



# THE DEPARTMENT OF STATE BULLETIN

Volume LXXI • No. 1844 • October 28, 1974

SECRETARY KISSINGER'S NEWS CONFERENCE  
OF OCTOBER 7 565

ANNUAL MEETINGS OF IMF AND IBRD BOARDS OF GOVERNORS  
HELD AT WASHINGTON

*Welcoming Remarks by President Ford  
and Statement by Secretary of the Treasury Simon* 574

COOPERATIVE ACTIONS TO SOLVE ECONOMIC AND SOCIAL PROBLEMS

*Statement by Senator Charles H. Percy  
U.S. Representative to the U.N. General Assembly* 589

Supplied to the Department

1300

DEPOSITORY

THE OFFICIAL WEEKLY RECORD OF UNITED STATES FOREIGN POLICY

*For index see inside back cover*

# THE DEPARTMENT OF STATE BULLETIN

VOL. LXXI, No. 1844  
October 28, 1974

---

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

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

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

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

**PRICE:**

52 issues plus semiannual indexes,  
domestic \$29.80, foreign \$37.25  
Single copy 60 cents

Use of funds for printing this publication approved by the Director of the Office of Management and Budget (January 29, 1971).

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

## Secretary Kissinger's News Conference of October 7

Press release 395 of October 7

*Secretary Kissinger:* Before we go to questions, I would like to welcome 20 Polish journalists who are here to cover the visit of Mr. Gierek [Edward Gierek, First Secretary of the Polish United Workers' Party]. I would like to say that we attach great importance to this visit in further improving our relationship with Poland. And I am sure what you will see here will remind you of some of the deliberations in the Polish Diet of previous centuries.

*Q. A two-part question, Mr. Secretary, on your trip. Will you be emphasizing an Israeli-Egyptian settlement, an Israeli-Jordan settlement, or both? And do you plan, or are there any possibilities to meet with [Yasir] Arafat or any other Palestinian leader while you are in the Middle East?*

*Secretary Kissinger:* With respect to the second question, there is no possibility that I will see Arafat or any other Palestinian leader while I am in the Middle East.

As for the content of the negotiations, we have attempted, in discussion with both Israeli and Arab leaders, to determine what would be the most suitable next stage of the negotiations.

It has always been understood that progress in one area would have to be linked with progress in other areas. And therefore we are talking about timing and the particular stages that look most promising.

So I am not going with any fixed ideas, and I will discuss again with all of the leaders involved. And then one can form a common judgment.

I would like to point out that there will be no concrete results in terms of agreements

or dramatic announcements that can be expected out of this trip. The primary purpose is to give concreteness to the negotiating process and perhaps to agree on some timing.

As long as we are talking about the trip, I would like to add that I will also visit Saudi Arabia in connection with the negotiations and on the way home I will stop in Algeria and Morocco. And I will be back on the 15th.<sup>1</sup>

### Peaceful and Military Nuclear Explosions

*Q. Mr. Secretary, there have been published reports this morning, sir, that the agreement reached last summer, I believe, by President Nixon with the Soviets to limit underground testing may be broadened to include peaceful nuclear tests. Are these stories accurate?*

*Secretary Kissinger:* I am reaching the point now where before I read my cables I read the newspapers, because they have a better selection. [Laughter.]

This one is not correct in all respects. There was an agreement at the time of the negotiation of the threshold test ban that the threshold test ban would not be ratified unless there was also an agreement for the handling of peaceful nuclear explosions.

This had two aspects: peaceful nuclear explosions below the threshold and peaceful nuclear explosions above the threshold. "Below the threshold" presented no particular problem because explosions were permitted anyway, and it was primarily an issue of the site at which the explosion would take place.

<sup>1</sup> The Department had previously announced that Secretary Kissinger would visit Egypt, Syria, Jordan, and Israel Oct. 9-14.

"Above the threshold" required special negotiations for the development of criteria to distinguish a peaceful explosion from a military explosion and also to determine the compatibility of the explosion with a limited test ban.

These negotiations are now starting in Moscow, and the outcome will depend on how we can proceed with the ratification issue. But this has always been understood, so there is no new decision involved. What is involved is a clearer specification of the criteria by which these distinctions might be established.

*Q. Dr. Kissinger, if I may follow that up. When India exploded a peaceful nuclear device last May, I think the U.S. position was that there was no distinction between a peaceful device and a military one. The technology is the same. Is there now a distinction being drawn in this country?*

*Secretary Kissinger:* I think one has to make a distinction between countries that have not previously had access to nuclear explosive technology and those countries that have elaborated nuclear explosive technology.

