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FACTS-BELGIUM



Office of the White House Press Secretary

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THE WHITE HOUSE

TRIP OF THE PRESIDENT  
TO  
KINGDOM OF BELGIUM  
SPANISH STATE  
REPUBLIC OF AUSTRIA  
ITALIAN REPUBLIC  
STATE OF THE VATICAN CITY

MAY - JUNE 1975

Previous Visits by Belgian Chiefs of State/Heads of Government  
to the United States

October 27-30, 1919 - President Wilson met with King Albert.

June 23-25, 1937 - President Roosevelt met with Prime Minister  
Van Zeeland.

April 4-9, 1948 - President Truman met with the Regent, Prince Charles  
and Prime Minister Spaak.

April 8-10, 1951 - President Truman met with Prime Minister Pholien.

May 11-14, 1959 - President Eisenhower met with King Baudouin I  
during his State Visit.

November 24-25, 1963 - President Johnson met with King Baudouin I  
when the King attended the funeral of President Kennedy.

March 31 - April 1, 1969 - President Nixon met with King Baudouin I,  
when the King attended the funeral of President Eisenhower.

May 20, 1969 - President Nixon met with King Baudouin I, who was  
making an informal visit to the United States.

Previous Visits by United States Presidents to Belgium

June 18-19, 1919 - President Wilson visited Belgium during the time of the Paris Peace Conference.

February 23-24, 1969 - President Nixon visited Brussels and met with King Baudouin I.

June 25-27, 1974 - President Nixon, while in Brussels for a NATO Heads of Government meeting, met with King Baudouin I.

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MAY - JUNE 1975

The President's Contacts with Belgian Officials  
1974-1975

August 9, 1974 - The White House

President Ford met with NATO Ambassadors  
Herman Dehenin, Chargé

## PLACES TO BE VISITED

### BRUSSELS

PARC DE BRUXELLES - The small park in the heart of the city located across the Rue duCale from the Ambassador's residence and between the Royal Palace and Parliament. Designed in 1776 by Austrian architect Zinner (for whom Rue Zinner, address of the residence, is named) and French architect Guimard, the park is the site of the ancient hunting preserve of the Dukes of Brabant, and was the scene of an important battle during the Belgian War of Independence with the Dutch in 1830.

THE ROYAL PALACE - The Royal Palace was built during the 18th century and is the official residence for state functions, though the King and Queen do not live there. In 1827 a central section was added and from 1904 to 1912 the palace was enlarged and completely transformed. The Royal Palace houses the offices of the court and is used for ceremonial occasions.

THE KING'S PALACE AT LAEKEN - The King's Palace at Laeken is the residence of the Royal Family. The park surrounding the palace was laid out in 1880 by Leopold II and the castle was built by the Austrian governor of the low countries. Napoleon stayed at the palace several times and it was there that he signed the declaration of war against Russia in 1812. In 1890 the original castle was destroyed by fire and was later restored.

NATO HEADQUARTERS - The NATO Headquarters was established in Brussels October 16, 1967 after it had been decided to move the headquarters from Paris. The complex consists of a group of interconnected three story buildings on a 50 acre site and holds 1,500 offices, conference rooms and other facilities to serve 15 national delegations and international staff -- about 2,400 people work in the complex.

NORTH ATLANTIC TREATY ORGANIZATION  
DECLARATION ON ATLANTIC RELATIONS

JUNE 26, 1974

1. The members of the North Atlantic Alliance declare that the Treaty signed 25 years ago to protect their freedom and independence has confirmed their common destiny. Under the shield of the Treaty, the Allies have maintained their security, permitting them to preserve the values which are the heritage of their civilization and enabling Western Europe to rebuild from its ruins and lay the foundations of its unity.

2. The members of the Alliance reaffirm their conviction that the North Atlantic Treaty provides the indispensable basis for their security, thus making possible the pursuit of detente. They welcome the progress that has been achieved on the road towards detente and harmony among nations, and the fact that a Conference of 35 countries of Europe and North America is now seeking to lay down guidelines designed to increase security and cooperation in Europe. They believe that until circumstances permit the introduction of general, complete and controlled disarmament, which alone could provide genuine security for all, the ties uniting them must be maintained. The Allies share a common desire to reduce the burden of arms expenditure on their peoples. But States that wish to preserve peace have never achieved this aim by neglecting their own security.

3. The members of the Alliance reaffirm that their common defense is one and indivisible. An attack on one or more of them in the area of application of the Treaty shall be considered an attack against them all. The common aim is to prevent any attempt by a foreign power to threaten the independence or integrity of a member of the Alliance. Such an attempt would not only put in jeopardy the security of all members of the Alliance but also threaten the foundations of world peace.

4. At the same time they realize that the circumstances affecting their common defense have profoundly changed in the last ten years: the strategic relationship between the United States and the Soviet Union has reached a point of near equilibrium. Consequently, although all the countries of the Alliance remain vulnerable to attack, the nature of the danger to which they are exposed has changed. The Alliance's problems in the defense of Europe have thus assumed a different and more distinct character.

5. However, the essential elements in the situation which gave rise to the Treaty have not changed. While the commitment of all the Allies to the common defense reduces the risk of external aggression, the contribution to the security of the entire Alliance provided by the nuclear forces of the United States based in the United States as well as in Europe and by the presence of North American forces in Europe remains indispensable.

6. Nevertheless, the Alliance must pay careful attention to the dangers to which it is exposed in the European region, and must adopt all measures necessary to avert them. The European members who provide three quarters of the conventional strength of the Alliance in Europe, and two of whom possess nuclear forces capable of playing a deterrent role of their own contributing to the overall strengthening of the deterrence of the Alliance, undertake to make the necessary contribution to maintain the common defense at a level capable of deterring and if necessary repelling all actions directed against the independence and territorial integrity of the members of the Alliance.

7. The United States, for its part, reaffirms its determination not to accept any situation which would expose its Allies to external political or military pressure likely to deprive them of their freedom, and states its resolve, together with its Allies, to maintain forces in Europe at the level required to sustain the credibility of the strategy of deterrence and to maintain the capacity to defend the North Atlantic area should deterrence fail.

8. In this connection the member states of the Alliance affirm that as the ultimate purpose of any defense policy is to deny to a potential adversary the objectives he seeks to attain through an armed conflict, all necessary forces would be used for this purpose. Therefore, while reaffirming that a major aim of their policies is to seek agreements that will reduce the risk of war, they also state that such agreements will not limit their freedom to use all forces at their disposal for the common defense in case of attack. Indeed, they are convinced that their determination to do so continues to be the best assurance that war in all its forms will be prevented.

9. All members of the Alliance agree that the continued presence of Canadian and substantial US forces in Europe plays an irreplaceable role in the defense of North America as well as of Europe. Similarly the substantial forces of the European Allies serve to defend Europe and North America as well. It is also recognized that the further progress towards unity, which the member states of the European Community are determined to make, should in due course have a beneficial effect on the contribution to the common defense of the Alliance of those of them who belong to it. Moreover, the contributions made by members of the Alliance to the preservation of international security and world peace are recognized to be of great importance.

10. The members of the Alliance consider that the will to combine their efforts to ensure their common defense obliges them to maintain and improve the efficiency of their forces and that each should undertake, according to the role that it has assumed in the structure of the Alliance, its proper share of the burden of maintaining the security of all. Conversely, they take the view that in the course of current or future negotiations nothing must be accepted which could diminish this security.

11. The Allies are convinced that the fulfilment of their common aims requires the maintenance of close consultation, cooperation and mutual trust, thus fostering the conditions necessary for defense and favourable for detente, which are complementary. In the spirit of the friendship, equality and solidarity which characterize their relationship, they are firmly resolved to keep each other fully informed and to strengthen the practice of frank and timely consultations by all means which may be appropriate on matters relating to their common interests as members of the Alliance, bearing in mind that these interests can be affected by events

in other areas of the world. They wish also to ensure that their essential security relationship is supported by harmonious political and economic relations. In particular they will work to remove sources of conflict between their economic policies and to encourage economic cooperation with one another.

12. They recall that they have proclaimed their dedication to the principles of democracy, respect for human rights, justice and social progress, which are the fruits of their shared spiritual heritage and they declare their intention to develop and deepen the application of these principles in their countries. Since these principles, by their very nature, forbid any recourse to methods incompatible with the promotion of world peace, they reaffirm that the efforts which they make to preserve their independence, to maintain their security and to improve the living standards of their peoples exclude all forms of aggression against anyone, are not directed against any other country, and are designed to bring about the general improvements of international relations. In Europe, their objective continues to be the pursuit of understanding and cooperation with every European country. In the world at large, each Allied country recognizes the duty to help the developing countries. It is in the interest of all that every country benefit from technical and economic progress in an open and equitable world system.

13. They recognize that the cohesion of the Alliance has found expression not only in cooperation among their governments, but also in the free exchange of views among the elected representatives of the peoples of the Alliance. Accordingly, they declare their support for the strengthening of links among Parliamentarians.

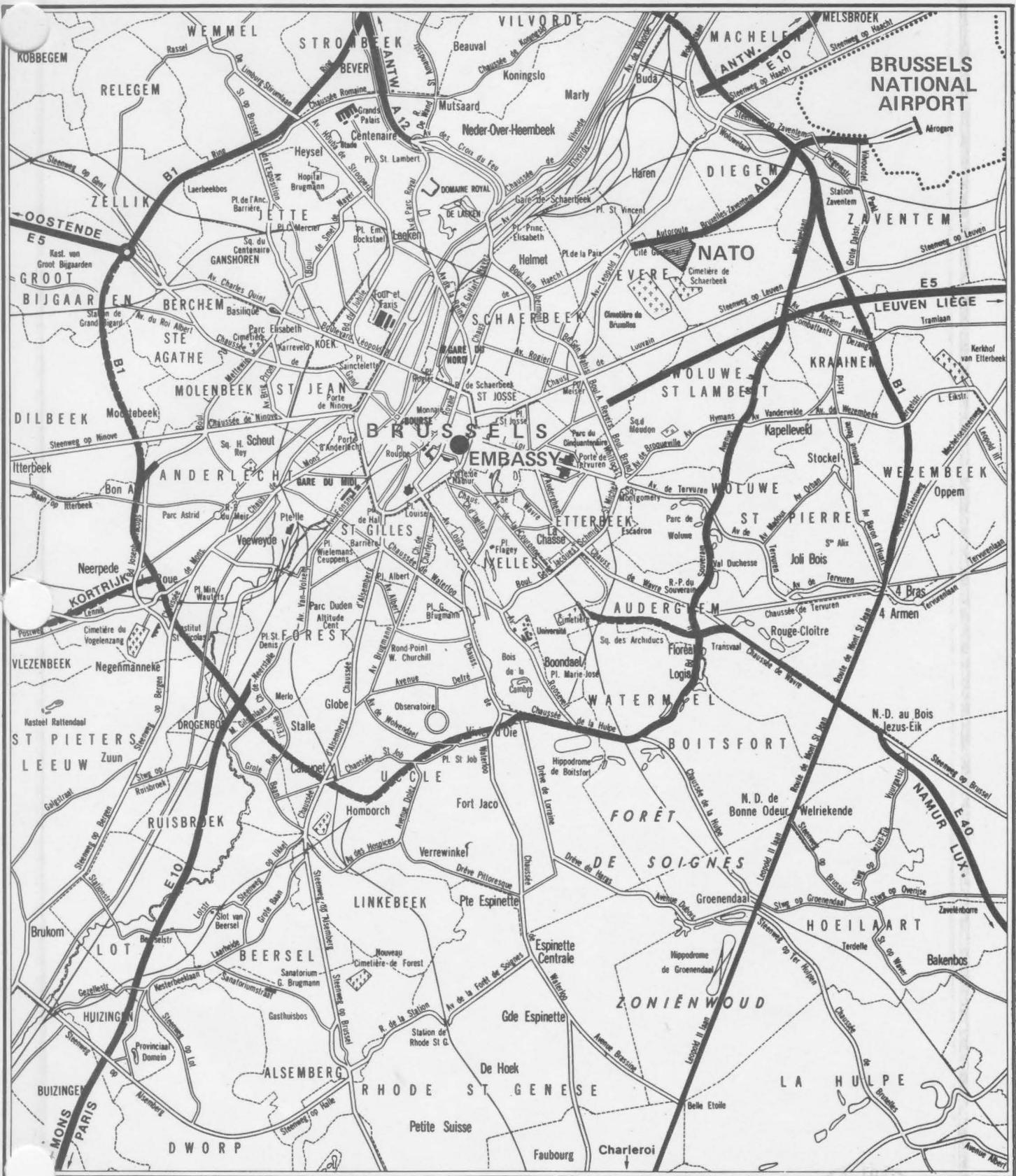
14. The members of the Alliance rededicate themselves to the aims and ideals of the North Atlantic Treaty during this year of the twenty-fifth Anniversary of its signature. The member nations look to the future, confident that the vitality and creativity of their peoples are commensurate with the challenges which confront them. They declare their conviction that the North Atlantic Alliance continues to serve as an essential element in the lasting structure of peace they are determined to build.

NOTE: The President and other NATO leaders signed the declaration in a ceremony at NATO Headquarters in Brussels, Belgium on June 26, 1974. The declaration had been approved by the North Atlantic Council at a meeting in Ottawa, Canada, on June 19, 1974.



Base 75522 6-69





**BRUSSELS NATIONAL AIRPORT**

**EMBASSY**

**NATO**





**BRUSSELS**



**BELGIAN FRANC CONVERSION TABLE**  
**(35.0 BF = \$1 U.S.)**  
**(100 Centimes = 1 BF)**

<i>Francs to Dollars</i>		<i>Dollars to Francs</i>	
<u>BF</u>	<u>US\$</u>	<u>US\$</u>	<u>BF</u>
1.00	.03	.10	3.5
5.00	.14	.25	8.8
10.00	.29	.50	17.5
35.00	1.00	1.00	35.0
-----		-----	
50.00	1.43	5.00	175.0
100.00	2.86	10.00	350.0
500.00	14.29	20.00	700.0
1,000.00	28.57	50.00	1,750.0
5,000.00	142.86	100.00	3,500.0
10,000.00	285.71	200.00	7,000.0
20,000.00	571.43	300.00	10,500.0
		400.00	14,000.0
		500.00	17,500.0

**NOTE:** All U.S. dollar values are rounded to nearest U.S. cent. Value of Belgian franc fluctuates daily according to currency market conditions.

# background NOTES

# Belgium

department of state \* may 1975

**OFFICIAL NAME: Kingdom of Belgium**

## GEOGRAPHY AND PEOPLE

Belgium is located in Western Europe, bordered by the Netherlands, the Federal Republic of Germany, Luxembourg, France, and the North Sea.

Although generally flat, terrain becomes increasingly hilly and forested in the southeast (Ardennes) region.

Climate is cool, temperate, and rainy; summer temperatures average 60°F. Annual extremes, rarely attained, are 10°F and 90°F.

Geographically and culturally, Belgium is at the crossroads of Europe, and during the past 2,000 years has witnessed a constant ebb and flow of different races and cultures. Consequently, Belgium is one of Europe's

true melting pots with people of Celtic, Roman, German, French, Dutch, Spanish, and Austrian origins.

Today, the Belgians are divided ethnically into the Dutch-speaking Flemings and French-speaking Walloons, with a mixed population in Brussels representing the remainder. Some German-speakers reside in the east.

Population density is the second highest in Europe, after the Netherlands.

## PROFILE

### Geography

AREA: 11,800 sq. mi. (one-fourth the size of Pa.) CAPITAL: Brussels (pop. 1.1 million). OTHER CITIES: Antwerp (670,000), Liege (440,000).

### People

POPULATION: 9.8 million (est.). URBAN: 69%. ANNUAL GROWTH RATE: 0.2%. DENSITY: 831 per sq. mi. LINGUISTIC GROUPS: Dutch-speaking 56%, French-speaking 32%, bilingual (Brussels) 11%, German-speaking 0.1%. RELIGIONS: Roman Catholic 75%, other 25%. LANGUAGES: Dutch, French, German. LITERACY: 98%.

### Government

TYPE: Parliamentary democracy under a constitutional monarch. INDEPENDENCE: 1830. CONSTITUTION: 1971 (revised).

BRANCHES: *Executive*—King (Chief of State), Prime Minister (Head of Government), Cabinet. *Legislative*—Bicameral parliament (Senate and House of Representatives). *Judicial*—Court of Cassation.

POLITICAL PARTIES: Social Christian, Socialist, Liberal, others. SUFFRAGE: Universal over 21. POLITICAL SUBDIVISIONS: 9 Provinces.

FLAG: Three vertical bands—black, yellow, and red—from left to right.

### Economy

GNP: \$53.3 billion (1974). ANNUAL GROWTH RATE: 4% (1974). PER CAPITA INCOME: \$5,436. PER CAPITA GROWTH RATE: 4%.

AGRICULTURE: *Land* 51%. *Labor* 6%. *Products*—livestock, poultry, grain, sugar beets, flax, tobacco, potatoes, vegetables, fruits.

INDUSTRY: *Labor* 66%. *Products*—metal fabrication, iron and steel production, coal, textiles, chemicals.

TRADE: *Exports*—\$28.1 billion (1974 f.o.b.): metal products, transport equipment, textiles, glassware, ceramics, live animals. *Imports*—\$29.6 billion (1974 c.i.f.): mineral ores, machinery and equipment, chemicals, petroleum products, grains, fruits, natural fibers, processed foods. *Partners*—F.R.G., France, Netherlands.

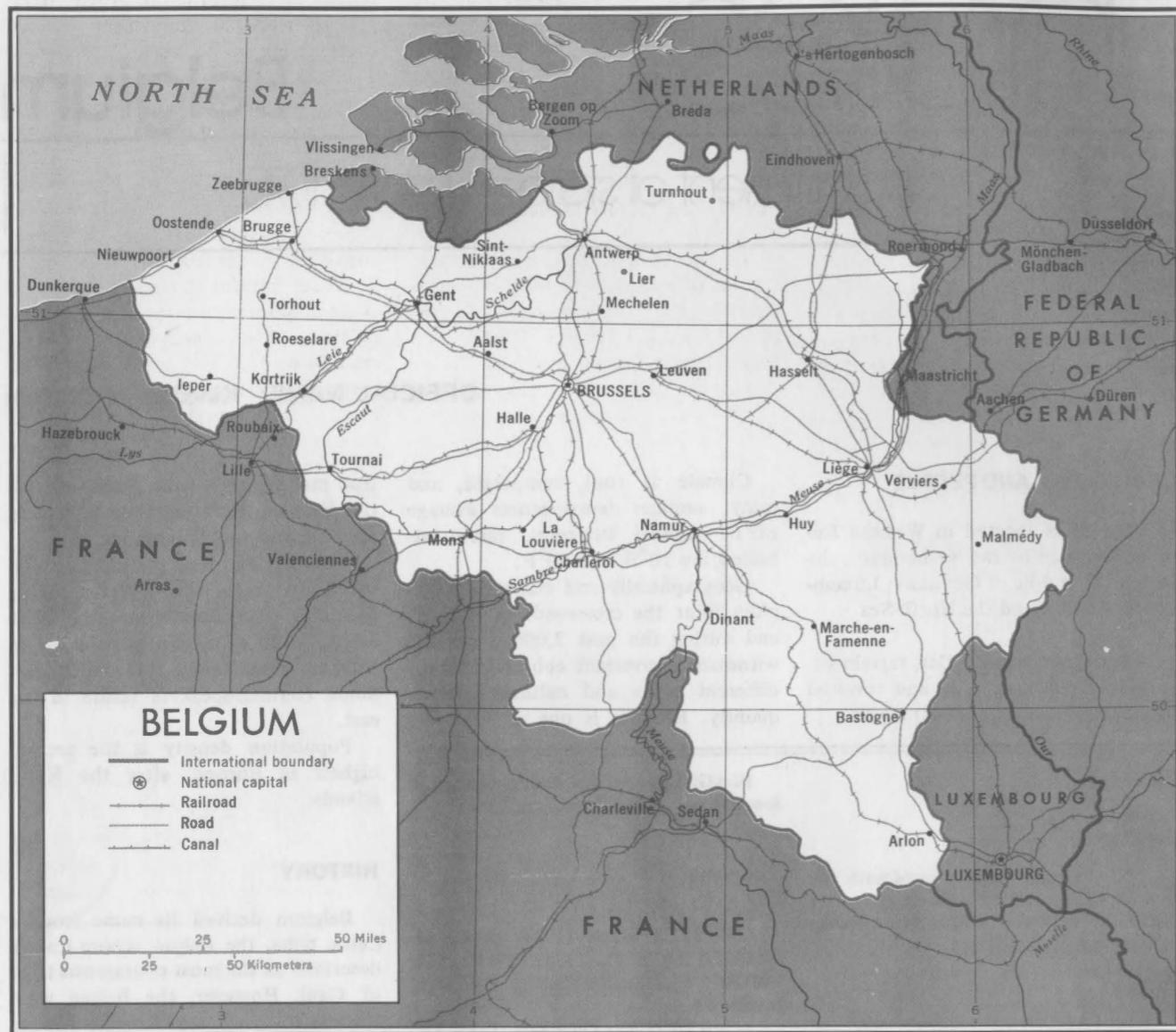
OFFICIAL EXCHANGE RATE: About 35 Belgian francs=US\$1 (May 1975).

MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS: U.N., NATO, European Community (EC), Belgium-Luxembourg Economic Union (BLEU), Benelux Customs Union, Organization for Economic Cooperation and Development (OECD).

## HISTORY

Belgium derived its name from a Celtic tribe, the Belgae, whom Caesar described as the most courageous tribe of Gaul. However, the Belgae were forced to yield to Roman legions during the fifties B.C. For some 300 years what is now Belgium flourished as a province of Rome.

But Rome's power gradually lessened, and Attila the Hun invaded what is now Germany about A.D. 300 and pushed the Germanic tribes into Belgium. About 100 years later the Franks invaded the south and took possession of Belgium. After coming under the rule of the Dukes of Burgundy and through marriage passing into the possession of the Hapsburgs, Belgium was occupied by the Spanish (1519-1715) and the Austrians (1715-94). During the French Revolution Belgium was invaded and annexed by France in 1794. It was made a part of Holland by the Congress of Vienna in 1815.



In 1830 Belgium gained its independence as a result of an uprising of the Belgian people. A constitutional monarchy was established in 1831, with the royal family chosen from the House of Saxe-Coburg Gotha. In that same year, Belgium's present Constitution went into effect.

Despite a policy of scrupulous neutrality prior to the two World Wars, Belgium was attacked and occupied by the Germans in 1914 and 1940. This, plus disillusionment over postwar Soviet behavior, had made Belgium one of the foremost advocates of collective security within the framework of Eu-

ropean integration and Atlantic partnership.

