the Law of the Sea Conference.*¹

The nations of the world are considerably closer today to a Law of the Sea treaty than they were 6 weeks ago. While the Geneva phase of the eighth session fell short of its stated goal, its negotiations resulted in solid, encouraging progress. Clear and emphatic testimony to this is the appearance of a revised negotiating text. This text contains many improvements, but it also contains a number of unresolved issues. By definition, it represents progress toward a substantially improved prospect of consensus.

The conference can take great pride in its landmark agreement obligating all nations of the world to protect and preserve the marine environment. A Law of the Sea treaty containing these new articles on the environment would represent one of the most significant accomplishments in the history of international environmental law. The conference has at last successfully negotiated a compromise giving landlocked and geographically disadvantaged states access to the surplus fish stocks in the exclusive economic zones of the coastal states in their region. This was one of the seven hard-core issues identified by the conference last year. Its resolution stands as a major achievement of the conference.

Another principal concern of the United States—the conduct of marine scientific research on the shelf beyond 200 miles—has not yet been resolved to our satisfaction. We seek a regime more congenial to freedom of inquiry. It is worth noting that the third committee has completed its work except for marine scientific research. This subject is being kept open for further negotiation in a special effort to bring opposing points of view closer to-

gether. We intend to continue to press our case vigorously.

Our concern about scientific research seriously qualifies our reaction to the new texts on the outer limit of the Continental Shelf. In and of themselves, these texts set the stage for a major breakthrough. But this will not occur until the scientific research problem is resolved.

A revision of the article on marine mammals is not part of the revised text, but a growing number of countries expressed their support for U.S. efforts to strengthen conservation and protection of these unique creatures. We view this as a satisfying and desirable development.

Negotiations on seabeds issues yielded considerable movement. In more than 20 significant provisions, improvements have been made. Perhaps five have been made worse. For the first time we have an appropriate structure to provide reasonable assurance of access to seabed minerals. Qualification standards for applicants are limited to financial and technical competence and performance under prior contracts. All plans of work proposed by all qualified applicants are required to be approved, except as limited by the production ceiling. These are major accomplishments, but they also make doubly clear the critical importance of having a production limitation that will not prevent the development of this new industry. On that subject, much work remains to be done.

I do not want to imply that we had nothing but success. In fact, many issues proved impossible to solve during this session, and it is far from clear that they can be solved during the next.

Among these is one authorizing the International Seabed Resource Authority to share the financial benefits of mining with peoples who have not yet attained independence. In our view, this would place on the Authority a political burden that could well be too much for it to survive.

Transfer of technology continues to be a subject we have not yet fully resolved.

We believe further work needs to be done on the question of contractor selection when production limitation forces such selection. An absolute priority for the Enterprise over other applicants in the competition under the production ceiling, as in the new text, would bring into jeopardy the whole system of production limitation.

There was some limited progress on the financial terms of contracts, but the total financial burden remains too high to permit this fledgling industry to survive.

One regrettable development concerns the financing of the Enterprise. Adequate, even generous, provision has been made for the financing of the Authority's operating arm. The capital for its first mining operation would be provided by means of loans guaranteed by governments with up to one-third of the total to be paid in refundable capital to the extent needed to secure adequate Enterprise funding. The new text proposes to increase the paid-in refundable capital to one-half of the capital requirements of the Enterprise and to eliminate the provision that it only be drawn as needed. This is a burden on member states which is quite unnecessary. We have seen no indication that the states represented in this conference would be willing to accept it.

Turning to the decisionmaking structure of the Authority, there was movement on the composition of the council, but the number of members and the voting procedures remain unresolved. From the U.S. point of view, this is a pivotal issue certain to be the focus of conference energy when the eighth session resumes negotiations in New York this summer.

Summing up, I believe it is fair to say that these 6 weeks have ended on a note of solid accomplishment. If it disappointed our highest hopes, the conference certainly met our most realistic expectations. Our chances of going all the way to a treaty look better than ever before. □

¹Press release 113.

SCIENCE AND TECHNOLOGY:

Report from the President

In a message to the Congress on March 27, 1979, President Carter described the Administration's policy perspective on science and technology, highlighted some of the most important initiatives undertaken in this area, and outlined the potential effects of science and technology for the coming decade and beyond. Following is an excerpt from that message.¹

SCIENCE, TECHNOLOGY AND INTERNATIONAL RELATIONS

Science and technology is increasingly international in its scope and significance. This international dimension affects the planning and conduct of our research and development activities. Such activities, whether carried out by us or by others, serve to increase the fundamental stock of human knowledge. They can also foster commercial relationships, impact on the quality of life in all countries, and affect the global environment. Both our domestic planning and our foreign policy must reflect an understanding of this wide-ranging impact of science and technology.

Much of the existing international cooperation in science and technology takes place in academic or commercial channels. There is, however, a growing role for governmental cooperation as other nations make new commitments to scientific and technological growth. If used wisely these future opportunities for scientific and technological cooperation can support our foreign policy objectives.

Several themes have shaped my Administration's policy in this area. We are:

- Pursuing new international initiatives that advance our own research and development objectives;
- Developing and strengthening scientific exchanges that bridge political, ideological, and cultural divisions between countries;
- Formulating programs and institutions that help developing countries use science and technology; and
- Cooperating with other nations to manage technologies with global impact.

Pursuing New International Initiatives

United States scientific and technological objectives are advanced by cooperating with other nations. For example, we work together with many nations on large scale scientific programs; joint funding of expensive research, development, and demonstration projects; and efforts to alleviate common problems.

Two decades ago, the International Geophysical Year set a pattern for international cooperation on large-scale scientific problems. This model has been extended to most fields of science. Today the world's weather is studied jointly by nations through the Global Atmospheric Research Project. With the European Space Organization we are planning a space mission to examine polar regions of the sun. These programs are yielding new knowledge about our solar system and our earth's natural processes. They are providing important practical dividends.

As the cost of large-scale research programs and research facilities rises, all countries find the financial support increasingly burdensome. We must join together to support the most expensive and significant projects. We are discussing with other nations a program to drill deeply into the offshore continental margins between the continental shelves and ocean basins. This program would provide new knowledge of the sea floor and help us assess the margins' potential for resources. Other large-scale scientific programs that could be pursued jointly include the next generation of high energy physics accelerators, telescopes, and fusion energy research facilities.

Through the International Energy Agency we are cooperating on energy-related research and development. At the economic summit in Bonn in 1978, and more recently in Washington, I discussed the importance of intensifying joint energy research and development with the President of the European Economic Community. Similarly, in my discussions with the Prime Minister of Japan we agreed to increase cooperation in large-scale projects, particularly nuclear fusion and synthetic fuel production from coal. These agreements will help both

nations achieve new energy sources—faster and at lower cost than if the research were pursued independently.

Environmental problems caused by industrialization are another area appropriate for cooperation. During my Administration we have started efforts with other nations to deal with problems of transboundary air pollution. Canadian and American scientists, for example, are working jointly to alleviate damage from acid rain caused by the long-range pollutants across our common border.

During my visit this February with Mexico's President Jose Lopez Portillo, we agreed to intensify scientific and technological cooperation to alleviate problems of mutual concern. We will explore ways to cooperate on research for developing the vast arid lands on both sides of our border. This will include research on new crops suitable for these lands and research on effective use of scarce water resources. We also will exchange information and begin joint work on housing and urban planning for cities close to our common border.

Developing Scientific Exchanges That Bridge Differences Between Countries

Most nations value scientific and technological cooperation with the United States. We can use this fact to build bridges with countries where official relationships have been absent or strained. Our scientific and health exchanges with the Soviet Union and Eastern European countries, beginning after World War II, can be viewed in this light. These exchanges are now mature and extensive.

Our scientific exchanges with the Soviet Union are of special significance. At the sixth meeting of the U.S.-Soviet Joint Commission on Science and Technology in Moscow in February 1979, we agreed to add new cooperative areas of interest to both sides. I expect to see continuing improvement in the quality of our exchanges with the Soviet Union. I also expect these programs to support and remain compatible with our overall political relationship.

The normalization of our relations with the People's Republic of China is a major event in American foreign policy. Since the signing of the Shanghai Communiqué of 1972, scientific and technological relationships have played a critical role in building the relationship. In order to accelerate this process, my Science and Technology Adviser led a delegation of senior government scientists to China in July of

1978. This delegation was followed by visits of the Secretaries of Energy and Agriculture. Chinese delegations subsequently visited the United States to discuss educational exchanges and space technology programs.

These missions led to the science and technology agreement that I signed with Vice Premier Deng Xiaoping during his recent visit to the United States. The agreement covers programs of interest to both countries, including development of a satellite communications system that will provide China with the means for nationwide television and telephone service. The agreement provides for exchange of scholars and students, exchange of plant materials for genetic research on crops, and cooperation in high-energy physics and other areas. The agreement enhances opportunities for U.S. industry participation in China's modernization efforts. Our new relationship provides a sound beginning for increased technical social ties between our countries.

Helping Developing Countries Use Science and Technology

The United States has an opportunity and responsibility to share scientific knowledge and appropriate technological skills with the developing world. Our purpose is to assist other countries in developing technology for their own needs. We must accomplish this purpose both for humanitarian reasons and because overcoming the problems of poverty, overpopulation, and scarcity of food and natural resources, will promote a stable world, enhancing our own security and well-being.

Recognizing these facts, I have submitted legislation to create an Institute for Scientific and Technological Cooperation, which will be charged with helping developing countries improve their scientific and technological capacity. Working with the Agency for International Development, the Institute will expand the use of science and technology to overcome obstacles to development.

The Institute will help individual developing countries choose and develop technologies that suit their own needs. At the same time, it will enable them to contribute to the solution of problems that affect developed as well as developing nations. For example, the Institute will work with developing countries on multiple crop farming systems for areas not suited to continuous cropping of food grain, technologies for clean water and sewage in rural areas where most of the poor live, modern information systems, prevention and cure of tropical diseases, and

appropriate energy systems. The Institute also will establish means for developing countries to draw on United States government agencies, universities, and institutes, as well as private industry. In this way the Institute will enhance coordination of the international activities of our government agencies.

An important dimension of the Institute is its mandate to work with the more advanced countries of the developing world, the "middle tier" nations. These countries have the infrastructure and science and technology capacity to become true partners with us in addressing regional and international problems and needs of the poor majority.

The Institute will call on industry, labor, and private voluntary organizations for development and management skills and improvement of the health and safety levels of modernizing societies. Already twenty-five percent of our current exports go to non-OPEC [Organization of Petroleum Exporting Countries] third world nations. Our trade in manufactured goods will expand as developing countries become better able to purchase and use our products.

Finally, we plan to take an active role in the United Nations Conference on Science and Technology for Development next summer. Father Theodore Hesburgh, President of the University of Notre Dame, will lead our delegation to the Conference. I view this Conference as an opportunity for discussing technology-related issues of concern to developing countries and reaching agreement on common objectives.

Cooperating With Other Nations to Manage Technologies with Global Impact

Much of modern technology requires global cooperation and management. The telecommunications network and activities of international organizations like the World Meteorological Organization, the International Civilian Aviation Organization, and the World Health Organization are noteworthy examples. The monitoring activities organized through the United Nations Environmental Program is a more recent example. Among other activities, we are working with other nations to update electromagnetic spectrum allocation, strengthen international controls on nuclear materials, and develop a regime for rapidly expanding transnational data flows. International cooperation in the management of technology for the mutual benefit of all nations

will become even more important in the coming decades.

I call the attention of Congress to two international discussions of great importance, one dealing with nuclear fuel cycle evaluation and the other with allocation of radio frequencies. The Congress knows of my concern over a spreading nuclear weapons capability as more countries meet their energy needs with nuclear power. Our own research and development programs have been reoriented toward developing technologies more resistant to misuse. At our suggestion, over forty countries have convened in the International Nuclear Fuel Cycle Evaluation to consider how we can minimize risks. I am hopeful that new institutional controls and technological approaches will emerge from these deliberations.

The electromagnetic spectrum—including the radio frequencies—is one of the reusable natural resources available to mankind. We are at a point in history where increasing worldwide demands for these frequencies are being made; demands that exceed the availability of the resource. All nations, large or small, have rights of equitable access as signatories to the International Telecommunications Convention. It is only through international cooperation and planning that these rights can be guaranteed. The 1979 Worldwide Administrative Radio Conference will review the allocation of radio frequencies for communications and other purposes. Results of this conference will guide the use of communications and electronic equipment and the pattern of domestic and international communications systems for the next several decades.

NATIONAL SECURITY

Our national security depends in large measure on our technological capability. Our future security will depend in part on our ability to deploy new weapons systems that embody more advanced technology. Our potential adversaries are investing heavily in military personnel, equipment, and technology. Accordingly, we must look to our research and development programs to enable us to maintain a modern and responsive defense capability.

In the context of this message on science and technology, I wish to emphasize several facets of their relationship to national security. We must ensure that we are:

- Maintaining technological leadership in weapons systems;
- Utilizing technology to reduce

costs in an era of expensive defense systems:

- Building our defense research base to provide for our national security in the future;

- Preventing export of technological products and processes with military applications that would erode our security; and

- Utilizing advanced technological capability in the pursuit of arms limitation agreements.

Maintaining Technological Leadership in Weapons Systems

Our military investments in new technology over the years have contributed immeasurably to our security. Now, as other nations are becoming more proficient in science and technology, we must make certain that our own capabilities remain at the frontier of knowledge. We must be spared the shock of major technological surprises. It is absolutely essential for us to remain second to none in the development and production of new weapons.

We are moving ahead with major development programs to increase our military capabilities. In the strategic area, programs are underway to strengthen each element of the triad—air, land, and sea—in order to preserve our deterrent capabilities. Examples are the M-X intercontinental ballistic missile, cruise missiles, and the Trident submarine and missile system. We are also pursuing the development of more survivable and reliable strategic warning and command control systems.

In order to improve our capability to fight a conventional war, we are developing and procuring new generations of aircraft, ground vehicles, and munitions. The F-15, F-16, F-18, and A-10 aircraft, the XM-1 tank, and the Patriot air defense missile are examples.

Utilizing Technology to Reduce Costs

Science and technology—properly applied—can increase efficiency, thereby reducing acquisition costs and improving the effectiveness of weapons. Science and technology enable us to develop new materials and components at lower costs. They can give our weapons greater reliability and efficiency, thereby reducing personnel needs. And they improve our manufacturing productivity. Cooperation

with our allies also will help reduce costs without sacrificing our modernization programs. Standardization and common operational capability among NATO allies are important objectives.

In the procurement of weapons, we are emphasizing competition between potential suppliers to help keep costs down. And we have adopted new management techniques to ensure that economies are not overlooked. We also are analyzing carefully the best mix of systems needed to meet anticipated contingencies. We have concluded that future shipbuilding efforts should concentrate on larger numbers of small ships, with enhanced mobility and firepower. Similarly, we are building a new, comparatively low-cost tactical airplane, the A-10, that emphasizes mobility and munitions designed for engagement of enemy tank forces. With imagination and effort, these various approaches will enable us to maintain technological superiority at acceptable cost.

Building Our Defense Research Base

The development cycle from proposal of a new concept to a deployed weapons system can take a decade or more. The length of time for dividends from investments in basic research is even longer. Moreover, research and development are inexpensive compared to the acquisition cost of weapons systems. The proper strategy, therefore, is to expand our options in the early stages of the acquisition process through research, and then be very selective at the costly engineering, development, and production stage.

For these reasons, our science and technology base related to national security must be the best in the world. Thus, I am deeply concerned over the declining support for research and technology in the defense budgets that occurred in the early part of this decade. My budgets for Fiscal Year 1979 and 1980 reverse that trend and strengthen our technology base. The two year average growth in the technology base will be about 14 percent, including an increase in basic research of about 20 percent.

The Department of Defense also is taking steps to strengthen its relationship with universities in order to use the research and development resources of the academic community more effectively. Defense support of university

research will have increased more than 20 percent between Fiscal Years 1978 and 1980.

Preventing Export That Erodes Our Technological Superiority

Within the framework of national security, export controls on technology are important to ensure that our technological advantage is not compromised. A comprehensive study of the implications of international technology transfer was undertaken early in my Administration. I am persuaded that the export control process must seek to balance the conflicting goals of trade promotion, selected trade restriction based on national security considerations, and furthering our foreign policy objectives. Decisions in specific export licensing cases must be made on their merits by considering these three goals. In particular we are taking steps to refine and expedite the government's decisionmaking processes. I must emphasize, however, that while sound export controls are important, only a strong research and development program, as I have proposed, ensures our technological leadership in defense.

Utilizing Advanced Technological Capability for Arms Control

National security is enhanced by prudent arms control, as well as new weapons systems. To this end I have pursued a new Strategic Arms Limitation Treaty with the Soviet Union, a comprehensive nuclear test ban treaty, and other arms control measures. As these agreements enter into force, our choices in weapons development must meet our own needs, while giving our adversaries the incentive to participate seriously in negotiations. Successful arms control depends on science and technology to provide adequate technical means of verification. Our current national capability to verify arms agreements is excellent. It includes observation satellites and extensive capabilities for seismographic detection and interpretation. We must continue to pursue scientific and technological advances to maintain these capabilities.

JIMMY CARTER □

¹For full text, see Weekly Compilation of Presidential Documents of Apr. 2, 1979, p. 529.

SECURITY ASSISTANCE: Restraining Conventional Arms Transfers

by Leslie H. Gelb

Statement before the Subcommittee on International Security and Scientific Affairs of the House Foreign Affairs Committee. Mr. Gelb is Director of the Bureau of Politico-Military Affairs.¹

In mid-1977, the President directed us to make a major effort to develop multilateral cooperation in the restraint of conventional arms transfers. We pursued this on three basic fronts: with the Soviets, with recipients, and with the major European suppliers. Today I would like to give you a status report on where we are and where we hope to go.

Arms transfers are an important instrument of U.S. foreign and national security policy. We make arms transfers on a substantial scale. At the same time, we have begun to exercise self-restraint. We have taken modest steps to cut back sales to the developing countries, both qualitatively and quantitatively. The United States is prepared to go further if international conditions will allow. Unfortunately, the situation is not propitious at this time with the Soviets, with recipients, or with our allies.

We have been discussing various restraint possibilities with the Soviets for over a year. In general, we have moved along at a reasonable pace and have had some serious exchanges. We have discussed political/legal and military/technical criteria which would govern arms transfers globally, and we have discussed certain regions. However, we did not make much headway during the last round of talks in Mexico City in December.