In the case of a new nuclear country, the mere fact of an explosion is of significance because that is what enters it into the club of those who have set off nuclear explosions. And therefore in the early stages of nuclear development, the distinction between military uses and civilian uses may be in the mind of those that set off the explosion, but it is very difficult—in fact it is impossible—to establish a distinction.

In the case of elaborated nuclear technology, there are at least some cases in which criteria can be defined by which the explosion is either of a more rudimentary technology than has already been tested for military purposes or is of a nature that can be clearly demonstrated as not useful for military purposes.

So the distinction can be made only in cases of advanced nuclear countries. It cannot be made with respect to countries entering the nuclear club.

*Q. Mr. Secretary, what is your rationale for continuing as chairman on the 40 Com-*

*mittee on covert activities and clandestine operations overseas? And isn't this compromising to your role as Secretary of State and the relatively open diplomacy of your other hat?*

*Secretary Kissinger:* The 40 Committee, in one form or another, has existed since 1948. The Department of State has always been represented on the 40 Committee.

The role of the 40 Committee is to review covert operations in order to determine their compatibility with the national security and foreign policy objectives of the United States. It is not to operate the covert actions and not, for that matter, to design them. It is to give policy guidance and policy review.

So, in one form or another, the Department of State is a participant in the decision, and the final approval is in every case given by the President in any event.

#### Measures To Deal With Oil Prices

*Q. Mr. Secretary, you have repeatedly said that you do not desire confrontation with the oil producers. I would like to ask two questions about that. If you do not want confrontation, why did you and the President use such harsh rhetoric in addressing yourself to the problem, rhetoric that apparently you can't back up with action? And, two, why a full year after the energy crisis really hit have you not made any serious moves to get together with the producers?*

*Secretary Kissinger:* Do you want me to agree with your conclusions, or can I state some of my own? [Laughter.]

First of all, the definition of "harsh rhetoric" is of course quite a subjective one. The President and I stated that we are dealing with a very serious problem. If you look at my statements on the subject, you will find that I used substantially the same rhetoric in my Pilgrims speech last December in London, in the opening speech to the Washington Energy Conference in February, in the speech to the U.N. special session of the General Assembly in April, and now again in September.

We have stated, and I repeat, that present oil prices are putting a strain on the world



economy that will, over a period of time, create an intolerable situation. It was the intention to emphasize these points.

Now, whether or not it can be backed up, again, is a question that requires some examination. Ever since the first speech last December we have made a systematic effort to bring about greater cohesion among the consumers, to protect them against emergencies, to bring about conservation, to bring about cooperation on alternative sources of energy and in research and development, and ultimately a greater degree of financial solidarity, at least with respect to the recycling problem.

These measures are required whether or not oil prices come down, especially if oil prices do not come down. They also will provide a basis for further discussion with the producers.

Until there is a degree of a common view among the consumers, discussions with the producers are simply going to repeat all the debates with which we are familiar. We have been talking with the producers. The Europeans have been talking with the producers. The only new element could be a greater degree of cohesion among the consumers, and that, at this point, we are in the process of forming.

*Q. Mr. Secretary, could I follow that up?*

*Secretary Kissinger:* Yes.

*Q. There have been statements by Arab spokesmen in the past couple of weeks drawing a clear link between the oil crisis and future Middle East negotiations. In your statement just a moment ago, when you talked about your upcoming trip to the Middle East, you didn't talk about the oil crisis, but just the negotiation. Is there any realistic way of separating the two?*

*Secretary Kissinger:* The major dynamics of the oil crisis—well, first of all, I wouldn't like the word "oil crisis"—of the impact of the high oil prices is not inevitably linked to the Arab-Israeli negotiations. And we are negotiating these two issues separately because the high oil prices affect many nations on a global basis that do not have the re-

motest connection with the Arab-Israeli conflict.

We believe that to some extent these negotiations should be conducted in separate forums, and we are conducting them in separate forums.

### Improvement of U.S.-Polish Relations

*Q. If I may ask you, on Mr. Gierek's visit, in the spirit of the Polish Diet, would you care to elaborate on this visit in a more general, wider context of the East-West détente, if you may?*

*Secretary Kissinger:* Well, as you know, the improvement of relations between the East and West has been one of the cardinal goals of our foreign policy.

We have always held the view that this is not confined to relations between the United States and the Soviet Union but it must include some of our traditional friends in Eastern Europe. And therefore we expect during the visit of the First Secretary to discuss and to agree on a number of cooperative projects in a variety of fields, economic and technological.