### GOVERNMENT

Belgium is a parliamentary democracy under a constitutional monarch. Although technically the King (Chief of State) is the source of all executive authority, in fact, the Council of Ministers (cabinet) is responsible for governmental decisions. The Council of Ministers, led by the Prime Minister (Head of Government), holds office as long as it retains the confidence of the Parliament. Elections are held at least

every 4 years by universal suffrage with obligatory voting and a form of proportional representation.

The bicameral Parliament consists of a Senate and a Chamber of Representatives. Of the 181 Senators, 50 are elected by provincial councils, 25 by fellow Senators, and the remainder elected directly. Prince Albert, heir apparent to the throne, is also a member. Members of the Chamber of Representatives (212) are elected directly. The Chamber is traditionally the dominant body.

In 1971 the Belgian Constitution was amended to provide for the crea-

tion within Parliament of Cultural Councils, one comprised of Dutch-speaking members and the other of French-speakers. The amendment granted competence to the councils in certain cultural and linguistic matters and established a system of special majorities of the entire Parliament for enactment of certain measures pertaining to cultural and linguistic questions. Brussels was established as a separate bilingual area with a Metropolitan Council chosen by proportional representation, but in which parity between Dutch- and French-speaking members is required in its Executive Committee.

The Parliament was also given authority to create regional bodies for Flanders, Wallonia, and Brussels and such power over social and economic affairs as Parliament wished to delegate to them.

The Judiciary is modeled on the French system. The highest court is the Court of Cassation, whose Chief Justice is appointed by the King. The courts do not pass on the constitutionality of legislation, but advisory opinions on the constitutionality of major legislation are rendered by the Council of State, a special legal group.

Belgium is divided into nine Provinces. Executive power in each is exercised by a Governor, appointed by the King.

### Principal Government Officials

Chief of State—King Baudouin I  
Prime Minister—Leo Tindemans (PSC/CVP)

### Other Ministers

Defense and Brussels Affairs—Paul Vanden Boeynants (PSC/CVP)  
Finance—Willy de Clercq (PLP/PVV)  
Foreign Affairs—Renaat Van Elsende (PSC/CVP)  
Justice—Herman Vanderpoorten (PLP/PVV)  
Labor—Alfred Califice (PSC/CVP)  
Agriculture—Albert Lavens (PSC/CVP)  
Economic Affairs—Andre Oleffe (PSC/CVP)  
Interior—Joseph Michel (PSC/CVP)

Ambassador to the U.S.—Willy Van Cauwenberg

Ambassador to the U.N.—Edouard Longerstaeck

Belgium maintains an Embassy in the U.S. at 3330 Garfield St., NW., Washington, D.C. 20008.

### POLITICAL CONDITIONS

The division of Belgium into three regions (Flanders, Wallonia, and Brussels) and the Belgian people into two major language groups (Dutch and French) is the most important factor in Belgian politics. Major institutions are divided by language. Regional and linguistic rivalries and needs must be taken into account in all important national decisions.

The most important long-term issue in Belgium is regionalization; i.e., how should significant powers be transferred from the central government to the three regions, as called for in the amended constitution. Although a start was made in a law passed in July 1974, the granting of significant powers of autonomy to the regions requires a two-thirds vote in Parliament, and there are no prospects for such a consensus to appear in the near future.

All postwar Belgian governments have been formed by one or more of the three major, traditional parties—Social Christian, Socialist, and Liberal. Several smaller parties also exist and find their constituencies among the more militant members of Belgium's linguistic communities. However, after a steady 10-year increase in their share of the vote, these parties suffered a slight setback in the most recent parliamentary elections (March 1974). This is probably a reflection of the electorate's desire to see further regionalization policies carried out by the traditional parties, rather than by the more militant linguistic groups.

### Political Parties

Traditionally, the Roman Catholic Church has been the basis of unity for the Social Christian Party (PSC/CVP), which is popularly known as the Catholic Party in Flanders. Long a supporter of the Church's institutions, the Social Christians in recent years have

tended more to promote broad principles of Christian humanism without overt reference to ecclesiastical ties. The party, now formally organized into autonomous French-speaking (PSC) and Dutch-speaking (CVP) components, draws support for its moderate policies from all classes of society, including the Christian Trade Union Federation (CSC), Belgium's largest labor organization.

While faithful to the tradition of classical Marxist principles, the Socialist Party (PSB) is pragmatic and moderate in outlook and remains a unified party. It is led by two co-presidents, one a Dutch-speaker, the other a French-speaker. The party's followers have concentrated on social welfare and industrial democracy within the framework of Belgium's free enterprise economy. It is closely associated with the General Federation of Belgian Labor (FGTB), the country's second largest trade union organization.

The Party of Liberty and Progress (PLP/PVV) is also known as the Liberal Party and is the exponent of free enterprise and individualism. It, like the Social Christian Party, is also divided into French-speaking (PLP) and Dutch-speaking (PVV) components, each headed by a president. Liberals favor holding down levels of government spending and regulation

### READING LIST

These titles are provided as a general indication of the material currently being published on this country. The Department of State does not endorse the specific views in unofficial publications as representing the position of the U.S. Government.

American University. *Area Handbook for Belgium*. Washington, D.C.: U.S. Government Printing Office, 1974.

Eyck, F. Gunther. *The Benelux Countries: An Historical Survey*. Princeton: Van Nostrand, 1959.  
Huggett, Frank E. *Modern Belgium*. New York: Praeger, 1969.

Mallinson, V. *Belgium*. London: Benn, 1969.

Meeus, Adrien de. *History of the Belgians*. Trans. by G. Gordon. New York: Praeger, 1962.

and believe that the state should encourage private initiative. The party advocates moderate, gradual social reform. Its main appeal is to the middle class, especially to small businessmen, professionals, and shopkeepers. Liberal Party dissidents in Brussels have formed a splinter movement known as the Pluralist Democratic Liberal Party (PLDP).

The Volksunie, or Flemish Nationalist Party, favors the transformation of Belgium into a federal state with autonomous Flemish and Walloon regions. It has shown considerable strength in recent years and was the only linguistic party to register a gain in seats (albeit only one seat) in the most recent parliamentary elections.

The Democratic Front of Francophones (FDF) in Brussels and the Rassemblement Wallon (RW) in Wallonia are parties of French-speakers. They, too, are federalists and seek thereby to block the increasing political strength of the Flemish population, which has resulted from the economic and demographic ascendancy of Flanders since World War II. These two French-speaking parties joined forces with the PLDP in the last elections to present a united front.

The Communist Party (PCB) is pro-Moscow. Its numerical strength and influence in national affairs are relatively insignificant.

#### Recent Developments

Belgium is a stable political democracy. After the sharp dispute over the retention of the monarchy in 1950 (the so-called "Royal Question"), the centrist Social Christian Party emerged as the first single-party government in post-World War II Belgium and held office until 1954. Thereafter, coalition governments were formed: Social Christian-Socialist (1954), Liberal-Socialist (1958), Liberal-Social Christian (1961), Social Christian-Socialist (1961 and 1964) and Social Christian-Liberal (1966).

Linguistic rivalries have strongly influenced Belgian politics for over a decade. A Social Christian-Socialist coalition, formed in 1968 under Prime Minister Gaston Eyskens (PSC), succeeded with help from the Liberals in adopting the 1971 constitutional revisions. But in the November 1971

elections, the linguistic parties (FDF, RW, and Volksunie) gained further strength, and linguistic-cultural issues between the rival communities continued to be a problem. The Social Christian-Socialist coalition was reestablished in January 1972 but was unable to resolve outstanding regional and linguistic issues or the controversy over increasing government subsidies to Catholic schools. The government fell in November.

A coalition comprising all three major parties (Socialist, Social Christian, and Liberal) was formed under Socialist Prime Minister Edmond Leburton in January 1973. The government was pledged to complete the institutional reforms which were contemplated by the amended Constitution and to the assumption by the state of most Catholic school costs. Appropriate cultural and school legislation was adopted in July 1973. The Leburton government fell in January 1974 as a result of internal quarreling among its members over domestic issues.

In the parliamentary elections which followed on March 10, 1974, the Social Christians gained five seats in the Chamber of Representatives, while the Socialists lost two. The linguistic parties' share of the popular vote declined after nearly 10 years of an upward trend. Only the Volksunie gained in the Chamber, and that gain was only one seat. On April 25 Flemish Social Christian leader Leo Tindemans succeeded in forming a minority coalition of Social Christians and Liberals, the Socialists having decided to go into opposition. The new government survived at first only on the sufferance of the linguistic parties, which abstained on major test votes in Parliament. After long negotiations Tindemans succeeded in June 1974 in adding one of the linguistic parties, the Rassemblement Wallon, to his coalition, thus giving him a majority in Parliament. This marks the first time that a linguistic party has participated in a Belgian government.

Thus strengthened, the Tindemans government was able to pass in the summer of that year a bill to grant greater autonomy to the regions by creating regional advisory bodies. Although only a first step, it does repre-

sent another advancement in the long effort to defuse the linguistic issue through the policy of regionalization. At present, the government's most pressing problem is the depressed state of the Belgian economy.

The composition of the present Parliament is:

	Senate	Chamber
PSC/CVP	66	72
PSB	50	59
PLP/PVV	27	30
Volksunie	16	22
RW	6	13
FDF/PLDP	15	12
PCB	1	4

181 212  
(plus Prince Albert)

#### ECONOMY

Belgium emerged from World War II with a physical plant more nearly intact than its neighbors. The immediate postwar era saw rapid reconstruction, dismantling of direct controls, trade liberalization, and high growth rates. During the 1950's, however, the pace slackened, and it was not until the Common Market (European Economic Community-EEC) was established in 1958 and a sweeping investment incentive program was introduced in 1959 that a new surge in the Belgian economy occurred. The 1960's saw real growth rates fluctuate, ranging from a low of 3 percent in 1965 to 6 percent at the end of the decade. In the early 1970's, however, a general economic slowdown in Europe again limited economic growth in Belgium, with the rate falling back to 4 percent. GNP reached \$53.3 billion by the close of 1974, but the performance of the economy showed the adverse effects of the worldwide oil crisis. The slowdown is expected to last through 1975, with the growth rate anticipated to be 1.5-2 percent and industrial production remaining below 75 percent of capacity.

Throughout much of 1975, the Belgian Government will be faced with competing goals: lowering a high rate of inflation (15 percent) and pulling the economy out of a recession. Government economic policy in 1975 will undoubtedly be directed toward rais-

ing production, decreasing unemployment (currently 6 percent), and expanding export trade.

The total Belgian labor force comprises approximately 3.9 million people. Commerce, banking, and other services account for 43.2 percent, manufacturing employs 32.3 percent, construction 7.9 percent, transportation 7.7 percent, agriculture 4.1 percent, and mining 1.2 percent.

Belgium has a highly developed processing industry, which processes imported raw materials for reexport in semifinished or finished form. Iron and steel, metal manufactures, chemicals, glass, textiles, and diamond cutting form the backbone of the economy. The iron and steel and the metal fabrication industries supply about 40 percent of Belgium's exports.

Belgium, the 10th largest trading country in the world, is the 10th top customer of the United States. Belgium does not possess significant natural resources and must import the bulk of its industrial needs and one-fourth of its food requirements. Belgium, of course, must export to earn the foreign exchange to pay for its import needs. Export products accounted for 53 percent of the Belgian GNP in 1974 and imports accounted for 55 percent. Since Belgium conducts almost 70 percent of its trade with the EEC countries, the nation's economic well-being is closely related to the economic performance of its Common Market partners. Confronted with the current economic downturn in most of Europe, Belgium will undoubtedly seek in 1975 to continue to diversify, expand, and consolidate trade relations with nontraditional trading partners, particularly the oil-rich Middle East and Latin America.

Belgium has found it advantageous to adhere to a liberal commercial policy, exemplified by its participation in the Common Market, the Belgian-Luxembourg Economic Union (BLEU), and the Benelux Customs Union.

Foreign investment has found a congenial climate in Belgium, due to its central location, high-quality labor, ready access to communications, and a program of financial incentives from the government. These incentives are applied to maximize new direct invest-

ment in less prosperous regions and in high technology and labor-intensive industries. U.S. direct investment in Belgium in 1974 is estimated at \$315 million, compared to \$130 million in 1973.

Since 1960 the flow of Belgian financial resources to developing countries has been close to a targeted 1 percent of GNP. The government's foreign aid policy has shifted gradually in the past few years from bilateral to multilateral aid, and the composition is changing from grants to loans. In addition the government has attempted to diversify its bilateral aid. Formerly, over 80 percent went to former colonies, which are now the countries of Zaire, Rwanda, and Burundi.

#### FOREIGN RELATIONS

The Concert of Nations sanctioned the creation of Belgium in 1830 on the condition that the country remain strictly neutral. During the two World Wars, Belgium tried but was unable to follow a policy of neutrality. In 1949 it was among the founding members of the Atlantic Alliance.

Belgium remains a strong proponent of NATO and of close cooperation

with the U.S. within the Alliance framework. At the same time the Belgians, perceiving their diminutive role on the international scene, are strong advocates of strengthening the economic and political integration of the European Community. They see their country's future political and economic welfare as being founded on the Atlantic Alliance and on enhanced European unity. Both NATO and the European Community have their headquarters in Brussels.

Located at the crossroads of Western Europe, Belgium has frequently been the route of invading armies from its larger neighbors over the centuries. With virtually defenseless borders, Belgium has traditionally sought through a balance of power to avoid domination by the more powerful nations which surround it.

Belgium actively seeks improved East-West relations through such forums as the MBFR (mutual and balanced force reductions) and CSCE (Conference on Security and Cooperation in Europe) talks. It has relations with most Communist countries including Cuba and the People's Republic of China.

Belgium strongly supports the United Nations.

#### TRAVEL NOTES

**Clothing**—Clothing and shoe needs in Belgium are about the same as for New England, the Middle Atlantic States, and the Pacific Northwest. However, raincoats, umbrellas, and low-heeled, thick-soled walking shoes may be needed more often. Winters generally are less severe than in the U.S. areas mentioned above, and there is much less snow.

**Telecommunications**—Telephone and telegraph services, domestic and international, are efficient. Direct dial service is in use between Brussels and most European capitals. Rates for local telephone service are about the same as in most U.S. cities.

**Transportation**—Streetcars and buses, although somewhat uncomfortable and overcrowded, provide good local transportation. Taxis: Meter starts at 15 BF (\$.40) and the rate is 8 BF (\$.21) per kilometer.

Roads are fairly good. Limited access highways link Brussels with Antwerp, Brussels with Ostende, Antwerp with Liege, and Liege with the German border near Aachen. Secondary roads are adequate.

All automobiles driven in Belgium must be covered by unlimited third-party liability insurance against personal or property damage; this insurance must be issued by a company licensed to do business in Belgium.

**Community Health**—Belgium requires that at least one pharmacy be open in a given neighborhood at all times. The address of that pharmacy is posted on the door of all pharmacies in the neighborhood, and a list of open pharmacies is also published in newspapers.

Belgian public health standards are on a par with those in the United States. Brussels has a modern sewage and refuse disposal system and water purification facilities. Water from the tap can be drunk safely.

**U.S.—BELGIUM RELATIONS**

The excellent relations existing between the United States and Belgium are based on a similarity of outlook and a common dedication to the security of the free world. Goodwill toward, and affection for, Americans continues as a result of the U.S. role during and after the two World Wars.

An outward-looking nation, Belgium works closely with the United States bilaterally and in international and regional organizations to further

liberalized trade, economic and political cooperation, and assistance to the developing countries. Belgium has welcomed many U.S. firms to its territory.

**Principal Government Officials**

Ambassador—Leonard K. Firestone  
Deputy Chief of Mission—John C. Renner  
Political Counselor—Arthur J. Olsen  
Economic/Commercial Counselor—Ruth H. Phillips

Administrative Counselor—Robert S. Gershenson  
Public Affairs Counselor (USIS)—Arthur A. Bardos  
Defense Attache—Col. Allen B. Jennings  
Consular Officer—Cecil St. Clair Richardson  
Consul General Antwerp—Wayne W. Fisher

The U.S. Embassy in Belgium is located at 27 Blvd. du Regent, Brussels.

DEPARTMENT OF STATE PUBLICATION 8087  
Revised May 1975

Office of Media Services  
Bureau of Public Affairs

NOTE: This special revision of the *Background Notes* on Belgium, prepared for official use in connection with President Ford's visit to Belgium, is not for sale by the Superintendent of Documents, U.S. Government Printing Office. A revised edition for general distribution will be available September 1975.

**LIST OF COUNTRIES**

Write to the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402, for any item, or combination of items, from among the following: (1) complete set of all looseleaf *Background Notes* currently in stock (at least 140)—\$21.80 per set, plus \$5.45 for foreign mailing; (2) 1-year subscription service for approximately 77 updated or new *Background Notes*—\$23.10 per year, plus \$5.80 for foreign mailing; (3) plasticized binder—\$1.50 each, plus 40 cents for foreign mailing; and (4) individual *Background Notes* chosen from the list below—30 cents each, plus ¼ additional of total price for foreign mailing. (Orders of 100 copies or more of the same Note sent to the same address are sold at a 25 percent discount).

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Belgium (pub. 8087)	Ireland (pub. 7974)	San Marino (pub. 8661)
Bermuda (pub. 7907)	Israel (pub. 7752)	Saudi Arabia (pub. 7835)
Bhutan (pub. 8334)	Italy (pub. 7861)	Senegal (pub. 7820)
Bolivia (pub. 8032)	Ivory Coast (pub. 8119)	Seychelles (pub. 8246)
Botswana (pub. 8046)	Jamaica (pub. 8080)	Sierra Leone (pub. 8069)
Brazil (pub. 7756)	Japan (pub. 7770)	Singapore (pub. 8240)
British Honduras (pub. 8332)	Jordan (pub. 7956)	Somali Dem. Rep. (pub. 7881)
Bulgaria (pub. 7882)	Kenya (pub. 8024)	South Africa (pub. 8021)
Burma (pub. 7931)	Khmer Rep. (pub. 7747)	South West Africa (pub. 8168)
Burundi (pub. 8084)	Korea, North (pub. 8396)	Southern Rhodesia (pub. 8104)
Cameroon (pub. 8010)	Korea, Rep. of (pub. 7782)	Spain (pub. 7800)
Canada (pub. 7769)	Kuwait (pub. 7855)	Spanish Sahara (pub. 7905)
Central African Rep. (pub. 7970)	Laos (pub. 8301)	Sudan (pub. 8022)
Chad (pub. 7669)	Lebanon (pub. 7816)	Sri Lanka (pub. 7757)
Chile (pub. 7998)	Lesotho (pub. 8091)	Surinam (pub. 8268)
China, People's Rep. of (pub. 7751)	Liberia (pub. 7991)	Swaziland (pub. 8174)
China, Rep. of (pub. 7791)	Libya (pub. 7815)	Sweden (pub. 8033)
Colombia (pub. 7767)	Liechtenstein (pub. 8610)	Switzerland (pub. 8132)
Congo (pub. 7896)	Luxembourg (pub. 7856)	Syria (pub. 7761)
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Czechoslovakia (pub. 7758)	Malaysia (pub. 7753)	Tonga (pub. 8594)
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Germany, Fed. Rep. of (pub. 7834)	New Zealand (pub. 8251)	Yugoslavia (pub. 7773)
Ghana (pub. 8089)	Nicaragua (pub. 7772)	Zaire (pub. 7793)
Greece (pub. 8198)	Niger (pub. 8293)	Zambia (pub. 7841)
Guadeloupe (pub. 8319)	Nigeria (pub. 7953)	



## BIOGRAPHICAL INFORMATION

### American Officials in the Kingdom of Belgium

#### LEONARD K. FIRESTONE

United States Ambassador to Belgium

Born June 10, 1907 in Akron, Ohio, Ambassador Firestone was President of the Firestone Tire and Rubber Company of California from 1943 until 1970. He continued as a director of the company, and of the Wells Fargo Bank, until his nomination was confirmed by the Senate in April 1974. Ambassador Firestone presented his letters of credentials to King Baudouin I on June 14, 1974.

Ambassador Firestone was educated at Princeton University from which he received a B.A. in 1931. He has also received the following honorary degrees - an LL.D. in 1965 from the University of Southern California, an L.H.D. in 1970 from Oklahoma Christian College, and an L.H.D. in 1971 from Pepperdine College.

A trustee of the University of Southern California, the Ambassador is also a member of the National Executive Board of the Boy Scouts of America, a director of the California Community Foundation, and a director of the National Council on Alcoholism. He is a past president of the World Affairs Council of Los Angeles. In 1969, he received the Grand Band Order of the Star of Africa from the late President Tubman of Liberia.

Married in 1966 to the former Barbara Heatley, Ambassador Firestone has three children from his first marriage (his first wife is deceased).

DAVID K. E. BRUCE

United States Representative on the Council of the  
North Atlantic Treaty Organization

David K. E. Bruce of the District of Columbia was confirmed by the Senate October 1974 as the United States Permanent Representative on the Council of the North Atlantic Treaty Organization with the rank of Ambassador. Ambassador Bruce had served since May 1, 1973, as the Chief of the United States Liaison Office to the People's Republic of China.

In 1970 he was appointed as Head of the United States Delegation to the Paris Conference on Vietnam. From 1961 to 1969 he was Ambassador to Great Britain after having served as Ambassador to the Federal Republic of Germany. He has also served as Under Secretary of State, as United States Representative to the European Coal and Steel Community, and as Assistant Secretary of Commerce. In 1949 he became Ambassador to France, serving until 1952.

Ambassador Bruce was born February 12, 1898, in Baltimore, Maryland, and received his B.A. degree from Princeton University in 1919. He was awarded his J.D. degree from the University of Maryland in 1921. He was admitted to the Maryland Bar and practiced in Baltimore until 1925. From 1925 to 1945 he was in the United States Foreign Service, Business and Farming and the Office of Strategic Services.

He is married to the former Evangeline Bell and they have three children.

JOSEPH A. GREENWALD

United States Representative to the European Communities

Joseph A. Greenwald was confirmed by the Senate in October 1972 to be United States Representative to the European Communities, with the rank and status of Ambassador.

Ambassador Greenwald was born September 18, 1918 in Chicago, Illinois. He received his B.A. degree from the University of Chicago in 1941 and his LL. B. degree from Georgetown University Law School in 1951.

Mr. Greenwald started his Government career in 1941 as an economist with the Office of Production Management where he served until 1947. He then joined the Department of State as an economist with the International Resources Division. From 1952-1955 he was Economic Adviser, United States Delegation to the Economic Commission for Europe, Geneva, and from 1955-1958 he served as Chief, Special Problems Branch, Trade Agreements and Treaties Division. From 1958-1963 Mr. Greenwald was an Economic Officer, London (GATT, OEEC, EEC) and from 1963-1965 he was Director, Office of International Trade, Bureau of Economic Affairs. He was named Deputy Assistant Secretary of State for International Trade Policy and Economic Defense in 1965 and served in that post until 1969. Ambassador Greenwald, a Career Minister in the Foreign Service, served as United States Representative to the United States Mission to the Organization for Economic Cooperation and Development, Paris, with the personal rank of Ambassador from 1969 until assuming his current position.