The restraint picture with regard to recipients is mixed. Some countries are interested in exploring restraint possibilities, while others have yet to come to grips with the issue. Still others are fearful that the Soviets might use our bilateral talks as a vehicle for making U.S. arms transfers more difficult. A number are skeptical that restraint can work but are willing to examine the issue in various international organizations and fora such as the United Nations. In general, we have found that most recipient countries do not have the array of expertise necessary to develop a concerted policy

initiative on conventional arms restraint.

In all candor I must say that the enthusiasm for restraint among our Western European allies—the major European suppliers—is restrained. The allies are basically skeptical about the possibility of achieving multilateral re-

straint. They are waiting to see what progress we are able to make with the Soviets. At the same time, we are monitoring to see if they or other suppliers are taking advantage of our policy of restraint. There may be some signs of this. How these circumstances will or should affect future U.S. unilateral cuts remains to be seen.

Where do we go from here? We shall try to continue all of these efforts toward multilateral restraint in spite of the mixed results we have achieved so far. However, it is clear that, while some basis for multilateral restraint has been developed over the past year, tangible results will require time. There-

MR. GELB'S STATEMENT, OCT. 3, 1978 (EXCERPTS)*

Our strategy to obtain multilateral cooperation is based on the need to move forward in tandem on three fronts: with the Soviets and their allies, with major West European suppliers, and with recipients.

We talked first to our allies, the major European suppliers. They said that restraint could pose serious problems for them, not the least of which would be the future of their own defense industries. Moreover, they rightfully said that before they could consider restraint seriously, we would have to be sure that the Soviets were willing to cooperate in this enterprise.

So we took our case to the Soviets. Our first meeting with them was in December 1977. By the end of the second meeting, in May, they had moved from a totally negative position on restraint to agreement with us that unrestrained arms transfers are a serious problem, that the problem is urgent, and that it has to be dealt with in a concrete way. They also agreed to meet with us on a regularly scheduled basis.

In our third bilateral meeting last July, we developed a framework for approaching restraint, a framework for subjecting arms transfers to arms control considerations. We also agreed to explore some concrete steps that might be taken in the near term.

At the same time that we have been talking with the Soviets, the international climate for restraint has been improving through the recognition by recipients that restraint could serve their interests. The Final Document of the U.N. Special Session on Disarmament called for consultations "... among major arms suppliers and recipient countries on the limitation of all types of international transfer of conventional weapons." This is the first time that there has been an international blessing for the concept of restraint.

Immediately after the special session, the Latin American countries began talking

among themselves about the possibilities of developing a restraint regime for that region. If this could be achieved in one region, it might stimulate other regions to seek a similar approach. We strongly support such regional restraint initiatives.

This is, in general, where we stand as we approach our fourth session with the Soviets, sometime in December. While the Soviets seem to be negotiating seriously, we do not yet know whether they will accept actual restraint in arms transfers. We do know, however, that they have gone far enough with us that they must have made some calculations about what is in it for them.

We can only speculate about these calculations, but it could be that the Soviets realize that arms transfers beyond a certain point can complicate and can cause serious problems in their relations with the United States. They may recognize that they, like us, have had some bad experiences as a supplier—Egypt, Indonesia, Somalia—that they have not always achieved what they hoped for politically through arms transfers, and that their arms have been used in ways that were not intended. They may also calculate that, in the absence of some basis for international restraint, the United States has a far greater capability than the Soviet Union to increase arms transfers. And finally, as in any arms control negotiation, they are probably looking for ways to cause difficulties between us and our allies and friends. We continue to talk to these allies and friends about our restraint policy, our discussions with the Soviets, and about ways that we might work together.

*Excerpted from a statement before the Special Panel on Conventional Arms Transfers and the Indian Ocean of the House Armed Services Committee. 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 ASIA: India-U.S. Joint Commission Meeting

JOINT COMMUNIQUE APR. 24, 1979¹

The fourth session of the India-United States Joint Commission was held in Washington on April 24, 1979.

The Indian Delegation was led by Mr. Atal Bihari Vajpayee, Minister of External Affairs. The United States Delegation was led by Cyrus R. Vance, Secretary of State.

Recognizing that both Governments welcome collaborative efforts in the agricultural field and have already initiated agricultural programs within the Joint Commission framework, the Joint Commission directed that a fourth Subcommission—the Agricultural Subcommission—be established in the year ahead. The Joint Commission feels that the establishment of an Agricultural Subcommission will help in promoting joint agricultural activities between the two countries.

The Joint Commission heard, discussed, and approved reports of its three Subcommissions—Economic and Commercial, Education and Culture, and Science and Technology—all of which met in 1978-79.

Economic and Commercial

Noting that the joint discussions of bilateral trade, investment, and international economic issues which have taken place have contributed to the understanding of the respective posi-

tions, the Joint Commission endorsed the Subcommission's plan to continue its wide ranging dialogue. The Joint Commission reviewed the activities of the Subcommission's Agricultural Inputs and Associated Technology Working Group and commended the Group's initiative in expanding its scope to include broader agricultural economic policy issues in its discussions. The Joint Commission noted that the activities of the Working Group would provide effective support to the work of the new Agricultural Subcommission.

The Joint Commission welcomed the establishment of the Subcommission's Industrial Technology Working Group and endorsed the Group's agreement on guidelines for ongoing cooperation in this vital field.

The Joint Commission reviewed the activities of the India-U.S. Business Council, which has served as a valuable adviser. The Joint Commission noted the continuing value of the frank and open discussions of trade and investment issues of mutual concern which business and industrial leaders of both countries have conducted within the Council. The Joint Commission commended and endorsed the Council's project on Indo-U.S. Commercial Cooperation in Third Countries.

Education and Culture

The Joint Commission reviewed the programs and activities of the Subcommission on

Education and Culture and received a report on the Subcommission's March 1979 meeting in New Delhi. The Commission commended the Subcommission for its success in promoting the expansion of Indo-U.S. cooperation in the cultural and educational spheres and approved the Subcommission's plans for future activities.

The Joint Commission noted the success of the exhibition on American technology which opened in India in January 1978 and expressed keen interest in plans for an exhibition of Indian classical art in the United States. The Joint Commission endorsed the suggestions for future exchange of exhibitions on items of interest to both sides which were formulated during the last meeting of the Indo-U.S. Subcommission on Education and Culture in New Delhi in March 1979.

The Joint Commission endorsed the successful expansion of the Subcommission's fellowship program and considered it as an important link which binds the academic communities of India and the United States. It also commended the Subcommission's initiative in establishing a visitorship program and in organizing two academic seminars in 1978. The Commission approved the subjects for future seminars.

The Joint Commission reviewed the work of the Subcommission's Joint Committee on Film and Broadcasting, noting that productive workshops and exchange visits of media personnel have taken place. The Commission noted with satisfaction that five Indian films are being shown on American public television in 1979 and that a package of sophisticated television documentaries from the United States has been presented to the Film and Television Institute in Pune, India. The Commission endorsed plans for an Indian Film Festival which would bring some twenty Indian films to several American cities.

The Joint Commission agreed with the general recommendation of the Subcommission that a periodic review of Indo-U.S. cooperation in the field of educational exchanges should be undertaken with a view to assess its long-term impact and to draw up plans for these exchanges on practical and useful lines for the future. The Commission also endorsed the suggestion that possibilities for closer cooperation between the Subcommission on Education and Culture and the Subcommission on Science and Technology should be explored.

Science and Technology

The Joint Commission confirmed the continuing interest of both countries in intensifying their cooperation in scientific and technological research and received a report of the fourth meeting of the Subcommission on Science and Technology which took place in New Delhi in November 1978. It noted with satisfaction activities already underway in agreed priority areas and approved the Subcommission's suggestions for newer areas of collaboration within the field of agricultural sciences, energy, material sciences and electronics, nat-

Arms Transfers (Cont'd)

fore, we should be thinking about a longer term perspective. Taking the longer term perspective might include the following.

- A regularized exchange of views with the Soviets. If formal negotiations do not prove fruitful, this should not mean the end of bilateral discussions on the subject. The U.S.-Soviet relationship has been troubled by the problem of competitive arms transfers in the past and will continue to be so in the future. There is too much at stake. A regular exchange of views would be useful if only to reduce the risks of miscalculation and misinformation.

- A broader program of spadework with recipients. This would involve discussing their security problems and defense requirements, as well as soliciting more methodically their views on cooperative restraint measures and the possibilities for developing regional

efforts. We have to find some way to mesh their security needs with their desire to devote more resources to economic development.

- A new look at the opportunities for progress in international institutions. The Program of Action of the U.N. Special Session on Disarmament called for discussions between suppliers and recipients on arms transfer restraint. Many good ideas that have been advanced in the past deserve reexamination in light of today's circumstances. For example, we might reexamine the idea of a U.N. arms transfer registry or other confidence-building measures; we might take a new look at how the issue could be dealt with in an upcoming U.N. study of regional disarmament. □

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 NATIONS: *Serving* *American Foreign Policy Interests*

by Andrew Young

*Submitted to the Subcommittee on State, Justice, Commerce, the Judiciary, and Related Agencies of the Senate Appropriations Committee on April 2, 1979. Ambassador Young is U.S. Ambassador to the United Nations.*¹

These important hearings deal not only with the United Nations but with our entire foreign policy. For the effectiveness of the United Nations and our ability to pursue our interests through the U.N. are greatly influenced by the perceptions we have of ourselves as a nation and the perceptions we have of the United Nations as a forum of multilateral diplomacy.

The United Nations serves American foreign policy interests well in part because of the Organization's intrinsic values. But to a greater extent, our degree of success really depends on the strength of the vision we impart to our policy and the weight we ascribe to the

ural resources, medical and health sciences, and institutional exchange.

The Joint Commission noted with satisfaction the grant agreement signed by the U.S. and Indian Governments in August 1978 under which the U.S. Agency for International Development will provide \$2 million to fund Subcommission and other projects that stress operational research on projects of potential benefit to the Indian rural population.

The Joint Commission endorsed the Subcommission's plans to establish approval guidelines and procedures and urged the Subcommission to redouble its efforts to reach agreement on other concrete projects in priority areas.

The Joint Commission endorsed the work in the agricultural research area carried out under Subcommission auspices and noted that these activities would provide a useful base for the work of the new Agricultural Subcommission.

The Co-Chairmen agreed that the work of the Joint Commission and its subcommissions has widened the area of understanding and facilitated progress on a wide range of specific issues in the bilateral relationship. They confirmed that it was the intent of both governments to continue to expand the scope of the Joint Commission through annual meetings, joint projects, and individual exchanges under its sponsorship. □

United Nations in the management of our global responsibilities.

In retrospect, the era of San Francisco and Bretton Woods was one of grand designs as well as grand illusions. Thirty some years ago, we had, in concert with other governments, pledged ourselves to banish forever the scourge of war and set out to reappraise the political, economic, and moral principles operative in international relations.

In doing so, we perhaps attributed greater promise to the United Nations than it could ever possibly fulfill. But we were, at that time, also a nation unparalleled in our achievements, unchallenged in our power, and unbridled in our idealism. We did not, then, look at the United Nations as "our" instrument of global diplomacy but as every nation's joint enterprise of peace.

Today the world is very different from that of 1945. In 30 some years, the U.N.'s agenda has doubled, its membership tripled, its budget has grown tenfold. It has not only expanded international institutions it had inherited from the League of Nations but spawned new specialized agencies, financial institutions, and international commitments.

In the early 1950's and 1960's, the cold war and the rapid process of decolonization changed perceptions of the United Nations. The United Nations seemed an important terrain of contest between East and West in which newly independent countries appeared as a coveted prize in the fluctuating power struggle, pawns in the rivalry of the cold war.

Since the mid-1960's, however, changes have occurred. "Pawns" grew into major figures on the world chessboard with moves of their own and strategies independent of the game of traditional power players. The entire nature of world and U.S. politics shifted. The United Nations no longer was "our" instrument. And in the interval, our perception of ourselves as a nation with global responsibilities also underwent drastic alteration. While still remaining in the absolute sense the major military, economic, and political power in the world, our relative strength has diminished in comparison, not only to the Soviet Union but to our Western partners and to a significant number of Third World countries as well.

In part, this relative change in our power represented a major success of postwar U.S. diplomacy which attempted to assist others to get back on their feet. This development then was healthy. The toll of Vietnam, the energy crisis, and our own economic difficulties have naturally raised legitimate concerns about the extent of our foreign commitments and the limits of our power; the corresponding situation raised serious questions about the utility of the United Nations for us, forcing a reassessment of our attitude and approach to the United Nations and of the United Nations itself.

It has been hard for some to accept that the United Nations can no longer be the instrument of Pax Americana. Instead of trying to effectively cope with a new constellation of power within the United Nations, they remain startled that we do not command automatic majorities and bewildered that our good intentions and designs are not always taken at face value. They became angry rather than seriously reformulating our policies and approaches to the United Nations. And these reactions put us right in the center of the minefield.

Conflicting Sentiments About the U.N.

The last few years have witnessed a curious coexistence of conflicting emotions and sentiments about the United Nations in the American public and policymakers.

Were we not, deep down in our collective psyche, convinced of the world body's importance, we would not have been so concerned over events at the United Nations but would, instead, have articulated clearly and forcefully why the United Nations was unimportant. But many have not chosen this difficult road but have preferred to dismiss the United Nations as unimportant yet paradoxically have felt it necessary to defy it.

There is, I concede, something romantic in standing against the tide and standing up for what is perceived to be right.

I do think, however, that some of our impatience with the United Nations told more about us than reflected what occurred in the United Nations itself.

Such an attitude, I submit, was not warranted by events in the United Na-

¹Press release 108.

tions but was an understandable outward manifestation of our own doubts about ourselves, particularly after Vietnam. We have provided close to \$100 billion in foreign aid to a war-devastated Europe and to the emerging countries and, expecting gratitude, we only received—or we thought we received—blame. We have been the largest contributor to the U.N. budget but thought our influence disproportionate to our investment. Our road to Vietnam led to an overwhelming national self-doubt about both our morals and our strength.

In sum, we have conducted a foreign policy that exhausted our energies and our patience. In the United Nations, we were on the defensive not because we were attacked but because for some time we were without a purpose. Having thus cornered ourselves, we lashed out indiscriminately at our foes as well as at those whom we thought were our antagonists.

Today we know, in retrospect, that we felt misunderstood in the United Nations because we misunderstood the United Nations and the mood of its members. We have depicted the United Nations to our own public in contradictory terms, describing it as impotent, where nothing would ever happen but where anti-Americanism and anti-Israel and antidemocratic sentiments prevailed. So preoccupied were we with our own hurt that we failed to perceive and transmit to our public an image of the United Nations as an imperfect place but still the only place where nations talked instead of fought

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with each other. And we have failed to understand the newly emerging countries which wrestle with their own sense of nationhood and must yet find their proper role in international affairs. Most tragically, we have failed to grasp that our influence did not wane; that we draw on a remarkably deep reservoir of goodwill and friendship.

Changing Attitudes Toward the U.N.

Since those days, the mood in our country has changed and with it have changed our policies and attitude toward the United Nations. We are no longer on the defensive—without falling into an equally erroneous posture of the offensive. Instead, we are recog-

nizing the influence we have, that in matters of importance we still command enormous support and influence that our ideas and initiatives are welcomed and our leadership is expected. No, we did not turn the tide back in our favor—we have matured to see that it has never been against us.

In the past 2 years, I have had the privilege of serving as U.S. Ambassador to the United Nations, and my experiences do not lead me to prefer confrontation to cooperation or to conclude that railing against the body is a substitute for policy or produces any effective results.

In the last two General Assembly sessions, we have worked in an atmosphere of much greater cooperation because our perceptions of the United Nations and of ourselves are more positive and more constructive. And that makes our work easier and infinitely more challenging.

It is easier because from the outset this Administration has placed the United Nations in the center of our multilateral efforts and has proceeded to pursue foreign policy objectives by taking advantage of the opportunities the United Nations places at our disposal.

- Our efforts for the peaceful settlement of disputes in southern Africa—specifically in Namibia—have still not been consummated, but the promise of peaceful change would not even be possible without the active participation of the United Nations, and the peaceful transition could not be

planned without the tool of U.N. peacekeeping.

- Without the rapport we have established in the United Nations with the front-line states, we would not be able to maintain the lines of communication which would permit the international community to play a constructive role in the resolution of the Rhodesian question if the parties to the dispute were ever willing to embrace this possibility.

- The preconditions for the present dramatic prospects for a Middle East peace were also laid down by collective efforts in the United Nations, providing, through Security Council Resolutions 242 and 338, the framework for the Camp David negotiations. And, in a very important way, these conditions

could not have existed without the deployment of U.N. peacekeeping forces in the Golan Heights, in Sinai, and in southern Lebanon.

- Arms control negotiations generally received a strong impetus from the U.N.'s Special Session on Disarmament focusing worldwide attention on the urgent need for arms control—both nuclear and conventional.

It is not, however, the crises the United Nations helped solve or the conflicts it tempered but the crises it prevented and the causes of conflicts it addressed which mark the U.N.'s progress. The U.N. record in matters of global security is not spotless. It has failed to act or get involved in a number of international conflicts—from Uganda to the Somali-Ethiopian war.

But it should also be noted that its purview of what constitutes global security has also expanded. What used to be the soft issues in the affairs of international organizations—the elaboration of codes, the setting of standards in economic, social, cultural, and scientific fields—have come to represent not only the major load of the U.N.'s work but also perhaps its second important contribution after peacekeeping to the reduction of international tensions. Thus, in addition to military and political affairs, its global security concerns now encompass economic security questions as well.

The world today is facing critical shortages on many fronts. We live under the constant threat of an energy crisis, the exhaustion of our nonrenewable resources, and the despoilation of our environment. These are problems that no nation, large or small, can face and confront alone. No government can adequately address its national security needs while disregarding the interdependence among national economies.

Since this interdependence contains the conditions of mutual vulnerability, the threats of global depression and economic stagnation are a principal concern of the ongoing U.N.-sponsored North-South dialogue.

Collective Action on Economic Issues

There are hardly any major issues on the global agenda that the United Nations has not pioneered in legitimizing as a major concern and in encouraging collective action for their resolution. From the Stockholm U.N. Conference on the Environment in 1972 to the forthcoming Conference on Science and Technology for Development in August of this year, the United Nations has

played or will soon play an indispensable role in tackling problems of hunger and food production, population, the human habitat, trade, renewable energy sources, and a host of other issues.