We realize of course the facts of geography and the realities of existing political relationships. But we believe that a considerable improvement in relations between Poland and the United States is possible and that this will contribute to the general easing of tensions and improvement of relations on an East-West basis.

### Grain Sales; Emigration From Soviet Union

*Q. Mr. Secretary, on Soviet-American relations, over the weekend the Soviets have lost a major grain purchase. Can you say how this in your mind affects Soviet-American relations; and was the U.S. Government properly informed about the Soviet intentions? And, two, can you bring us up to date on the status of your discussions with the Senators on the Jackson amendment, which now seem to have run into some trouble?*

*Secretary Kissinger:* With respect to the grain purchase, this grew out of an attempt

by the United States to contact major importers of grain and to discuss with them a general level which we thought was consistent with maintaining American grain prices and also with our ability to fulfill it.

In the process, I believe that a strong possibility exists that we may have misled the Soviet Union as to what we thought we could deliver over a period of time. And when a trading monopoly is given a certain level, it then may assume that it has the right to place orders for the whole amount immediately. This is where a disproportionate impact occurred. And therefore we ascribed the events of last weekend to a misunderstanding between bureaucracies.

Secretary [of the Treasury William E.] Simon will be in the Soviet Union at the end of the week and will discuss with responsible Soviet officials the grain exports which we believe we are able to make which are consistent with our attempt to fight inflation and with our other obligations on a global basis. So we are confident that this can be worked out on a constructive and cooperative basis.

With respect to the second question, the negotiations between the Senators and myself, the difficulty, such as it is, arises from the fact that there are some assurances that have been given to me that I can defend and which I can transmit. There are some interpretations of these assurances which some of the Senators would like to make. And that is their privilege. And we understand that they would apply their interpretations as a test of Soviet good faith.

What I cannot do is to guarantee things that have not been told to me. And so the question is whether we can work out something which makes clear that we take the Senators' views very seriously but which does not put us into a position of having to guarantee something beyond what has been discussed.

Now, the difficulty arose at a meeting with the congressional leadership in which we presented what had been discussed and pointed out what we could guarantee in the area in which we were not sure of what in fact would happen. And the unanimous opinion of the congressional leadership was that if we could

not be sure about certain aspects, then some of the formulations that had been used might lend themselves to misinterpretation later on.

We have every intention on our side of working this out with good will. We have no intention of having any debate with the Senators concerned. We share their objectives. And we believe that a reasonable solution can be found among honorable men.

*Q. Mr. Secretary, was the figure of 60,000 or any other figure understood in your discussions with the Soviet Union?*

*Secretary Kissinger:* I have always made clear that I could not guarantee any figure. How you interpret certain administrative agreements into figures, I have always made clear, could not be guaranteed by us.

*Q. Mr. Secretary, would you recommend Presidential intervention in the event that any of the oil-rich countries tried to make a wheat deal or a grain deal similar to the one that was blocked over this past weekend?*

*Secretary Kissinger:* Well, there has been a meeting in the Department of Agriculture this morning in order to work out a program of voluntary restraints and voluntary cooperation between agricultural exporters and the Department of Agriculture. That program will be announced this afternoon. And I believe that it represents a satisfactory compromise between the operation of a free economy and the overall global responsibilities of the United States.

*Q. Mr. Secretary, in reference to your earlier comments about the negotiations on the underground nuclear test ban, would you agree that the agreement has to be renegotiated fundamentally in order to get through the Senate, namely, that peaceful nuclear explosions also have to be limited to 150 kilotons? And secondly, also because it relates to U.S. negotiations with the Soviet Union, would you agree that the dispute concerning negotiations over emigration with members of the Senate represents a diminution of their willingness to agree with you on many of these issues which are in controversy recently?*



*Secretary Kissinger:* "They" meaning the Senators?

*Q. Yes, sir.*

*Secretary Kissinger:* Or the Soviets?

*Q. No, speaking of the mood—I was particularly referring to the mood in Congress as reflected recently. I am trying to get—*

*Secretary Kissinger:* To confirm your article. [Laughter.]

*Q. No—you are entitled to a rebuttal if you wish. What I am trying to ascertain is—we have discussed here two new issues: one, the emigration concept—*

*Secretary Kissinger:* I understand the question. I think I get the drift of its import. But first let me deal with the first part of the question.