Mr. Greenwald is married to the former Virginia Doyle and they have three children.

## BIOGRAPHICAL INFORMATION

### Officials of the Kingdom of Belgium

#### KING BAUDOIN I

Baudouin I, the fifth in Belgium's line of Kings, acceded to the throne upon the abdication of his father, King Leopold III, in 1951.

King Baudouin, now 44, has traveled extensively, including State Visits to France, Japan, Thailand, Sweden (his mother, the late Queen Astrid, was Swedish), Iran, South America, Italy, India, the Belgian Congo (now Zaire), Rwanda, Burundi, Ethiopia, and Yugoslavia.

Baudouin has visited the United States five times, most recently in May 1969, when he and his Spanish-born Queen, Fabiola, witnessed the launching of the Apollo 10 moon shot and then were dinner guests at the White House.

The King has one sister, Princess Josephine-Charlotte, wife of Grand Duke Jean of Luxembourg; one brother, Albert, Prince of Liege; and a half brother and two half sisters. He speaks fluent English, in addition to French and Dutch.

#### LEO TINDEMANS

Prime Minister

On April 25, 1974, Leo Tindemans, 53, was sworn in as Prime Minister. A member of successive Cabinets since 1968, he had been Vice Prime Minister and Minister of the Budget in Edmond Leburton's Cabinet from January 1973 until its resignation on January 19, 1974.

An influential member of the Social Christian Party (PSC) for many years, Prime Minister Tindemans is a Fleming, and since 1969, when the party split, he has been a leader of its Flemish wing, known by the initials CVP.

Prime Minister Tindemans attended Dr. Henry Kissinger's Seminar on International Affairs at Harvard University in 1962. He speaks fluent English and French, some German and Dutch.

RENAAT ANTOON Van ELSLANDE  
Minister of Foreign Affairs

Renaat Van Elslande, 59, became Minister of Foreign Affairs in the tripartite coalition government formed in January 1973 and retained the post when Leo Tindemans formed his Cabinet in April 1974. A prominent member of the Flemish wing of the Social Christian Party, he is the first Flemish Foreign Minister in the history of Belgium. He had previously served as Minister of Interior from 1972 - 1973 and held other Cabinet portfolios since 1960.

In February 1974, Van Elslande attended the Washington Energy Conference.

A noted orator and linguist, Van Elslande speaks French, German, Italian and Dutch. He speaks English but prefers to use French in official conversations.

EUGENE RITTWEGER de MOOR  
Chief of Protocol

Ambassador Rittweger de Moor is a career diplomat who entered the Belgian Foreign Service in September, 1949, after having served in the Ministry of Foreign Affairs as a non-career official for two years. Having had overseas posts at Athens, Lima, Bukavu (Zaire), and Dar es Salaam, he became Ambassador to Kenya and served there until 1969. His service has brought him back to Brussels for several tours in the Foreign Ministry, including participation in the Foreign Minister's cabinet in 1952-1954. Ambassador Rittweger de Moor attended the Imperial Defense College in London in 1970, subsequently returning to the Ministry as Assistant Chief of Protocol. He moved up to the position of Chief of Protocol in April, 1973.

He was born in Theux in Wallonia on November 4, 1921. Holder of a doctorate in law, he is a Commander of the Belgian Order of the Crown. Rittweger de Moor speaks English, as well as French and Dutch.

FACTS-SPAIN



Office of the White House Press Secretary

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THE WHITE HOUSE

TRIP OF THE PRESIDENT  
TO  
KINGDOM OF BELGIUM  
SPANISH STATE  
REPUBLIC OF AUSTRIA  
ITALIAN REPUBLIC  
STATE OF THE VATICAN CITY

MAY - JUNE 1975

Previous Meetings Between the United States and Spain

December 1959 - President Eisenhower in Madrid on an Official  
Visit.

October 2-3, 1970 - President Nixon met with Generalissimo Franco.

December 1973 - Then Vice President Ford attended the funeral  
of Carrero Blanco in Madrid.

## PLACES TO BE VISITED

### MADRID

MONCLOA PALACE - is one of the most picturesque residences on the outskirts of Madrid surrounded by trees and hills and has a clear view of the Guadarrama mountain range.

The name Moncloa derives from the originally wooded area on which the palace is located in northwest Madrid. This area belonged to the city and the convent of San Jeronimo el Real and was acquired in 1606 by the Spanish Crown.

The Moncloa properties have had a variety of owners. In 1781 they belonged to the widow Duchess of Arcos, who is credited with rebuilding and clearing out all the grounds. Her daughter, XII Dutchess of Alba, continued the construction work and made the palace into a popular and elegant meeting place.

The Spanish kings reacquired the residence upon the death of the Dutchess of Alba and during the French occupation the palace became a temporary home for French General Murat as well as Joseph Bonaparte. After the French departure, the palace was used by the presidents of the government primarily as a summer residence and for private meetings.

In 1918 the palace was completely restored and converted into a museum of that time period. During the civil war of 1936-39, the palace was completely destroyed as it formed part of the front lines and was continually attacked and occupied in the battles in that part of Madrid. A new building was constructed between 1946-53, by order of Franco, and placed near the old site. The palace is utilized as the official residence for important personalities and chiefs of state who visit Spain.

EL PARDO PALACE - Since the Middle Ages, the palace of El Pardo was been a royal residence for the Castillian monarchs. In 1505 Enrique III built the first royal house which was subsequently destroyed by Carlos V who, in 1543, ordered the construction of the palace which was completed around 1568 by Felipe II. In 1604 a fire destroyed almost the entire palace and Felipe III ordered its immediate reconstruction which took little more than a year for

completion. In 1880 the palace was restored in part. During the civil war of 1936-39 the palace suffered serious damage although a number of its more important and beautiful rooms were spared. After the war, the Pardo was renovated, newly decorated and converted into the official residence of the Chief of State. As the residence of Generalissimo Franco, it is also used for visits by chiefs of state and their representatives, receptions, audiences, and meetings of the Council of Ministers.

THE ROYAL PALACE - also known as the "Oriental Palace" sits on a bluff overlooking the Manzanares River valley on the western edge of Madrid. The name Oriental Palace derives from the Arab fortress (Alcazar) and the subsequent kings of Trastamara who converted the structure from an alcazar into a residence.

King Felipe II moved the royal court to Madrid in 1561 and the palace served as the royal residence until December 24, 1734 when a great fire completely destroyed it. Setting up a temporary court in Buen Retiro Park, Felipe V ordered that a new palace be built on the same location as before. Construction continued through the reign of Felipe VI, and with the dedicated guidance of Charles III, the palace was finished December 17, 1864. However, the completion of work on what is called the "new palace" continued for 26 more years, and the palace and grounds as they are seen today were completed in 1891. Today the palace is used primarily for official ceremonial functions, such as state dinners and the presentation of credentials by ambassadors to the Chief of State.

JOINT DECLARATION OF PRINCIPLES  
BETWEEN THE UNITED STATES OF AMERICA AND SPAIN

JULY 9, 1974

1. The Governments of Spain and the United States declare that their cooperation since 1953 has been beneficial for the security of both countries, has strengthened the defense of the West and has contributed to the maintenance of world peace, with Spain playing an important role in this regard in the Atlantic and Mediterranean zones.
2. They proclaim their resolve to pursue their efforts for the consolidation of peace, as well as on behalf of detente, and to this end they participate in the Conference of Security and Cooperation in Europe and in important international negotiations while they reaffirm their faith in the purposes and principles of the United Nations and their support of activities which it promotes. But so long as a general, complete and controlled disarmament does not permit the risk of aggression to be eliminated, they believe that the defensive ties which unite them must be maintained because their security cannot be disregarded.
3. They reiterate, therefore, their intent to continue existing cooperation -- based on firm friendship -- through reciprocal support of their defensive efforts in order to strengthen their own security and with it the security of the Western World.
4. They confirm, in fact, that for over 20 years their cooperation has strengthened the West, thus helping to preserve the values, ideals and aspirations based on the dignity and freedom of the individual.
5. They affirm that sovereign equality, territorial integrity, political independence, the right to govern themselves freely and to attain their well-being are fundamental principles which both countries will scrupulously respect.

6. They believe that their mutual defense effort is complementary to that of existing security arrangements in the Atlantic framework and that equal treatment should be accorded to all the countries of the region. Accordingly, they intend that their defense cooperation be coordinated, furthering the appropriate relationship with such arrangements, being convinced that reciprocal security and integrity are essential for the maintenance of peace and that the security of the Atlantic and Mediterranean area requires the effort of all concerned.

7. The two Governments recognize that the security and integrity of both the United States and Spain are necessary for the common security. They reaffirm, therefore, that a threat to or an attack on either country would be a matter of concern to both and each country would take such action as it may consider appropriate within the framework of its constitutional processes. With this in mind, they will continue to consolidate their defense cooperation by means of close and frequent consultations in order to insure effectiveness in their effort.

8. Aware that cooperation should be reflected in all fields, they believe that harmonious political and economic relations constitute valuable support for security, insofar as they permit each country to benefit from the program of the other. To this end both Governments will endeavor to avoid conflicts between their respective economic policies and to eliminate any obstacles which may arise in the way of their collaboration. They will advance their economic, technical and technological cooperation by all means. Similarly, guided by their permanent friendship and for the achievement of common objectives, they will continue to consult frequently at all appropriate levels on all matters of common interest.

9. They recognize the importance of the attainment of progress and well-being by every nation, especially by the developing countries, for the maintenance of world peace and they reiterate their will to contribute in a decisive manner to the promotion of these ideals, of social justice for all peoples and universal respect for human rights.

10. Finally, they declare that the friendly relationship between Spain and the United States is not directed against any country but has as its purpose to preserve the independence and development of the welfare of their peoples, desiring that their common effort continue to contribute to world peace and progress of humanity.



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**SPANISH PESETA CONVERSION TABLE**

(56.0 Pts = \$1 U.S.)

(100 Centimos = 1Pts)

<u>Pesetas to Dollars</u>		<u>Dollars to Pesetas</u>	
<u>Pts</u>	<u>US\$</u>	<u>US\$</u>	<u>Pts</u>
1.00	.02	.10	5.6
5.00	.09	.25	14.00
10.00	.18	.50	28.00
50.00	.89	1.00	56.00
56.00	1.00	5.00	280.00
<hr/>			
100.00	1.79	10.00	560.00
500.00	8.93	20.00	1,120.00
1,000.00	17.86	50.00	2,800.00
5,000.00	89.29	100.00	5,600.00
10,000.00	178.57	200.00	11,200.00
20,000.00	357.14	300.00	16,800.00
30,000.00	535.71	400.00	22,400.00
		500.00	28,000.00

NOTE: All U.S. dollar values are rounded to nearest U.S. cent. Spanish peseta value may vary according to currency market conditions.

# background NOTES

## Spain

department of state \* may 1975

OFFICIAL NAME: Spanish State

### GEOGRAPHY AND PEOPLE

Spanish territory comprises the mainland of Spain, the Balearic

Islands, the Canary Islands, the presidios of Ceuta and Melilla and three other enclaves under Spanish sovereignty on the Mediterranean

coast of Africa, and the African Province of Spanish Sahara.

Spain's most striking topographical features are its high plateaus and its internal compartmentalization by mountain and river barriers. The Spanish landmass rises sharply from the sea with only a narrow coastal plain except in the Andalusian lowlands. The greater part of the peninsula is a high plateau divided by mountains and broad, shallow depressions. There are few bays, virtually no coastal islands, and a scarcity of natural harbors.

Nearly three-quarters of Spain is arid, with less than 20 inches of rainfall annually. Northwestern Spain, however, resembles England in climate, with slight variations in temperature and plentiful rainfall, while the coastal regions in the east and south enjoy a typically Mediterranean climate, with long dry spells and warmer temperatures.

Madrid, the capital city, is located almost in the center of the Iberian Peninsula, at a level of 2,150 feet, on a large plateau surrounded by the mountain peaks of the high Sierras of Guadarrama and Gredos and the mountains of Toledo.

Spain's population density is roughly equivalent to that of New England and is lower than that of most European countries. The pattern of population has shifted in recent years with large-scale migration from rural to urban areas.

Under a Concordat with the Vatican, Roman Catholicism is the official

### PROFILE

#### Geography

AREA: 195,988 sq. mi., including the Balearic and Canary Islands (size of Ariz. and Utah combined). CAPITAL: Madrid (pop. 3.5 million). OTHER CITIES: Barcelona (2 million), Valencia (700,000), Seville (560,000), Zaragoza (500,000), Bilbao (450,000), Malaga (400,000).

#### People

POPULATION: 35.5 million (1975 est.). ANNUAL GROWTH RATE: 1.1%. DENSITY: 176 per sq. mi. RELIGION: Roman Catholic. LANGUAGES: Spanish (official), Catalan, Basque. LITERACY: 97%.

#### Government

TYPE: Constitutional Monarchy (without King). CONSTITUTION: Fundamental Laws of the State (various). INDEPENDENCE: July 18, 1936.

BRANCHES: *Executive*—Chief of State (incumbent for life), President (Prime Minister) of Government, 5-year term. *Legislative*—Unicameral *Cortes* (561 seats, among which 104 elected members, 4-year term). *Judicial*—Supreme Court.

POLITICAL PARTY: National Movement. SUFFRAGE: Heads of household. POLITICAL SUBDIVISIONS: 50 metropolitan Provinces; 2 Presidios, 3 enclaves, and 1 Province in Africa.

FLAG: Two red horizontal bands separated by a wider yellow band; the national coat of arms, centered on the flag, shows an eagle flanked by the Pillars of Hercules.

#### Economy

GNP: \$74.6 billion (1974). REAL GROWTH RATE: 5% (1974). PER CAPITA GNP: \$2,100.

AGRICULTURE: *Land* 39.2% cultivated, 52.3% pasture. *Labor* 25%. *Products*—cereals, vegetables, citrus fruits, feedgrains, wine, olives and olive oil, livestock.

INDUSTRY: *Labor* 39%. *Products*—processed foods, textiles, footwear, petrochemicals, steel, ships, automobiles, consumer goods.

NATURAL RESOURCES: Coal, lignite, water power, uranium, mercury, pyrites, fluorspar, gypsum, iron ore, zinc, lead, tungsten, copper.

TRADE (1974): *Exports*—\$7.1 billion: fresh fruit, iron and steel products, shoes, clothing, textiles, alcoholic beverages, textile machinery, printed matter, ships. *Imports*—\$15.4 billion: crude petroleum, general industrial machinery, transportation equipment, cereals, electrical machinery, organic chemicals, oilseeds. *Partners* (1973): European Communities (EC) 45.4% (of which F.R.G. 12.7%, France 11.6%, U.K. 7.2%), U.S. 14.9%.

OFFICIAL EXCHANGE RATE: 56 pesetas=US\$1.

MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS: U.N. and its specialized agencies, Organization for Economic Cooperation and Development (OECD), International Energy Agency (IEA), International Telecommunications Satellite Consortium (INTELSAT), World Tourism Organization (WTO).



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religion; about 0.1 percent of the population practices other religions.

## HISTORY

For centuries before it became a unified nation, the Iberian Peninsula was a battleground of invasion and resistance. From the Mediterranean came the Phoenicians, Greeks, Carthaginians, and Moors. From the European Continent came the Celts, whose influence in northern Spain was considerable, followed in the 2nd century B.C. by the Romans. The present Spanish language, religion, and law stem from the Roman invasion. The Visigoths arrived in the 5th century A.D., but the last Roman strongholds along the southern coast did not fall until the 7th century. In 711 the Moors of North Africa sailed across the straits and swept into Andalusia and, within a few years, pushed the Visigoths up the peninsula to the

Cantabrian Mountains. Efforts to drive out the Moors, known as the Reconquest, lasted over 700 years and finally resulted in a unified nation under Isabella and Ferdinand, the Catholic Kings, in 1492, the year in which Columbus discovered the New World.

The 16th century saw Spain's rise to preeminence as a world power, thanks to the immense wealth derived from the Americas and the power of the Hapsburg Empire. But a series of long and costly wars and revolts were capped by the disaster of the "Invincible Armada" in 1588, after which Spanish power in Europe declined steadily. The death in 1700 of Charles II, last of the Hapsburg rulers, brought about the War of the Spanish Succession in which the House of Bourbon eventually came to Madrid. A century later Spain became embroiled in the Napoleonic Wars, during which Napoleon's brother Joseph was placed on the Spanish throne (1808-1814).

After the long campaign of the Peninsular War, which brought fame to the Duke of Wellington, the Bourbon Monarchy was restored.

In 1812, during the French occupation of Madrid, the progressive Constitution of Cadiz was drawn up, embodying principles which were at the center of the political dispute between liberals and conservatives for another hundred years. This sad century for the Crown saw the revolt and independence of the American colonies; three Carlist Wars over the succession issue; the institutionalization of the military *pronunciamento* as a call to insurrection in the name of protecting the national interest; the brief ousting of the Monarchy and establishment of the short-lived First Republic; economic stagnation; and finally the Spanish-American War (1898) in which Spain lost Cuba, Puerto Rico, and the Philippines. Neutral in World War I, Spain subsequently suffered

from lack of governmental authority and experienced economic, political, and social crises. In 1923 Gen. Primo de Rivera installed a Military Directory which lasted until 1929.

In 1931 a Republican-Socialist coalition won huge victories in the municipal elections. The next day King Alfonso XIII renounced power and fled to France. After the flight of the King, elections were held for a Constituent Assembly which adopted a republican constitution. The history of the Second Republic (1931-36) was as turbulent as it was brief. Three broad but basic problem areas—the disputes between the liberals and the Church, between the landowners and middle class with the working class, and between the advocates of regional autonomy versus central control from Madrid—underlay the endless political disputes of the Republic. The one thing held in common by all factions—republicans, monarchists, liberals, conservatives, radicals, fascists, socialists, the Church, anarchists, the military, communists, peasants, and regionalists alike—was their stubborn refusal to compromise. The reforms undertaken or attempted by successive governments of the Republic were, in the last analysis, always too little for the Left and too much for the Right to accept. Enormous pressures from all sides coupled with growing and unchecked partisan violence led inevitably to the outbreak of civil war in July 1936.

The Spanish Civil War (1936-39) had repercussions throughout Europe and North America because of the issue of foreign intervention. The Axis powers supported the insurgent forces, while the Soviet Union and the International Brigades supported the Republicans. Vigorous efforts by France and Britain, supported by the United States and many other countries, to secure general agreement on a policy of nonintervention, were futile. Following the Nationalist victory, Gen. Franco ruled a nation exhausted politically and economically. World War II began 6 months after the close of the Civil War, and the Spanish economy did not really begin to recover until the late 1940's.

## GOVERNMENT

By law and in practice, Gen. Franco has controlled the processes and institutions of government. He is Chief of State, Commander in Chief of the Armed Forces, and Chief of the National Movement (the only legal political organization in Spain).

The authoritarian regime is based on the Principles of the National Movement and on a group of laws, which have constitutional force, called the Fundamental Laws of the State. Under one of these, the 1947 Law of Succession, Spain officially became a monarchy, although no king has been placed on the throne.

A second basic piece of legislation, the 1966 Organic Law, created the separate position of President of Government (Prime Minister). In accordance with these laws, in July 1969, Gen. Franco designated Prince Juan Carlos de Bourbon y Bourbon, a grandson of the last reigning monarch, Alfonso XIII, to succeed as Chief of State. The Prince, who holds the title of Prince of Spain, will be sworn in as Chief of State and King upon Gen. Franco's death or retirement. Also in accordance with the Organic Law, Gen. Franco in 1973 appointed Adm. Luis Carrero Blanco as President of Government, in charge of overall government operations. Following the assassination of Carrero Blanco in December 1973, Gen. Franco appointed then-Interior Minister Carlos Arias Navarro as President of Government, serving for a 5-year term.

As President of Government, Arias presides over the Cabinet under Gen. Franco's supervision. The Cabinet, last changed in March 1975, meets with Gen. Franco every other Friday to discuss and approve the most important government decisions.

The unicameral *Cortes*, or national legislature, elaborates and approves laws introduced by the government, holds hearings and may initiate legislation on its own. It ratifies international treaties or agreements that affect the full sovereignty or territorial integrity of Spain, and it is consulted on ratification of other treaties affecting matters within its competence. The

## READING LIST

These titles are provided as a general indication of the material currently being published on this country. The Department of State does not endorse the specific views in unofficial publications as representing the position of the U.S. Government.

- Castro, Americo. *The Spaniards: An Introduction to Their History*. Translated by King and Margaretten. Berkeley: University of California Press, 1971.
- Crozier, Brian. *Franco*. Boston: Little, Brown & Co., 1967.
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- Herr, Richard. *Spain*. Englewood, New Jersey: Prentice-Hall, 1971.
- Jackson, Gabriel. *The Spanish Republic and the Civil War, 1931-1939*. New Jersey: Princeton University Press, 1965.
- Matthews, Herbert L. *Half of Spain Died*. New York: Charles Scribner's Sons, 1973.
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- Organization for Economic Cooperation and Development. *Economic Survey: Spain*. Paris: OECD (annual publication).
- Payne, Stanley G. *Falange: A History of Spanish Fascism*. Stanford: Stanford University Press, 1961.
- Payne, Stanley G. *Politics and the Military in Modern Spain*. Stanford: Stanford University Press, 1967.
- Pritchett, V. S. *The Spanish Temper*. New York: Knopf, 1955.
- Szulc, Tad. *Portrait of Spain*. New York: American Heritage Press, 1972.
- Thomas, Hugh. *The Spanish Civil War*. New York: Harper, 1961.
- Welles, Benjamin. *Spain: The Gentle Anarchy*. New York: Frederick A. Praeger, 1965.

*Cortes* may not deal with matters falling within the exclusive purview of the Chief of State, who also has veto power over legislation and may issue laws by decree.

## TRAVEL NOTES

**Clothing**—Clothes suitable for temperatures in Washington, D. C., are recommended. Slacks, but not shorts, are worn in public. Sweaters and raincoats are advisable.

**Health**—Sanitary conditions and facilities are adequate in the large cities, but avoid milk, uncooked vegetables, and tap water. Typhoid, typhus, and gamma globulin shots are suggested.

**Telecommunications**—Local and long-distance telephone services are available and reasonable. Government telegraph offices handle all telegrams.

**Transportation**—Public transportation is inexpensive but crowded. Taxis are numerous and reasonable, but sometimes difficult to find. Air and rail facilities serve most cities in Spain, with good connections to major cities in Europe. Rental cars are available, with or without a driver. Major highways are good.

There are presently 561 seats (*procuradores*) in the *Cortes*. The term of office is 4 years. An important innovation in the Organic Law is the provision for direct election, by heads of families, of 104 members of the *Cortes*. The remaining members hold their seats *ex officio*, by indirect election or by appointment by the Chief of State. They represent the government, the National Council of the Movement, the Syndicates, local government, and other institutions and groups.