The United Nations is also a major actor in assisting the Third World countries in their development efforts. We should, however, not view these efforts simply and simplistically as yet another means of taxing the affluent countries for the benefit of the poor ones. The growth of the economies of the developing countries is vital to the U.S. economy in terms of trade and investment.

In terms of trade, U.S. exports to developing countries are far greater in volume and value than to Europe, Japan, and the Communist bloc nations combined. Investment and trade opportunities afforded to American business through our contributions to U.N. programs and specialized agencies far exceed the normal returns comparable business transactions would provide. For example, investment opportunities generated by the U.N. Development Program (UNDP) between 1959 and 1977 were estimated at close to \$30 billion. Important as the UNDP and the specialized agencies may be for developing areas, the United States and other developed countries are also direct beneficiaries of their work. The International Atomic Energy Agency (IAEA), for example, provides technical assistance and inspections that promote nuclear safety and inhibit the proliferation of weapons technology.

Reappraising the Role of the Individual

We delude ourselves, however, if we think that any of the global economic, military, and political security problems could find just and permanent resolution without a fundamental reappraisal of the role of the individual as a subject of international law and his concomitant rights. What began 30 years ago with the Universal Declaration of Human Rights as a statement of intent is slowly evolving into a global compact, a set of rules—conventions and covenants—that proscribes and prescribes the behavior of governments toward their own citizens.

Human rights is not an isolated, separate branch of international affairs or of our foreign policy. It permeates all fields of international activity. It is an integral part of development. As we labor toward disarmament, we think not only of the security of nations but of the peace of peoples. As we negotiate issues of trade, investment, and technology transfer we deal with

global economies but in a way as if people mattered.

Since the 35th session of the U.N. Commission on Human Rights has just concluded less than a week ago, let me focus on its work as perhaps both typical and current of the U.N.'s work in areas of what I call "soft issues."

The United Nations is an appropriate place and perhaps a litmus test for this Administration's human rights emphasis. This U.N. Commission did not, by extensive debate or the stroke of the

We cannot reform the United Nations by wreaking havoc with its system or participating in an emotional campaign on how badly it functions.

pen, end violations of human rights. But it did prove that the defense of human rights is not the sole and solitary concern of the United States or of the Western democracies alone, but it is beginning to become—slowly but perceptibly—an important issue for a growing number of governments, even affecting their bilateral relationships.

The work of this Commission is living proof of how far we have already come and how important a role has been assumed by the United Nations in the promotion and protection of human rights. This Commission has codified a body of international human rights laws that set standards of governmental behavior toward citizens. These include conventions on genocide; civil and political, economic, and social rights; refugees and women's rights; and racial discrimination. The Commission is currently working on instruments to prevent torture and to protect the rights of the child and the freedom of religion. These instruments, while not self-enforcing, do provide means for individuals and groups to hold their governments accountable. Beyond the setting of standards, this Commission is involved in the difficult task of seeking their implementation.

Thus, this Commission is much more than a sideshow, off the big stage of global diplomacy. It has become an important forum of public opinion, representing concrete hope for the many victims of repression who have no other recourse than the international community. Were it not, over 50,000 people would not every year contact this Commission on matters relating to the violation of human rights.

There was a time when this Commission could only deal with human rights violations in southern Africa, Israeli-occupied territories, and Chile. Today,

though it is by no means untainted by political considerations, there is public discussion and condemnation of other countries, such as Cambodia and Equatorial Guinea, and—through the confidential procedures it has adopted—the United Nations reviews human rights violations in a broad range of countries, from Uganda to Uruguay, from Burma to Ethiopia.

Of course, members of this Commission bicker and argue about means and ends, but that is no reason for us to

condemn this U.N. Commission or lecture other U.N. members about their shortcomings or slow pace. It should be understood that most U.N. member states are new nations struggling to create the institutions which we take for granted. Rather than chastise these states, we should encourage them.

Of course, there is hypocrisy and double standard. Some governments which do not practice all the democratic principles are often condemned by those very governments which do not practice democratic principles at all. And certainly it does not provide sufficient evidence to dismiss what we have accomplished there or predict that nothing will ever be accomplished.

The United Nations is not a collective manifestation of homogenous peoples. It is a mosaic of many images, true as well as erroneous. The richness of the respective cultural traditions, political institutions, and legal philosophies of its member states makes them express subtle differences and differentiate in emphasis.

No, they do not all think like we do, nor are all interests the same or even complementary. But before we take the road to criticize others, we should rather see what we can ourselves do. In the area of human rights, for example, it is we, among all the significant countries, who have not yet ratified the three most important international instruments for the protection of human rights. We, the country that need not take second place in our reverence for these rights, have not seen the urgency to ratify the genocide convention, the social and economic or the political and civil covenants.

If there are a lot of things wrong with the United Nations, at least some of them are our own fault. By not ratifying these treaties we have ham-

pered our own efforts, since we are not entitled to participate in the implementing U.N. bodies these covenants have established. Yes, there are many things wrong with the United Nations, with the way it works, or rather fails to work.

Reforming and Restructuring the U.N. System

The President's proposals a year ago on the reform and restructuring of the U.N. system is one of the constructive steps we are taking to make this Organization more effective and more responsive to global needs.

The U.N. reform proposals we have made were not motivated by a reasoning that preoccupies itself with what is wrong with the United Nations. We are trying to improve the workings of this international Organization because of what is right with it, because we would like to see it function better.

Reforms proposed, however, are not reforms accomplished. We have introduced or discussed with other member states several major reform ideas in the past year. The most desirable and feasible among them fall in the category of peaceful settlement of disputes, particularly as they relate to the effective functioning of the Security Council. We have proposed, and have gained the support of the majority of the permanent members of the Council, that the Council be seized more regularly and routinely with issues and events that might prove to be a threat to international peace and security. We have proposed more frequent, informal meetings among the members and one meeting at least each year at the foreign minister level. These proposals have not been institutionalized. But in actual fact, the Security Council has been meeting with increasing frequency on a broad range of issues. For example, over the past several weeks, the Council has held extended discussions about the situation in Southeast Asia, Namibia, South Africa's raids into Angola, Rhodesia, and the Israeli settlements in occupied Arab territories.

Equally significant is our proposal to strengthen the U.N.'s peacekeeping capabilities by exploring the possibility

of states earmarking troop contingents trained in peacekeeping functions and improving training in peacekeeping.

We have been participating in the Special Committee on the Charter of the United Nations and on Strengthening the Role of the Organization where several proposals are being discussed to improve the workings of the United Nations. There have been some significant steps taken to improve the United Nation's performance and coordination in the social and economic sectors by the creation of the post and appointment of a Director General for Development and Economic Cooperation.

In the area of human rights, the Commission is continuing to seek workable means of keeping our proposal for a high commissioner viable and is promoting continuing improvements in the functioning of the U.N. human rights sector.

The reform process is a slow process. It is not simply a question of the influence we can and should exert. It is also the manner and style through which these reforms take shape and are

It has been hard for some to accept that the United Nations can no longer be the instrument of Pax Americana.

adopted. Our analyses have shown, and the President pointed out last year, that neither U.S. nor U.N. interests would be served by drastic reforms through charter amendments. Most of the reforms proposals should not be represented as major watersheds in the U.N.'s steady improvement requiring drastic and dramatic changes. Our strategy is based on a careful progress through practice, application, and precedent. Although we have given extensive publicity to our U.N. reform package and have consulted in capitals and with delegations to the United Nations, we believe pressure and haste would defeat our objectives.

We cannot reform the United Nations by wreaking havoc with its sys-

tem or participating in an emotional campaign on how badly it functions. Reforms will not spring from dissatisfaction but from constructive approaches.

Dissatisfaction only caters to ignorance about global affairs. We must combat that in both the executive and legislative branches of our government. I am saddened but not surprised that anti-U.N. sentiments can find receptive audiences in our country. A recent study by the U.N. Educational, Scientific and Cultural Organization, and verified by a 1977 Gallup poll, ranked U.S. students near the bottom, compared to their counterparts in other countries, in comprehension of foreign cultures and affairs.

To reverse this, I believe, you in the Congress and we in the State Department should be much more forceful and articulate about the U.N.'s importance to the American public. The support of this Congress for the United Nations and this Administration's constructive approach to the United Nations is a matter of public record. But in addition to funding support—without which the United Nations is crippled—we need your leadership to help the public understand that our interests are interwoven with those of the United Nations; to help to be more informed about the states that constitute the international community, their aspirations, and needs; and to seek in this interdependent world a steady strengthening of this institution.

It is time to begin to comprehend how much the United Nations is doing for the United States in economic, political, and security matters. Its very existence is tempering influence on big-power confrontation and a bridge between the industrialized countries and the Third World. We neither want nor can afford to conduct a foreign policy oblivious to the United Nations or approach it as if it were yet another field of conflict instead of resolution. □

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.

FY 1980 Appropriations for International Organizations and Conferences

by Charles William Maynes

Statement before the Subcommittee on Foreign Operations of the House Foreign Affairs Committee on February 14, 1979. Mr. Maynes is Assistant Secretary for International Organization Affairs.¹

I appreciate the opportunity to appear before this committee in support of the President's request for \$502,945,000 to meet the costs of U.S. participation in international organizations and conferences in FY 1980. This amount would be distributed to four appropriations in the following way:

- \$411,552,000 to enable the United States to fund its share of assessed contributions to the United Nations, 9 U.N. specialized agencies, and the International Atomic Energy Agency; 6 inter-American and 5 regional organizations; and 22 other international bodies;

- \$70,000,000 to meet our share of the cost of three U.N. peacekeeping forces in the Middle East;

- \$14,193,000 to cover the costs of maintaining the U.S. Mission to the United Nations and seven other permanent missions to major international organizations, as well as the cost of congressional participation in four interparliamentary groups; and

- \$7,200,000 to coordinate and support U.S. participation in multilateral intergovernmental conferences and provisional membership in certain organizations.

U.N. Events of the Past Year

I would like to recount some of the major activities and events in the U.N. system over the past year.

It is a complex institution. Frequently much of its constructive work is overlooked by the public in this country, while primary attention is given to a few selected votes or events that have negative impact on our populace. Even the negative issues often get distorted, and the truth never quite gets a chance to catch up.

Some now argue, for example, that the United Nations is impotent in the field of collective security and that its advocates are trying to disguise this failure by giving increased attention to

subjects like the environment or economic development. It is true that the United Nations is not the complete instrument of collective security that the U.S. Government, and certainly this Administration, would like to see it become. But it does not follow that the U.N.'s usefulness in this field is diminishing. The recent record demonstrates that precisely the opposite is true, that in the past few years the U.N. system has shown new vitality in the area of peace and security.

- In the late 1950's, there was decreasing use of the Security Council due to cold war rivalries. In 1959, the Council met only five times. But in the last 3 years it has met 238 times, an average of 79 times a year.

- The past 2 years have seen the Security Council directly and deeply engaged in seeking peaceful resolution of major problems for international peace and security in the Middle East, Cyprus, southern Africa, and, most recently, Southeast Asia. Currently about 13,000 troops from two dozen countries are serving in the peacekeeping forces established by the Council.

- In the fall of 1978, the Council renewed the mandates of the U.N.'s vital peacekeeping force in Cyprus and the two other forces in the Middle East.

- In March 1978, the Security Council, acting on a U.S. initiative, created UNIFIL [the U.N. Interim Force in Lebanon], a new peacekeeping force in Lebanon.

- In September, the Council adopted the Secretary General's plan for a peaceful path to decolonization in Namibia—a plan worked out through the intensive efforts of the United States and the other four Western members of the Council.

- In October, the Council, by a unanimous 15-0 vote, adopted a resolution establishing a cease-fire in Beirut.

- And in January of this year, the Council took up the Vietnamese invasion of Cambodia.

We believe that the net results of the work of the United Nations and its system of specialized agencies and programs—even taking into account some issues that do not go our way—remain overwhelmingly in U.S. interests. The United Nations, there-

fore, fully deserves the support—moral, financial, and political—of this country. I hope the Administration and the Congress will work together constructively to enhance the growing value to the United States of an effective international body that can deal with global issues and support our efforts to achieve reforms in the U.N. system that will make it more effective.

Effective U.S. Initiatives

Let me just elaborate on some of the areas where the pursuit of U.S. initiatives in the U.N. system has been highly effective.

In **southern Africa**, we are immensely pleased that 2 long years of intense negotiation through the United Nations appear finally to be culminating in a peaceful resolution of conflict in Namibia. The talks between the United Nations and South Africa appear to have gone well. We are rapidly moving to a stage where actual implementation of the U.N. plan can begin, and a U.N. Transition Assistance Group (UNTAG) will be put in place to insure the independence of Namibia through U.N.-supervised elections. The training of future civil servants under U.N. auspices is already well underway. We are very hopeful that the chief lesson of a settlement—that peaceful resolution of longstanding conflict is possible—could carry over to Rhodesia, to South Africa's internal racial difficulties, and to similar problems in other parts of the globe.

In the **Middle East**, just within the last year, the United States proposed, sponsored, and led the Security Council effort to create the U.N. Interim Force in Lebanon. Our successful effort to have the Security Council call for a cease-fire in Beirut, where violence had reached alarming proportions, brought a pause of peace to that city. There are few better illustrations of the way that multilateral policy can complement bilateral foreign policy than these Security Council actions.

Meanwhile, the peace we have pursued in the Middle East—at Camp David and then through more detailed negotiations between Egypt and Israel—has been maintained by three U.N. peacekeeping forces and negotiated on the basis of two Security Council resolutions. The Foreign Minister of Israel, whose country is often the target of debate and parliamentary maneuver in the United Nations, acknowledged to the General Assembly last fall the "constructive role" that U.N. forces have played in the various agreed arrangements in that region.

On **disarmament**, the United Nations last May and June conducted the largest single multilateral arms control meeting ever held. We were pleased with the steps triggered by the session—including French and Chinese participation, action on negative security assurances, and Soviet adherence to protocol II of the treaty of Tlateloleco, which prohibits nuclear weapons in Latin America. The followup in the General Assembly was also constructive. One of the two important new disarmament committees established by the special session has just begun to work, and the other will meet in May. The committees are indications of international acceptance of the concept that disarmament and nuclear nonproliferation are among those pressing global problems that must be addressed in a multilateral context.

On **international economic issues**, the General Assembly has approved a resolution on a new international development strategy for the next decade which reflects many of our views as well as those of developing nations. Guidelines for handling the burden of debt on the least developed countries have been agreed upon by expert working groups. There is solid progress toward agreements on individual commodities. A working group of the Economic and Social Council is now drafting a convention on illicit payments by foreign corporations, which should complement the work of the Congress in the Foreign Corrupt Practices Act of 1978.

The General Assembly has approved, with our strong support, a 1981 U.N. conference on new and renewable sources of energy—an important step in boosting our own and other nations' programs to develop new energy sources. And, as a followup to the Helsinki accords, the U.N.'s Economic Commission for Europe—which includes both East and West European nations and the United States—has made good progress toward cooperation on important environmental issues, and this serves as an important example of East-West cooperation under the aegis of the United Nations.

On **human rights**, we have used the occasion of the 30th anniversary of the Universal Declaration of Human Rights to signal the need for a recommitment by all nations to that document's principles and goals. And increasingly there is evidence of more objective judgments on human rights issues, in contrast to employment of the double standard that in past years clearly hindered progress. Similarly, international efforts to include women in the mainstream of society are being fur-

thered by the World Plan of Action developed under the U.N.'s Decade for Women.

Finally, on **refugees**, we were able to persuade the United Nations to conduct a special meeting in Geneva to review the tragic plight of the "boat people" in Southeast Asia and to consider a plan of action by all concerned nations.

Disharmony in the U.N. System

As I mentioned earlier, I would not pretend that these diplomatic successes tell the whole story, or that everything in the U.N. system operates the way that we would have it. There are, for example, continuing efforts to bestow legitimacy on the Palestine Liberation Organization which we consider inappropriate. Last fall there was a General Assembly resolution calling for an arms embargo on Israel—but that has no substantive effect because such an embargo can be made legally binding only by the Security Council, where we enjoy a veto. There are continuing attempts, by the Cubans in particular, to have the General Assembly become involved in the affairs of Puerto Rico—but our strong diplomatic efforts have thus far succeeded in preventing this.

Developments such as these, I know, are annoying to many Members of Congress, to the public, and to us in the Administration. But our task in assessing the work of the United Nations is to consider the overall trends, and the Administration submits that they are positive. Even if we focus only on the work of the various U.N. peacekeeping forces in limiting the outbreak of violence and war, we would argue that the United Nations has paid for itself many times over.

Much of the disharmony that we see in the U.N. system takes place at the annual general conferences of organizations. Meanwhile, the day-to-day operations of the U.N. agencies continue in such vital efforts as the elimination of contagious disease, protection of the environment, increasing air safety, dealing with population growth, and many other global issues. The annual meetings themselves give us the opportunity to deal with intense resentments and misunderstandings and to explain our policies. Secretary Vance's speech to the last General Assembly, for example, devoted almost half of its length to an explanation of U.S. policies and intentions in the international economy and largely served to pave the way for some of the productive results I have described.

As President Carter said in a recent report, the occasions when U.N. events

do not go our way "... should not make us withdraw our support, for the UN reflects the reality of the world in which we must live. We should, instead, feel challenged to develop imaginative and thoughtful new approaches in our diplomacy so as to advance our interests, and to play a constructive role in the world community. In particular, we need to continue demonstrating our faith in the basic purposes of an organization whose strength and effectiveness are essential to us and to the world."

Constructive Work in UNESCO

Since the Congress has long held special interest in the work of the U.N. Educational, Scientific and Cultural Organization (UNESCO), let me review quickly some of the developments in the biennial conference held in Paris last fall.

Probably the most discussed issue in the entire U.N. system during the past year came to a highly constructive conclusion in the Paris meeting. I refer, of course, to the long-debated declaration on the mass media. Given the original Soviet sponsorship of this initiative in 1970 and its implications for state control of the media, it certainly was not unexpected that America's journalists, lawyers, government leaders, and other defenders of freedom of the press should be highly vocal on this topic. In the early stages, there were even suggestions that the United States ought to get out of UNESCO, once again stop U.S. contributions, or simply refuse to join in this decision.

But the outcome of this debate proves the validity of maintaining a strong and effective U.S. presence in an institution that is dealing with a topic that touches fundamental political values of this country. This was not a "politicized" debate in the sense that political questions sometimes are injected into substantive discussions where they are largely irrelevant to the cause at hand.