I do not agree, nor is it the opinion of the President or of the government, that the threshold test ban has to be renegotiated. We agreed with the Soviet Union in June that we would make a good-faith effort to develop criteria for nuclear explosions, for peaceful nuclear explosions, recognizing the difficulty of defining criteria for explosions above 150 kilotons. We will nevertheless engage in these negotiations in good faith. And the judgment of whether it is possible to develop these criteria can be made only after the negotiations have been completed. It has not been affected by any consultations in the Senate. It will be determined entirely on the basis of the negotiations that are now opening in Moscow.

With respect to the second question, we are here in an area of ambiguity, in which I have to say, in fairness to the Senators concerned, they have always held the view that there should be a fixed number. This is not something new caused by recent discussions, but it is something that they have always held. And I have always held the view that I could not guarantee something that has not been told to me. The question now is whether we can formulate a criterion that can be applied as a test without putting the administration into the position of having misled them. This has nothing to do

with any recent debate that has gone on in the Congress.

But since you obviously also want an answer to the implication of your question, I believe it was inevitable that during the Watergate period, when much of the public attention and congressional attention was on domestic affairs, that there was a great reluctance to have a challenge to foreign policy. As we now have a more normal governmental process, it is also inevitable that there will be a more normal debate on the subject of foreign policy. And I consider that inevitable and, in the long term, desirable.

#### **Attitudes Toward Foreign Policy Issues**

*Q. Mr. Secretary, is the Nixon doctrine still an ongoing policy of the new administration, and if so, do you have the support of the Congress in seeing that it is implemented?*

*Secretary Kissinger:* First of all, the Nixon doctrine, defined as strengthening the capability of countries to defend themselves, is still the policy of the administration. It is also true, as a result of the war in Vietnam and of a generation of involvement in international affairs, that the general attitude of much of the American public toward foreign aid in general has become much more skeptical. And therefore the administration has greater difficulties than used to be the case a decade or two ago in its general ability to convince Congress to appropriate these sums, especially at a period when we have severe domestic economic strains.

We believe that it is our obligation to put before the Congress what we believe is in the national interest, just as it is the Congress' right to make its own judgment.

*Q. Sir, to clarify your earlier remarks about the 40 Committee, has the recent controversy about Chile caused any change in policy with regard to covert political activities?*

*Secretary Kissinger:* As I pointed out, the covert political activities have been carried out since 1948 under the general supervision

of the 40 Committee under various names. These operations are also briefed to the Congress by whatever procedures are established between the CIA and its oversight committees, and these procedures are not determined either by the 40 Committee or by the White House. They are left entirely to the arrangements between the CIA and the oversight committees.

Recently there has been an expansion of briefing the Foreign Affairs Committee of the House as to those activities that have foreign policy implications; that is, a small subcommittee of this [Foreign Affairs Committee].

I do not think it would be appropriate for me, in the nature of what is a covert operation, to go into the scale, but I believe that if one compares the scale now, or the scale even from the late sixties onward, to the previous period, one would find that the political direction has been tightened up and the number has decreased.

*Q. Mr. Secretary, before you became Secretary of State, you maintained that it was the job of the National Security Adviser to assure that the President got as wide as possible a range of foreign policy options and thinking within the government. Why do you believe now, as you apparently do, that your holding of both jobs, Secretary of State and the National Security Adviser, is not inconsistent with that function?*

*Secretary Kissinger:* Contrary to what I have read in the press, I have not entered this debate. I did not request the President to make the statement that he made in New York, nor did this issue come up between the President and me until he had already written that statement. The operation of the national security machinery depends on the President, and it must be organized in such a way that he feels comfortable in making those decisions. It is not a subject that any Cabinet officer can or should negotiate with the President. And therefore this is a matter that should be more properly addressed in another forum than by me.

*Q. Mr. Secretary, do you feel that the criticism that has been leveled against you*

*in the past month on a whole variety of issues is fair, and do you believe that that criticism has to any degree affected your capacity to run foreign policy?*

*Secretary Kissinger:* Well, I think it is fair to say that my own estimate of myself may be at variance with that of some of the critics. [Laughter.] But then I can't expect my critics to be right a hundred percent of the time. [Laughter.]

I think the fact of criticism is certainly fair and was certainly inevitable. I think that there may have been a period, as I pointed out, in which there may have been excessive restraint, and this may be counterbalanced now by finding the more critical aspects. I assume that it will even out over a period of time. I don't think it has affected my effectiveness.

### Cyprus Negotiations

*Q. Mr. Secretary, sir, you have in the past week met with the Turkish and the Greek Foreign Ministers several times in New York. Could you now tell us as to what are the prospects for resuming the negotiations in Geneva; and, also, what are the prospects for peace in Cyprus?*

*Secretary Kissinger:* The progress in the negotiations on Cyprus depends on many factors. It depends on the domestic situation in both Greece and Turkey. Greece has elections scheduled, and Turkey is attempting to form a new government and may have elections scheduled. It depends on the status of the communal talks in Cyprus.