The judiciary is made up of ordinary courts, which have competence in civil and criminal cases; extraordinary courts, which include the military courts and the Court of Public Order; and special courts, such as labor and juvenile courts. Judges are appointed by the government. The jury system is not used, both the prosecution and the defense attorneys arguing their cases directly before the bench. The judicial system has no real independent power, since judges may interpret laws but may not question their validity. The penal code is based upon adaptations of the Napoleonic Code.

The Province is the first-level administrative division. The Provinces

(47 on the mainland plus one in the Balearic Islands and two in the Canary Islands) are governed by Civil Governors appointed by the Chief of State and responsible to the Minister of the Interior. The Civil Governors, who have broad powers, are assisted administratively by provincial councils (*diputacion provincial*) which are elected indirectly and have representation from each municipality in the Province, the provincial syndical organization, and professional associations. Local government is organized on the basis of municipalities, the smallest territorial subdivision in the government structure.

### Principal Government Officials

Chief of State, Commander in Chief of the Armed Forces, Chief of the National Movement—Gen. Francisco Franco Bahamonde

Prince of Spain—Juan Carlos de Bourbon y Bourbon

President of the Government—Carlos Arias Navarro

First Vice President and Minister of Interior—Jose Garcia Hernandez

Second Vice President and Minister of Finance—Rafael Cabello de Alba

Third Vice President and Minister of Labor—Fernando Saurez Gonzalez

Under Secretary of Presidency—Antonio Carro Martinez

Secretary General of National Movement—Fernando Herrero Tejedor

### Other Ministers

Agriculture—Tomas Allende Garcia-Baxter

Air—Lt. Gen. Mariano Cuadra Medina

Army—Lt. Gen. Francisco Coloma Gallegos

Commerce—Jose Luis Ceron Ayuso

Development Planning—Joaquin Gutierrez Cano

Education—Cruz Martinez Esteruelas

Foreign Affairs—Pedro Cortina Mauri

Housing—Luis Rodriguez de Miguel

Information and Tourism—Leon Herrera Esteban

Industry—Alfonso Alvarez Miranda

Justice—Jose Maria Sanchez de Ventura y Pascual

Navy—Adm. Gabriel Pita da Veiga y Sanz

Public Works—Antonio Valdes Gonzales-Roldan

Syndicates—Alejandro Fernandez Soto

Ambassador to the U.S.—Jaime Alba Delibes

Ambassador to the U.N.—Jaime de Pinies

Spain maintains an Embassy in the U.S. at 2700 15th St., NW., Washington, D.C. 20009.

## POLITICAL CONDITIONS

Following the political turbulence culminating in the civil war, Spain has had governmental stability under Gen. Franco for about three and a half decades. There have been a number of cabinet changes over the years but continuity has been assured through the powers exercised by Gen. Franco as Chief of State, which have been granted to him for life by constitutional provision. Under the present Cabinet, which includes figures identified as technocrats in key Ministries, the main emphasis of government policy has been on social and economic development of the country and on promoting Spain's international standing.

Political parties, considered by the Spanish Government leadership to be largely responsible for the turbulence in pre-Franco Spain, are not permitted under the existing government system. There exists, however, a legal political organization, called the National Movement, intended to accommodate various viewpoints among Spaniards who wish to participate in the political process, provided they respect the Principles of the National Movement (which establish the ideological basis of a corporate state) and other Fundamental Laws.

In January 1975, and as part of President Arias' program to increase public participation in the political process, a law was promulgated to permit the formation of "political associations" with the approval of the National Movement. Although this law has been criticized by those who feel that it does not respond to the diversity of political opinion in Spain, several associations are in the process of formation.

Actually, prominent figures in the Movement hold diverse political views, ranging from old-guard Falangist doctrine to advocacy of accelerated

development of a more open political system.

National political issues do not generally figure prominently in the corporate elections, or in designations of deputies to the *Cortes*, or even in the direct election of deputies by heads of household. The last elections and appointments of *procuradores* took place in September and October of 1971 and resulted in a *Cortes* with about the same political complexion as before. Among the *procuradores* are a few persistent critics of government policy. Bills introduced by the executive branch of the government may encounter overt opposition from such critics or others in the legislature. However, the legislation introduced is almost always passed, though bills are debated in *Cortes* commissions and in plenary and are sometimes modified before passage.

Current pressures for political change are focused on Spain's efforts to achieve a closer association with Western Europe. Many Spaniards argue that Spain will be unable to attain this objective unless it adopts political institutions more in harmony with other Western European countries.

## ECONOMY

During the second half of the 1950's, the Spanish economy was characterized by a basic disequilibrium between the supply of real resources and increased domestic demand which resulted in strong inflationary pressures and a rapid deterioration of the balance-of-payments position. A severe stabilization program was introduced in 1959 which brought with it a fundamental change in Spain's attitude to foreign trade and capital operations. The multiple exchange rate was abolished and the peseta devalued; imports were progressively liberalized; the tariff system was entirely modified; and a liberal attitude was adopted toward invisible transactions and inward foreign, private investment.

These basic changes opened the way for the extremely rapid growth which has characterized the economy since 1960. The GNP has risen dramatically, from little more than \$8

billion in 1960 to over \$74 billion in 1974. Significant socio-economic changes have also taken place, and Spain now has a large middle class with a lifestyle similar to other Western European countries. However, the overall pattern of income distribution remains uneven, and, despite the recent gains, the average standard of living in Spain is still below those of the more developed countries in Europe.

Tourism is a major commercial activity and an important source of foreign exchange. Over 35 million tourists visit Spain each year, providing well over \$3 billion in foreign exchange. Spain is now acknowledged as the leading tourist country in Europe.

Although 1974 showed an overall growth of 5 percent, Spain experienced economic difficulties similar to those afflicting other Western economies, and 1975 is expected to be even worse. Inflation (18 percent in 1974), unemployment, and balance-of-payments deficits will pose serious problems for Spanish decisionmakers.

In 1974 Spanish imports increased by 62 percent and exports rose by 38 percent.

The U.S. share of the Spanish import market has declined somewhat as a percentage of the market (15.4 percent in 1974) but has increased in value, reaching nearly \$2.4 billion in 1974. By comparison, more than 45 percent of Spain's total trade was conducted with members of the EC.

## Industry

Encouraged by a variety of government incentives and controls, Spanish industry has had an excellent long-term growth record, averaging 8.7 percent per year in the decade 1961-71.

Leading sectors have been leather, shoes and clothing, and rubber products. Considerable investments are also being placed in basic steel, shipbuilding, petroleum refining, plus basic and secondary chemicals.

Government-coordinated programs such as the "industrial poles program" have brought about a geographic redistribution of industry. Basic industry (iron and steel, chemicals, metal working) historically has tended to locate in

the Bilbao-Santander-Oviedo area, while transformation industries (textiles, plastics, autos) gravitated around Barcelona. Madrid, on the other hand, was and is the financial center and a location for light industry.

The Instituto Nacional de Industria (INI), a wholly owned government holding company, is the government's chosen instrument in the industrial field. Its mission is to operate strategic and "essential" industries in which private capital cannot or does not wish to participate; to rationalize and consolidate industrial sectors; and to be the leader for the introduction of new technology.

## Agriculture

In recent years Spanish agricultural growth has not kept pace with advances in industry and other sectors of the economy. Agriculture's share of the GNP declined from one-fourth in 1960 to one-seventh in 1975. During this period agricultural imports increased sharply, resulting in large trade deficits in agricultural products which adversely affected the balance of payments. Despite the many factors hampering agricultural growth, Spanish agriculture has advanced in the past decade. More and better inputs, notably machinery and fertilizers, are being used on farms. Irrigation and land consolidation have made significant inroads. Government incentive programs and other measures have led to increased production and trade, regional development, and general market improvements.

## Labor

The Spanish Syndical Organization (SSO) is the all-embracing official labor grouping. The SSO is a "vertical" organization which includes worker, employer, and government representatives. It is headed by a Cabinet minister, functions as part of a government ministry, and covers all of Spain's 14 million employers and workers. A new syndical law passed in February 1971 did not alter the vertical structure of the SSO, although it introduced some liberalizing features in order better to fulfill the aspirations of both labor and management, and it increased the number of elected SSO

officials. Strikes have been illegal for many years, but a law of May 1975 permits work stoppages under certain limited conditions.

#### Balance of Payments

During the early years of the 1970's, Spain's growing foreign exchange earnings from tourism, remittances from Spanish workers in other countries, and long-term capital inflows were more than sufficient to cover the gap in the current account for goods and services. Spain ran a payments surplus of more than \$1.6 billion in 1973, pushing net international reserves to \$6.8 billion at the start of 1974, which was a very high level for an economy the size of Spain's. However, the greatly increased cost of petroleum imports, a slowdown in tourism, and a surge in imports combined in 1974 to produce a net foreign exchange loss of \$800 million, with net reserves still at a healthy level of \$6 billion at the start of 1975. The balance of payments is expected to show a further loss in 1975.

#### Foreign Investment

Foreign investment has played an important role in the rapid development of the Spanish economy since 1960. Foreign investment supplies the capital to finance needed investment and is the principal source of advanced technology and modern management techniques. According to official estimates, cumulative gross foreign investment during the period from 1960 to 1970 totaled about \$2.2 billion. The U.S. Department of Commerce estimates that the total U.S. investment in Spain at the end of 1974 was \$1.3 billion. These figures show a significant role for the United States as a source of foreign investment in Spain. However, the United States has not gained a disproportionate degree of influence in the Spanish economy, since it is estimated that U.S. investment amounts to less than 1 percent of total gross asset formation.

#### FOREIGN RELATIONS

Over the past two decades, Spain has pursued a foreign policy designed

to expand its contacts with the rest of the world and promote its international standing. In consequence, it has come to play an increasingly prominent role in world affairs, in contrast to its isolated position in the years immediately following World War II. Until the early 1950's Spain was excluded from the United Nations as well as from Western regional organizations because of its past links with the Axis powers and its authoritarian regime. Now Spain is a member of the United Nations, virtually all major world bodies, and several Western regional organizations.

Full integration in Western Europe is a primary objective of Spanish foreign policy. Bilateral relations between Spain and other West European countries have improved considerably in recent years, and in June 1970 Spain and the European Economic Community (EEC) concluded a preferential trade agreement—widely considered a step toward Spain's eventual full integration in the EEC. However, attitudes of influential political groups in some Western countries continue to impede the full integration of Spain in Western regional organization. Spain is not a member of NATO but makes an important contribution to Western defense through bilateral military cooperation with the United States.

Spain is also strengthening its relations with Eastern Europe. It has formal commercial and consular agreements with most East European countries, signed a commercial accord with the U.S.S.R. in September 1972, and entered into diplomatic relations with the German Democratic Republic and with the People's Republic of China early in 1973. The Spanish have also participated actively in the Conference on Security and Cooperation in Europe.

One sensitive issue in Spain's European policy is the dispute over Gibraltar, which was taken by England in 1704 during the War of the Spanish Succession. The Spanish contend that Gibraltar is a piece of Spanish territory whose continued occupation by the British is a relic of a bygone colonial era. The British maintain that any change in the status of Gibraltar,

established by the Treaty of Utrecht of 1713, would be contrary to the desires of the Gibraltarians; in a 1967 referendum, they voted nearly unanimously to retain their ties to the U.K. The Spanish and British Foreign Ministers have engaged in a series of talks seeking a way to resolve the issue in a mutually satisfactory way.

Relations with North Africa are of particular importance to Spain because of geographical proximity, historical ties, economic interests, and political and security considerations. The Spanish, claiming a special understanding with the Arabs derived from historical ties, generally enjoy congenial relations with countries in the region. Their relations with Arabs and Africans have been enhanced by Spain's grant of independence to Equatorial Guinea in 1968, cession of the coastal enclave of Ifni to Morocco in 1969, and consistent support of the Arab side of the Arab-Israeli dispute. In recent years, these relations have been complicated by pressures on Spain, notably from Morocco, Mauritania, and Algeria, to relinquish control of Spanish Sahara, which has the status of an Overseas Province of Spain. The issue has been the subject of several U.N. resolutions urging Spain to decolonize Spanish Sahara. The Spanish maintain they favor self-determination in the area and are willing to conduct a referendum there whenever the inhabitants so desire. The 1974 U.N. General Assembly approved a resolution asking the International Court of Justice for an advisory opinion on the conflicting historical claims to the territory.

Another area of particular interest to Spain is Latin America. In this area, Spanish policy emphasizes the concept of Hispanidad, which denotes the complex of language; religious, ethnic, cultural, and historic ties; and common values which bind Spanish-speaking America to the mother country. Economic and technical cooperation is also an important aspect of Spanish policy in Latin America. Spain generally enjoys cordial relations with countries in the region. A conspicuous exception is Mexico, which has persisted over the years in recognizing the pre-Franco republican gov-

ernment of Spain. In their overall foreign policy approach, the Spanish tend to identify themselves with the aspirations of developing countries.

#### U.S.-SPAIN RELATIONS

Spain and the United States have a long history of official relations and are now closely associated in many fields. This association has been furthered in recent years by the exchange of numerous high-level visitors and by conclusion of the bilateral Agreement of Friendship and Cooperation in August 1970. This agreement replaced the defense cooperation accord which was signed in 1953 and extended after expiration of its original 10-year period. The new agreement, in effect until 1975 and subject to renewal for another 5-year term by mutual accord, provides a framework for U.S.-Spanish cooperation across a wide spectrum. In addition to extending the bilateral defense relationship, it includes provisions for cooperation in education and culture, science and technology, environment and urban development, agriculture, economic relations, and public information.

The Agreement of Friendship and Cooperation makes an important contribution to the U.S. defense posture in Europe and to stability in the Mediterranean area. Under its provisions, Spain authorizes the United States to use certain facilities on Spanish military installations while the U.S. provides military assistance to Spain's armed forces. The major facilities used by the United States under these provisions are at the air bases of Torrejon, Zaragoza, and Moron and at the naval base of Rota. A Joint Committee, cochaired by the Spanish Foreign Minister and the U.S. Ambassador to Spain, oversees U.S.-

Spanish defense relations and deals with any problems that may arise from these relations. A Joint Declaration of Principles issued in July 1974 reaffirmed the importance that the Spanish and United States Governments give to mutual cooperation and emphasized their view that their defense cooperation should be coordinated with other Western defense efforts, on the basis of equality of all participants.

Another important sector of U.S.-Spanish cooperation is space exploration. Under agreements in force until 1984 and subject to renewal at that time, the U.S. National Aeronautics and Space Administration (NASA) and the Spanish National Institute of Aerospace Technique (INTA) jointly operate tracking stations in the Madrid area and the Canary Islands in support of earth orbital, lunar, and planetary exploration missions. The Madrid space station is one of the three largest tracking and data-acquisition complexes supporting NASA operations.

U.S.-Spanish economic relations have expanded considerably over the past several years. In other sectors as well there are numerous programs of U.S.-Spanish exchanges and cooperation. In addition to major cultural-scientific projects jointly undertaken by the two governments under the current agreement, the U.S. Embassy conducts programs for Spanish visitors in various fields to this country and assists in exchanges of graduate students and professors under the Fulbright Program. The U.S. Information Service directs cultural centers in Madrid and Barcelona which teach English to several thousand students yearly and present a variety of programs dealing with American life and thought; this

information is promulgated also through the Spanish media. Thousands of American university students go to Spain every year under regular study programs.

Recognizing that Spain has an important contribution to make to Western cohesion and strength, the United States favors a larger Spanish role in Western defense and integration of Spain in West European regional organizations. Reflecting the importance attached by the United States and Spain to close relations through high-level consultation, President Nixon visited Spain in October 1970, and Prince Juan Carlos visited the United States in January 1971. In December 1973 then-Vice President Ford attended the funeral in Madrid of Prime Minister Carrero. Numerous Cabinet-level officials have exchanged visits between the two countries over the past few years.

#### Principal U.S. Officials

Ambassador—Wells Stabler  
Deputy Chief of Mission—Samuel D. Eaton  
Chief, Joint U.S. Military Group (JUSMG) and Military Assistance Advisory Group (MAAG)—Rear Adm. William E. Lemos  
Consul General, Barcelona—William W. Lehfeltd  
Consul General, Seville—Curtis C. Cutter  
Consul, Bilbao—Walter G. West

The U.S. Embassy is located at Serrano 75, Madrid 6; Consulate General, Barcelona, at Via Layetana 33-4; Consulate General, Seville, at Paseo de las Delicias, 7; Consulate Bilbao, at Plaza de los Alferceces Provisionales, 2-4.

DEPARTMENT OF STATE, U.S.A.  
WASHINGTON, D.C. 20520

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## BIOGRAPHICAL INFORMATION

### American Officials in the Spanish State

#### WELLS STABLER

United States Ambassador to Spain

Wells Stabler has served as United States Ambassador to Spain since February 1975. At the time of his appointment he was Principal Deputy Assistant Secretary of State for European Affairs, after serving from 1973 to 1974 as Deputy Assistant Secretary for European Affairs including a period as Acting Assistant Secretary for European Affairs.

Ambassador Stabler was Deputy Chief of Mission, with the personal rank of Minister, in Rome from 1969 to 1973. From 1966 to 1969 he was Country Director for Italy, Austria and Switzerland, after attending the Foreign Service Institute's Senior Seminar in Foreign Policy during 1965-66. From 1960 to 1965 he was Political Officer in Paris. Ambassador Stabler was Officer in Charge of Swiss-Benelux Affairs in 1958 and in 1959 he was Officer in Charge of Italian-Austrian Affairs.

He was born on October 31, 1919, in Boston, Massachusetts. Ambassador Stabler received his B. A. in 1941 from Harvard University and was appointed to the Foreign Service the same year. He served successively as Divisional Assistant, Bureau of Inter-American Affairs; Desk Officer for Ecuador; Assistant to the Executive Secretary for Political Affairs, Committee on Post War Programs; Consular Officer in Jerusalem; American Representative then Charge d'Affaires ad interim in Amman; Officer in Charge of Egypt and Anglo-Egyptian-Sudan Affairs; Acting Deputy Director of the Office of Near East Affairs; Political Officer in Rome; and Officer in Charge of United Arab Republic-Sudan Affairs.

Ambassador Stabler is married to the former Emily Atkinson. They have four children.

## BIOGRAPHICAL INFORMATION

### Officials of the Spanish State

#### GENERALISSIMO FRANCISCO FRANCO

Generalissimo Francisco Franco, 82, has led Spain for 36 years. He is Chief of State, Commander-in-Chief of the Armed Forces, and Head of the National Movement (the only authorized political organization). He holds these positions for life. To provide for a successor government, he relinquished his post as President of the Government (Prime Minister) on June 8, 1974. During July and August 1974 Franco was seriously ill and temporarily gave up his powers as Chief of State to Prince Juan Carlos de Borbon, his designated successor. Franco is married to the former Carmen Polo y Martinez Valdes and has a daughter. Franco has never visited the United States.

#### PRINCE JUAN CARLOS de BORBON

Prince Juan Carlos de Borbon, 37, was designated in 1969 as Franco's successor and will be crowned King Juan III upon the retirement, incapacitation or death of Franco. Juan Carlos was Acting Chief of State for six weeks last July and August when Franco was ill. He is the son of Don Juan, Pretender to the Spanish throne, and grandson of Spain's last monarch, King Alfonso XIII, who abdicated in 1931. Prince Juan Carlos is married to Princess Sofia of Greece and they have three children. Prince Juan Carlos has visited the United States several times, most recently with Princess Sofia in 1971.

#### CARLOS ARIAS

Prime Minister

Prime Minister Carlos Arias, 67, was appointed President of Government (Prime Minister) in January 1974 following the assassination of his predecessor, Admiral Luis Carrero Blanco. He has joined the Cabinet in June 1973 as Minister of Interior, in which post he was responsible for both the Directorate General of Security and the Civil Guard. The Prime Minister is a career civil servant. He is married. Arias has never visited the United States.

PEDRO CORTINA  
Foreign Minister

Foreign Minister Pedro Cortina, 67, has been a career diplomat for 40 years including eight years as Ambassador to France. He became Minister of Foreign Affairs in January 1974 and served as Under Secretary for Foreign Affairs (1958-66) before going to Paris. He and Secretary Kissinger signed a US-Spanish declaration of principles in July 1974. A respected international jurist, Cortina is a member of the Court of Arbitration at The Hague.



THE WHITE HOUSE

TRIP OF THE PRESIDENT  
TO  
KINGDOM OF BELGIUM  
SPANISH STATE  
REPUBLIC OF AUSTRIA  
ITALIAN REPUBLIC  
STATE OF THE VATICAN CITY

MAY - JUNE 1975

The President's Contacts with Austrian Officials  
1974-1975

November 12, 1974 - The White House

President Ford met with Chancellor Kreisky during an Official  
Visit to the United States.

THE WHITE HOUSE

TRIP OF THE PRESIDENT  
TO  
KINGDOM OF BELGIUM  
SPANISH STATE  
REPUBLIC OF AUSTRIA  
ITALIAN REPUBLIC  
STATE OF THE VATICAN CITY

MAY - JUNE 1975

Previous Visits by United States Presidents to Austria

June 3-4, 1961 - President Kennedy met in Vienna for a summit conference with the then Soviet Premier Khrushchev.

May 20-21, 1972 - President Nixon stopped in Salzburg enroute to summit meetings in Moscow.

June 10-12, 1974 - President Nixon visited Salzburg.

THE WHITE HOUSE

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REPUBLIC OF AUSTRIA  
ITALIAN REPUBLIC  
STATE OF THE VATICAN CITY

MAY - JUNE 1975

The President's Contacts with Egyptian Officials  
1974-1975

August 9, 1974 - The White House

President Ford met with Middle East Ambassadors (Algeria, Jordan, Kuwait, Lebanon, Libya, Morocco, Oman, Qatar, Egypt, Saudi Arabia, Sudan, Syria, Tunisia, UAE, Yemen):

Egyptian Ambassador Ashraf A. Ghorbal

August 14, 1974 - The White House

President Ford met with Foreign Minister Isma'il Fahmi followed by lunch.

October 5, 1974 - The White House

President Ford met with Delegation of Egyptian Parliamentarians.