The mass media issue may have been an unfortunate topic for UNESCO, but it was not an irrelevant one. Under its constitution, UNESCO deals with some highly politicized subjects. The constitution gives it the authority to recommend international agreements in the mass communication field, and it was wholly in this country's interests to get heavily involved in the debate, to vigorously present our point of view, to help the participants define the common ground in their positions, and to take steps to meet the legitimate concerns that many nations have about the mass media. Backing out would simply

have ceded the issue to those who would damage our interests.

The text that emerged—with this country joining in the consensus—represented a remarkable turnaround from the earlier versions of the declaration. It not only removed those clauses calling for state control of the media but added others guaranteeing freedom of information as an essential element of human rights and the right of journalists to report the news freely. The general reaction of the U.S. media community has been that the U.S. efforts were responsible for a notable success in the face of extremely unfavorable circumstances.

In the process of this long debate, I believe we ourselves were able to acquire a greater understanding of the concerns that developing nations have about the present imbalance of communications resources in the world and about the needs of developing nations for assistance in augmenting their own communications capabilities. This was not simply a debate orchestrated by those opposed to American media interests. The developing countries have considerable and legitimate concerns of their own. They worry that media reports from outside tend to provide too little information which can help struggling nations with developmental problems. And they worry that media reporting to the outside world from inside developing nations tends to concentrate on the natural disasters, the intrigues, and the poverty.

This is a view that is sometimes excessively ethnocentric, but it is a view that we should understand. Before the Associated Press began to dispatch news about the United States to other countries, according to an AP official, "Reuters decided what news was to be sent from America. It told the world about the Indians on the war path in the West, lynchings in the South and bizarre crimes in the North." It was not until the AP became active in sending news abroad—until we had our own news source—that we became more relaxed about foreign press coverage of the United States.

Certainly, part of the reason for the effective resolution of the UNESCO media issue this autumn was the forthcoming attitude of the U.S. delegation—with the considerable assistance of American media representatives—offering programs for the training of journalists in developing nations, cooperation in supplying needed media equipment, and an initiative through the facilities of INTEL-SAT, and with the cooperation of the Agency for International Development, to help developing nations disseminate

valuable information to people in remote areas of the country.

Overall, I think the American people can be proud of the constructive manner in which this issue was handled by its representatives. Undoubtedly, the cooperation of the Congress in enabling us to eliminate our financial arrearages with UNESCO helped to strengthen our influence at this crucial time, while your advice and encouragement of more effective coordination of international communications policy within the government contributed to the success of our effort.

This will not, of course, mean the end of communications issues. U.S. credibility will now depend very much on our ability to carry through on the Paris initiatives. There will continue to be efforts to define a "new world information order," in various parts of the U.N. system. There will be, in the fall of this year, a 3-month World Administrative Radio Conference, at which the world's radio frequencies and satellite parking spaces—including our own—will be reallocated. And there will be continuing concern about direct broadcast satellites, transborder data flow, and other issues that result from the tremendous recent advances in communications technology. It clearly is in U.S. interests to have strong representations in the forums where these issues arise, and we fully intend to do so.

There were other aspects of the recent UNESCO general conference which were less satisfactory to us. Conference treatment of Middle East issues, for example, provided mixed results. On the unfavorable side of the ledger, the general conference again adopted resolutions critical of Israel for its archaeological excavations in Jerusalem and for its administration of education in the occupied territories. On both issues the United States led the opposition.

In a more happy contrast, the conference also adopted—by a consensus that we were pleased to join—an authoritative Declaration on Race and Racial Prejudice, a U.N. document which clearly and forcefully condemns racism and which, for the first time since 1975, avoids in a U.N. document any linkage—even an indirect one—to the infamous Zionism-racism equation of 1975. Although there were indications that some Arab states might seek once again to tie the two concepts, strong U.S. expressions of concern, together with the desire of U.N. members for a consensus document on racism, prevented this from occurring. The result is the most authoritative statement which the international community has

ever adopted on race, with no mention of the Zionism-racism issue.

Pressing Forward on Management Issues

The continued interest of the Congress in making the U.N. system operate more efficiently and effectively coincides with the overall efforts of the Administration.

One issue of special concern is the growth of the budgets in the United Nations and the specialized agencies. The U.S. Government's efforts to economize its own internal operations cannot be translated literally into an international organization that has representatives of many cultures and unique systems of operations. Nevertheless, our training at home proves to be of eminent value as we seek to question the validity of U.N. programs that continue year after year or to implement evaluation mechanisms that can document the value or lack of value of specific activities or to avoid overestimations of the impact of inflation when new budget proposals are being formulated. We are doing these things not just at the United Nations in New York but in all of the specialized agencies and programs and in discussions with other member governments.

The United States has clearly been in the forefront of those U.N. members concerned about budget and management issues—even to the extent that some nations have questioned our commitment to the organizations concerned. The British, customary allies on U.N. issues, this year publicly asked whether we were not expecting miracles of economy in the U.N. system. Nevertheless, we continue to believe these issues to be matters of significant importance. This year we voted against a major U.N. budget request for the first time in our history—because of opposition to program additions in the second year of a biennial budget, to attempts to make the United Nations fully immune to the effects of inflation and currency fluctuation, and to a few specific activities that we found objectionable. In the vote we were joined by 14 other countries, including France, Belgium, Luxembourg, Italy, Israel, and the Soviet bloc. Indeed, those who did not vote in favor of the budget this year accounted for approximately 80% of the assessed contributions to the U.N. budget.

I think our efforts are being felt. We have reason to believe that senior Sec-

retariat officials will now exercise much greater efforts to control budget expenditures in the coming period. The point is clearly being made to the U.N. Secretariat, and to the smaller nations which contribute little, that the major donors cannot tolerate liberal approaches to spending.

On personnel questions, we have seen some impressive new approaches by the International Civil Service Commission over the past year. The salary levels of the bulk of U.N. employees are now in acceptable relationship to those of U.S. Government employees. And at U.S. insistence, the Commission has been instructed by the General Assembly to work toward the establishment of grade equivalencies with U.S. employees at the most senior executive levels.

There remains considerable room for improvement on all of these management issues. Nevertheless, the Congress may be assured that its concerns are being well represented throughout the U.N. system.

Meeting Financial Obligations

Finally, let me turn to the amendment regarding technical assistance in the U.N. system that was inserted by the Congress last fall in the State Department's appropriation act for FY 1979. Not only did that amendment delete \$27.7 million from the President's budget request but, more importantly, it specified that no part of the funds appropriated to pay our assessed contributions to the United Nations and its specialized agencies could be made available to fund technical assistance activities carried out by these agencies.

Upon signing the bill, President Carter simultaneously issued a statement indicating his strong opposition to these two provisions and that he would "... recommend promptly to the Congress the restoration of funds for this appropriation and the elimination of the language which jeopardizes our ability to support these international organizations. . . ." The President's budget for FY 1980 requests removal of the specific prohibition against using U.S. assessed contributions for U.N. technical assistance activities and restoration of the \$27.7 million that was disallowed.

Let me briefly review the reasons for the Administration's concern. The reg-

ular assessed budgets of the United Nations and its specialized agencies and the share to be paid by each member state (its assessment) is determined by the governing bodies of those organizations according to their respective constitutional provisions. Each country, therefore, is obligated to pay what it has been assessed according to the treaty under which it assumed membership in a particular U.N. agency. Failure to pay these assessments places the member state in violation of those obligations which are legally binding on it.

Furthermore, a member of state which offers to contribute its assessed share but places restrictions on the use of its contribution violates its obligation of membership. Not only are such conditional contributions constitutionally unacceptable to the U.N. agencies but there are practical reasons why placing conditions on contributions cannot work. The funds provided through assessments by a particular member state are commingled with the contributions of others and lose their national identity. Consequently, the U.N. agencies have no way of guaranteeing that the contributions of a particular country are not used for a specific purpose. If they attempted to do so, not only would U.N. finances become chaotic but the ability of the agencies to carry out programs approved by the membership would be badly crippled. The financial viability of the individual U.N. agencies—and possibly the future of the U.N. system itself—would be seriously challenged if not destroyed.

If the Administration is compelled to obtain the assurances required by the current legislation that none of our assessed contributions will be used by the U.N. agencies for technical assistance activities, then the United States will be unable to make any assessed contributions to the U.N. system this year—to date we have not made any payments to the U.N. and the 10 specialized agencies in which we maintain membership.

This will result in a significant shortfall of funds for the U.N. agencies since we are the major contributor to most of the agencies. Such a shortage of funds will have a serious adverse impact on the work of the United Nations to preserve international peace and security and to develop greater international cooperation in the economic

and social areas. In the specialized agencies such vital programs as developing nuclear safeguards in the International Atomic Energy Agency, improving weather surveillance and prediction in the World Meteorological Organization, eradicating and controlling contagious diseases in the World Health Organization, to name but a few, will be seriously damaged.

Also damaged will be an important process for developing greater international cooperation in which we have played a major role over the past three decades. The loss of American influence both in the U.N. system and in our bilateral relationships—especially the developing states of Latin America, Africa, and Asia—is likely to be significant. As a country which has championed the rule of law and, through its actions, has set an example for other states to follow, the United States will appear to be untrue to its own ideals if we cannot honor our legal obligations.

In short, the legislation enacted last year—if it is allowed to stand—threatens to have serious negative implications for our national well-being, for U.S. foreign relations, and for the world community. We believe that new corrective legislation is needed urgently before we experience the full impact of that action in the U.N. system.

Funding U.N. Technical Assistance

Let me turn now to the specific problem of funding U.N. technical assistance activities. Concern has been voiced by some Members of Congress that the technical assistance work of the United Nations ought to be funded entirely through voluntary, rather than assessed, contributions levied on the total membership. Apparently this concern was partially responsible for enactment of the unacceptable legislation passed last year.

The most up-to-date data available show that the U.N. system spent nearly \$663 million in 1977 on technical assistance activities—or 27% of the total funds available to the agencies that year. However, of the amount spent for technical assistance, about 81% was obtained through voluntary contributions and only 19% from assessed budgets. Furthermore, of the \$2.4 billion total funds available in 1977 to the U.N. agencies, technical assistance

funded in assessed budgets accounted for only 5.1%.

Looked at another way, for the United Nations and the 10 specialized agencies to which the United States belongs, the combined assessed budgets in 1979 are estimated to be \$1.2 billion; of that amount, only \$151 million—or 12.9%—is expected to be allocated for technical assistance activities. If we exclude the World Health Organization (WHO) which according to its constitution and 30 years of practice has used its regular assessed budget to fund its important worldwide health programs, the picture in 1979 changes dramatically, i.e., of the estimated \$970 million total regular budgets for the other 10 U.N. agencies, only \$34.5 million is planned to be used for technical assistance work—or 3.6% of the total.

Although the technical assistance work of the U.N. system funded through assessments is small—and many would argue that larger rather than smaller amounts should be devoted to these activities, given the needs and the demonstrated capabilities of the U.N. agencies—there is no doubt that it has been overwhelmingly consistent with U.S. interests.

The United States has supported the technical assistance efforts of the U.N. system because these activities:

- Have an impressive multiplier effect through facilitating large-scale development efforts managed and financed by other international institutions and/or private investments;

- Perform a catalytic role and provide technical expertise for initiating activities which otherwise may not be undertaken;

- Possess a unique capability for stimulating recipient developing countries to improve their internal planning, management, and related capabilities necessary to maximize benefits available from their own resources and other external assistance;

- Provide global benefits in fields such as nuclear safeguards, weather forecasting, air navigation safety, and the fight against communicable diseases; and

- Complement our bilateral efforts.

Technical assistance provided by the U.N. system also helps to establish within the recipient countries an environment of reduced political tensions, growing economic prosperity to be

shared by all, and improved social conditions. In particular, it promotes increased respect for the political and economic rights of the individual and other conditions which enhance human rights.

Strong U.S. support for U.N. system technical assistance indicates our eagerness to participate as a full partner in the evolving multilateral economic and social infrastructure and encourages fuller participation and increased support from all members of the world community especially other donor nations. It also demonstrates our responsiveness to the legitimate needs of developing countries—thereby helping to improve North-South relations—and serves to strengthen the important leadership role of the United States throughout the U.N. system and the world community.

In supporting technical assistance activities conducted by the agencies of the U.N. system, the United States seeks to promote coherence, coordination, and effective management in the implementation of these activities, both individually and as a whole. This is of special concern to the United States given the decentralized character of the U.N. system, the maintenance of which reflects and complements the pluralism of U.S. foreign policy and our own national interests. A major U.S. concern, however, is to assure that a proper relationship exists between those U.N. agency activities funded by obligatory assessments levied on all member states and those funded by voluntary contributions, the level of which is fully discretionary for the donor countries.

The central theme of U.S. policy continues to be that of seeking to strengthen the U.N. Development Program (UNDP) as the primary source of funding and overall coordination for technical assistance activities conducted by each of the U.N. system agencies and programs. Through strengthening the capability of the UNDP to promote the necessary coherence, coordination, and effective management that we seek, we believe that the interests of individual countries and the world community will be enhanced. In support of this emphasis on the central role of the UNDP, the United States will continue to:

- Press in each U.N. agency to keep existing assessed funded technical assistance to a minimum consistent with overall U.S. policy objectives;

- Seek to avoid the introduction of new programs unless the need is extraordinary and can be fully justified; and

- Transfer, wherever appropriate, funding and policy responsibility for such programs to other agencies—especially the UNDP—utilizing voluntary contributions.

We will make every effort to insure that the U.N. agencies and other member governments clearly understand that the longstanding U.S. support for these organizations could be seriously impaired if the repeated expressions of concern by us, the major U.N. contributor, are ignored.

In supporting the central role for the UNDP, our policy must take into account the fact that some of the U.N. agency charters, accepted by the United States in joining the organizations, provide for the furnishing of some kinds of technical assistance out of assessed budget funds. While the United States can oppose assessments levied on it for technical assistance activities by a U.N. agency, these assessments must be respected as legal obligations of membership once decisions have been taken in the agencies in accordance with the appropriate statutory instruments. We fully recognize, however, that it was never intended for these provisions to serve as a device for the majority to employ in making significant resource transfers through the U.N. system from the developed to the developing countries. To the extent this takes place, a major constitutional crisis would ensue, and the United States might be forced to reconsider its participation in the institutions in question.

In dealing with this issue, we recognize that universal funding and burden-sharing for U.N. system technical assistance activities are appropriate in those instances where benefits serve a common interest. Examples of instances where this is true are WHO's programs for the control and eradication of diseases and efforts by other U.N. agencies to advance global norms (e.g., developing internationally acceptable criteria for foodstuffs involved in international trade).

Finally, our policy is to support assessed funding of technical assistance in individual U.N. agencies in those instances where important goals are better served this way than through the UNDP. For example, UNDP procedures often will not allow for meeting short-term emergency needs on a timely basis, and the United States sometimes finds that the UNDP country programming system does not suffi-

FY 1980 Appropriations for Voluntary Contributions and the OAS

by Charles William Maynes

Statement before the Subcommittee on Foreign Operations of the House Appropriations Committee on March 7, 1979. Mr. Maynes is Assistant Secretary for International Organization Affairs.¹

I appreciate this opportunity to testify in support of President Carter's request for \$277.2 million for voluntary contributions to the United Nations and to the Organization of American States (OAS).

The United Nations has been and remains a critical arena for U.S. interests. But we are not alone. Never before in world history have so many nations faced such a significant chal-

lenge: to secure peace and prosperity not only for ourselves but for future generations as well. We must turn this challenge into a manageable task.

For too long some have perceived the United Nations as primarily a stage for intermittent hostile competition among nation states. It is not surprising, therefore, that these people tend to see the United Nations and its activities as posing threats to the United States rather than providing opportunities. In fact, it offers us far more of the latter than commonly accepted.

In the United Nations, it is true that a handful of pathologically anti-American governments engage in public posturing against us. But they are not characteristic of this great collective of nations. Their actions should be

International Organizations (Cont'd)

ciently accommodate priority needs identified by this country in particular program sectors (e.g., primary health care).

I think the crucial issue here is whether or not the United States will honor the legal obligations which we accepted in joining the United Nations and its specialized agencies. There are occasions when we oppose specific activities promoted by others, but we are required to contribute our assessed share. Others oppose activities which the U.S. promotes and supports, but we insist that they contribute funds nevertheless in order to fulfill their obligations of membership.

Sometimes we prevail in our view, and sometimes we do not. That is the nature of a representative organization composed of 150 sovereign member states. This is not significantly different from our own budget process, since funds approved by the Congress are the result of compromise among competing interests. The United States, along with a number of other major contributors, voted against appropriations for the United Nations at the recently concluded U.N. General Assembly; however, the majority prevailed and the request was approved. As a responsible member, the United States has an obligation to pay its assessment.

The U.N. agencies operate on the basis of political balance. Inevitably, there is a certain give-and-take in the

system. Our decision to join these organizations and to accept the consequent treaty obligations—including the obligation to pay our assessments—was made in full confidence that we would gain a clear net balance of benefits. We accepted membership in the U.N. agencies knowing that we would not be able to control all the activities they undertake, as no single nation can or should. But any fair evaluation of the enormous benefits we enjoy through our membership—from peacekeeping to the setting of standards for air navigation safety or environmental protection—would confirm that it remains in our interest to "play by the rules" that we helped establish.

It is for these reasons that we ask the Congress to remove from the legislation enacted last year the prohibition against the use of funds appropriated for U.N. technical assistance activities and to act favorably on the supplemental appropriation requested to permit full funding of our U.N. system assessments. This country, if it is to remain a leader in the international community and a major actor in the U.N. system, must respect the rule of law and honor its international legal obligations. □

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.

taken into account in our policy vis-à-vis those countries, but it should not provoke public posturing on our part about the merits of the United Nations itself.

Certainly some of the rhetoric in the United Nations is not to our taste; a few resolutions have been against our interests. But the advantages to the United States of the United Nations far outweigh its periodic irritations.

For a mature American foreign policy:

- What threat is there in providing technical assistance through the U.N. Development Program (UNDP) to countries in need? Should we not focus on the investment opportunities created for the governments themselves and outside investors?

- What threat lies in efforts to meet humanitarian and developmental needs through UNICEF and the U.N. Relief and Works Agency (UNRWA)? Should we not concentrate on the lives improved and enriched?