The attempt in the talks in New York with the Greek and Turkish Foreign Ministers was to see whether some basis could be found by which negotiations could ultimately start in a manner that was also compatible with the domestic necessities of each of the parties.

I do not have the impression that the resumption of the Geneva forum is imminent, and I don't think it would serve a useful purpose by making a prediction about when other talks will start. The United States strongly supports the communal talks which



are now going on and will in every other way do its utmost to enable the parties to reach a conclusion that is consistent with their dignity and self-respect.

*Q. Mr. Secretary, you have been reported widely as expressing concern that the economic crisis or the oil crisis might cause political upheaval toward Western Europe. Do you find that the Western allies with whom you met last week agree with your analysis, and do you think that you have now made progress toward some consensus on dealing with the oil crisis?*

*Secretary Kissinger:* I have been reported correctly as believing—indeed, I stated so publicly—that the continuation of these enormous balance of payments deficits will force governments, and especially those of Western Europe, into decisions that will, over a period of time, have significant domestic or international consequences.

I believe that this general analysis is shared, to a greater or lesser extent, by most of the countries with which we have talked. Therefore I am basically optimistic that we are making progress in the objectives we have set ourselves—which is to enable the consuming nations to withstand the impact of the economic situation in which they find themselves.

*Q. Mr. Secretary, could I follow that up? Would it be useful then for the major consuming nations to cooperatively reduce their consumption of oil by a specific amount, regardless of what that amount is?*

*Secretary Kissinger:* As I pointed out in the opening of the Washington Energy Conference in February, a restraint on demand is essential if progress is to be made in the solution of the oil problem.

Now, whether this restraint is achieved by international agreement or whether international discussions provide the impetus for essentially national decisions is not a major point. But a restraint on demand, in one form or another, is an essential component of the policy that we have sketched.

*Q. Mr. Secretary, on the \$50,000 gift to you from Nelson Rockefeller, is there any*

*reason why you did not disclose that when you were confirmed as Secretary of State?*

*Secretary Kissinger:* When Governor Rockefeller made this proposal to me, I asked the counsel to the President-elect to give me a legal opinion in terms of existing statutes and in terms of propriety. He gave me a written letter, a written statement, in which he pointed out that it was neither contrary to any law or statute nor involved any impropriety. And only after I had that written statement did I proceed, and then I put the money in trust for my children and did not benefit.

*Q. Who was that counsel, Mr. Secretary?*

*Secretary Kissinger:* I think it was Mr. [Edward L. ] Morgan. We will have this letter available this afternoon.

*Q. Mr. Secretary, on the Middle East, some Israelis have been insisting that the next stage should be the final stage. Is that now just out of the question?*

*Secretary Kissinger:* That is not my impression of what other Israelis have told me, and I don't want to speculate what the next stage will be; but it is not the impression that I have gained from my talks with all the parties.

*Q. Could you tell us from your assessment of the visit to Cuba of Senators [Jacob K.] Javits and [Claiborne] Pell whether you regard the reception they got as a kind of signal to the U.S. Government; and if so, how you might respond to such a signal?*

*Secretary Kissinger:* We have, I think, a rather clear understanding of the attitude of the Cuban Government to the problem of normalization of relations between the United States and Cuba. We are also discussing this matter in inter-American forums; and there will be a meeting of Foreign Ministers in Quito early in November to discuss the problem of OAS sanctions. We will proceed, first, in the inter-American forums to discuss the views of our colleagues, and then we will form a judgment as to how to proceed thereafter.

*Q. Mr. Secretary, why didn't the United States accept an agreement on the nuclear cooperation with Israel and Egypt? And, second, do you hope to sign this agreement during the visit of President Sadat next month in Washington?*

*Secretary Kissinger:* We haven't reached an agreement because some of the parties have not responded yet to our suggestions for additional safeguards. When the agreement will be signed—we do not have a fixed timetable, and we have not come to an understanding with anybody as to a specific time to sign the agreement.

*Q. Mr. Secretary, on that question, would you be prepared to give the nuclear plants only to those countries that will agree to the additional safeguards, even if some other countries did not agree to them?*

*Secretary Kissinger:* Well, we have not faced that question yet, and we expect that the countries concerned will accept the additional safeguards.