Ambassador Ashraf A. Ghorbal

Dr. Gamal El-Oteify, Deputy Speaker of the Assembly (Head of Delegation)

Zakaria Loutfy Gomaa, Chairman, Foreign Relations Committee

Moustapha Kamel Mourad, Chairman, Economic Committee,  
Mrs. Mourad

Dr. Roushdi Said, Member, Local Government and People's  
Organization Committee

Ramzi Stino, Vice Chairman, Industry and Power Committee  
Dr. Mohammed Safwat Mohie El-Din, Vice Chairman, Foreign  
Relations Committee

Ahmed Al-Demerdash Touni, Member, Foreign Relations Committee  
Mansour Muhammad Mahmoud Hassan, Member, Planning and  
Budget Committee, and Mrs. Hassan

Muhieddin Abdul Salam Al-Shazli, Member, Transport and  
Communications Committee

Abdel Latif Abdel Rahman El-Husseiny, Chairman of the  
Committee for Transport and Communications

Dr. Leila Takla, Member, Education and Scientific Research  
Committee

Tahsin Bashir, Presidential Press Affairs Supervisor

Amr. Musa, Office of the Minister of Foreign Affairs

## PLACES TO BE VISITED

### SALZBURG

SCHLOSS KLESSHEIM - The President and Mrs. Ford's residence while in Salzburg is the Schloss Klessheim which lies two miles northwest of the city. The imposing baroque mansion was originally built for Archbishop Johann Ernst Graf Thun by Fischer Von Erlach in 1700-09, but became the property of the Austrian Emperor at the time of the Congress of Vienna (1816). Emperor Francis Joseph I gave it to his brother, Archduke Ludwig Viktor, in the 1860's and decreed it to be the Archduke's residence. In 1921, the Province of Salzburg acquired Schloss Klessheim from the heirs of Archduke Ludwig Viktor.

The palace is now used to lodge guests of the Provincial Government and for seminars, congresses, ceremonial occasions, and in the summer is used as a school for diplomats. The park contains a golf course, a swimming pool, and the "Hoyoshaus" a garden pavillion built by Fischer Von Erlach in 1694. The "Kavalierhaus," built in 1880 on the castle grounds for Archduke Ludwig Viktor, was converted into a hotel in 1956. It has been owned by the Vogls since 1958.

SCHLOSS FUSCHL - Schloss Fuschl, now an elegant hotel is situated about 12 miles east of Salzburg, in the lovely countryside overlooking the Lake of Fuschl. The original castle, a late Gothic tower, was built in 1450 by the Salzburg archbishops as a hunting lodge and was in the possession of the church until 1830. In 1830 the castle became private property until 1938 when it was occupied during World War II by German Foreign Minister von Ribbentrop and his family. The tower was turned into a hotel in 1948 and enlarged by adjoining buildings with the help of Marshall Plan funds.

THE CHANCELLOR'S RESIDENCE - The residence was built in the 16th century and housed the Salzburg archbishops and their courts when it became more comfortable to stay in the city rather than on the high fortress. With its extensive courtyard where small operas and concerts are performed during the Salzburg Festival, as well as with its beautifully decorated imperial rooms, the residence serves today for representational functions hosted by the Governor of the province of Salzburg.



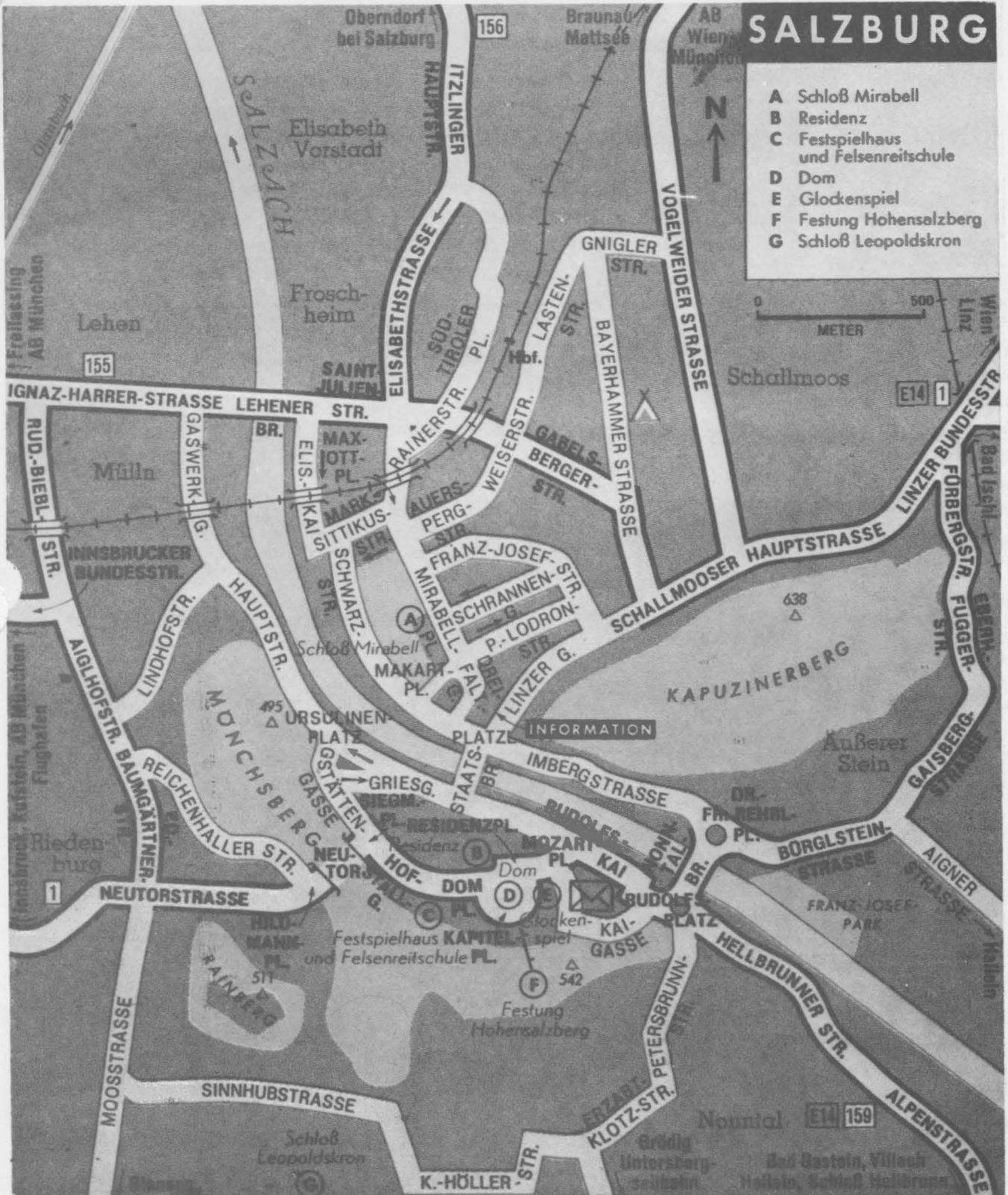
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# SALZBURG

- A Schloß Mirabell
- B Residenz
- C Festspielhaus und Felsenreitschule
- D Dom
- E Glockenspiel
- F Festung Hohensalzburg
- G Schloß Leopoldskron

0 500  
METER



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**AUSTRIAN SCHILLING CONVERSION TABLE**

(16.80S = \$1 U.S.)

(100 Groschen - 1 Schilling)

<i>Schilling to Dollars</i>		<i>Dollars to Schilling</i>	
<u>S</u>	<u>US\$</u>	<u>US\$</u>	<u>S</u>
1.00	.06	.10	1.68
5.00	.30	.25	4.20
10.00	.60	.50	8.40
16.80	1.00	1.00	16.80
-----	-----	-----	-----
50.00	2.98	5.00	84.00
100.00	5.95	10.00	168.00
500.00	29.76	20.00	336.00
1,000.00	59.52	50.00	840.00
5,000.00	297.62	100.00	1,680.00
10,000.00	595.24	200.00	3,360.00
		300.00	5,040.00
		400.00	6,720.00
		500.00	8,400.00

NOTE: All U.S. dollar values are rounded to nearest U.S. cent. Value of Austrian schilling fluctuates daily according to currency market conditions.

# background NOTES

# Austria

department of state \* may 1975

OFFICIAL NAME: Republic of Austria

## GEOGRAPHY AND PEOPLE

Austria, located in central Europe, shares common borders with three

Communist countries—Czechoslovakia, Hungary, and Yugoslavia—and four non-Communist countries—the Federal Republic of Germany, Italy, Switzer-

land, and Liechtenstein. It is primarily a mountainous country, with the Alps and their approaches dominating the western and southern provinces. The eastern provinces and Vienna are located in the Danube River Basin.

## PROFILE

### Geography

AREA: 32,369 sq. mi. (slightly smaller than Maine). CAPITAL: Vienna (pop. 1.6 million). OTHER CITIES: Graz (pop. 249,000), Linz (pop. 203,000), Salzburg (pop. 129,000), Innsbruck (pop. 115,000).

### People

POPULATION: 7.55 million (1974 est.). URBAN: 54%. ANNUAL GROWTH RATE: 0.5% (1974). DENSITY: 288 per sq. mi. ETHNIC GROUPS: German 98%, Croatian, Slovene. RELIGION: Roman Catholic (90%). LANGUAGE: German (95%). LITERACY: 99%. LIFE EXPECTANCY: 73 yrs.

### Government

TYPE: Parliamentary democracy. DATE OF CONSTITUTION: Constitution of 1920 (reinstated December 1945).

BRANCHES: *Executive*—Federal President (Chief of State), Federal Chancellor (Head of Government), Cabinet. *Legislative*—bicameral Federal Assembly. *Judicial*—Supreme Court.

POLITICAL PARTIES: Socialist Party, People's Party, Freedom Party, Communist Party. SUFFRAGE: Universal over 19. POLITICAL SUBDIVISIONS: 9 *Laender* (states).

FLAG: Three horizontal bands—red, white, and red; some flags also have the national emblem—a double-headed black eagle, centered in the white band.

### Economy

GROSS NATIONAL PRODUCT (GNP): \$27.887 billion (1973). ANNUAL GROWTH RATE: 5.5% (1973). PER CAPITA INCOME: \$3,690 (1973).

AGRICULTURE: *Land* 47%. *Labor* 19%. *Products*—livestock, dairy products, grains, barley, oats, corn, sugar, beets, potatoes.

INDUSTRY: *Products*—iron and steel, chemicals, capital equipment, consumer goods.

NATURAL RESOURCES: Iron ore, petroleum, timber, magnesite, aluminum, coal, lignite, cement, copper.

TRADE: *Exports*—\$5.205 billion (1973): iron and steel products, timber, paper, textiles, electrotechnical machines, machinery for construction and industry, chemical products, metal goods, garments, electric power, foodstuffs. *Partners*—members of the EC 50%, European Free Trade Association (EFTA) 18%. *Imports*—\$7.037 billion (1973): machinery for construction and industry, vehicles, chemicals, electrotechnical machinery, iron and steel, metal goods, garments, yarns and threads, industrial products, raw materials, fuels, foodstuffs. *Partners*—members of the EC 58%, EFTA 15%, U.S. 3.6%.

OFFICIAL EXCHANGE RATE: About 18 schillings=US\$1 (in mid-1974).

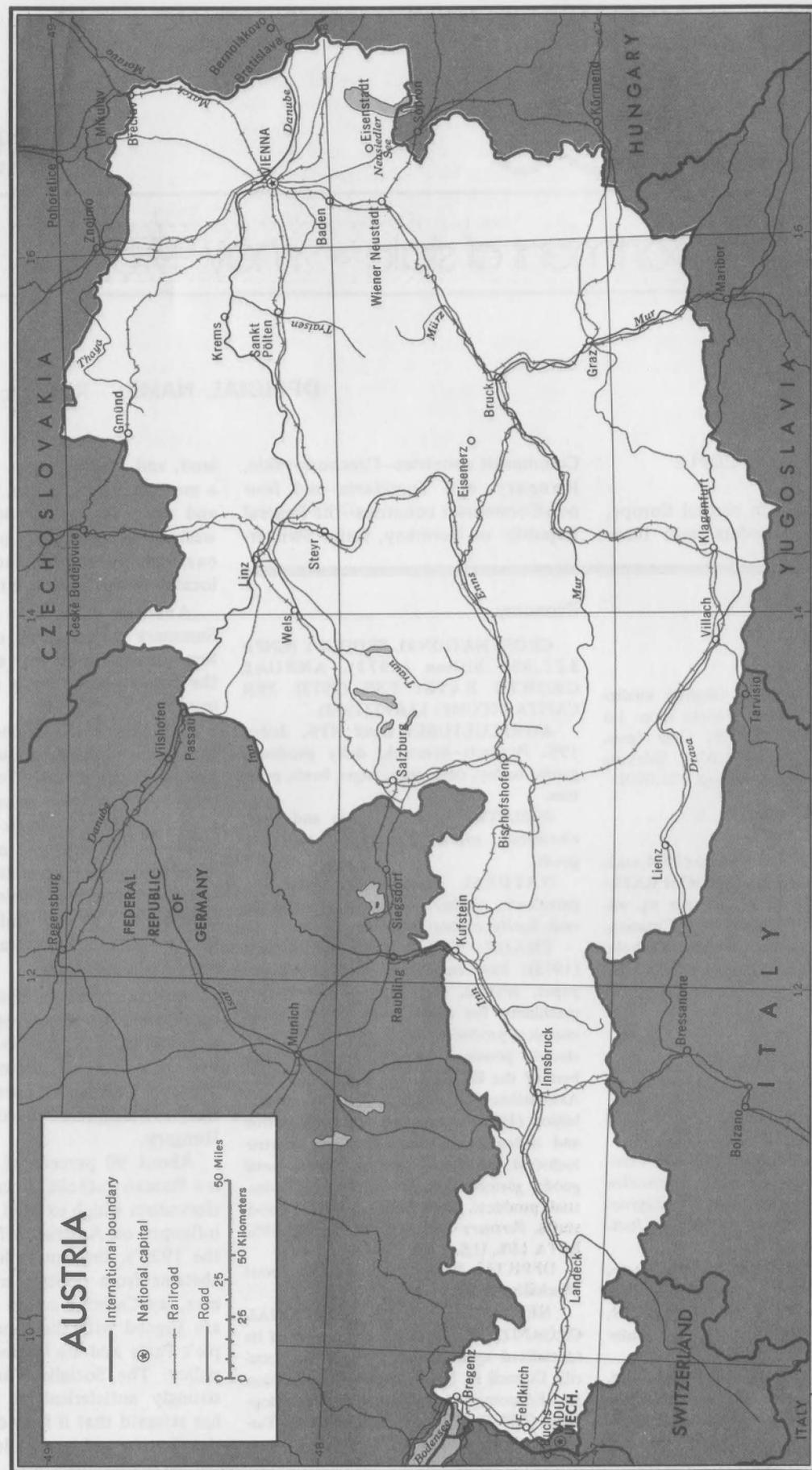
MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS: U.N. and several of its specialized agencies (member of the Security Council in 1974), EFTA, Organization for Economic Cooperation and Development (OECD), General Agreement on Tariffs and Trade (GATT).

Austria's climate is not extreme. Summers are relatively cool and winters normally mild with a lot of rain in the lowlands and snow in the mountains.

The population of the old Austro-Hungarian Empire, about 58 million, was ethnically diverse. Today there are only two significant minority groups—about 70,000 Slovenes in Carinthia (south-central Austria) and a smaller number of Croats in Burgenland (on the Hungarian border). The Slovenes form a closely knit community whose rights are protected by law and respected by custom.

Austria's present boundaries were established by the Treaty of Saint-Germain in 1919. A considerable number of Austrians, particularly in the Vienna area, still have relatives in neighboring Czechoslovakia and Hungary.

About 90 percent of all Austrians are Roman Catholic. In contrast to the clericalism which exerted such a strong influence on Austrian affairs as late as the 1930's, the church hierarchy now abstains from political activity. However, lay Catholic action organizations are aligned with the conservative People's Party and are interested in public policy. The Socialist Party, formerly strongly anticlerical, in recent years has stressed that it has no quarrel with the church, and has made a considera-



ble effort to attract the Catholic vote. In turn, the church has sought peaceful relations with the Socialists. A small Protestant minority is mainly in Vienna and the mountains of Carinthia.

## HISTORY

The old Austro-Hungarian Empire played a decisive role in the history of central Europe, partly because of its strategic position astride the southeastern approaches to Western Europe and the north-south routes between Germany and Italy. Although present-day Austria is only a tiny remnant of the old Empire, it still holds this strategic position.

The new Republic of some 6 million people established at the end of World War I soon went through a catastrophic inflation. There were also great difficulties in adjusting an economic system and bureaucracy which had been geared to serve a great empire to the needs of a small state. Coming on top of these fundamental adjustments, the worldwide depression of the early 1930's and the accompanying unemployment had a shattering effect on the young Republic. In 1933 economic and political conditions led to the establishment of a dictatorship under Engelbert Dollfuss, and in February 1934 a civil war broke out which led to the suppression of the Social Democratic Party. In July of that same year Chancellor Dollfuss was assassinated by National Socialists in their unsuccessful attempt to seize power.

In March 1938 Austria was incorporated into the German Reich through the *Anschluss*. At the Moscow conference in 1943 the Allies publicly declared their intention and purpose to liberate Austria and reconstitute it as a free and independent state.

Forces of both East and West liberated Austria in April 1945. The country was subsequently divided into zones of occupation in somewhat the same pattern as Germany, but with the important difference that the avowed purpose of the occupation forces was only to maintain control in order to permit the establishment of a representative and democratic Austrian Gov-

ernment which would have full authority throughout the whole country. The organization of an Austrian administration was undertaken with remarkable success by a Socialist elder statesman, Dr. Karl Renner. General elections were held in November 1945 in which the conservative People's Party obtained 50 percent of the vote and 85 seats in the National Council (lower house of the parliament); the Socialists 45 percent and 76 seats; and the Communists only 5 percent and 4 seats, despite the support they received from the U.S.S.R. in the Soviet zone of Austria. The People's Party and the Socialists then formed a coalition which continued to govern Austria until 1966. There followed a one-party government of the People's Party until March 1970 which was succeeded by a one-party Socialist government, reconfirmed at the polls in October 1971.

Under the Potsdam agreements (July 17-August 2, 1945) the Soviets seized control of the German assets in their zone of occupation. These included manufacturing plants which constituted about 30 percent of the industry in the Soviet zone and 8-10 percent of all Austrian industry, oil resources which accounted for 95 percent of the nation's oil production, and refineries which accounted for about 80 percent of Austria's refinery capacity. These Soviet-administered properties were returned to Austria under the provisions of the Austrian State Treaty which was signed at Vienna on May 15, 1955. The treaty came into effect on July 27, and under its provisions all occupation forces were withdrawn by October 25, 1955. The country thus became free for the first time since 1938.

Under the State Treaty, Austria had to deliver to the U.S.S.R. goods valued at US\$150 million over a 6-year period and 10 million tons of oil over 10 years as compensation for the return of the former German assets. Under the Austro-Soviet agreement concluded in July 1960, oil deliveries after July 1961 were reduced to 500,000 tons a year and the U.S.S.R. agreed to forgo the final year's (1965) delivery. Austria met all of these commitments.

## GOVERNMENT

The President is directly elected to a 6-year term and may not serve more than two successive terms. As Chief of State, his functions are largely representational. The Chancellor (Head of Government) is that political leader whose party wins the majority of seats in parliamentary elections and can therefore form a government or a coalition government, or one whose party has the support of the President in the formation of a minority government. The Chancellor, assisted by his selected Cabinet, wields actual power and is responsible to the parliament.

The Federal Assembly (parliament) is composed of two houses—the National Council (*Nationalrat*), or lower house, and the Federal Council (*Bundesrat*), or upper house. Virtually all legislative authority is concentrated in the National Council whose 183 members are elected for 4 years from 25 electoral districts according to a complicated system of proportional representation. The National Council may dissolve itself by a simple majority vote, or it may be dissolved by the President on the recommendation of the Chancellor. The Federal Council consists of 58 members elected by the legislatures of the 9 provinces for terms of from 4 to 6 years. Seats are allocated on the basis of population, with each province guaranteed at least three. The Federal Council is restricted to a review of legislation passed by the National Council and has only delaying, not absolute veto, powers.

At the apex of Austria's independent judiciary is the Supreme Court. Its Justices are appointed by the President for specific terms.

Austria's nine provinces (*Laender*) are each headed by a governor who is elected by the respective provincial legislature. Although most of the real governmental authority, including police, rests with the federal government, the provinces have considerable responsibility for welfare matters and supervision of local administration. There are strong provincial and local loyalties based on tradition and history.

## READING LIST

These titles are provided as a general indication of the material currently being published on this country. The Department of State does not endorse the specific views in unofficial publications as representing the position of the U.S. Government.

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### Principal Government Officials

Federal President—Rudolf Kirchschlaeger  
Federal Chancellor—Bruno Kreisky

Vice Chancellor; Minister for Social Administration—Rudolf Haeuser  
Minister for Foreign Affairs—Erich Bielka-Karltrou  
Minister for Interior—Otto Roesch  
Minister for Agriculture and Forestry—Oskar Weihs  
Minister for Commerce, Trade, and Industry—Josef Staribacher  
Minister for Science and Research—Hertha Firnberg  
Minister for Construction and Technology—Josef Moser  
Minister for Education and Arts—Fred Sinowatz  
Minister for Finance—Hannes Androsch  
Minister for Justice—Christian Broda  
Minister for Defense—Brig. Gen. Karl Ferdinand Luetgendorf  
Minister for Transport—Erwin Lanc  
Minister for Health and Environment—Ingrid Leodolter  
State Secretaries for the Federal Chancellery—Ernst Veselsky, Elfriede Karl, and Karl Lausecker  
Ambassador to the U.S.—Arno Halusa  
Ambassador to the U.N.—Peter Jankowitsch

Austria maintains an Embassy in the United States at 2343 Massachusetts Avenue, NW., Washington, D.C. 20008. There are also Consulates General at New York, New Orleans, and Los Angeles and Consulates at San Francisco, Miami, Atlanta, Chicago, Boston, Detroit, Cleveland, Portland, Dallas, and Seattle.

### POLITICAL CONDITIONS

Since the end of World War II Austria has enjoyed a remarkable degree of political stability. The two major parties which formed the governing coalition during the period from 1945 to 1966 (People's Party/Socialists) together have the support of about 90 percent of the electorate. The extremist parties of the right and left have virtually no influence on government policy and usually draw less than one percent of the vote.

The Socialist Party draws its support mainly from workers and a large part of the white-collar employees, so that most of its strength lies in the urban and industrialized areas. The

Socialists reject dogmatic Marxism and are anti-Communist. The party advocates the nationalization of Austria's key industries (now largely achieved), the extension of social security benefits, and a full-employment policy.

The People's Party draws its strength primarily from farmers, big and small business, and active Catholic groups. Its centers of strength are the rural regions of Austria and the middle-class districts of Vienna. In economic matters the party advocates conservative financial policies and favors expansion of international trade.

The Freedom Party is a small right-wing party that draws its followers from among those who wish no association with the two major parties or with the Communists.

The March 1966 elections gave the People's Party a majority of 11 seats in the National Council; it then formed a single-party government. In the March 1970 elections the Socialists won a plurality of 81 seats in the National Council while the People's Party obtained 79 seats. Following protracted, unproductive coalition talks with the People's Party, the Socialists formed a minority government on April 21, 1970.