- What threat lies in international scientific cooperation through the U.N. Environment Program (UNEP) or in advancing nuclear safeguards through the International Atomic Energy Agency (IAEA)? Should we not consider the costs of not having these programs?

- What is so threatening about the education and training that the United Nations provides for people denied such opportunities in their own territories? Should we not imagine how countries like Namibia will be governed in the absence of this preparation?

The threat lies not in the United Nations but in ourselves if we are hoodwinked by new peddlers of old fears. The real danger facing our world lurks behind propositions which make a virtue out of unconcern for our fellow men, which are blind to our nation's true self-interest, and which would make Americans believe that we need the United Nations less when we need it more.

True, we were the founders and moving spirit of the United Nations. True, we have been its major funder and leading member. But that reflects the intelligence of our policies as much as the generosity of our nation.

Today, the United Nations is the forum for major diplomatic initiatives by many countries. It has become a major force for tempering periodic outbursts of violence among nations. And it has become more than just the last resort for peace—it has also become a pioneer organization in creating global

conditions for permanent peace and stable economic order.

The voluntary contributions we offer to this international organization—generous as they may be—are not a tax on our charity nor a real burden on our economy. The sum of \$277 million is no more than \$1.10 for each American, a very small per capita expenditure with a major return. It will not in itself buy political good will, but it is an investment in peace and prosperity. And from it we will also obtain direct and important economic, technical, and social benefits.

Thus, the United Nations devotes these voluntary contributions to:

- Confront the deterioration of the physical environment of this Earth;
- Monitor and give technical guidance for nuclear facilities worldwide;
- Improve the basic economic security for children, mothers, and refugees;
- Mobilize and employ skilled planners, managers, and technicians in the developing countries;
- Act against food shortages and grain waste;
- Gather information and impart knowledge about the impact of weather and climate on people's lives and farmers' crops;
- Prevent the outbreak and the spread of infectious disease; and
- Improve the status of and opportunities for women in the developed and developing countries alike.

I mention these constructive actions only for illustration, not as an all-inclusive list. But when Americans travel by air and land safely, we wish more would think about this investment in the U.N.'s International Civil Aviation Organization (ICAO). If Americans are not stricken with food poisoning, we hope some will recall the Food and Agriculture Organization's (FAO) Codex Alimentarius Commission that sets health and safety standards for the fish we consume. I could continue to elaborate on how U.N. programs and agencies touch our daily lives. In an increasingly interdependent and complex world, multilateral technical and scientific cooperation promoted by all the U.N. agencies and programs is not a luxury; it is a necessity.

I submit that each one of us has something to benefit from our support to this worldwide Organization. Permit me, however, to discuss briefly why our continued policy and financial support to international organizations and programs is essential to the achievement of major U.S. policy objectives.

First, these voluntary contributions

enhance U.S. leadership in shaping the direction and growth of the rapidly evolving nature of global economic and political cooperation.

Second, our voluntary contributions will strengthen—as they already have—the U.N.'s capacity to confront effectively global economic, humanitarian, and environmental problems.

Third, the investment of American tax dollars through these voluntary contributions returns specific benefits to the United States.

And **fourth**, only through an active and positive participation in these programs can we play a role in assuring that voluntary contributions are well spent and the programs effectively managed.

Strengthening U.S. Leadership

In an editorial the day after Ambassador Dubs' tragic death [in Afghanistan] and the attack on our Embassy in Tehran, the *New York Times* used a telling phrase—"the unavoidable obligations of leadership." The American people and the Congress want the United States to continue as the leading nation in this difficult and complex world.

The strength of our global position is expressed in several ways. Our prestige as a democratic republic, our military power, and our economic vitality are key elements. But since World War II our consistent initiative in urging that nations act together to solve common problems has been a principal course of action in demonstrating our leadership.

Since its founding the United Nations has grown to reflect all of the problems, conflicts, and complexities of the world. New factors in international affairs make our voluntary contributions critically important, especially since political and security considerations are closely linked to economic issues. The United Nations today is the main forum for the North-South dialogue. The interdependence of the economies of North and South contains the seeds of promise for a more prosperous world as well as the specter of increased global tensions. The United Nations will have a crucial role in determining the outcome.

Much will depend on our leadership to turn this promise into reality and defuse the confrontation that is fueled by the growing disparities in global living standards.

In the long run the pressing problems of food, energy, and population in the less developed countries, if not confronted decisively, will inevitably entail serious security risks to all and rising costs to the industrialized coun-

tries. Efforts to improve North-South relations require the United States to demonstrate our responsiveness to the legitimate needs of the developing countries. They are turning increasingly to international agencies to assist them in improving the lot of their people.

The question is not simply one of preventive action. It is through our leadership in the United Nations that we have again and again demonstrated the possibility of progressive and constructive steps.

The leading example now is Namibia. After long and extremely difficult negotiations, it appears that a peaceful transfer of power to majority rule can be achieved. The United Nations provided the channel for that effort and will provide, in the next several weeks, the human skills needed to get an independent Namibia started. Some will be funded from programs in this request, especially the UNDP.

Similarly, the United Nations is now providing a forum and a channel for action to moderate and stabilize political conflicts in Cyprus, southern Lebanon, and in Indochina.

The U.N. system also provides a means to negotiate within the international community major economic issues which would be simply unmanageable bilaterally and which are of vital concern to the United States. These include trade, international monetary reform, technology transfer, and a new but crucial subject—energy.

Dealing with Global Problems and Challenges

More specifically, it is through the United Nations and through the OAS that we have obtained the cooperation of other nations to deal with problems having global impact. By sponsoring these multilateral initiatives, the United States led the way for:

- Developing nations to have skilled and specialized manpower, which they need and which the UNDP provides;
- Southern Africans to be trained for constructive roles in their newly independent countries, which several programs in this request provide;
- Women to achieve a rightful and useful place in their societies, which the Decade for Women promotes;
- Effective cooperation among the Latin American countries, which the OAS programs provide;
- Permanent improvement in the health and welfare of women and children, which UNICEF furthers; and
- International cooperation in the fields of meteorology and nuclear technology, which the World Meteorological

Organization (WMO) and the IAEA underpin.

In an era of growing scarcity of resources for the developing countries, technical cooperation has become a highly cost-effective way to stimulate the global economy. Multilateral technical assistance programs draw on a pool of international knowledge, skills, and language proficiency that no single country can provide; allocate assistance primarily on the basis of developmental, not political, criteria; influence recipient countries to pursue sound development policies and practices; and set international standards for technical assistance projects.

Moreover, multilateral technical assistance serves as a channel for vital preinvestment work for capital projects of the international financial institutions and the private sector. U.S. private firms then participate significantly in the followup investment opportunities that UNDP generates—estimated at some \$28.8 billion between 1959 and 1977. UNDP technical advisers help identify existing, unused, and untapped resources. They have been credited with uncovering some \$20 billion worth of mineral deposits. Using indigenous technology, UNDP speeds the building of roads, rural power systems, communications, and other facilities. This improved infrastructure increases the capacity of the developing countries to help each other and to contribute their share in solving global food shortages and in developing renewable energy sources.

We cannot expect the international community to continue to act together on problems we want resolved if we do not pay our fair share of the multilateral actions we initiated to deal with them. We led in founding the UNDP, UNICEF, the IAEA, and most of the other programs in this request. We continue to have strong influence over their policies. Americans now head UNDP, UNICEF, and UNRWA, the programs with the greatest resources.

But our leadership in these programs, in the United Nations and OAS, and in the international community will be weakened if we do not sustain our strong support for each of these programs.

Benefits to the U.S.

American tax dollars contributed to these programs return substantial benefits to U.S. interests. In fact, it is not inappropriate to think of them as an investment with specific dividends for the United States.

The most important benefit is that

these programs support our foreign policies, especially toward the developing world.

Through UNDP, UNICEF, and the IAEA, the OAS programs—indeed, through each of these programs—elements of basic long-term American policy are applied in every recipient country.

- UNDP promotes rational allocation of scarce managerial and technical resources, development of private enterprise and investment as sources of employment, and widespread application of light capital technology at the grassroots level.

- UNRWA provides basic and vocational education to Palestinian youths so they can get jobs instead of turning to despair and violence.

- UNICEF attacks malnutrition which reduces the potential of millions of children to work productively when they become adults.

- IAEA provides technical assistance and inspections that promote nuclear safety and inhibit proliferation of weapons technology.

Thus these programs benefit the United States by supporting our own objectives.

But a unique benefit of multilateral action is that we do not pay the whole bill. By mobilizing the financial and human resources of the entire international community, these programs are highly cost effective. For every dollar we contribute to UNDP and to UNICEF, other nations contribute four. Our sustained strong support for each program has a multiplier effect by encouraging other major donor nations to increase their contributions. This effect has been demonstrated dramatically in such major programs as UNDP and UNRWA.

These programs also benefit the United States by promoting international economic stability and the expansion of market and investment opportunities for American firms.

As the development of countries in Africa, Asia, and South America proceeds, new markets will be opened for the export of American goods. American high technology services will be required to operate and maintain more complex economies and societies, especially if significant American input is involved in their early development. Raw materials required by American industry will continue to be available and possibly at reduced cost. New opportunities for the investment of American capital will arise. And barriers to free international trade will be reduced.

UNDP especially improves U.S.

economic opportunities by strengthening developing economies in the long term and by identifying specific investment opportunities in developing countries, many of which are taken up by American firms.

Finally, these programs benefit the U.S. economy by purchasing significant amounts of American goods and services. We contributed \$115 million to UNDP in 1977, but UNDP spent over \$100 million in the United States. In 1976 alone UNDP generated \$1.4 billion worth of investments in natural resource projects, of which \$256 million was the share of American private firms.

We contributed \$30 million to UNICEF in 1978, but UNICEF spent \$48.4 million in the United States that year. Moreover many of these programs are headquartered in New York. The United Nations and its specialized agencies spend over \$450 million annually in that city.

Thus it is true that we join with other nations in contributing to these programs because they benefit people who need assistance. Through them, we pursue traditional American humanitarian goals.

The reality, however, is that meeting humanitarian concerns serves our narrow as well as our broad self-interest. In fact, multilateral technical cooperation is no longer simply a resource transfer from the rich nations for the exclusive benefit of the poor. In an interdependent world—where prosperity in the developed countries is closely linked to steady growth and modernization in the developing areas—these voluntary contributions should not be seen as “give-aways” but as long-range investments with definite returns for the United States.

Assuring Effectiveness and Efficiency

We share with the Congress the strong view that multilateral assistance programs must be efficiently managed and effective in achieving their objectives. We want to assure that our contributions are well spent.

In the last 2 years, we have intensified our regular consultations with the chief executives and staff of all U.N. programs concerning their planning, administration, budgets, and operations.

Moreover, we have urged in the governing bodies of these organizations managerial and fiscal reforms aimed at cutting overhead costs and maximizing the share of total budgets devoted to delivery of assistance. These efforts have had concrete results, especially in UNDP.

With respect to our own evaluation capability, we have revised and increased the frequency of periodic reports on U.N. programs from Foreign Service posts. We have also completed two comprehensive field evaluations of U.N. programs in Kenya and Thailand. We plan similar missions to Bangladesh and other major recipients of U.N. assistance. We will be pleased to provide the Congress with the results of our evaluation efforts so far.

The U.N.'s own evaluation mechanism—the system-wide Joint Inspection Unit—is increasingly effective, pinpointing problem spots and possible areas of overlap among agencies.

On personnel questions, we have seen some impressive new approaches by the International Civil Service Commission over the past year. The salary levels of the bulk of U.N. employees are no longer unreasonably higher than those of U.S. Government employees. And at U.S. insistence the General Assembly has asked the International Civil Service Commission to study the salaries at the most senior executive levels and to submit a report to the next General Assembly.

While we continue to pursue these and other management issues, recognizing that much yet remains to be done, the Congress may be assured that its concerns in this area are being represented strongly throughout the U.N. system.

A Minimum Request

Our total request this year is \$5 million less than last year and only 7% above the fiscal year 1979 total appropriation of \$260 million. The percentage increases for two major programs—UNDP and UNICEF—are less than last year; most other major programs are unchanged or increased only slightly; and two smaller but important programs—UNEP and the Decade for Women—have been decreased. Moreover, we have included no new programs and dropped one program funded last year pending a review of the first year's results. There are good reasons now for new initiatives in multilateral cooperation, especially in areas of strong interest to the United States such as renewable energy, nutrition in developing countries, and a program to place more young Americans in the U.N. system. We considered requesting funding for such programs, but they were deleted in view of the need for budgetary restraint.

In our view, this total request and the individual funding levels represent the minimal levels consistent with our

national interests. Any less would significantly damage our interests and the effectiveness of these programs.

Meeting Financial Obligations

Before we discuss the individual program funding requests, let me return to the theme at the beginning of this statement: that of the perceived threats and the opportunities for the United States that exist in the United Nations.

Today I would emphasize the very strong concern of the executive branch about meeting our assessed contributions to the United Nations and its specialized agencies. Legislation passed last year deleted \$27.7 million from the President's budget request and imposed a condition on the remainder of the U.S. contribution that none of the funds could be used for technical assistance. Since regular budget funds are commingled in one account, the U.N. agencies cannot guarantee that one country's funds are not used for any specific purpose. The effect of last year's legislation, therefore, is to cut off all U.S. funds for the United Nations and for its 10 specialized agencies. So far in 1979, we have made no regular budget payments to these agencies.

We cannot do so until the legislation is changed. As you know, the Administration has introduced legislation that would restore the \$27.7 million and delete the prohibitory language. We hope that the Congress will act promptly. That action is essential to minimize the damage to the U.N. agencies and to maintain U.S. leadership in these organizations.

I recognize that this new legislation falls under a different appropriation than the one under review here today. But the voluntary contributions, which are the concern of this subcommittee, will be of little value if the United States cannot make its assessed contributions to the U.N. agencies. Specifically:

- There will be adverse impact on the U.N.'s work to preserve international peace and security;

- There will be damage to its efforts to develop greater international cooperation in economic and social areas;

- There will be serious harm to the efforts of the World Health Organization (WHO) to control contagious disease and to FAO programs to combat plant and animal disease and to increase the quantity and nutritional value of food produced in developing countries;

- The loss of U.S. leadership in the development assistance field—which

has persuaded many other nations to contribute to U.N. agencies and to development programs—will seriously undermine efforts we have pursued for 30 years;

- There will also be a tremendous loss of American influence within these organizations—particularly among the developing nations of Latin America, Africa, and Asia which are important to us; and

- Our efforts to champion the rule of law—to encourage all nations to adhere to legal principles—will be undermined by our own disregard of the legal obligations we have accepted.

In short, the current legislation has tragic implications not just for the U.N. system but for all aspects of our foreign relations.

We agree with the Congress on the general principle that most U.N. system funds for technical assistance should be provided from voluntary contributions. We support the strengthening of the UNDP as the primary channel for these funds and the central coordinator of U.N. technical assistance activity. However, the constitutions of many of the U.N. agencies specifically provide for technical assistance in assessed budgets. Moreover, because these programs generally meet global objectives that we strongly support or fill gaps for which UNDP was not intended, the United States has consistently supported the technical assistance programs of these agencies—including control of disease, greater air safety, and stronger nuclear safeguards. These efforts are in our interest. And so, while we seek to limit growth of these assessed budget activities, we believe there is a persuasive case to be made for a continuation of a certain amount of technical assistance in the regular budgets.

Our most immediate concern, however, is the damage being done now to the U.N. system by our failure to pay our dues. We respectfully request the support of the subcommittee in enabling us to meet our obligations when the remedial legislation comes up for consideration.

Development and Technical Assistance

For the U.N. **Development Program (UNDP)** we request \$140 million. Since 1977 UNDP has emerged from a severe financial crisis, has come under the direction of a strong administrator, and has grown into an effective technical assistance program with genuine global impact on the

progress made by developing countries. As I noted above, the Congress and the executive branch share the objective of making the UNDP the central coordinating agency for technical assistance in the U.N. development system. But the United States cannot achieve that objective unless we increase our annual contribution at a rate which meets UNDP's agreed target for total resource requirements and which maintains our percentage share of total contributions from governments.

At the 1976 UNDP Governing Council, the United States joined in a consensus that a 14% annual increase in total financial resources would be required to carry out UNDP's goal of delivering \$2.5 billion in technical assistance during the 1977-81 planning cycle. That annual resource target allows roughly 7% for inflation and 7% for real program growth.

From fiscal year 1977 to 1978, our contribution increased 15% from \$100 million to \$115 million. For fiscal year 1979 the Congress approved a 9% increase to \$126 million. This year we request an 11% increase. Many other nations have boosted their contributions much more than 14%. Last fall, at the pledging conference for 1979, 96 governments made commitments totaling \$682 million, about a 15% increase over the 1978 total.

For the first 3 years of UNDP's planning cycle, the United States is below the 14% target. Meanwhile our share of total contributions from all governments has declined from 35% in 1970 to the present 18%. Our percentage share in 1970 was too high, but we should not let our current level fall further. We should do more in the future.

I want to stress again the substantial benefits we derive from our support for UNDP. Our national economic interests are served by UNDP's global contribution to a growing, dynamic world economy with high levels of trade and investment opportunities and increasing availability of vital natural resources.

In 1977 U.S. firms earned \$13.9 million from UNDP in equipment sales and subcontracts (27% of the total). Since 1959 these earnings have totaled \$209 million. Over 15,000 expert assignments have been filled by U.S. citizens. In 1977 alone, 699 American nationals were employed as UNDP field experts.

The United States is actively involved in determining UNDP strategy, thereby helping to promote U.S. development goals. In recognition of the importance the United States and others attach to directing more assistance toward basic human needs, UNDP is

shifting its efforts more toward development technology fitted to the specific needs of poor people in individual developing economies. During the 1977-81 cycle, nearly 66% of UNDP assistance will go to countries with less than \$300 per capita GNP.

Moreover, UNDP's Administrator, Bradford Morse, is an American. There are other Americans in UNDP's top echelons. The United States is a key member of UNDP's Governing Council, and has always been a leader in policy decisions by that body.

Let me cite a few examples of UNDP work which supports U.S. economic and developmental objectives:

In Bolivia, a UNDP groundwater project near Cochabamba has resulted in wells that now help supply potable water to the city and have nearly doubled the growing season for nearby farmers.

In the Sudan, UNDP and FAO have established an Institute for Agricultural Technicians in an almost inaccessible area, which for many years was torn by civil war. The institute now has 200 students enrolled and expects to turn out 100 new technicians annually.