## **President Ford's News Conference of October 9**

*Following are excerpts relating to foreign policy from the transcript of a news conference held by President Ford in the Rose Garden at the White House on October 9.<sup>1</sup>*

I do have one business announcement. I am pleased to announce this afternoon that President Echeverría of Mexico and I have agreed to hold a meeting on the U.S.-Mexican border on Monday, October 21.

I am very much looking forward to this opportunity to meet with President Echeverría in the Nogales area, and we plan to visit both sides of the border. The United States and Mexico have a long tradition of friendly and cooperative relations. It is my hope that our meeting will contribute to maintaining that relationship and to

strengthen the good will between our countries over the years to come. At this meeting, we will discuss, obviously, a wide range of subjects of interest to both countries.

*Q. I am sure you have other questions on economics, but let me ask just one on international affairs. There are reports that you are planning some sort of a summit conference with Chairman Brezhnev of the Soviet Union. Can you give us some details on that?*

*President Ford:* When I took the oath of office, I indicated that I would continue our country's efforts to broaden and to expand the policies of détente with the Soviet Union.

Since I have been in office, I have had a number of discussions with responsible leaders in the Soviet Union. About 10 days ago, I met with their Foreign Minister, Mr. Gromyko.

Dr. Kissinger is going to the Soviet Union the latter part of this month to continue these discussions.

Now, as you well know, Mr. Brezhnev has been invited to come to the United States in 1975. If there is a reason for us to meet before that meeting in the United States, I will certainly consider it.

*Q. To follow up a little, do you expect the United States to have any kind of a proposal on arms to present to the Soviet Union before the end of the year?*

*President Ford:* We are resolving our position in this very important and very critical area. When Dr. Kissinger goes to the Soviet Union the latter part of this month, we will have some guidelines, some specific guidelines, for him to discuss in a preliminary way with the Soviet Union.

*Q. Mr. President, in your recent U.N. speech, you added some last-minute remarks praising Secretary of State Kissinger, and last night you made an extraordinary move of going out to Andrews Air Force Base to see him off on his trip abroad. Are you upset by the criticism that Secretary Kissinger is receiving from the press, the public, and Congress?*

<sup>1</sup> For the complete text, see Weekly Compilation of Presidential Documents dated Oct. 14.

*President Ford:* I would put it this way, Mr. Jones [Phil Jones, CBS News]. I am very fond of Dr. Kissinger on a personal basis. I have tremendous respect and admiration for the superb job that he has done since he has been the director of the National Security Agency (Council) and also as Secretary of State.

I think what he has done for peace in the world, what he is continuing to do for peace throughout the world, deserves whatever good and appropriate things I can say about him and whatever little extra effort I can make to show my appreciation. And I intend to continue to do it.

*Q. Sir, do you feel that his effectiveness is being undermined by this criticism?*

*President Ford:* I haven't seen any adverse effects so far. We are making headway, and I think constructively, in all of the areas where I think and he thinks it is important for us to do things to preserve peace and build a broader base for peace.

## Letters of Credence

### *Barbados*

The newly appointed Ambassador of Barbados, Cecil B. Williams, presented his credentials to President Ford on August 19. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated August 19.

### *Costa Rica*

The newly appointed Ambassador of the Republic of Costa Rica, Rodolfo Silva, pre-

sented his credentials to President Ford on August 19. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated August 19.

### *Ghana*

The newly appointed Ambassador of the Republic of Ghana, Samuel Ernest Quarm, presented his credentials to President Ford on August 19. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated August 19.

### *Spain*

The newly appointed Ambassador of Spain, Jaime Alba, presented his credentials to President Ford on August 19. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated August 19.

### *Syria*

The newly appointed Ambassador of the Syrian Arab Republic, Sabah Kabbani, presented his credentials to President Ford on August 19. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated August 19.

### *Venezuela*

The newly appointed Ambassador of the Republic of Venezuela, Miguel Angel Burell-Rivas, presented his credentials to President Ford on August 19. For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated August 19.



## Annual Meetings of IMF and IBRD Boards of Governors Held at Washington

*The Boards of Governors of the International Monetary Fund (IMF) and the International Bank for Reconstruction and Development (IBRD) and its affiliates held their regular annual meetings at Washington September 30–October 4. Following are remarks made by President Ford before the Boards of Governors on September 30 and a statement made on October 1 by Secretary of the Treasury William E. Simon, U.S. Governor of the Fund and Bank.*

### REMARKS BY PRESIDENT FORD

Weekly Compilation of Presidential Documents dated October 7

It is a very great privilege and a very high honor to have the opportunity of making some preliminary remarks on this gathering here in the Nation's Capital of our country.