In the October 1971 special elections, called by the Socialists, the Socialists took 93 seats, the People's Party 80 seats, and the Freedom Party 10 seats. The Communist Party won none. A one-party Socialist government was formed shortly thereafter. The next parliamentary election will take place in 1975.

### ECONOMY

Austria has basically a free enterprise economy, although the government plays an important role. Many of the country's largest firms were nationalized in the early postwar period, but they operate largely in the fashion of private business. The government exercises broad fiscal and monetary powers and operates various state monopolies, utilities, and services. Industry, banking, transportation, services, and commercial facilities are well developed.

About half of the gross national product (GNP) comes from manufacturing and construction. Although there are several large iron and steel works and chemical plants, small- and medium-sized plants are more typical.

As in much of Western Europe, agriculture is characterized by small and fragmented holdings. Mountainous terrain further contributes to the relatively high cost of agricultural production. The contribution of agriculture to gross national product (GNP) has declined steadily since 1950 and is now about 7 percent. Nevertheless, in normal times Austrian farms provide about 85 percent of domestic food requirements.

In the postwar period Austria's economic performance has been one of sustained growth. During the 1950's the average annual growth rate was more than 5 percent in real terms, one of the highest in Western Europe. Through most of the 1960's the annual growth rate averaged about 4.5 percent, but in 1970 it reached 8 percent and declined to 5.5 percent in 1973. The generally healthy state of the Austrian economy has been sustained by a substantial increase in productivity in industry and agriculture and by shifts of labor into the more productive economic sectors. The usual pattern has been for workers to leave agriculture for the construction sector and to move from there into less seasonal employment in industry. Tourism continues to be a major foreign exchange earner.

Wages and prices have been rising but thus far are not out of control. In the fall of 1973 the consumer price index had gained about 7.6 percent over the same period in 1972. Inflationary pressures are increasing, but the government appears determined to pursue economic and monetary policies designed to keep inflation in check.

There is a strong labor movement in Austria. The Austrian Trade Union Federation (ATUF) comprises 16 constituent unions with a total membership of more than 1.5 million, representing two-thirds of the country's wage and salary earners. Since 1945 the ATUF has followed moderate policies and generally has cooperated

## TRAVEL NOTES

*Clothing*—Vienna's climate is similar to that of Boston; clothing needs and tastes are about the same. Sweaters or light woolen clothing are advisable during summer.

*Telecommunications*—Telegraph and telephone services are efficient.

*Transportation*—Public transportation in Vienna and other cities via bus, streetcar, and subway is good. Taxis are available 24 hours a day at stands throughout Vienna.

Roads are good, though occasionally steeply graded in alpine passes. Limited-access highways connect Vienna with Graz, Salzburg, and the German border. Extensive use is made of the Austrian State Railways which provide inexpen-

sive service throughout the country and connections to both Eastern and Western Europe.

*Community Health*—Local pharmacies are well stocked and hospitals are adequate. The American Embassy can provide a list of English-speaking physicians and dentists in Vienna.

Community health and sanitation are similar to the United States; the Viennese are proud of their city's water which is piped in from mountain springs.

*Tourism*—Four widely differing tourist areas characterize Austria: *Vienna and Salzburg*—historic and cultural centers; *Danube Valley*—known for its vineyards, castles, and monasteries; *Burgenland*—the easternmost province, centering on the Lake Neusiedler "seashore;" *Alpine provinces*—hunting, fishing, and skiing.

with industry and the government in measures to check inflationary tendencies. As a consequence of these policies, as well as the low level of unemployment (about 1.6 percent in 1973) and the comprehensive social welfare system in Austria, strikes with serious economic consequences have been rare. In recent years the annual increase in real earnings has been more than 4 percent. In 1973 there were about 226,400 foreign workers in Austria.

The Austrian economy has been booming and the prospects remain bright. Given the country's heavy dependence on foreign trade, economic conditions in Austria's primary trading partners (particularly the Federal Republic of Germany) will have a major effect on the Austrian economic scene. Annual total foreign trade is about 40 percent of GNP.

Because of this heavy dependence, Austria has negotiated an agreement with the European Communities (EC) which will eliminate industrial tariffs between the two parties over the next few years, while providing certain safeguards and exceptions. The EC currently consists of Belgium, France, the Federal Republic of Germany, Italy, Luxembourg, The Netherlands, Denmark, Ireland, and the United Kingdom.

As a rule, Austria has experienced deficits in its merchandise trade which have been offset by earnings from

tourism and by long-term private capital inflows. In 1973, however, Austria experienced a balance of payments deficit of \$305 million, mainly because of a large deficit in the trade account. Gold and foreign exchange reserves in 1973 were \$2.171 billion.

Trade with Eastern Europe is no longer particularly significant—about 5 percent either way. The U.S. share of Austrian imports is also small, averaging 3 percent, which is almost equally balanced by U.S. purchases from Austria. In 1973 Austrian exports to the United States were valued at \$217 million, while imports from the United States amounted to \$216 million.

### FOREIGN RELATIONS

The Austrian State Treaty, effective July 27, 1955, ended the Four-Power occupation and recognized Austria as an independent and sovereign state.

In October 1955 Austria's parliament passed a constitutional law by which "Austria declares of her own free will her perpetual neutrality." The second section of this law stated that "in all future times Austria will not join any military alliances and will not permit the establishment of any foreign military bases on her territory." The United States, the Soviet Union, and a number of other countries have recognized Austria's neutrality, but Austrian neutrality is not guar-

anted internationally. The Austrian Government insists that it alone is competent to define Austria's neutrality.

While aspiring to play an intermediary role in lessening international tensions, Austria makes a particular effort to maintain friendly relations with the East and West. Because of its small size and neutral status Austria plays a limited role in world affairs. It is, however, an active member of several international organizations.

Vienna is the headquarters of the International Atomic Energy Agency and the United Nations Industrial Development Organization (UNIDO). In recent years that city has acted as host to a number of important international conferences. It also was an alternate site of the first phase of the Strategic Arms Limitation Talks (SALT) and is currently hosting the mutual and balanced force reduction (MBFR) negotiations which began in October 1973. The current Secretary General of the United Nations is former Austrian Foreign Minister Kurt Waldheim.

Austria is active in what the Austrians call "bridge-building to the East," which encompasses increasing contacts at all levels with Eastern Europe and the Soviet Union. The Austrians feel that they can make a contribution toward lessening East-

West tensions through a constant exchange of businessmen, political leaders, students, cultural groups, and ordinary tourists going to and from Eastern Europe. The Austrians believe that their country, as a gateway to the Danube River Basin, is uniquely qualified for this role.

Austria's only significant dispute with its neighbors concerns the South Tyrol, or the *Alto Adige*, which has been part of Italy since 1919. Provision was made in the Gruber-de Gasperi agreement of 1946 between Italy and Austria to grant the predominantly German-speaking population of South Tyrol a degree of autonomy and the right to use the German language in public institutions and communications. The Austrians subsequently charged incomplete implementation of the agreement and aired the dispute in the United Nations in 1960 and 1961. A lengthy period of bilateral talks between Austria and Italy followed, resulting in agreement on a complicated procedure for resolving this highly emotional dispute. The first steps on implementation have been taken.

#### U.S. POLICY

Relations between Austria and the United States are friendly. Austria's political leaders and people recognize and appreciate the essential part

played by U.S. economic assistance through the Marshall Plan in the rehabilitation of their country following World War II and by the United States in promoting agreement of the Austrian State Treaty. It is in the interest of the United States that: the presently existing relations be maintained and strengthened; Austria remains free and independent; its political and economic stability be maintained; the Austrian State Treaty be implemented; and Austria's participation in the Western community be encouraged.

#### Principal U.S. Officials

Ambassador—Wiley P. Buchanan  
Deputy Chief of Mission—John W. Mowinckel  
Counselor for Political Affairs—Frank G. Trinka  
Counselor for Economic and Commercial Affairs—Henry Bardach  
Counselor for Public Affairs (USIS)—Philip W. Arnold  
Administrative Officer—Robert C. Texido  
Director of the East-West Trade Center—S. Douglas Martin  
Consul—Ray E. White, Jr.  
Defense and Army Attaché—Col. Guy K. Troy  
Air Attaché—Col. Joseph N. Steingasser

The U.S. Embassy in Austria is located at Boltzmanngasse 16, District IX, Vienna # 1091, Austria.

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NOTE: This special revision of the Background Notes on Austria, prepared for official use in connection with the visit of President Ford to Austria, is not for sale by the Superintendent of Documents, U.S. Government Printing Office. The August 1974 edition, which is available, differs only slightly (Notes 30 cents each, 25 percent discount for orders of 100 or more Notes sent to the same address).

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## BIOGRAPHICAL INFORMATION

### American Officials in the Republic of Austria

WILEY T. BUCHANAN, JR.

United States Ambassador to Austria

Nominated by President Ford to be Ambassador to Austria, Wiley T. Buchanan, Jr. was confirmed by the Senate in March 1975.

Until his confirmation, Ambassador Buchanan was engaged in private investment business. He has also been on the executive committee, the Board of Directors and a Partner of the L'Enfant Plaza Properties, Inc. From 1957 to 1961 he was Chief of Protocol of the United States with the rank of Ambassador. From 1955 to 1957 he served as Ambassador to Luxembourg having served as Minister to Luxembourg from 1953 to 1955. From 1950 to 1952 he was head of the Metal Cutting Tool Department of the National Production Authority. He served as Secretary-Treasurer of the National Agrol Company from 1942 to 1950. From 1943 to 1946 he was Vice President of Berks Parachute Company of Reading, Pennsylvania.

Born January 4, 1914, in Myrtle Hill, Texas, Ambassador Buchanan attended Southern Methodist University and George Washington University. He has received honorary degrees from Dickinson College, Alma College, and Wiley College.

Ambassador Buchanan has been decorated by the Governments of Belgium, Luxembourg, Denmark, the Philippine Islands, and Thailand. He received the Legion of Honor (France) and Knight Commander Order of Merit (Germany). Mr. Buchanan is a former member of the Advisory Board of Johns Hopkins School of Advanced International Studies. He is the author of Red Carpet at the White House.

Mr. Buchanan is married to the former Ruth Elizabeth Hale and they have three children.

## BIOGRAPHICAL INFORMATION

### Officials of the Republic of Austria

#### BRUNO KREISKY

Chancellor

Bruno Kreisky was born in Vienna on January 22, 1911, the son of a textile manufacturer. In March 1970 he became Austria's first elected Socialist Chancellor since World War II.

He holds a Doctor of Law degree from Vienna University. In 1926 he was a member of the Socialist Youth Movement, and in 1934 when his party was outlawed, he engaged in underground activities and was imprisoned twice. After the Anschluss, Kreisky emigrated to Sweden where he established a permanent friendship with Willy Brandt. From 1947 to 1950, he was First Secretary of the Austrian Legation in Stockholm. As a State Secretary in the Foreign Ministry (1953-59), he played a prominent role in the negotiations which led to the signing of the Austrian State Treaty in May, 1955. Appointed Foreign Minister in 1959, he held that post in several coalition governments until his party's election defeat in 1966. Having been Deputy Chairman of the Socialist Party since 1959, Kreisky moved into the Chairmanship in 1968. He led his party to election victories in March 1970 and again in October 1971.

Long regarded as Austria's foremost expert in foreign affairs, Kreisky is the architect of its neutrality. He has been highly effective in promoting and protecting Austrian interests. In April of 1975 he received the annual Freedom Award of the International Rescue Committee in New York.

Chancellor Kreisky speaks English, French, and Swedish fluently.

RUDOLF KIRCHSCHLAEGER  
President

Rudolf Kirchsclaeger, born March 20, 1915, was elected President of Austria in June 1974. He earned a Doctor's Degree in Law from Vienna University in 1940. First serving as a judge, he entered the Austrian Foreign Service in 1954. An expert in International Law, he participated in the final negotiations on the Austrian State Treaty and in international conferences. He also served as a member of the Austrian Delegation to the United Nations General Assembly for a number of years. When Chancellor-Designate Kreisky invited him to join his Cabinet as Foreign Minister in 1970, Kirchsclaeger was Austrian Minister to Prague. He is one of the two non-Socialist members of the Kreisky administration. In addition to being Commander in Chief of the Armed Forces, he has the right to dissolve Parliament and to name the Chancellor.

ERICH BIELKA-KARLTREU  
Minister for Foreign Affairs

Erich Bielka-Karltreu, 66, was appointed Minister for Foreign Affairs in June 1974, succeeding Rudolf Kirchsclaeger, who was elected President of Austria. The Foreign Minister is a nonpartisan career diplomat.

Bielka-Karltreu holds a doctorate in law and political science. He entered the diplomatic service in 1935 but after the Anschluss he was dismissed and was briefly interned at Dachau. He resumed his diplomatic career after the war years, serving in Bern, Cairo, and Ankara. During the early 1960's he attended several sessions of the UN General Assembly. He was Secretary General of the Foreign Office from 1962 to 1967 while Kreisky was Foreign Minister. He served as Ambassador to Switzerland from 1967 to 1972 and as Ambassador to France from 1972-1974.

HANS LECHNER

Governor of the Province of Salzburg

Hans Lechner, Governor of Salzburg since 1961, was born in Graz, Styria, on July 16, 1913. He studied at the Agricultural College in Vienna, graduating in 1937. He worked in a dairy from 1934 to 1936 and was later made director of the Salzburg Dairy. Lechner served with the German Wehrmacht from 1943-45. After the war he became an official of the Salzburg Provincial Government, serving with and heading various departments. In 1959 he was elected a member of the Provincial Government and was placed in charge of the Finance, Housing, Transport, and Foreign Trade departments. He became Governor in 1961 and was re-elected to this position in the 1964 and 1969 Landtag elections in Salzburg.

HEINRICH SALFENAUER

Burgomaster of Salzburg

Long active in city government, Heinrich Salfenauer, 54, was unanimously elected Mayor of Salzburg by the City Council in late 1970. Prior to that he had served for five years as Deputy Mayor. Since becoming mayor, Salfenauer has devoted special effort toward developing Salzburg as a convention and exhibition center.

In 1945, following service in the German Army, Salfenauer entered politics as a regional secretary in the Socialist Party organization in Salzburg. In 1950 he was elected to the Salzburg City Council, where he concerned himself primarily with cultural affairs. Two years later he was given additional responsibilities for sport, school, personnel and youth matters. He remained on the Council until his appointment as Deputy Mayor in 1966.

In addition to his official positions, Salfenauer has represented Salzburg over the years in various groups, institutions and organizations having to do with cultural and educational matters. In particular, he served for many years as a member of the personnel and cultural committee of the Austrian City League, where he played an important role in the development of Salzburg University.

## BIOGRAPHICAL INFORMATION

### American Officials in the Arab Republic of Egypt

#### HERMANN FREDERICH EILTS

United States Ambassador to Egypt

Hermann F. Eilts has been United States Ambassador to the Arab Republic of Egypt since November 1973. Ambassador Eilts had been serving as Officer in Charge of the United States Interest Section. The United States and Egypt announced on November 7, 1973, that their respective interests sections would be raised to the ambassadorial level.

Ambassador Eilts, a Career Minister in the Foreign Service, served as a faculty advisor at the Army War College, Carlisle Barracks, Pennsylvania, from 1970 to 1973. From 1965 to 1970 he was Ambassador to Saudi Arabia.

He was born in Germany on March 23, 1922, and became a United States citizen in 1930. Ambassador Eilts received his B.A. in 1942 from Ursinus College and his M.A. in 1947 from the Johns Hopkins School of Advanced International Studies. He speaks German, Arabic and French. From 1942 to 1945 he was an intelligence officer in the United States Army.

Ambassador Eilts entered the Foreign Service in 1947 and has been a Career Minister since 1971. He has served overseas in Tehran (1947-48), Jidda (1948-50), Aden (1951-53), Baghdad (1954-56), London (1962-64), and Tripoli (1964-65). He attended the National War College in 1961-62 and received the Arthur S. Flemming Award for Government service in 1958.

He is married to the former Helen Josephine Brew. They have two sons.

## BIOGRAPHICAL INFORMATION

### Officials in the Arab Republic of Egypt

#### ANWAR el-SADAT

President

Anwar el-Sadat, 55, was elected President of Egypt in October 1970, after having served as Interim President following the death of Gamal Abdel Nasser. Prior to that time, President Sadat had been serving as Vice President for nine months. Sadat was born to a poor family from Mit Abu Al Kawn in Minufiyah Province. His father, a chief clerk in the medical corps, married a Sudanese woman. In 1936 Sadat entered the Royal Military Academy, where he was a classmate of Abdel Nasser. He graduated and received a commission in the infantry two years later. Sadat speaks English, French and some German. Married twice, he has three daughters by his first wife, whom he divorced in 1949, and three daughters and a son by his second wife.

#### ISMA'IL FAHMI

Minister of Foreign Affairs

and Presidential Secretary for Information Affairs

Ismail Fahmi, 52, was named Acting Minister of Foreign Affairs in October 1973 and confirmed in the post in November. In February 1974 he was also named Presidential Secretary for Information Affairs. He was also Minister of Tourism from March 1973 until early 1974. A veteran of more than 25 years in the Foreign Ministry, Fahmi, prior to his first Cabinet appointment, had been Under Secretary in that Ministry since September 1971. Fahmi graduated from Cairo University with a B. S. degree in political science in 1945 and shortly thereafter joined the Foreign Ministry. He was named to the Permanent Mission to the United Nations in 1948, and much of his career has been concerned with UN affairs. In 1957 he represented Egypt at the International Atomic Energy Agency in Vienna, and in 1968 he returned to Vienna as Ambassador. He served in that post until he was appointed Under Secretary in 1971. Married, Fahmi has three children. Mrs. Fahmi speaks excellent English, a result of having lived a total of 15 years in the United States during her husband's assignments. The Foreign Minister speaks excellent English and French.



THE WHITE HOUSE

TRIP OF THE PRESIDENT  
TO  
KINGDOM OF BELGIUM  
SPANISH STATE  
REPUBLIC OF AUSTRIA  
ITALIAN REPUBLIC  
STATE OF THE VATICAN CITY

MAY - JUNE 1975

Previous United States - Italian Summits

September 27-31, 1970 - President Nixon met in Rome with  
President Saragat.

February 17-20, 1971 - President Nixon met in Washington with  
Prime Minister Colombo.

April 16-22, 1973 - President Nixon met in Washington with  
Prime Minister Andreotti.

September 24-29, 1974 - President Ford met in Washington with  
President Leone.

THE WHITE HOUSE

TRIP OF THE PRESIDENT  
TO  
KINGDOM OF BELGIUM  
SPANISH STATE  
REPUBLIC OF AUSTRIA  
ITALIAN REPUBLIC  
STATE OF THE VATICAN CITY

MAY - JUNE 1975

The President's Contacts with Italian Officials  
1974-1975

August 9, 1974 - The White House

President Ford met with NATO Ambassadors in the Roosevelt Room.

Giulio Tamagnini, Charge d'Affaires

September 25-26, 1974 - The White House

President Ford met with President Giovanni Leone during his State Visit, and Foreign Minister Aldo Moro, Ambassador Egidio Ortona and Miss Giovanna Tempini, Interpreter.

## PLACES TO BE VISITED

### ROME

QUIRINALE PALACE - the official residence of the President of Italy, stands on the highest of the Seven Hills of Rome. In ancient Roman times, the temples of Quirinus and the Sun were located on this site. In the center of the present Quirinale Piazza or square are Roman statues of Castor and Pollux, the twin sons of Jupiter in Graeco-Roman mythology. Between the statues is an obelisk which once stood in the mausoleum of Augustus.

Facing the piazza is the oldest and principal building of the Quirinale Palace which was begun by Pope Gregory VII in 1583 and completed by Pope Paul V in 1610. For three centuries thereafter it served as the summer palace of the Popes during which period additional buildings were added to the original structure. The original 16th century palace is where official ceremonies are now held.

Within the palace is a large rectangular courtyard bordered on three sides by arcades. A large double ramp stairway leads from the courtyard to the first floor and to the hall of the Corazzieri (presidential guard) and the Hall of Ceremonies, the two largest rooms in the palace. Official functions are held here and also in the suite of rooms along the wings overlooking the inner courtyard.

The frescoes decorating the Hall of Corazzieri and the other front halls of the palace all date from the 17th century. Particularly important are those painted by Pietro da Cortona and his school for Pope Alexander VII. The hall facing the courtyard was decorated after 1870 when the palace became the residence of the kings of Italy.

Although the Quirinale was used only as a summer palace by the Popes, it became increasingly important after the 18th century. Four conclaves were held there in the 19th century and the election of four Popes announced from the Bernini Loggia on the square.

The Quirinale was looted by French Revolutionary troops when they occupied Rome in 1798. It then became the residence of the Roman Republic and was again occupied by the French in 1808 when they arrested Pope Pius VII. The palace was extensively remodeled to receive Napoleon who, however, failed to come to Rome. In 1814, the Napoleonic apartments were occupied by the Emperor of Austria as the guest of then restored Pope Pius VII. After the Pope fled to Gaeta during the 1848-49 Revolution and Roman Republic, the Republican leader Giuseppe Mazzini lived for a time in one of the many rooms of the Manica Lunga, the "long sleeve," situated along the right side of the palace.

Victor Emmanuel II, the first King of a united Italy, entered the the Quirinale on December 13, 1870. Although the King was reportedly never enthusiastic about the austere palace, for reasons of state and tradition he established his official residence at the Quirinale and died there in 1878. During the reign of King Umberto I and Queen Martherita, the Quirinale was the scene of an active and exciting royal court. However, Victor Emmanuel III and Queen Helena preferred the quiet of Villa Ada located on the Via Salaria. Umberto II resided in the palace only a short time, leaving Italy in 1946 with the abolition of the monarchy.

After the war, the palace became the official residence of the President of the Italian Republic, which it remains today.

VILLA MADAMA - The villa on Monte Mario at the outskirts of Rome owes its name to Madame Margherita of Austria, daughter of Emperor Charles V, who owned and lived in it (as well as in the Palazzo Madama in central Rome) during the reign of Pope Paul III Farnese (1534-1549).