In Botswana, UNDP, along with the U.N. Industrial Development Organization (UNIDO), Norway, Sweden, and the U.S. Peace Corps, is creating opportunities for small-scale industries and increased employment by providing credit, training, and workshop space for grassroots entrepreneurs.

On a larger scale, UNDP preinvestment and feasibility studies in Sri Lanka laid the foundation for a major World Bank financed development scheme which eventually will irrigate 900,000 acres, build 11 hydroelectric stations, and create up to 1 million jobs.

Multiply these examples by the scale of UNDP's current total program and you can see why the organization has global impact. In June 1978, UNDP had underway in 150 countries and territories 3,800 technical assistance projects employing 7,000 trained experts and valued at over \$3.7 billion.

The projects I have described point up another UNDP function that is of vital importance to progress in the global development effort—field coordination. Almost every UNDP project involves close collaboration among the host government and bilateral and multilateral donors. Moreover, through its country programming and 5-year planning procedures, UNDP works with governments to minimize duplication and waste in the allocation of scarce development assistance resources.

In the present U.N. restructuring exercises, a major objective had been

the designation of a single U.N. official in each recipient developing country to coordinate all U.N. efforts. We have urged successfully that, almost without exception, that official should be the UNDP resident representative.

To support our policy on multilateral technical assistance, to sustain UNDP's 5-year target, and to maintain our leadership on this key organization, the \$140 million contribution we propose this year is essential.

Our continued support for the U.N. **Capital Development Fund (UNCDF)** reflects the concern both of the Congress and of the Administration that multilateral programs actively promote light capital technology and grass roots enterprise in developing countries.

UNCDF, which is administered by UNDP, provides small amounts of capital to entrepreneurs in the poorest countries. It responds to the need for small-scale projects directly beneficial to rural and disadvantaged urban people.

So far, projects have been identified with a total value of \$52 million. Examples include: \$1.9 million for small-scale irrigation works in Nepal; \$130,000 for irrigation pump maintenance workshops in Nepal, and \$800,000 for grain storage in the Sudan.

This year we are requesting funding for three African programs. Each supports U.S. political, developmental, and humanitarian objectives in southern Africa.

First, the \$500,000 contribution to the U.N. **Institute for Namibia** in Lusaka, Zambia, will help provide practical training for young Namibians to become middle-level civil servants in Namibia when it becomes independent. About 250 young Namibians now attend. This institution's work is vital in view of the near term prospect for a U.N. supervised transition from South African control to majority rule. Nothing will be more crucial to Namibia's success than the capability of Namibians themselves to manage their own affairs.

I should add that in response to the specific concern of the Congress, Secretary Vance has determined that no U.S. funds contributed to this institute are used to support the military or paramilitary activities of the South West Africa People's Organization (SWAPO).

Second, the \$1 million contribution to the U.N. **Education and Training Program for Southern Africa (UN-ETPSA)** will provide scholarships for young blacks denied secondary and college education opportunities in their own minority-ruled territories. In

1977-78 over 1,500 African students received assistance from the program for education in many countries, including the United States.

Third, we request \$400,000 for contributions for the **U.N. Trust Fund for Southern Africa** which helps defend individual victims of discrimination and harassment in southern Africa.

We identify these programs as developmental because it is clear that southern Africa cannot make real economic and social progress so long as the majority are denied basic rights, especially to educational and vocational training and the opportunity to earn a living.

We propose \$17.5 million for the four cooperative development funds of the **Organization of American States (OAS)**. These programs, comparable to those of the United Nations, backstop our efforts to promote U.S. interests in this regional political organization. The OAS is uniquely suited to provide a forum for peacekeeping in the region and the promotion of human rights including, as in these programs, improved opportunities for human development.

The U.S. contribution to these programs is a reflection to the other OAS members of the continuing U.S. commitment to the inter-American system and the ideal of collective hemispheric action for development. For over a decade the United States has contributed 66% of the funds for these funds; in 1980 our contribution would account for less than 55%. The effectiveness of these funds has also triggered voluntary contribution from various nonmember countries, such as Canada, Spain, Japan, and Israel. This reduction in our percentage is consistent with the interest and concern of the Congress and is actively encouraged by our representatives in the OAS. Let me, however, urge that, while we pursue a relative decline in the U.S. share, we avoid a reduction in the absolute level of U.S. support which would raise questions about our commitment to the OAS and handicap our efforts to reduce the U.S. share of the regular OAS budget.

The proposed contribution of \$1 million to the **U.N. Decade for Women** continues our strong support for multilateral action programs aimed at improving permanently the status of women, especially in developing countries. The poorest countries cannot progress unless the skills and energies of their women are utilized fully in the developmental process. The decade works toward that goal.

The \$2 million contribution to the **World Food Program (WFP)** will

provide cash for administration of one of the largest and most effective multilateral food assistance and development programs in the world. This contribution is small in terms of WFP's total expenditure, but it is an essential part of our total support for emergency food and aid activities which reach nearly every developing country. WFP delivers annually \$300-400 million in food assistance to developing countries and about \$60 million in emergency aid to disaster victims. About three-fourths of WFP resources goes to least developed countries.

We request \$600,000 for contribution to the development program of the **Central Treaty Organization (CENTO)**. Despite uncertainties in the region, the United States continues to support CENTO. Moreover, we believe that our contribution to this relatively small program has definite political and developmental merit, especially since it funds continuing participation by American experts in cooperative regional development activities involving Turkey, Iran, and Pakistan.

Humanitarian Needs

We request \$36 million for **UNICEF**, a 20% increase over the fiscal year 1979 contribution of \$30 million. This is 20% of the \$158 million expected from all governments.

UNICEF deals directly and effectively with one of the most profound problems of human existence—the lack of hope for the 900 million persons on Earth who do not have minimum nutritional, health, educational, and social services. More specifically, malnutrition affects one-quarter of the world's children and blights their future as productive adults. Some 10 million children under age 5 suffer severe malnutrition because they weigh less than half their normal weight with resulting permanent damage to the individuals concerned.

Except in countries such as Cambodia, where U.N. representatives have been unwelcome, UNICEF has a positive impact in every developing country. Recent UNICEF projects include establishment of 78 new health centers in The Gambia, training in nutrition for some 2,500 women in Lesotho, and provision of safe drinking water to 85,000 people in the Yemen.

No multilateral program so closely supports American ideals and developmental objectives as UNICEF. In this International Year of the Child, no assistance expenditure will return more in the long term than this \$36 million contribution.

We again request \$52 million for the

U.N. Relief and Works Agency (UNRWA). This program continues to have a significant role in providing humanitarian relief to Palestinian refugees of past wars in the Middle East and maintaining stability in that region which is crucial to the success of the current peace effort.

In our view, UNRWA's most important function is to provide education to 320,000 Palestinian primary and secondary school children, to 4,500 vocational and technical students, and to over 300 college students.

These educational programs provide hope of jobs and a decent living standard for literally thousands of young Palestinians. Without UNRWA, their alternative would be ignorance, violence, and probably a role in increasing instability in the region. Cutbacks in UNRWA's services would pose serious political risks.

The organization continues to face a serious financial crisis. As its major contributor, we are responding to the strong concern of the Congress that other nations, especially the members of the Organization of Petroleum Exporting Countries (OPEC), contribute more to UNRWA. We have approached every OPEC capital. The effort is showing results. In calendar year 1978, the OPEC countries contributed a total of \$8.3 million to UNRWA, including a Saudi Arabian special contribution of \$5 million.

We propose \$250,000 for the **U.N. Disaster Relief Organization (UNDRO)**. UNDRO monitors disasters worldwide, especially in developing countries. It coordinates bilateral and multilateral relief efforts, reducing wasteful duplication. Finally it provides specialized technical assistance to disaster prone countries, helping them anticipate and reduce damage from disasters.

International Scientific Cooperation

Our proposed \$2.3 million contribution to the voluntary assistance program of the **World Meteorological Organization (WMO)** is based on the assumption that our weather forecasts cannot be made more reliable without international cooperation in collecting global meteorological data. WMO:

- Facilitates the establishment of a worldwide weather observation network;
- Promotes the quick exchange of weather information and standardization of meteorological observations; and
- Promotes research and training in

meteorology, especially in developing countries.

For a very small total outlay, WMO has more than doubled the weather data available to this country, a benefit to American commerce and agriculture far outweighing our contributions.

FY 1980 funding of \$8 million is requested for a U.S. voluntary contribution to the U.N. **Environment Program (UNEP)**. The reduction from this year's \$10 million contribution does not mean a lessening in U.S. concern for international environmental cooperation, nor does it suggest dissatisfaction with the UNEP or its management. It represents instead the current extreme budgetary constraints on our total request and our desire to be responsive to congressional concerns about the share of U.S. contribution to U.N. organizations.

A major benefit of this program is the encouragement of international environmental standards. These standards reduce competitive economic handicaps faced by American business as a result of tight U.S. environmental controls.

In addition, through UNEP efforts, the developing world is increasing efforts to conserve its natural resource base and is starting to build environmental safeguards into new development projects.

The proposed funding level is the minimum essential contribution; anything less will signal seriously reduced U.S. environmental interest, influence other donors to reconsider their support for UNEP, and cause curtailment of important parts of the environment program.

For the **International Atomic Energy Agency (IAEA)**, we request \$12.5 million. The IAEA safeguards program assures the world community and the United States that nuclear materials and facilities under the program are not used to further any military purpose. Thus, IAEA activities are a key element in U.S. nonproliferation policy.

Concerning the Agency's technical assistance program, over 50% of the equipment and supplies come from the United States, while U.S. scientists benefit from the exchange of scientific and technical information which IAEA promotes.

Finally, IAEA's work in nuclear safety and environmental protection plays a major role in assuring the safe development of nuclear power.

The \$12.5 million requested for FY 1980 is only \$500,000 more than appropriated for FY 1979. This will permit a modest increase in technical assistance for countries party to the Non-

Southeast Asia

Statements made in the Security Council by Andrew Young, U.S. Ambassador to the United Nations, and Richard Petree, U.S. Alternate Representative to the United Nations for Special Political Affairs.

**AMBASSADOR YOUNG,
Feb. 23, 1979¹**

The Charter of the United Nations charges the Security Council with primary responsibility for the maintenance of international peace and security. My government has joined in the call for this Council to meet because serious breaches of peace have occurred in Southeast Asia and because the threat of broader conflict looms in that area. We firmly believe that in such circumstances the Council must exercise its responsibilities.

proliferation Treaty and the provisions of low enriched uranium fuel for research reactors, both U.S. initiatives announced at the U.N. Special Session on Disarmament.

For the **World Heritage Trust Fund**, our request is for \$640,000, which will cover contributions for 2 years. This contribution is based on our annual assessment to UNESCO. No contribution was made in FY 1978 as a result of certain legislative restrictions. The Trust Fund reflects international concern for the preservation of natural and historic sites throughout the world for future generations.

Finally, we are requesting \$500,000 for the **U.N. Institute for Training and Research (UNITAR)**. Through its training programs for officials participating in U.N. activities and its publications on major international issues, UNITAR supports better performance by multilateral organizations and the nonideological treatment of issues in the U.N. system.

Summation

World events are challenging American leadership and influence. Current trends—political, economic, and sociological—are focused in the United Nations and, for the Western Hemisphere, in the OAS as well.

That the situation is dangerous cannot be denied. If we cut through the rhetoric, propaganda, charges, and countercharges of those involved, we are left with simple but ominous facts: Over 100,000 Vietnamese troops remain engaged in heavy fighting on the territory of Cambodia despite all efforts of the international community to bring an end to the conflict.

As foreseen by many of us, this situation has led to greatly increased tensions throughout the region. And now we find thousands of Chinese troops engaged in military action on the territory of Vietnam. The blood of soldiers and innocent civilians is being shed on all sides. These actions have wide and dangerous implications for the peace of Asia.

Only a few weeks ago, this body was called together to hear a complaint about the Vietnamese attack on Kam-

The American people, and, I am sure, the Congress want this country to meet the challenge and protect our national interest in every forum.

A slackening of our resolve in supporting actions to deal with specific global problems can only harm our interests and lessen our international leadership position. If our economic and political power is to be expressed in the international community, we must sustain our strong support for these and other multilateral programs. Their activities benefit U.S. interests. Through multilateral burden-sharing, they reduce the cost to the American taxpayer of dealing with global problems that directly and indirectly affect our nation and the lives of our citizens. In part because of our continued pressure, these programs are making strides in improving their efficiency and effectiveness.

We believe the contributions in this request constitute one of this nation's "unavoidable obligations of leadership." I urge that you and your colleagues give favorable consideration to our request. □

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.

puchea. Thirteen members of the Council expressed the will of the international community that foreign forces should be withdrawn from Kampuchea and that further efforts were needed to reduce the tensions in the area to prevent a still broader conflict. A veto prevented the Council from acting. Today we see the results of the more profound failure—the failure of those involved to heed the call of the overwhelming majority of the Council.

The United States has done everything possible to head off the dangers posed by the conflict. We have spoken out publicly and expressed our concerns directly to the Vietnamese, Soviet, and Chinese Governments about the dangers of continued, perhaps expanded, fighting.

In our earlier deliberations, I pointed out that the Vietnamese invasion of Kampuchea brought into play a number of provisions of the U.N. Charter, including the following:

- One state must not use force against the territory of another;
- A state must not interfere in the affairs of another state; and
- If there is a dispute between states, it must be settled peacefully.

These provisions apply to the present attack by China on Vietnam just as they apply to the earlier invasion of Kampuchea by Vietnam. The new conflict, coming so soon after the overwhelming majority of this Council expressed its strong views on the Vietnamese invasion, is a further serious blow to the proposition that member states are bound by their participation in this Organization to live up to the precepts of its charter.

We are aware that there have been incidents along the frontier between Vietnam and China and that the two countries have been in serious disagreement for some time. But this in no way gives China the right to attack Vietnam, any more than Vietnam's dispute with Kampuchea gave Vietnam the right to overrun that country. In both cases the obligation of China and Vietnam was to involve the mechanisms for peaceful settlement provided by the U.N. Charter.

My government's position, as the signs of pending conflict began to multiply, has been to urge restraint and the peaceful resolution of outstanding issues. This position applies also to the conflict between China and Vietnam. We have stated firmly that we will not take sides in these conflicts. We seek peace and a stable system of independent states in Southeast Asia. We want to see an end to the present fighting, an end to the threats to regional peace,

and above all, an end to the suffering of innocent people in the region.

In this connection, I would like to restate our concern for the human rights of all the peoples of Indochina, a people who have suffered both from outside military action and from repression from within. Concerning Kampuchea, the U.S. position remains that the country should be one which is truly independent and neutral with a freely chosen government which represents the will of the Kampuchean people and respects their human rights.

It is the view of my government that this Council, backed by the fundamental principles of the U.N. Charter to which all members of this Organization are committed, can and should express the sense of concern of the international community with regard to the violations of peace that have occurred. It can encourage the parties to move the dispute to the negotiating table, and it can help persuade the parties that military action is not a solution to existing problems.

What action should this Council therefore take? In our view, the Council should call for the following measures:

- An immediate cease-fire between forces in conflict;
- A withdrawal of all foreign forces from the territories of Vietnam and Cambodia;
- A commitment by all parties to settle their differences by peaceful means and the beginning of practical diplomatic processes to this end; and
- International efforts to assist the parties in reaching a more lasting resolution to their dispute, perhaps under the auspices of the Secretary General. In this connection, the United States welcomes the Secretary General's offer to make his good offices available. We believe that during our discussions, the Council should explore this and other possible efforts which might lead to an end to the conflict.

We urge the Council, as well as member states not on the Council, to give serious consideration to ways in which the international community can assist. We urge the parties directly involved to act with restraint and in accordance with the principles of the charter. We urge all others to exercise similar restraint in order to insure that passions are not further inflamed and the conflict not further broadened. We fervently hope, and believe, that this Council can play a key role in the solution to this serious situation, so that there can be an end to the fighting and suffering that have plagued the region of Southeast Asia for far too long.

**AMBASSADOR YOUNG,
FEB. 27, 1979²**

In response to some of the comments made in this forum, I would like to review very briefly the U.S. position, starting with our November 1 letter to the Security Council, drawing the Council's attention to the buildup of forces on the Vietnamese-Kampuchean frontier.

Prior to and following this letter, my government publicly and privately expressed its concern that the tensions appeared likely to explode into full-scale conflict unless something were done to defuse the situation. We urged efforts directly between the parties involved. We suggested recourse to the United Nations—an organization created for precisely this purpose. We urged restraint on all parties.

After the Vietnamese attack on Kampuchea, it appeared probable that the fears we had earlier expressed concerning further escalation would prove to be correct. We immediately contacted the governments directly concerned, urging an end to the Vietnamese attack and calling for others not to become involved. My presentation here on January 13 warned of the dangers of wider war and urged restraint on all parties.

On February 9, my government issued a statement which said in part: "We do not want to see any escalation, and we are seriously concerned that the continued combat between Kampuchians and Vietnamese can lead to an extended conflict." The statement concluded: "We would be seriously concerned over a Chinese attack on Vietnam. We remain seriously concerned over the continued Vietnamese attack on Kampuchea."

On February 17, as the Chinese attack began, my government appealed for a Chinese withdrawal from Vietnam while reiterating its call for a Vietnamese withdrawal from Kampuchea. In my own statement last Friday, I stated that there must be restraint on the part of those involved and those who could potentially become involved in this conflict. I urged that the Council consider actions to slow down the military activities in Southeast Asia and to substitute negotiation and mediation for tensions and threats to peace and security there.

I have reviewed this record because some here have stated that the visit of Vice Premier Deng Xiaoping to the United States served to provide U.S. "consent if not encouragement" for the Chinese attack.

This is wholly false. And we strongly resent such an assertion.

President Carter made clear directly to the Chinese Vice Premier our opposition to any Chinese military action. When our efforts to prevent the attack failed, we immediately spoke out against it, and we began to ask for this meeting of the Security Council. Secretary of the Treasury Blumenthal has reiterated our opposition to Chinese actions publicly in Beijing.

The attack on Kampuchean territory heightened the tensions in the region, leading to the Chinese attack on Vietnam. As long as those troops remain in Kampuchea, violating the principles of the U.N. Charter and the will of the international community, tensions will remain high.

We believe that Vietnamese forces should withdraw from Kampuchea. We also believe that Chinese forces should withdraw from Vietnam since their presence further increases tensions in the region and the risk of escalation. In both cases territorial integrity has been violated and foreign military forces are in the territory of another country. Both steps are vital to the restoration of peace in the area. All parties involved are bound to adhere to their obligations under the charter without any linkage and without any qualification.