I extend to each and every one of you a very, very warm welcome. I and all Americans want your continuing friendship, and we welcome your constructive and thoughtful observations and recommendations. And I assure you at the outset that we will reciprocate in every way in order to make progress in this very vital area for each and every one of us.

We come together at an unprecedented time of challenge in our world's economy. But that makes my welcome to all of you—those of you who must solve these serious problems—an even warmer welcome. The serious problems that confront us today are extremely complex and, I presume, in some respects controversial.

We do this at a time of worldwide inflation at a rate far, far in excess of what any one of us can tolerate.

We come here today at a time of unparalleled disruptions in the supply of the world's major commodity. We are here today at a time of severe hindrances to the real growth and the real progress of many nations, including in particular some of the poorest and most unfortunate among us.

We in America view these problems very soberly and without any rose-tinted glasses. But we believe at the same time the spirit of international cooperation which brought about the Bretton Woods agreement a generation ago can resolve the problems today effectively and constructively.

My very capable Secretary of the Treasury, Bill Simon, will speak in greater detail on how we, the United States, view these problems and how we think they can be solved. But I think I can sum up in general our thinking quite briefly.

We in this country want solutions which serve very broad interests rather than narrow self-serving ones. We in America want more cooperation, not more isolation. We in America want more trade, not protectionism. We in America want price stability, not inflation. We in America want growth, not stagnation. We want for ourselves, as you want for yourselves, and we all want for the world a better life for ourselves and for those generations that follow.

You will help, and I am sure you will come forth with the kind of recommendations that will be beneficial. We want help to decide how this can best be done. The United States is fully prepared to join with your governments and play a constructive leadership role.

I say as I close, as I said at the outset, we want your friendship, your cooperation, and

we, as a country, will maximize to reciprocate in every way possible.

Again, welcome to our Capital, Washington, D.C., and the very, very best in this period of serious deliberation.

## STATEMENT BY TREASURY SECRETARY SIMON

Department of the Treasury press release dated October 1

Our recent annual meetings have reflected encouraging changes in the international economic scene. Three years ago our attention was focused on the new economic policy introduced by the United States to eliminate a longstanding imbalance in the world economy. Two years ago we launched a major reform of the international trade and payments system. Last year we developed the broad outlines of monetary reform.

This year circumstances are different. We face a world economic situation that is the most difficult since the years immediately after World War II.

Our predecessors in those early postwar years responded well to the great challenges of that period. I am confident we can also respond appropriately to the challenges of our day. But first we must identify the issues correctly.

Let me declare myself now on three of these key issues:

—First, I *do not* believe the world is in imminent danger of a drift into cumulative recession, though we must be alert and ready to act quickly should the situation change unexpectedly. I *do* believe the world must concentrate its attention and its efforts on the devastating inflation that confronts us.

—Second, I *do not* believe the international financial market is about to collapse. I *do* believe that situations can arise in which individual countries may face serious problems in borrowing to cover oil and other needs. For that reason we must all stand prepared to take cooperative action should the need arise.

—Third, I firmly believe that undue restrictions on the production of raw materials and commodities in order to bring about temporary increases in their prices threaten the

prosperity of all nations and call into question our ability to maintain and strengthen an equitable and effective world trading order.

With respect to the first of these issues, it is clear that most countries are no longer dealing with the familiar trade-off of the past—balancing a little more or less inflation against little more or less growth and employment. We are confronted with the threat of inflationary forces so strong and so persistent that they could jeopardize not only the prosperity but even the stability of our societies. A protracted continuation of inflation at present rates would place destructive strains on the framework of our present institutions—financial, social, and political.

Our current inflation developed from a combination of factors. In addition to pressures emanating from cartel pricing practices in oil, we have suffered from misfortune including bad weather affecting crops around the world; bad timing in the cyclical convergence of a worldwide boom; and bad policies reflected in years of excessive government spending and monetary expansion. As financial officials, we cannot be held responsible for the weather, but we must accept responsibility for government policies, and we must recommend policies that take fully into account the circumstances of the world in which we find ourselves.

In today's circumstances in most countries there is, in my view, no alternative to policies of balanced fiscal and monetary restraint. We must steer a course of firm, patient, persistent restraint of both public and private demand, and we must maintain this course for an extended period of time, until inflation rates decrease. We must restore the confidence of our citizens in our economic future and our ability to maintain strong and stable currencies.

Some are concerned that a determined international attack on inflation by fiscal and monetary restraint might push the world into a deep recession, even depression. I recognize this concern, but I do not believe we should let it distort our judgment.