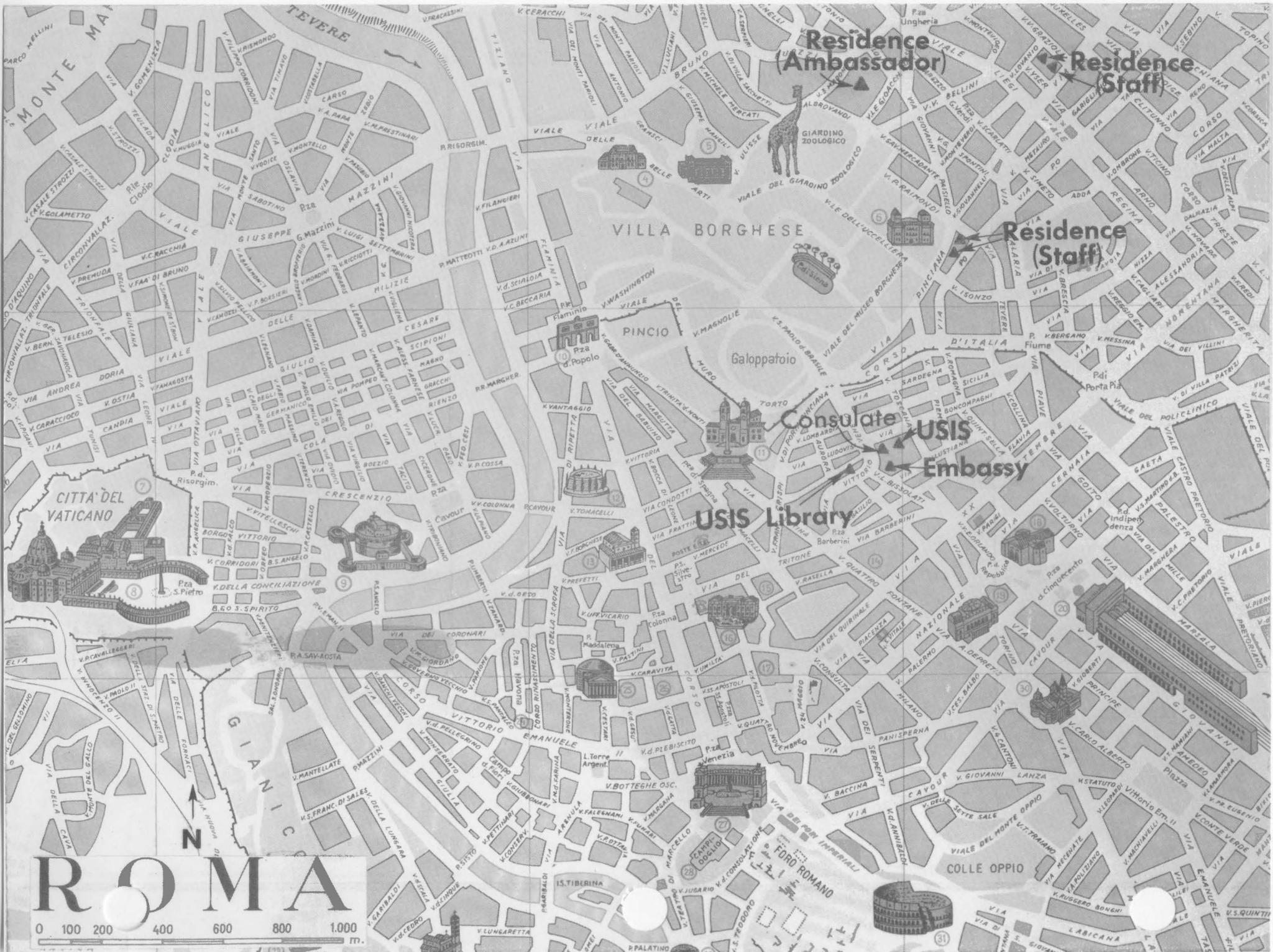
Its construction, however, dates from the early 16th century in the Pontificate of Leo X. The villa was built for the Pope's cousin, Cardinal Giulio de Medici, who later himself became Pope Clement VII. The overall plan and some details are to be attributed to Raphael, but the actual work probably was carried out by Giulio Romano and Antonio Sangallo, both of the school of Raphael.

The original plans were only partly realized. The villa as it now stands represents the northern wing of the building as it was first projected.

Madame Margherita of Austria married Alessandro de Medici in 1536 and Ottavio Farnese, nephew of Pope Paul III, in 1538. With her second marriage the villa passed into the hands of the Farnese family. The last Farnese to own it was Elizabeth, Queen of Spain. From her the Bourbons of Naples inherited it in the 18th century.

Neglected and in decay, the villa saw use as a farmhouse, a stable, and a bivouac for foreign troops. It passed from the Bourbons into private ownership at the beginning of the 20th century. Between 1920 and 1930 Count Carlo Dentice di Frasso restored and rehabilitated the building and gardens. The villa then became, as it remains, the property of the Italian Government. Today it is used chiefly for official entertaining.





Residence (Ambassador)

Residence (Staff)

Residence (Staff)

Consulate USIS

Embassy

USIS Library

# ROMA

0 100 200 400 600 800 1000 m.

ITALIAN LIRA CONVERSION TABLE

(630 L = \$1 U.S.)

(100 Centesimi = 1L)

<u>Lira to Dollars</u>		<u>Dollars to Lira</u>	
<u>L</u>	<u>US\$</u>	<u>US\$</u>	<u>L</u>
50	.08	.10	63
100	.16	.25	158
500	.79	.50	315
630	1.00	1.00	630
-----	-----	-----	-----
1,000	1.59	5.00	3,150
5,000	7.94	10.00	6,300
10,000	15.87	20.00	12,600
50,000	79.36	50.00	31,500
100,000	158.73	100.00	63,000
200,000	317.46	200.00	126,000
300,000	476.19	300.00	189,000
		400.00	252,000
		500.00	315,000

NOTE: All U.S. dollar values are rounded to nearest U.S. cent. Value of Italian lira fluctuates according to currency market conditions.

department of state \* may 1975

## OFFICIAL NAME: Italian Republic

### GEOGRAPHY AND PEOPLE

Italy is a 700-mile-long peninsula extending into the heart of the Mediterranean Sea. On the west and south it includes the large islands of Sardinia

and Sicily, Pantelleria, and the Eolian (Lipari) group. Throughout history, Italy's position on the main routes between Europe, Africa, and the Near and Far East has given it great political, economic, and strategic impor-

tance. The peninsula is 43 miles from Albania, and Sicily is 90 miles from mainland Africa.

Except for the Po Valley area in the north, the heel of "the boot" in the south, and small coastal areas, Italy is rugged and mountainous. The climate is generally mild and "Mediterranean," but there are wide variations. Sicily and the south are comparable to southern California, though warmer on the average, whereas the Alps and Dolomites in the north have a climate similar to that of our Mountain States.

Italy has the fifth highest density in Europe—some 469 persons per square mile—after Malta (2,657), Belgium (822), Netherlands (819), and Federal Republic of Germany (636). The rate of population growth is somewhat lower than in the United States. Minority groups are small, the largest being the German-speaking people of Bolzano Province and the Slovenes around Trieste. In addition, there are ancient communities of Albanian, Greek, Ladino, and French origin. Although Roman Catholicism is the official religion of the Republic of Italy, the Constitution provides that all religious faiths are equally free before the law.

### HISTORY

Modern Italian history dates from 1870 with the unification of the entire peninsula under King Victor Emmanuel II of the House of Savoy. From 1870 until 1922 Italy was a constitutional monarchy with a parliament elected under limited suffrage. During World War I, Italy denounced

### PROFILE

#### Geography

AREA: 116,303 sq. mi. (nearly the size of Ga. and Fla. combined). CAPITAL: Rome (pop. 2,602,043). OTHER CITIES: Milan, Naples, Florence.

#### People

POPULATION: 55.5 million (1974 est.). ANNUAL GROWTH RATE: 0.7% (1966-74). DENSITY: 469 per sq. mi. ETHNIC GROUPS: Primarily Italian, also small groups of German-, French-, and Slovene-Italians in the north and Albanian-Italians in the south. RELIGION: 99% Roman Catholic. LANGUAGE: Italian. LITERACY: 93%. LIFE EXPECTANCY: 70 yrs.

#### Government

TYPE: Republic. INDEPENDENCE: June 2, 1946. DATE OF CONSTITUTION: January 1, 1948.

BRANCHES: *Executive*—President (Chief of State); Council of Ministers (Cabinet), headed by the President of the Council (Prime Minister). *Legislative*—bicameral (630-member Chamber of Deputies, 323-member Senate). *Judicial*—an independent constitutional court.

POLITICAL PARTIES: Christian Democratic, Italian Communist, Italian Socialist, Italian Social Movement, Italian Social Democratic. SUFFRAGE: Universal over

18. POLITICAL SUBDIVISIONS: 93 Provinces, 20 regions.

FLAG: Three vertical bands—green, white, and red.

#### Economy

GNP: \$118 billion (1973). ANNUAL GROWTH RATE: 6%. PER CAPITA INCOME: \$2,177. PER CAPITA GROWTH RATE: 3.5%.

AGRICULTURE: *Land* 28.4%. *Labor* 19.6%. *Products*—wheat, rice, grapes, olives, citrus fruits.

INDUSTRY: *Labor* 44%. *Products*—automobiles, machinery, chemicals, typewriters, woollens, shoes.

NATURAL RESOURCES: Fish, dwindling natural gas reserves.

TRADE: *Exports*—\$22.2 billion (1973): machinery and transport equipment, textiles, foodstuffs, chemicals, footwear. *Partners* (1971)—Federal Republic of Germany (F.R.G.) 22.8%, France 13.5%, U.S. 9.8%, Benelux countries, U.K., Switzerland. *Imports*—\$27.8 billion (1973): crude oil, machinery and transport equipment, foodstuffs, ferrous and nonferrous metals, wool, cotton. *Partners* (1971)—F.R.G. 20.2%, France 14.1%, U.S. 9%, Benelux countries.

OFFICIAL EXCHANGE RATE: 631.50 lire=US\$1.

MEMBERSHIP IN INTERNATIONAL ORGANIZATIONS: U.N. and its specialized agencies, North Atlantic Treaty Organization (NATO), Organization for Economic Cooperation and Development (OECD), European Communities (EC), Western European Union, Council of Europe.



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its standing alliance with Germany and Austria-Hungary and in 1915 entered the war on the side of the Allies. Under the post-World War I settlement, Italy received some former Austrian territory, along the northeast

frontier. In 1922 Benito Mussolini came to power and in the course of the next few years eliminated the old political parties, curtailed personal liberties, and installed a Fascist dictatorship, the Corporate State. The

King, with little or no power, remained titular Head of State.

World War II found Italy allied with Germany; it declared war on the United Kingdom and France in 1940. Following the Allied invasion of Sicily

in 1943, Italy became a co-belligerent of the Allies against Germany. There was a noteworthy resistance movement by the people especially in central and northern Italy against the remaining Germans, who were finally driven out in April 1945. The monarchy ended in a plebiscite in 1946, and a Constituent Assembly was elected to draw up the plans for the present Republic.

Under the 1947 Peace Treaty, minor adjustments were made in Italy's frontier with France, the eastern border area was transferred to Yugoslavia, and the area around the city of Trieste was designated as a Free Territory. In 1954 the Free Territory, which had remained under the administration of U.S.-British forces (Zone A, including the city of Trieste) and of Yugoslav forces (Zone B), was divided between Italy and Yugoslavia substantially along the zonal boundary. Under the Peace Treaty, Italy also gave up its overseas territories and certain Mediterranean islands.

The position of the Catholic Church in Italy since the end of its temporal powers in 1870 has been governed by a series of accords with the Italian Government, the most recent being the Lateran Pacts of 1929. Under these pacts, which were confirmed by the present Constitution, the Vatican City State is recognized by Italy as an independent sovereign state.

#### GOVERNMENT

Italy has been a democratic republic since June 2, 1946, when the monarchy was abolished by popular referendum. The Constitution, which was promulgated on January 1, 1948, established a bicameral Parliament, a separate judiciary, and an executive branch composed of a Council of Ministers (Cabinet) and headed by the President of the Council (or Prime Minister). The Cabinet, which in practice is composed of members of Parliament, must retain the confidence of both houses. The President of the Republic is elected for 7 years by Parliament sitting jointly with a small number of regional delegates. He nomi-

nates the Prime Minister, who chooses the other ministers.

Except for a few Senators, both houses of Parliament are popularly and directly elected by proportional representation. In addition to 315 elected members, the Senate includes three ex-Presidents and five other persons appointed for life according to special provisions of the Constitution. Both houses are elected for a maximum of 5 years, but either may be dissolved before the expiration of its normal term. Legislative bills may originate in either house and must be passed by a majority in both.

The Italian judicial system is essentially based on Roman law as modified in the Napoleonic Code and subsequent statutes. There is only partial judicial review of legislation in the American sense. A constitutional Court, whose function it is to pass on the constitutionality of laws, is a post-World War II innovation. Its powers, volume, and frequency of decisions, however, are not as extensive as those of the Supreme Court of the United States.

The Italian State is highly centralized. The Prefect of each of the 93 Provinces is appointed by, and answerable to, the central government. In addition to the Provinces, the Constitution provides for 20 regions with limited governing powers. Five regions with special statutes—Sardinia, Sicily, Trentino-Alto Adige, Valle d'Aosta, and Friuli-Venezia Giulia—have long been functioning. The other 15 regions, however, were not established and did not vote for their first regional "Councils" (parliaments) until 1970. The establishment of regional governments throughout Italy may, in time, bring about some decentralization of the national governmental machinery.

#### Principal Government Officials

President—Giovanni Leone  
Prime Minister—Aldo Moro (DC)  
Deputy Prime Minister and Defense Minister—Mario Tanassi (PSDI)

#### Other Ministers

Foreign Affairs—Mariano Rumor (DC)  
Interior—Luigi Gui (DC)  
Justice—Oronzo Reale (PRI)

#### READING LIST

These titles are provided as a general indication of the material currently being published on this country. The Department of State does not endorse the specific views in unofficial publications as representing the position of the U.S. Government.

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- Budget and Economic Planning—Giulio Andreotti (DC)  
Finance—Bruno Visentini (PRI)  
Treasury—Emilio Colombo (DC)  
Governor of the Bank of Italy—Guido Carli  
Ambassador to the U.S.—Egidio Ortona  
Ambassador to the U.N.—Piero Vinci

Italy maintains an Embassy in the United States at 1601 Fuller Street, N.W., Washington, D.C. 20009.

#### POLITICAL CONDITIONS

With the mergers in 1972 of the Proletarian Specialists with the Communist Party and of the Monarchists

PARLIAMENTARY STRENGTH OF ITALIAN POLITICAL PARTIES

	Chamber of Deputies									
	% of Popular Vote					Seats*				
	1953	1958	1963	1968	1972	1953	1958	1963	1968	1972
MSI (Neo-Facists)	5.8	4.8	5.1	4.5	8.7****	29	24	-27	24	56
PDIUM (Monarchists)	6.9	4.8	1.7	1.3		40	25	8	6	
PLI (Liberals)	3.0	3.5	7.0	5.8	3.9	13	18	39	31	20
DC (Christian Democrats)	40.2	42.3	38.2	39.1	38.8	263	273	260	266	267
PRI (Republicans)	1.6	1.4	1.4	2.0	2.9	5	6	6	9	15
PSDI (Social Democrats)	4.5	4.5	6.1	14.5**	5.1	19	22	33	91	29
PSI (Socialists)	12.7	14.2	13.8		9.6	75	84	87		61
PSIUP (Proletarian Socialists)	-	-	-	4.5	1.9	-	-	-	23	0
PCI (Communists)	22.6	22.7	25.3	26.9	27.2	143	141	166	177	179
Miscellaneous	2.7	1.8	1.5	1.4	1.9	3	3	4	3	3

	Senate									
	% of Popular Vote					Seats*				
	1953	1958	1963	1968	1972	1953	1958	1963	1968	1972
MSI	6.1	5.3	5.9	4.6	9.2****	9	8	15	11	26
PDIUM	7.0	5.4	1.8	1.0		16	7	2	2	
PLI	2.9	3.9	7.5	6.8	4.4	4	4	19	16	8
DC	39.7	41.2	36.9	38.4	38.1	114	123	132	135	135
PRI	0.9	1.4	1.0	2.2	3.0	2	0	0	2	5
PSDI	1.1	4.5	6.3	15.2**	5.4	4	5	14	46	11
PSI	12.9	14.4	14.0		10.7	31	35	44		33
PSIUP	-	-	-	30.0	28.4***	-	-	-	14	94
PCI	21.2	22.3	25.5			54	60	85	87	
Miscellaneous	1.7	1.6	1.1	.2	.8	3	4	4	2	3

\* The Chamber had 630 seats in 1972, 1968 and 1963, 596 in 1958, and 590 in 1953; the Senate had respectively 315 (plus 8 Senators for life), 246, and 237.

\*\* In 1968 the PSI and PSDI (then united) ran joint lists in both the Chamber and Senate contests.

\*\*\* The PCI and the PSIUP ran joint lists in the Senate election in both 1968 and 1972 and the PSIUP merged with the PCI after the 1972 elections.

\*\*\*\* The PDIUM merged with the MSI prior to the 1972 elections.

with the Neo-Fascist Social Movement, there are now seven major political parties and a number of minor ones. The major parties, in the order of their approximate strength in the last general elections (1972), are:

The Christian Democratic Party (DC), the descendant of the Popular Party of the pre-Fascist area, has been the core of all postwar governments. It represents a wide range of interests and views which sometimes makes it difficult to reach agreement on specific issues. The DC polled 38.8 percent of the popular vote in 1972. Party Secretary: Amintore Fanfani. Official newspaper: *Il Popolo*.

The Italian Communist Party (PCI), the largest Communist Party in Western Europe, has generally supported the policies of the Soviet Union in foreign affairs and reform of the state in domestic affairs. The PCI won 27.2 percent of the popular vote in 1972. Secretary General: Enrico Berlinguer. Newspaper: *L'Unita*.

The Italian Socialist Party (PSI), re-emerged in 1969 from a 2-1/2 year merger with the Italian Social Democrats. The two groups had originally split in 1947 over the issue of Socialist alliance with the Communists, a policy pursued by the Socialists until the Hungarian revolt in 1956. The PSI polled 9.6 percent of the vote in 1972. Party Secretary: Giacomo Mancini. Newspaper: *Avanti!*

The Italian Social Movement (MSI), on the extreme right, is considered to be imbued with the traditions of fascism. The MSI, together with the now defunct Monarchist Party (PDIUM), polled 8.7 percent of the popular vote in 1972. Political Secretary: Giorgio Almirante. Newspaper: *Il Secolo*.

The Italian Social Democratic Party (PSDI) resumed its former identity following its second secession from the PSI in 1969. The PSDI polled 5.1 percent of the vote in 1972. Party Secretary: Flavio Orlandi. Newspaper: *Umanita*.

The Italian Liberal Party (PLI) is right-center and strongly pro-NATO. In the last elections it won 3.9 percent of the popular vote. Secretary General: Agostino Bignardi. Newspaper: *La Tribuna*.

The Italian Republican Party (PRI) is a small party with a long historical tradition of support for republican institutions. The PRI polled 2.9 percent of the vote in 1972. Party Secretary: Ugo La Malfa. Newspaper: *La Voce Repubblicana*.

**Postwar Coalitions**

Despite the frequency of government crisis (the present government of Premier Aldo Moro is the 37th of the postwar period), the Italian political situation has been relatively stable, principally because of the long continuity in power of the ruling Christian Democratic Party. The Christian Democrats have governed—either alone or in coalition with smaller democratic parties—uninterruptedly since 1945, and three of their leaders (the late Premier Alcide De Gasperi, and former Premier Amintore Fanfani and Premier Aldo Moro) have dominated the Italian political scene for most of that time.

From 1947 to the end of the 1950's, the Christian Democrats ruled in a series of "center" coalition alignments with the Social Democrats, Republicans, and Liberals. In the 1960's, in an effort to expand the "democratic area" and promote reform legislation, the Christian Democrats pursued a "center-left" policy which involved the inclusion of the Socialists in, and the exclusion of the Liberals from, the national government. Political and programmatic divisions within the center-left alignment in the late 1960's culminated in 1972 in the dissolution of Parliament and early elections. The persistence of these divisions after the elections, especially between the Christian Democrats and the Socialists led to the formation of Premier Andreotti's "center" coalition government in which the Liberals replaced the Socialists.

The present cabinet, which has a narrow majority in Parliament, comprises, in addition to Premier Moro, 19 Christian Democrats and 4 Republicans.

**Communism**

The Italian Communist Party is the largest nonruling Communist Party in

**TRAVEL NOTES**

*Clothing*—Wool and knits are practical most of the year; cottons are recommended for the hot summers.

*Currency*—There is no limit on the amount of dollars that may be brought into Italy; however, you may not bring into or take out of Italy more than 20,000 lire.

*Health*—Medical facilities are available in the major cities. No special immunizations are necessary. Tap water is safe. Meats, fruits, vegetables, and shellfish should be well prepared.

*Telecommunications*—Telephone and telegraph connections within Italy and to international points are good.

*Transportation*—Most major international airlines have service to Rome and Milan. There is daily jet service to the U.S.

Public transportation is modern, efficient, and reasonably priced. Metered taxis are inexpensive and usually available at stands. Avoid unmetered taxis.

the world, and is the second largest party in Italy, after the ruling Christian Democrats. Although its membership has shrunk considerably over the years (from a high of some 2.5 million in the mid-1950's to a little over 1.5 million today), Communist electoral strength has steadily increased in each succeeding national election to 27.2 percent of the total vote in 1972. Except for the immediate post-World War II period, the Communists have been barred from participation in the national government. Nevertheless, Communist adherence to "constitutional legality" and its pursuit of power "within the system" continue to fuel a divisive debate among democratic forces over the issue of the proper relationship between the government and the Communist opposition. The debate centers on the degree of "democratization" which the Communists may be undergoing, and hence on the possibility of their eventual acceptability in the governing process. The overwhelming majority of the democratic forces remain highly skeptical over the degree of Communist "democratization" and

do not favor or anticipate a Communist role in the national government in the foreseeable future.

## ECONOMY

Italy's gross national product (GNP) grew at an impressive yearly average of better than 6 percent in real terms from 1954 to 1963, a rate exceeded only by Japan and the Federal Republic of Germany among the industrial nations of the free world. High and expanding levels of investment, particularly in industrial equipment and in construction and low labor costs, sparked the high growth rate, particularly in the late 1950's and early 1960's. Following a short-lived recessionary dip in 1964 and early 1965, economic growth resumed at a steady pace beginning in mid-1965. In the period 1966-69, the growth target of 5 percent per year of Italy's first 5-year "economic plan" was consistently exceeded, averaging more than 5.5 percent annually. Relative price and interest rate stability were a hallmark of these years in Italy.

The delayed effects of the prolonged series of strikes in the industrial sector during the so-called "hot autumn of 1969"—which continued well into early 1970 and which resulted in sharply higher labor costs and lower productivity—were eventually felt throughout the economy beginning in late 1970. By 1971 the country was faced with one of its most serious postwar recessions. Real growth for 1971 was an insignificant 1.4 percent, the lowest in postwar Italy. In the same year industrial production, which had been Italy's strongest suit during most of the 1960's, was minus 2.7 percent compared with that of 1970. Consumer prices, which had been relatively stable during most of the 1960's, jumped sharply in both 1970 and 1971 (nearly 5 percent each year). Although statistics are not yet available, economic trends in 1972 continued to be dominated by inadequate growth and cost-push inflation. At the outset of 1973, however, a gradual upswing was underway.