**AMBASSADOR PETREE,
MAR. 16, 1979³**

It has now been over 2 months since Vietnam invaded Kampuchea and several weeks since China invaded Vietnam. Those of us who warned that the Vietnamese invasion contained in it the seeds of wider conflict can take no satisfaction in seeing our prediction come true. For the fact is that this Council has a clearly defined responsibility for the maintenance of international peace and security, yet the attitudes of key member states have caused it to hesitate in meeting its obligations.

No one can deny that the situation in Southeast Asia is more dangerous today than it was 2 months ago.

• China has announced its withdrawal from Vietnamese territory, and Vietnam has stated publicly that it would be willing to negotiate with China upon its withdrawal. But, the withdrawal has proceeded slowly, and the qualifications each country has attached to its statement raise the prospect that hostilities will not, in fact, end.

• The continued Vietnamese occupation of Kampuchea and the fighting in that country affect the security and stability of the region and cause need-

less loss of human life. Aside from the direct combat, there are well-substantiated reports that the Pol Pot forces have retaliated brutally against elements of the population they believe to have collaborated with the Vietnamese. An end to this fighting and bloodshed seems nowhere in sight.

• The members of the Association of South East Asian Nations (ASEAN), near neighbors to the conflict, have issued two significant declarations related to the successive invasions of Kampuchea and Vietnam. These statements express concern about possible escalation and widening of the conflict, reiterate support for the principles of the U.N. Charter and international law and urge an end to hostilities and a withdrawal of all forces from foreign territory. They reflect the unease that has spread throughout the region because of the resort to military force to resolve disputes.

• As a result of the war in Cambodia, serious incidents have occurred on Kampuchea's border with Thailand. Thailand's border has been crossed on several occasions by forces in conflict. Whether inadvertent or not, these are further demonstrations of the difficulty of limiting the present conflict to the parties directly involved.

• In the meantime, Laos has expressed its concern about alleged Chinese intentions and actions on its border. Its charges have been supported by the Soviet Union and Vietnam. China has denied these charges in strong terms. We cannot merely dismiss these exchanges as meaningless rhetoric, for in the past few months, we have had ample demonstration of how threatening words can be translated into military action.

The Council has had extensive deliberations. We have consulted closely among ourselves and with other concerned nations on ways to promote accommodation between the parties in conflict. Clearly, there is broad agreement that the situation is perilous and that its solution lies in bringing about a cease-fire, a withdrawal of forces from foreign territory, and a diplomatic process to allow the parties to compose their differences peacefully and in a manner which will lead to a mutual respect for existing borders. But this broad agreement has not found expression in concrete steps by the parties to the conflict or by the Council.

My government deeply regrets that the Soviet Union has, for the second time in just over a month, vetoed a resolution supported by the overwhelming majority of this Council and, it is clear,

by international opinion. These measures would have been instrumental in helping to restore peace and security to an area of the world which has suffered from armed conflict for so long. In any case, the fact that the resolution proposed by Indochina's immediate neighbors and supported by so many governments has been defeated does not bring an end to the matter. Active armed hostilities continue, and an end to the threat of a widened conflict is not in sight. We must, therefore, continue to seek ways to deal with the breach of international peace and security, as we are bound to do by the U.N. Charter.

My government has stated on numerous occasions that it is prepared to give strong diplomatic support to effective measures to end the conflict in Southeast Asia and to bring stability and peace to the region. Along with others, we have welcomed the Secretary General's offer to make his good offices available to the parties. China and Vietnam having declared their willingness to negotiate their differences. We believe that such third-party assistance may well be an effective means of translating these stated intentions into reality.

We also encourage those who have been considering the proposal for an international conference on Kampuchea to elaborate their views. How, for example, might a conference act to insure the independence, territorial integrity, and neutrality of Kampuchea and the security of its neighbors? How could such a conference assist in assuring the human rights of Kampuchea's long-suffering people? How could it contribute to the stability of the region as a whole? What role should our Organization play in such a conference to promote a successful outcome?

We must break the impasse in our deliberations. The clear requirement that we make every effort to protect international peace and security has been obfuscated. We must exhibit more concern for the soldiers dying on the field of battle and for the thousands of innocent civilians being rendered homeless, maimed, and killed by a conflict they did not create. This alone should impel us toward action.

My government urges that the Council keep under active consideration the "situation in Southeast Asia" and continue consideration of measures which would help in the restoration of peace, the withdrawal of forces on foreign territory, and the formation of a representative government in Kampuchea which would respect the rights of its peoples.

In this regard we again welcome Secretary General Waldheim's offer to use his "good offices" toward a resolution of the conflict. We urge that the parties directly concerned respond positively and without delay to the Secretary General.

Let us as a first step inject into the conflict the mechanisms of this Organization that are readily available to us. Alternatively, we can form a Security Council committee or dispatch a special mission to the area. We can set in motion practical measures toward convening an international conference.

All such proposals offer the means to inject restraint into the present conflict and to begin the long process of political accommodation and peaceful settlement. We, therefore, appeal to the members of this Council, to the parties in conflict, and to the affected nations of the region to intensify their efforts to find a way to terminate the hostilities and to achieve peace and stability in Southeast Asia. □

¹USUN press release 13.

²USUN press release 15.

³USUN press release 29 of Mar. 17, 1979.

Namibia

The following statements were issued on behalf of the Governments of Canada, France, the Federal Republic of Germany, the United Kingdom, and the United States.

MAR. 3, 1979¹

Our five governments have over the past 2 years pursued a policy of talking regularly with all of the Namibian political parties and church groups and, if requested, will continue to do so.

The South African Government has brought to our attention that the so-called "constituent assembly" in Namibia has invited our five ambassadors in Cape Town to meet with that body in Windhoek to explain the Secretary General's February 26th report on Namibia.

On November 13, 1978, in the Security Council, our five governments made clear our position on the unilateral elections held in December 1978: "We do not accept the validity of those elections, and we would consider those

elections null and void. We do not consider them as having any significance. We will not accord any recognition to the outcome."

Accordingly, our five governments do not recognize the "constituent assembly" and will not acknowledge or accept any invitation from it. As in the past we will not meet with the "constituent assembly" or with any individuals as representatives of that body.

Our governments support the February 26th report of the Secretary General to the Security Council on Namibia. We believe that it represents a fair and reasonable implementation of Security Council Resolution 435.

MAR. 12, 1979²

The Governments of Canada, France, and the Federal Republic of Germany, the United Kingdom, and the United States reject categorically the accusations of bad faith levelled against them by the South African Government. These accusations are unfounded and highly damaging to the current settlement effort on Namibia. The five governments believe that Security Council Resolution 435 can and must be implemented. They intend to press forward with their efforts to achieve this.

MAR. 12, 1979³

In recent days it has become apparent that a number of concerns of the parties involved in the Namibia settlement effort must be resolved before the United Nations can arrive in Namibia. Our governments believe it important that these concerns be resolved quickly so that the cease-fire and the transitional period can begin and so that the extensive progress which has been made toward a settlement will not be lost.

Our five foreign ministers have, therefore, extended invitations to the Foreign Minister of South Africa, the President of the South West Africa People's Organization (SWAPO), and the foreign ministers of the front-line states and Nigeria to come to New York for proximity talks on March 19 and 20. U.N. Secretary General Waldheim has advised us that he will also be available for consultations. □

¹USUN press release 16.

²USUN press release 24.

³USUN press release 25.

TREATIES: Current Actions

MULTILATERAL

Arbitration

Inter-American convention on international commercial arbitration. Done at Panama City Jan. 30, 1975. Entered into force June 16, 1976.¹

Ratification deposited: Honduras, Mar. 22, 1979.

Aviation

Amendments to Article V of the 1956 agreements on the joint financing of certain air navigation services in Greenland and the Faroe Islands and in Iceland (TIAS 4049, 4048). Adopted by the ICAO Council at Montreal Mar. 7, 1979. Entered into force Mar. 7, 1979.

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 Apr. 10, 1972. Entered into force Mar. 26, 1975. TIAS 8062.

Ratification deposited: Belgium, Mar. 15, 1979.

Collisions

Convention on the international regulations for preventing collisions at sea, 1972, with regulations. Done at London Oct. 20, 1972. Entered into force July 15, 1977. TIAS 8587. *Accession deposited:* Jamaica, Mar. 30, 1979.

Consular Relations

Vienna convention on consular relations. Done at Vienna Apr. 24, 1963. Entered into force Mar. 19, 1967; for the United States Dec. 24, 1969. TIAS 6820.

Ratification deposited: Benin, Apr. 27, 1979.

Cultural Property

Statutes of the International Centre for the Study of the Preservation and Restoration of Cultural Property. Done at New Delhi Nov.-Dec. 1956, as amended at Rome Apr. 24, 1963, and Apr. 14-17, 1969. Entered into force May 10, 1958; for the U.S. Jan. 20, 1971. TIAS 7038.

Accession deposited: Somalia, Mar. 2, 1979.

Energy

Implementing agreement for a program of research and development on energy conservation through energy storage, with annex. Done at Paris Sept. 22, 1978. Entered into force Sept. 22, 1978; for the United States Feb. 21, 1979.

Finance

Agreement establishing the International Fund for Agricultural Development. Done at Rome June 13, 1976. Entered into force Nov. 30, 1977. TIAS 8765.

Accession deposited: Togo, Apr. 26, 1979.

Fisheries

Convention for the establishment of an Inter-American Tropical Tuna Commission. Done at Washington May 31, 1949. Entered into force Mar. 3, 1950. TIAS 2044.
Notice of denunciation: Costa Rica, effective May 8, 1979.

Human Rights

International covenant on civil and political rights. Done at New York Dec. 16, 1966. Entered into force Mar. 23, 1976.¹
Accession deposited: India, Apr. 10, 1979.
International covenant on economic, social, and cultural rights. Done at New York Dec. 16, 1966. Entered into force Jan. 3, 1976.¹
Accession deposited: India, Apr. 10, 1979.

Law, Private International

Statute of the International Institute for the Unification of Private Law. Done at Rome Mar. 15, 1940. Entered into force Apr. 21, 1940, for the U.S. Mar. 13, 1964. TIAS 5743.
Accession deposited: Poland, Jan. 1, 1979.

Load Lines

Amendments to the international convention on load lines, 1966, relating to amendments to the convention. Done at London Nov. 12, 1975.²
Acceptance deposited: Panama, Mar. 14, 1979.

Maritime Matters

Amendments to the convention of Mar. 6, 1948, as amended, on the Intergovernmental Maritime Consultative Organization. Done at London Nov. 14, 1975.²
Acceptances deposited: Jamaica, Apr. 9, 1979; Suriname, Apr. 11, 1979; Malta, Tanzania, Apr. 23, 1979.
Amendments to the convention of Mar. 6, 1948, as amended, on the Intergovernmental Maritime Consultative Organization. Done at London Nov. 17, 1977.²
Acceptances deposited: Jamaica, Apr. 9, 1979; Ethiopia, Suriname, Apr. 11, 1979; Malta, Tanzania, Apr. 23, 1979.

Narcotic Drugs

Convention on psychotropic substances. Done at Vienna Feb. 21, 1971. Entered into force Aug. 16, 1976.¹
Accessions deposited: Libya, Apr. 24, 1979; Portugal, Apr. 20, 1979.
Protocol amending the single convention on narcotic drugs, 1961 (TIAS 6298). Done at Geneva Mar. 25, 1972. Entered into force Aug. 8, 1975. TIAS 8118.
Accession deposited: Portugal, Apr. 20, 1979.

Patents

Patent cooperation treaty, with regulations. Done at Washington June 19, 1970. Entered into force Jan. 24, 1978; except for Chapter II, Chapter II entered into force Mar. 29, 1978.¹ TIAS 8733.
Ratification deposited: Netherlands, Apr. 10, 1979.
Strasbourg agreement concerning the international patent classification. Done at Strasbourg Mar. 24, 1971. Entered into force Oct. 7, 1975. TIAS 8140.
Notification from the World Intellectual Property Organization that ratification deposited: Italy, Mar. 30, 1979.³

Postal

Money order agreement and final protocol of the Postal Union of the Americas and Spain. Done at Lima Mar. 18, 1976. Entered into force Oct. 1, 1976. TIAS 9206.
Ratification deposited: Argentina, Feb. 9, 1979.
Parcel post agreement, final protocol, and detailed regulations of the Postal Union of the Americas and Spain. Done at Lima Mar. 18, 1976. Entered into force Oct. 1, 1976. TIAS 9206.
Ratification deposited: Argentina, Feb. 9, 1979.
Additional protocol to the constitution of the Postal Union of the Americas and Spain, general regulations, regulations governing the International Office and the Transfer Office, and convention with final protocol and detailed regulations. Done at Lima Mar. 18, 1976. Entered into force Oct. 1, 1976. TIAS 9206.
Ratification deposited: Argentina, Feb. 9, 1979.

Property, Industrial

Nice agreement concerning the international classification of goods and services for the purposes of the registration of marks of June 15, 1957, as revised. Done at Geneva May 13, 1977. Entered into force Feb. 6, 1979.¹
Notification from the World Intellectual Property Organization that ratification deposited: U.K. Apr. 3, 1979.

Safety at Sea

International convention for the safety of life at sea, 1974, with annex. Done at London Nov. 1, 1974.²
Ratification deposited: Germany, Federal Republic, Mar. 26, 1979.⁴

Satellite Communications System

Convention on the international maritime satellite organization (INMARSAT), with annex. Done at London Sept. 3, 1976.²
Acceptances deposited: Byelorussian Soviet Socialist Republic, Ukrainian Soviet Socialist Republic, Mar. 29, 1979; Union of Soviet Socialist Republics, Mar. 13, 1979.
Operating agreement on the international maritime satellite organization (INMARSAT), with annex. Done at London Sept. 3, 1976.²
Signatures: V/O Morsvyazspudnik, Byelorussian, and Ukrainian Soviet Socialist Republics, Mar. 29, 1979; The Post Office, United Kingdom, Mar. 20, 1979.

Shipping

United Nations convention on the carriage of goods by sea, 1978. Done at Hamburg Mar. 31, 1978.²
Signatures: Austria, Apr. 30; Hungary, Apr. 23; Zaire, Apr. 18, 1979.
Ratification deposited: Egypt, Apr. 23, 1979.

Telecommunications

International telecommunication conventions with annexes and protocols. Done at Malaga-Torremolinos Oct. 25, 1973. Entered into force Jan. 1, 1975; for the U.S. Apr. 7, 1976. TIAS 8572.
Ratifications deposited: People's Republic of the Congo, Feb. 2, 1979; Peru, Feb. 8, 1979; Uganda, Feb. 21, 1979.

Accession deposited: Nauru, Mar. 8, 1979 (with reservation).

Trade

Arrangement regarding international trade in textiles, with annexes. Done at Geneva Dec. 20, 1973. Entered into force Jan. 1, 1974, except for Article 2, paragraphs 2, 3, and 4 which entered into force Apr. 1, 1974. TIAS 7840.
Acceptance deposited: Dominican Republic, Mar. 14, 1979.
Protocol extending the arrangement regarding international trade in textiles of Geneva Dec. 20, 1973. Done at Geneva Dec. 14, 1977. Entered into force Jan. 1, 1978. TIAS 8939.
Acceptances deposited: El Salvador, Mar. 21, 1979; Malaysia, Feb. 19, 1979; Trinidad and Tobago, Feb. 28, 1979.
Second proces-verbal extending the declaration on the provisional accession of the Philippines to the GATT. Done at Geneva Nov. 11, 1977. Entered into force Jan. 24, 1978. TIAS 9010.
Notifications of acceptance deposited: Austria, Mar. 23, 1979; Brazil, Feb. 9, 1979.
Eleventh proces-verbal extending the declaration on the provisional accession of Tunisia to the GATT. Done at Geneva Nov. 11, 1977. Entered into force Dec. 22, 1977; for the U.S. Jan. 11, 1978.
Acceptance deposited: Brazil, Feb. 9, 1979.

Treaties

Vienna convention on the law of treaties, with annex. Done at Vienna May 23, 1969.²
Accession deposited: Austria, Apr. 30, 1979.

UNESCO

Constitution of the U.N. Educational, Scientific and Cultural Organization. Done at London Nov. 16, 1945. Entered into force Nov. 4, 1946. TIAS 1580.
Signatures: Cape Verde, Feb. 15, 1978; Dominica, Nov. 20, 1978; Swaziland, Jan. 25, 1978; U.N. Council for Namibia, Nov. 2, 1978.
Acceptances deposited: Cape Verde, Nov. 14, 1977; Dominica, Jan. 9, 1979; Swaziland, Jan. 25, 1978; U.N. Council for Namibia, Nov. 2, 1978.

United Nations

Charter of the United Nations and Statute of the International Court of Justice. Signed at San Francisco June 26, 1945. Entered into force Oct. 24, 1945. TS 993.
Admitted to membership: Dominica, Dec. 18, 1978.

Weights and Measures

Convention establishing an International Organization of Legal Metrology. Done at Paris Oct. 12, 1955, and amended Jan. 1968. Entered into force May 28, 1958; for the U.S. Oct. 22, 1972. TIAS 7533.³
Accession deposited: Ireland, Mar. 5, 1979.

Whaling

Amendments to the schedule to the international convention for the regulation of whaling, 1946. Adopted at Tokyo Dec. 19-20, 1978. Entered into force Apr. 6, 1979.

Wheat

Protocol modifying and further extending the wheat trade convention (part of the interna-

trional wheat agreement), 1971. Done at Washington Apr. 26, 1978. Entered into force June 24, 1978, with respect to certain provisions, and July 1, 1978, with respect to other provisions.

Ratification deposited: U.K. May 3, 1979.³⁹
Accessions deposited: Nigeria, May 4, 1979; Tunisia, Apr. 18, 1979.

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement), 1971 (TIAS 7144). Done at Washington Apr. 25, 1979. Enters into force June 23, 1979, with respect to certain provisions and July 1, 1979, with respect to other provisions.

Signatures: Japan, Apr. 25, 1979; Iraq, Apr. 30, 1979; Mauritius, May 3, 1979; Pakistan, May 8, 1979; Austria, Brazil, Finland, South Africa, May 11, 1979; Cuba (with declarations), Egypt, Kenya, Switzerland, May 14, 1979.

Declaration of provisional application deposited: Cuba, May 14, 1979.