Italy has essentially a private enterprise economy. Although the govern-

ment has a controlling interest in a number of large industrial and commercial enterprises, these enterprises are operated along conventional business lines. As is true in many foreign countries, the electricity, transportation system, telephone and telegraph, and the radio and television systems are state-owned.

By comparison with most other European countries, Italy is poorly endowed by nature. Much of the country is unsuited for farming because of mountainous terrain or unfavorable climate. There are no significant deposits of coal or iron ore. The deposits of most other minerals required by a modern industrial nation and the reserves of crude petroleum are dispersed and of poor quality. Natural gas reserves, mainly in the Po Valley, were discovered after 1945 and constitute the country's most important mineral resources, but these reserves are being depleted rapidly. Thus, most of the raw materials required in manufacturing are imported. Other factors adversely affecting the Italian economy are the low level of productivity in agriculture and some industrial sectors and the need to upgrade labor skills. Also, the peninsula south of Rome and the islands lag behind the rise in living standards of the north, despite substantial agricultural and industrial investments in the past 20 years. Only recently has the rate of growth in the south begun to catch up with that in the north, but it will take considerable time to close the gap.

More than 40 percent of the GNP comes from industry and construction. Agriculture, forestry, and fishing comprise the third most important sector of the GNP. The importance of agriculture has declined from 20 percent of the GNP in 1958 to only 10.2 percent in 1971 as a result of the rapid increase in industrial activity and the movement of labor from rural to urban areas. In 1971 services accounted for 49 percent of the total GNP, making it the most important contributor.

## Foreign Trade

One of the major factors in Italy's economic growth over the years has been the sharply increasing volume of

its foreign trade. Italian exports in 1971 increased by 14.7 percent to more than \$15 billion and imports by 7 percent to nearly \$16 billion. Italy traditionally imports more than it exports. Deficient in certain foodstuffs and in most raw materials, it has been forced to increase its imports of these commodities as demand has expanded in step with rising living standards, changing consumption patterns (e.g., increasing meat consumption), and rising industrial production. This trade deficit in foodstuffs and raw materials normally is more than offset by large receipts from invisibles (tourism, emigrant remittances, transportation). Italy's overall balance of payments in 1972 showed a deficit of about \$900 million, following surpluses in 1971 and 1970 of \$783 million and \$350 million, and a large deficit (almost \$1.4 billion) in 1969.

Italy's closest trade ties are with the other eight countries of the enlarged European Communities (EC) which in 1971 provided markets for 49.4 percent of Italy's total exports and were the source of 46.9 percent of Italy's total imports. As in previous years, only a modest amount of Italy's trade in 1971 (5.7 percent of total exports and 6.1 percent of imports) was with Communist countries of Eastern Europe. Trade with the Communist countries of Asia and with Cuba was negligible.

## Labor

Of the labor force of almost 20 million people, nearly 44 percent are in industry and 36.7 percent in services or other activities, while only 19.6 percent are engaged in agriculture. This reflects a major shift from agriculture, which occupied about half the labor force before the war.

Chronic unemployment, formerly one of Italy's principal problems, has virtually disappeared. Skilled labor is short in many categories, although concealed unemployment, inefficient use of manpower, and underemployment continue to exist, particularly in the south.

About a quarter of the labor force is unionized. The Communist-dominated CGIL controls 45 percent of organized labor, the Christian Demo-

cratic-oriented CISL 40 percent, and the Social Democratic-oriented UIL about 5 percent.

## FOREIGN RELATIONS

Italy has achieved its basic postwar objective of equality and partnership in the community of democratic nations. It was admitted to the United Nations in 1955. It is a member and strong supporter of the North Atlantic Treaty Organization (NATO), the Organization for Economic Cooperation and Development (OECD), General Agreement on Tariffs and Trade (GATT), and the European Communities (EC). Italy is also active in the Western European Union and the Council of Europe.

During his state visit to the United States in September 1974, President Leone remarked: "The commitment that Italy is pursuing with constancy, energy, and firmness is to achieve a unity that is not only economic but also political, so as to convey and channel the considerable resources of the old continent, in the light of its great traditions, to the service of the

well-being of nations and the consolidation of peace."

## U.S.-ITALY RELATIONS

The United States enjoys warm and friendly relations with Italy. The two nations are NATO allies, and they cooperate in the United Nations, various regional organizations, and bilaterally in the interests of peace, the freedom of all nations, and mutual defense.

During President Leone's visit to the United States in September 1974, Secretary Kissinger stated: "... we in the West cannot possibly cope with our problems unless we develop a new feeling of creativity and a new spirit of cooperation. That spirit always has existed in the relationship between Italy and the United States, and in all the great issues that confront us we have seen matters very much alike."

There are no outstanding bilateral problems of basic importance between Italy and the United States.

## Principal U.S. Officials

Ambassador—John Volpe  
Deputy Chief of Mission—Robert Beaudry

Minister-Counselor for Economic and Commercial Affairs—Michael Ely  
Counselor for Political Affairs—William J. Barnsdale

Counselor for Public Affairs (USIS)—Robert C. Amerson  
Counselor for Commercial Affairs—Albert Zucca

Agricultural Attaché—Elmer Hallowell

Treasury Attaché—Donald Templeman

Chief of Military Assistance Advisory Group—Maj. Gen. John B. Kidd  
Defense and Naval Attaché—Capt. Charles McGrath

Air Attaché—Col. Alvan Crews  
Army Attaché—Col. Donald Metcalf

## Consular Posts

Consul, Florence—Robert Gordon  
Consul General, Genoa—Gori Bruno  
Consul General, Milan—Thomas Fina  
Consul General, Naples—Ernest Colantonio

Consul General, Palermo—Mary Chiavarini

Consul, Trieste—Robert Rackmales  
Consul, Turin—Paul Baxter Lanus, Jr.

The U.S. maintains an Embassy in Italy at Via Veneto 119, Rome.

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Office of Media Services  
Bureau of Public Affairs



## BIOGRAPHICAL INFORMATION

### American Officials in the Italian Republic

#### JOHN A. VOLPE

Ambassador to Italy

Ambassador John A. Volpe was born in 1908 in Wakefield, Massachusetts. He majored in architectural construction at Wentworth Institute in Boston, graduating in 1930. In 1950, Ambassador Volpe entered politics as Deputy Chairman of the Massachusetts Republican Committee. In 1953 he was appointed State Commissioner of Public Works. President Eisenhower appointed him the first Federal Highway Administrator in 1956. Ambassador Volpe was elected Governor of Massachusetts in 1960, 1964 and 1966. He was appointed Secretary of Transportation by President Nixon in January 1969, and served throughout President Nixon's first term. He was sworn into his present position on February 8, 1973.

Ambassador Volpe has received 21 honorary degrees from colleges and universities. He was chairman of the National Governors Conference and president of the Council of State Governments during his service as Governor of Massachusetts. He also holds the Italian Order of Merit and two orders from the Vatican as a Knight of Malta and Knight Commander of the Holy Sepulcher.

Ambassador Volpe is married to the former Jennie Benedetto. They have a son, a daughter and several grandchildren.

## BIOGRAPHICAL INFORMATION

### Officials of the Italian Republic

#### GIOVANNI LEONE

President

Giovanni Leone, 65, a moderate Christian Democrat, was elected President in December 1971. Twice during 1963-68 he served as Premier. In Parliament since 1946, he was appointed Senator for Life in 1967. In October 1973 he made official visits to France and to the Benelux countries and met with Francois Xavier Ortoli, President of the EC Commission. In April 1974 he met with President Nixon in Paris after the memorial service for President Pompidou. In September 1974 he visited the United States at the invitation of President Ford. The President is married to the former Vittoria Michitto; they have three sons.

#### ALDO MORO

Prime Minister

Foreign Minister in four successive Cabinets from 1969 to 1972, Aldo Moro assumed that post a fifth time in July 1973 and retained it until as Premier he formed a new government in November 1974. One of the most influential Christian Democratic leaders, he previously served as Premier of the center-left governments that held office between 1963 and 1968. Mr. Moro is married.

#### MARIANO RUMOR

Minister for Foreign Affairs

Well known in Europe and Latin America for his strong support of Christian Democracy, Rumor is a former political secretary of the party (1964-68), and has been president of the European Christian Democratic Union (ECDU) since 1965. In addition, he has been Chairman of the Directive Committee of the World Union of Christian Democratic Parties since 1967. A member of the Chamber of Deputies since his election to the Constituent Assembly

in 1946, Rumor has held several Cabinet and sub-cabinet posts, including Minister of the Interior (June-December 1963), Minister of Agriculture (1959-63), Undersecretary for the Presidency of the Council of Ministers (1954), and Undersecretary of Agriculture and Forests (1951-54). Rumor last served as Premier from 1973 to November 1974. Born at Vicenza on June 16, 1916, Rumor obtained a degree in liberal arts and for a number of years taught junior college. Descended from a family with strong and powerful ties with the Catholic Church, he joined the ranks of the Italian Catholic Workers' Association (ACLI), and participated in the resistance movement during World War II. At the end of hostilities he became vice president of the ACLI. Since his election to the Constituent Assembly in 1946, he has held important posts within his party, including the directorship of the press and propaganda section (1949), the party vice presidency (1954), and the leadership of the international affairs office (1968).



THE WHITE HOUSE

TRIP OF THE PRESIDENT  
TO  
KINGDOM OF BELGIUM  
SPANISH STATE  
REPUBLIC OF AUSTRIA  
ITALIAN REPUBLIC  
STATE OF THE VATICAN CITY

MAY - JUNE 1975

Previous Visits by United States Presidents to Vatican City

December 1967 - President Lyndon B. Johnson visited Pope Paul VI  
at Vatican City.

March 1969 - President Richard Nixon visited Pope Paul VI at  
Vatican City.

September 1970 - President Richard Nixon visited Pope Paul VI at  
Vatican City.

## PLACES TO BE VISITED

### VATICAN CITY

Occupying only 109 acres, the Vatican City State is the world's smallest sovereign nation. In addition to his principal duties as the head of the Roman Catholic Church, Pope Paul VI is also the sovereign of the Vatican City where he has supreme executive and legislative powers. In practice, however, the Pope delegates authority to a board of four cardinals who, in turn, have invested everyday government of the small territory to a special delegate, presently Marchese Giulio Sacchetti. A major task is the upkeep and management of the Vatican museums, various monuments and the large Vatican gardens which cover most of the territory. The Vatican also issues its own stamps and coins. While the Vatican has its own courts system, by agreement most offenders are turned over to Italy for trial.

The President's party passes through St. Peter's Square surrounded by Bernini's famous colonnade and enters Vatican City through the Arch of the Bells, just to the left of St. Peter's Basilica. The motorcade then winds slowly around St. Peter's, a 16th century masterpiece of Italy's greatest architects -- Bramante, Michelangelo, San Gallo, and Maderno. The motorcade will enter the Apostolic Palace through a series of three courtyards dating from the 13th to the 15th centuries, and stop in the Court of St. Damasus, the ceremonial center of the Vatican. This courtyard is closed on three sides by "loggia," richly decorated by Renaissance artists, the most famous being the second loggia done by Raphael and his school.

A short walk in the second loggia leads the party to the Clementine Hall, the largest room in the palace. After passing through six more rooms of varying size, the party will stop in the private ante-chamber. President Ford will be escorted on to the Papal Library where he will hold a private talk with Pope Paul. The remainder of the party will join the President in the Papal Library at the close of the audience.



# background NOTES

## Vatican City

department of state \* april 1975

**OFFICIAL NAME: State of the Vatican City**

### GEOGRAPHY AND PEOPLE

The Vatican City occupies an area of 109 acres situated entirely within the city of Rome. In addition to St. Peter's Basilica and the Vatican Apostolic Palace, its museums, archives, and library, the Vatican City consists of a number of administrative and ecclesiastical buildings, a "village" of apartments, and the Vatican Gardens. In accordance with the Lateran Pacts of 1929 the Italian Government extends the right of extraterritoriality and tax exemption, but not papal sovereignty, to certain churches and buildings located outside the confines of the Vatican City.

Population is about 700, which includes more than a dozen nationalities, but Italians and Swiss predominate. Citizenship is usually accorded only to persons who reside in Vatican City by reason of office or employment and, with certain restrictions, to their families.

The inhabitants are Roman Cath-

olic. However, during World War II the City provided shelter to a considerable number of refugees of other faiths. Italian is the language of common use, although official acts of the Holy See are drawn up in Latin.

### HISTORY

For many centuries the Popes held temporal sovereignty over the Papal States, which included a broad band of territory across central Italy as well as the city of Rome. In 1861, at the time of the general unification of Italy under the Kingdom of Sardinia, almost all of the papal dominion was acquired by that kingdom, following popular plebiscites and conquests by the Italian army. The Pope's sovereignty was then confined to Rome and its environs. In 1870 Rome itself was incorporated forcibly into the new Kingdom of Italy. The Italian Parliament enacted the Law of Guarantees in 1871 which assured the Pope spiritual freedom, an income, and special

status for the Vatican area. However, Pope Pius IX and his successors refused to acknowledge the validity of these laws, preferring instead to impose on themselves the status of prisoners in the Vatican. This state of affairs lasted until February 11, 1929, when the Holy See and the Italian Government signed in the Lateran Palace three agreements regulating the dispute: (1) a treaty recognizing the independence and sovereignty of the State of the Vatican City; (2) a concordat fixing the relations between the government and the church within Italy; and (3) a financial convention providing the Holy See with compensation for its losses in 1870.

### GOVERNMENT

Pope Paul VI was elected the 263rd Supreme Pontiff of the Roman Catholic Church on June 21, 1963, succeeding Pope John XXIII. As Pope he possesses supreme legislative, executive, and judicial power within the Vatican City.

The Secretary of State, presently Jean Cardinal Villot, is the second ranking official at the Vatican. His responsibilities include conducting diplomatic relations for the Holy See.

The Pope delegates the internal administration of the Vatican City to the Pontifical Commission for the State of Vatican City, and it is assisted by the Administration of the Patrimony of the Apostolic See. Cardinal Villot is President of both these commissions. He is assisted by Sergio Cardinal Guerri, Pro-President of the Pontifical Commission for the State of

### PROFILE

#### Geography and People

AREA: 109 acres. POPULATION: 700. ETHNIC GROUPS: Italian, Swiss. RELIGION: Roman Catholic. LANGUAGES: Italian, Latin. LITERACY: 100%.

#### Government

TYPE: Papacy; administrative and spiritual capital of the Roman Catholic Church. INDEPENDENCE: Lateran Agreements reg-

ulating independence and sovereignty of the Holy See signed with Italy on February 11, 1929. SUFFRAGE: College of Cardinals elects Pope for life. FLAG: Vertical bands of yellow and white, with crossed keys of St. Peter and papal tiara centered on the white band.

#### Economy

The Vatican City does not engage in the economically productive activity common to other states. It is almost entirely dependent for income from charitable contribu-



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Vatican City. Everyday affairs of the Vatican City are managed by a layman, Marchese Giulio Sacchetti, Special Delegate of the Pontifical Commission for the State of Vatican City.

Judicial power is handled by a local tribunal in cases of the first instance; appeals go to the Sacred Roman Rota and then to the Supreme Tribunal of the Apostolic Segnatura, which is the final authority on appeals.

The State of the Vatican City maintains a 75-man Swiss Guard under the command of a colonel. It is presently setting up a modern civilian

security corps to replace the old 140-man Vatican Gendarmie. The State has its own railway station, electric generating station, and publishing house. It also issues its own coins, stamps, and passports. Radio Vatican is the official radio station; *L'Osservatore Romano* is the semi-official daily newspaper.

#### FOREIGN RELATIONS

The State of the Vatican City, seat of the Holy See and administrative and spiritual capital of the Roman Catholic

Church, is recognized by many nations as an independent sovereign state under the temporal jurisdiction of the Pope. Diplomatic representatives are accredited formally to or from the Holy See itself. The Holy See sent and received emissaries as early as the fourth century, but the exchange of permanent diplomatic representatives dates from the 16th century. After Italy completed annexation of the Papal States in 1870, the number of nations having diplomatic relations with the Holy See fell for a time to four, but by 1972 there were more

than 70. Most of these nations are not Catholic, and Third World countries make up a large portion of the countries that have recently established relations with the Holy See.

Vatican City is a member of the Universal Postal Union (UPU) and the International Telecommunications Union (ITU) and has permanent observer status at the United Nations in New York, at the European Office of the United Nations in Geneva, at the U.N. Food and Agriculture Organization (FAO) in Rome, and at the U.N. Educational, Scientific and Cultural Organization (UNESCO) in Paris. There is a member delegate at the International Atomic Energy Agency (IAEA) and at the U.N. Industrial Development Organization (UNIDO), both in Vienna. The Vatican also has diplomatic relations with the European Community in Brussels.

#### PAPAL AUDIENCES

The North American College in Rome (address: Casa Santa Maria dell'Umiltà, Via dell'Umiltà 30, 00187 Rome, Italy), which is owned and operated by the U.S. Catholic hierarchy for the training of American priests, has the responsibility for handling requests by U.S. citizens for papal audiences. The U.S. Embassy at Rome refers to the college the requests it receives from U.S. citizens for help in arranging such audiences.

On January 1, 1971 it announced the decision to adhere to the Nuclear Nonproliferation Treaty in order to "give its moral support to the principles that form the base of the treaty itself."

The United States maintained consular relations with the Papal States from 1797 to 1870 and diplomatic relations with the Pope in his capacity as head of the Papal States from 1848 to 1868. These relations lapsed with the final loss of all Papal territories in 1870.

In 1939 President Roosevelt appointed Myron C. Taylor as his personal representative to the Holy See with the personal rank of ambassador; President Truman renewed the appointment in 1947, and Ambassador Taylor served until 1950. His appointment did not constitute the establishment of diplomatic relations, and the United States does not now maintain diplomatic relations with the State of the Vatican City or the Holy See. The U.S. Embassy in Rome is accredited to the Italian Government.

On June 5, 1970 the White House announced that at President Nixon's request Henry Cabot Lodge would undertake periodic visits to the Vatican to confer with Pope Paul VI and Vatican officials. This was to provide greater continuity for the informal contacts which had been taking place since President Nixon took office. Mr. Lodge has made eight visits since June 1970. In his conversations at the Vatican he has given special emphasis to humanitarian subjects,

#### READING LIST

These titles are provided as a general indication of the material currently being published on this country. The Department of State does not endorse the specific views in unofficial publications as representing the position of the U.S. Government.

Cianfarra, Camille M. *The Vatican and the Kremlin*. New York: Dutton, 1950.

Graham, Robert A. *Vatican Diplomacy: A Study of Church and State on the International Plane*. Princeton: Princeton University Press, 1959.

Jemolo, A. C. *Church and State in Italy, 1850-1950*. Oxford: Basil Blackwell, 1960.

Nichols, Peter. *The Politics of the Vatican*. New York: Praeger, 1968.

Pallenberg, Corrado. *Inside the Vatican*. New York: Hawthorn Books, 1960.

Pinchon, Charles. *The Vatican and Its Role in World Affairs*. New York: Dutton, 1950.

such as U.S. prisoners of war in Vietnam and international drug control.

The Holy See maintains an Apostolic Delegate in Washington, D.C. He is charged with religious and ecclesiastical duties as a representative of the Holy See to the Roman Catholic Church in the United States. He does not have diplomatic status and is not accredited to the U.S. Government.

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## BIOGRAPHICAL INFORMATION

### Officials of the State of the Vatican City

#### POPE PAUL VI

Head of the Roman Catholic Church

Giovanni Battista Cardinal Montini, 75, was elected to succeed the late Pope John XXIII in June 1963 and chose the name of Paul VI. Pope Paul has made eight major trips abroad to show pastoral support for millions of Catholics in a time of unrest. He has also devoted a great deal of diplomatic effort toward ameliorating the lot of Catholics in Eastern Europe. In 1965 he made a one-day trip to New York to speak to the United Nations on world peace.

#### JEAN CARDINAL VILLOT

Secretary of State

Jean Cardinal Villot, 67, was appointed Vatican Secretary of State in April 1969. A Frenchman, Villot is the first non-Italian in half a century to hold Catholicism's second highest post. Ordained in 1930, Villot holds degrees in canon law and theology. Prior to 1967, his ecclesiastic career was confined to Lyon; he became archbishop of that city and received his Cardinal's hat in 1965. Villot served as Under Secretary of Vatican II from 1962 to 1965. Concurrently with his present position, Villot serves as Chamberlain of the Church. As such, he is the administrator of Vatican property and will rule the church between the Pope's death and the election of a successor.

#### GIOVANNI BENELLI

Substitute Secretary of State

Archbishop Giovanni Benelli, 51, was named Substitute Secretary of State in 1967. Benelli was ordained a priest in 1943. After completing graduate work in theology and canon law, he attended Pontifical Ecclesiastical Academy (the Vatican school for diplomats).

In 1947 he was appointed private secretary to Monsignor Giovanni Montini (now Pope Paul VI). Benelli's career as a papal diplomat has taken him to Ireland, France, Brazil and Spain. He served as Vatican observer to UNESCO in Paris during 1965. In 1966 the Archbishop was named pro-Nuncio to Senegal and Apostolic Delegate to the countries of West Africa.

AGOSTINO CASAROLI

Secretary of the Sacred Council for Public Affairs

Archbishop Agostino Casaroli, 58, is a mild-mannered northern Italian who is known unofficially as "the Pope's Foreign Minister." As the architect of the Vatican program to improve relations with East European governments, Archbishop Casaroli has paid several visits to those countries. As a result of his "exploratory missions" initiated in 1963, the Vatican exchanged "binding documents" with Hungary in 1964; signed a "protocol" with Yugoslavia renewing the exchange of low-level diplomats in 1966; and established full diplomatic relations with the latter country in 1970. The highest ranking Vatican official to visit the Soviet Union, Casaroli went to Moscow in 1971 to sign the UN Nuclear Non-Proliferation Treaty.

JOHN CARDINAL WRIGHT

Prefect, Sacred Congregation of Clergy

One of 10 American Cardinals, John Cardinal Wright, 63, is Prefect of the Sacred Congregation of Clergy at the Vatican. Before receiving his red hat in April 1969, he had served as Bishop of Pittsburgh since 1959. A member of the eight-man Doctrinal Board of the Roman Catholic Synod since 1967, Cardinal Wright also belongs to the Sacred Congregation of Rites and is a member of the Secretariat for Non-Believers. In 1969 Pope Paul VI appointed him to the Pontifical Commission for Revision of the Roman Catholic Church's Code of Canon Law. In 1935, after studying at Boston College, St. John's Seminary and the North American College in Rome, Wright was ordained in Rome. He then served as Auxiliary Bishop of Boston (1947-50) and as Bishop of Worcester, Massachusetts (1950-59). Cardinal Wright is the author of numerous works, including National Patriotism in Papal Teaching and The Christian and the Law.