Protocol modifying and further extending the food aid convention (part of the international wheat agreement), 1971 (TIAS 7144). Done at Washington Apr. 25, 1979. Enters into force June 23, 1979, with respect to certain provisions and July 1, 1979, with respect to other provisions.

Signatures: Finland, May 11, 1979; Japan (with a reservation), Apr. 25, 1979; Switzerland, May 14, 1979.

World Health Organization

Amendments to Articles 34 and 55 of the Constitution of the World Health Organization of July 22, 1946, as amended. Done at Geneva May 22, 1973. Entered into force Feb. 3, 1977. TIAS 8534.

Acceptance deposited: Upper Volta, Mar. 20, 1979.

Amendment to Article 74 of the Constitution of the World Health Organization, as amended. Done at Geneva May 18, 1978.²

Acceptances deposited: Niger, Apr. 18, 1979; Singapore, Apr. 17, 1979.

BILATERAL

Canada

Agreement governing the operation of pilotage on the Great Lakes. Effected by exchange of notes at Ottawa Aug. 23, 1978, and Mar. 29, 1979. Entered into force Mar. 29, 1979; effective Jan. 18, 1977.

Agreement governing the operation of pilotage on the Great Lakes and St. Lawrence Seaway, with memorandum of arrangements, as amended. Effected by exchange of notes at Washington July 6, 1970. Entered into force July 6, 1970. TIAS 6901.

Terminated: Mar. 29, 1979.

Agreement relating to the construction, operation, and maintenance of a Loran-C station in British Columbia. Effected by exchange of notes at Ottawa Mar. 19 and 29, 1979. Entered into force Mar. 29, 1979.

Arrangement concerning an observer scheme for the spring 1979 bowhead whaling season in Alaska. Effected by exchange of notes at Ottawa Apr. 3 and 4, 1979. Entered into force Apr. 4, 1979.

Egypt

Agreement extending the agreement of Nov. 29, 1978, on procedures for mutual assistance in connection with matters relating to the Wes-

tinghouse Electric Corporation to include the BeDay Products Corporation and its subsidiaries and affiliates. Effected by exchange of letters at Washington Mar. 19 and Apr. 17, 1979. Entered into force Apr. 17, 1979.

Federal Republic of Germany

Agreement regarding operation of the radio installation at Erching, with confidential memorandum of understanding. Signed at Bonn Jan. 22 and 26, 1979. Entered into force Jan. 26, 1979.

Haiti

Agreement amending the agreement of Mar. 22 and 23, 1976, as amended and extended (TIAS 8268, 9084), relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of letters at Port-au-Prince Feb. 8 and 16, 1979. Entered into force Feb. 16, 1979.

Honduras

Agreement for sales of agricultural commodities, with annexes and minutes. Signed at Tegucigalpa Feb. 27, 1979. Entered into force Feb. 27, 1979.

India

Agreement between the U.S. and India amending the agreement of Dec. 30, 1977, as amended (TIAS 9036) relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Washington May 7 and 8, 1979. Entered into force May 8, 1979.

Indonesia

Agreement concerning the furnishing of launching and associated services for Palapa-B spacecraft. Effected by exchange of notes at Washington Apr. 11, 1979. Entered into force Apr. 11, 1979.

Israel

Agreement concerning construction of airbase facilities. Signed at Tel Aviv Apr. 6, 1979. Entered into force Apr. 6, 1979.

Agreement concerning funding of airbase construction. Signed at Tel Aviv Apr. 6, 1979. Entered into force Apr. 6, 1979.

Memorandum of agreement concerning the principles governing mutual cooperation in research and development, scientist and engineer exchange, and procurement and logistic support of selected defense equipment, with annexes and attachment. Signed Mar. 19, 1979. Entered into force Mar. 19, 1979.

Jamaica

Agreement amending the agreement for sales of agricultural commodities of Aug. 2, 1978 (TIAS 9188). Effected by exchange of notes at Kingston Mar. 7 and 29, 1979. Entered into force Mar. 29, 1979.

Protocol amending the air transport agreement of Oct. 2, 1969 (TIAS 6770), with exchange of notes. Signed at Kingston Apr. 4, 1979. Entered into force Apr. 4, 1979.

Japan

Agreement on cooperation in the field of energy research and development. Signed at Washington July 15, 1974. Entered into force July 15, 1974. TIAS 7905.

Terminated: May 2, 1979.

Agreement on cooperation in research and development in energy and related fields, with exchange of notes. Signed at Washington May

2, 1979. Entered into force May 2, 1979.

Portugal

Memorandum of understanding concerning the principles governing mutual cooperation in the research, development, production, procurement, and logistic support of defense equipment. Signed at Lisbon and Washington Dec. 18, 1978, and Mar. 28, 1979. Entered into force Mar. 28, 1979.

Union of Soviet Socialist Republics

Memorandum of understanding regarding marine cargo insurance. Signed at London Apr. 5, 1979. Entered into force Apr. 5, 1979.

¹Not in force for the U.S.

²Not in force.

³With declaration.

⁴Applicable to West Berlin.

⁵With a statement.

⁶Applicable to Saint Vincent, The Bailiwick of Guernsey, The Isle of Man, Belize, Bermuda, British Virgin Islands, Gibraltar, Gilbert Islands, Hong Kong, Montserrat, Saint Helena and Dependencies.

CHRONOLOGY:

April 1979

- Apr. 1 OPEC raises oil prices by 9%. Israeli Cabinet ratifies Peace Treaty with Egypt without dissent (1 abstention).
- Apr. 2 Israeli Prime Minister Begin pays a state visit to Egypt April 2-3. Jordan breaks diplomatic relations with Egypt; Egypt reciprocates. Bomb explodes in U.S. Embassy in Beirut. Property damage is slight, and no one is injured. Italian President Pertini dissolves the Parliament.
- Apr. 3 Wilfried Martens is sworn in as Prime Minister of Belgium.
- Apr. 4 30th anniversary of NATO. Former Pakistani Prime Minister Bhutto is executed in Pakistan.
- Apr. 5 Japanese Foreign Minister Sonoda visits U.S. Apr. 5-11.
- Apr. 6 U.S. ends military and economic aid to Pakistan. President Mohamed Saleck of Mauritania creates the new position of Prime Minister to be held by Lt. Col. Bouceif.
- Apr. 7 Former Iranian Prime Minister Hoveyda is executed in Iran. Egypt announces the recall of its Ambassadors to Bahrain, Kuwait, Morocco, Qatar, Saudi Arabia, Tunisia, and the United Arab Emirates.
- Apr. 9 U.K. Parliament is dissolved. Panamanian President Aristides Royo visits U.S. Apr. 9-11.
- Apr. 10 Egyptian People's Assembly ratifies Egyptian-Israeli Peace Treaty by a vote of 328 to 15 (1 abstention and 16 members were absent).
- Apr. 11 An invading force of Tanzanians and exiled Ugandans captures Kampala, Uganda. Ugandan exiles announce

No.	Date	Subject							
		"Meet the Press," May 13.							
*130	5/15	SCC, SOLAS, working group on subdivision, stability, and load lines, June 6	140	11/28	Stahl: Israeli practices and the occupied Arab territories, Special Political Committee, Nov. 27	*7	1/30	Wilkowski: UNCSTD, plenary	
*131	5/15	U.S. Organization for the International Radio Consultative Committee, study group 6, June 22, San Diego		*141	11/29	Fisher: South Asian nuclear-weapon-free zone, Committee I.	*8	1/31	Green: population, Population Commission
*132	5/15	Newsom: address before the Pacific Basin Economic Council, Los Angeles		142	11/30	Hechinger: peacekeeping, Special Political Committee	*9	2/6	Stibravy: UNCSTD, plenary.
				*143	11/30	Mezvinzky: elimination of religious intolerance, Committee III, Nov. 29	*10	2/12	Cooks: Marshall Islands, Trusteeship Council.
				144	11/30	Ribicoff: Palestine, UNGA	*11	2/14	Frutkin: U.S. space programs, Committee on the Peaceful Uses of Outer Space.
				*145	11/30	Tyson: human rights activities, Committee III	*12	2/15	Cooks: Micronesia, Trusteeship Council
				*146	11/30	Cardwell: social development, Committee III	13	2/23	Young: Southeast Asia, Security Council
				*147	11/30	Petree: UNDOF, Security Council	*14	2/27	Morgenthau: social development, Commission on Social Development in the U.N. System.
				*148	12/1	Stahl: cooperation between U.N. and OAU, UNGA	15	2/27	Young: Southeast Asia, Security Council
				*149	12/4	Dalley: mass communications, Special Political Committee	16	3/3	Statement by Western five members of the Security Council, Namibia.
				150	12/4	McHenry: Namibia, Security Council.	*17	3/5	Young: Rhodesia, Security Council
				*151	12/6	Petree: Middle East, UNGA	*18	3/8	Young: Rhodesia, Security Council
				*152	12/6	Leonard: attack against senior member of Egyptian mission to the U.N.	*19	3/8	Moose: Rhodesia, Senate Foreign Relations Committee, Mar. 7
*120	11/16	Morgenthau: World Assembly on the Elderly, Committee III, Nov. 15.		*153	12/6	Petree: admission of Dominica, Security Council.	*20	3/9	Morgenthau: children, the disabled, and the elderly, Commission for Social Development, Feb. 22.
*121	11/17	Hoyt: explanation of vote on southern Africa, Committee III, Nov. 16.		154	12/7	Mezvinzky: report of the Economic and Social Council, Committee III.	*21	3/9	Morgenthau: UNRISD, rural development, and food corps, Commission for Social Development.
*122	11/20	Rosenstock: hostages, Committee VI		155	12/7	Young: Palestine, UNGA	*22	3/9	Turem: crime prevention and control, Commission for Social Development.
*123	11/17	Stibravy: UNHCR pledging conference		*156	12/8	Shelton: Nicaragua, Committee I.	*23	3/9	Turem: social progress, Commission for Social Development.
*124	11/20	Horbal: U.N. Decade for Women, Committee III.		*157	12/8	Leonard: UNIFIL, Security Council	24	3/12	Statement by Western five members of the Security Council, Namibia.
*125	11/20	Young (Mrs. Andrew): Dr. Margaret Mead.		*158	12/8	Stahl: information, Special Political Committee.	25	3/12	Statement by Western five members of the Security Council, Namibia.
*126	11/21	Cunningham: medium-term plan for 1980-83, Committee V.		*159	12/13	U.S. announces pledge to UNRWA for 1979.	*26	3/13	Statement by Western five members of the Security Council: proximity talks on Namibia.
*127	11/21	Kettlewell: East Timor, Committee IV, Nov. 20		*160	12/14	Stahl: decolonization, UNGA, Dec. 13.	*27	3/15	Bond: U.S. space program, Committee on the Peaceful Uses of Outer Space, Mar. 14.
128	11/22	Pearson: arms control, Committee I		161	12/14	Young: 30th anniversary of the Universal Declaration of Human Rights, UNGA.	*28	3/16	Press information on proximity talks on Namibia.
*129	11/22	Graham: U.N. educational and training program for southern Africa, Committee IV, Nov. 21.		*162	12/15	Saddler: personnel, Committee V, Dec. 14.	29	3/17	Petree: Southeast Asia, Security Council, Mar. 16.
*130	11/22	Graham: Southern Rhodesia, Committee IV.		*163	12/15	Petree: Nicaragua, UNGA.	*30	3/20	Wells: food and agriculture, Committee of the Whole.
131	11/22	Leonard: apartheid, UNGA.		*164	12/18	Petree: admission of Dominica, UNGA	*31	3/21	Quanton: international terrorism, Ad Hoc Committee on International Terrorism.
*132		[No press release was issued with this number.]		165	12/20	Stahl: assistance to Palestinian people, UNGA	*32	3/21	Young: presentation of U.S. payment to UNDP.
*133	11/24	Letter from Theodore R. Mann, Chairman of the Conference of Presidents of Major American Jewish Organizations to Ambassador Young.		*166	12/21	Saddler: supplemental budget appropriations for biennium 1978-79, Committee V, Dec. 20.	*33	3/22	Leonard: settlements in the occupied territories, Security Council.
*134	11/27	Jones: U.S. territories, Committee IV.		*1	1/13	Young: Kampuchea, Security Council.	*34	3/28	Petree: Angolan complaint, Security Council.
*135	11/24	Stibravy: UNCSTD, Committee II.		*2	1/19	Young: UNIFIL, Security Council.	*35	4/3	Hormats: international de-
*136	11/29	Saddler: U.N. staff pension system, Committee V.		*3	1/23	Hormats: North-South dialogue, Committee of the Whole.			
*137	11/28	Ribicoff: narcotics, Committee III.		*4	1/23	Riemer: restructuring, Committee II.			
*138	11/28	Tyson: human rights commissioner, Committee III.		*5	1/26	Saddler: budget, Committee V.			
*139	11/28	Fisher: weapons in the Mid-		*6	1/29	Wells: UNCSTD, plenary.			

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† To be printed in a later issue
* Not printed in the BULLETIN

velopment strategy. Preparatory Committee
*36 4/13 Wells, drugs, Social Committee.

* Not printed in the BULLETIN

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national Law. TIAS 8890. 3 pp. 70¢ (Cat. No. S9 10:8890.)

International Wheat Agreement, 1971—Modification and Extension of Wheat Trade Convention and Food Aid Convention. Agreement with other governments. TIAS 8902. 95 pp. \$2.20 (Cat. No. S9 10:8902.)

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International Poplar Commission—Amendments to the Convention. Adopted

at the Third Special Session of the International Poplar Commission, Rome, November 15, 1977. TIAS 9130. 3 pp. 70¢. (Cat. No. S9 10:9130.)

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Congressional Documents

Progress in Cyprus Negotiations. Communication from the President transmitting a report on efforts to resolve the Cyprus dispute. H. Doc. No. 96-5. Jan. 15, 1979. 15 pp.

Trade Agreements Reached in the Tokyo Round of Multilateral Trade Negotiations. Communication from the President transmitting notice of several trade agreements. H. Doc. No. 96-33. Jan. 15, 1979. 38 pp.

Agreement on the International Carriage of Perishable Foodstuffs and on the Special Equipment To Be Used for Such Carriage. Message from the President transmitting the agreement. S. Ex. B. Jan. 23, 1979. 48 pp.

Protocol of 1978 Relating to the International Convention for the Prevention of Pollution From Ships, With Annexes and Protocols. Message from the President transmitting the protocol. S. Ex. C. Jan. 23, 1979. 24 pp.

Protocol of 1978 Relating to the International Convention for the Safety of Life at Sea, 1974. Message from the President transmitting the protocol. S. Ex. D. Jan. 23, 1979. 22 pp.

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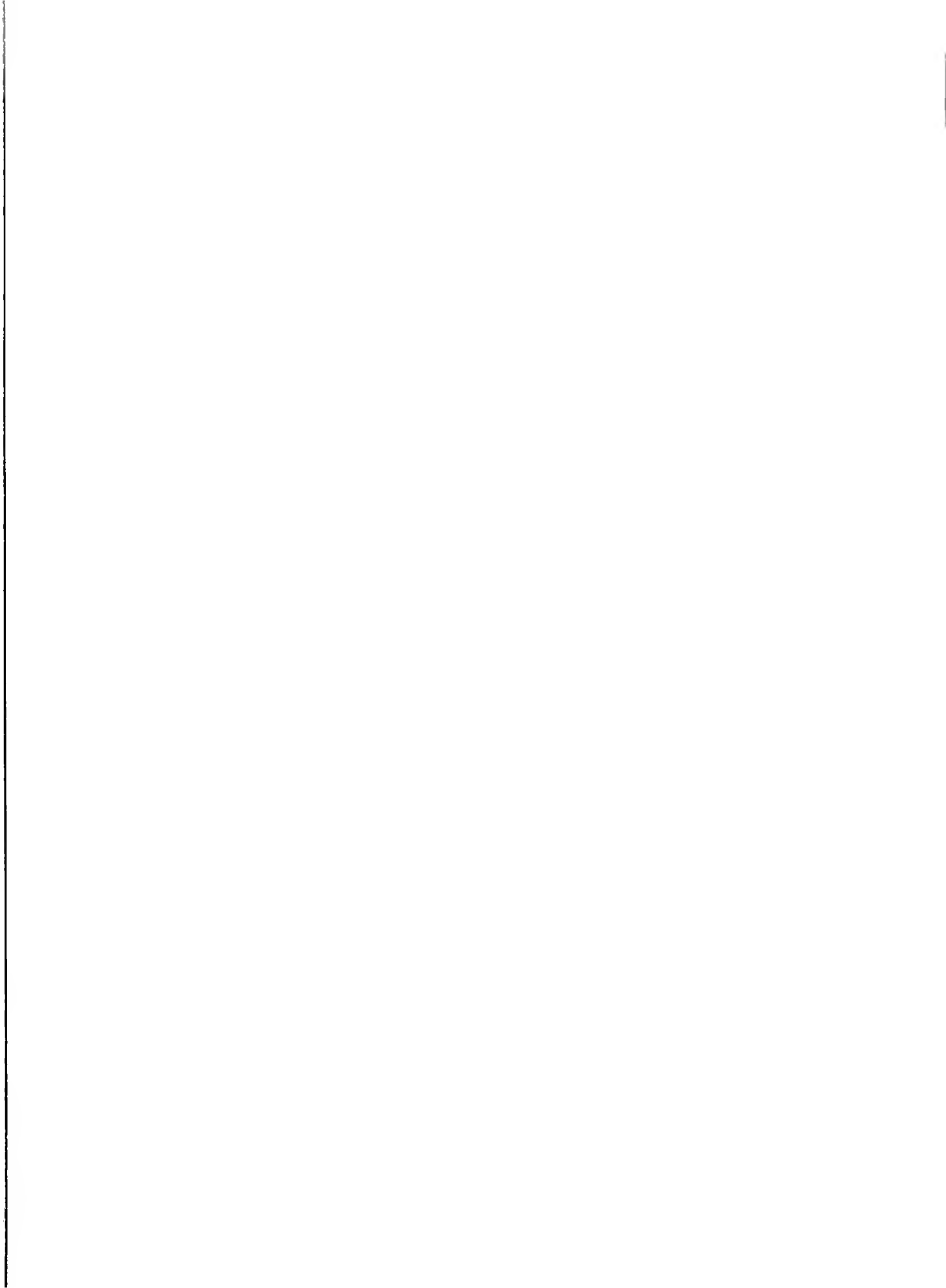
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