Of course we must watch for evidence of excessive slack. The day is long past when

the fight against inflation can be waged in any country by tolerating recession. We must remain vigilant to the danger of cumulative recession. But if there is some risk in moving too slowly to relax restraints, there is also a risk—and I believe a much greater risk—in moving too rapidly toward expansive policies. If we fail to persevere in our anti-inflation policies now, with the result that inflation becomes more severe, then in time countermeasures will be required that would be so drastic as to risk sharp downturns and disruptions in economic activity.

There is a tendency to lay much of the blame on the international transmission of inflation. Certainly with present high levels of world trade and investment, developments in any economy, be they adverse or favorable, are quickly carried to other economies. But that does not absolve any nation from responsibility to adapt its financial policies so as to limit inflation and to shield its people from the ultimate damage which inflation inflicts on employment, productivity, and social justice in our societies.

#### **Financial Mechanisms To Recycle Oil Funds**

In addition to inflation, public concern has centered on methods of recycling oil funds and on whether we need new institutions to manage those flows.

So far, our existing complex of financial mechanisms, private and intergovernmental, has proved adequate to the task of recycling the large volumes of oil monies already moving in the system. Initially, the private financial markets played the major role, adapting in imaginative and constructive ways. More recently, government-to-government channels have increasingly been opened, and they will play a more important role as time goes by. New financing organizations have also been established by OPEC countries [Organization of Petroleum Exporting Countries]. Our international institutions, and specifically the IMF and World Bank, have redirected their efforts to provide additional ways of shifting funds from lenders to borrowers. The IMF responded rapidly in setting up its special oil facility.

In our experience over the period since the sharp increase in oil prices, three points stand out:

—First, the amount of new investments abroad being accumulated by the oil-exporting countries is very large; we estimate approximately \$30 billion thus far in 1974.

—Second, the net capital flow into the United States from all foreign sources, as measured by the U.S. current account deficit, has been small, about \$2 billion so far this year. During the same period our oil import bill has been about \$12 billion larger than it was in the comparable period last year.

—Third, markets in the United States are channeling very large sums of money from foreign lenders to foreign borrowers. Our banks have increased their loans to foreigners by approximately \$15 billion since the beginning of the year, while incurring liabilities to foreigners of a slightly larger amount. This is one kind of effective recycling. And while some have expressed concern that excessive oil funds would seek to flow to the United States and would require special recycling efforts to move them out, the picture thus far has been quite different.

No one can predict for sure what inflows of funds to the United States will be in the future. But it is our firm intention to maintain open capital markets, and foreign borrowers will have free access to any funds which come here. The U.S. Government offers no special subsidies or inducements to attract capital here; neither do we place obstacles to outflows.

Nonetheless some have expressed concern that the banking structure may not be able to cope with strains from the large financial flows expected in the period ahead. A major factor in these doubts has been the highly publicized difficulties of a small number of European banks and one American bank, which have raised fears of widespread financial collapse.

The difficulties of these banks developed in an atmosphere of worldwide inflation and of rapid increases in interest rates. In these circumstances, and in these relatively few



instances, serious management defects emerged. These difficulties were in no way the result of irresponsible or disruptive investment shifts by oil-exporting countries. Nor were they the result of any failure in recycling or of any general financial crisis in any country.

The lesson to be learned is this: In a time of rapid change in interest rates and in the amounts and directions of money flows, financial institutions must monitor their practices carefully. Regulatory and supervisory authorities, too, must be particularly vigilant. We must watch carefully to guard against mismanagement and speculative excesses, for example, in the forward exchange markets. And we must make certain that procedures for assuring the liquidity of our financial systems are maintained in good working order. Central banks have taken major steps to assure this result.

Although existing financial arrangements have responded reasonably well to the strains of the present situation—and we believe they will continue to do so—we recognize that this situation could change. We should remain alert to the potential need for new departures. We do not believe in an attitude of *laissez-faire*, come what may. If there is a clear need for additional international lending mechanisms, the United States will support their establishment.

We believe that various alternatives for providing such supplementary mechanisms should be given careful study. Whatever decision is made will have profound consequences for the future course of the world economy. We must carefully assess what our options are and carefully consider the full consequences of alternative courses of action. The range of possible future problems is a wide one, and many problems can be envisaged that will never come to pass. What is urgently needed now is careful preparation and probing analysis.

We must recognize that no recycling mechanism will insure that every country can borrow unlimited amounts. Of course, countries continue to have the responsibility to follow monetary, fiscal, and other policies

such that their requirements for foreign borrowing are limited.

But we know that facilities for loans on commercial or near-commercial terms are not likely to be sufficient for some developing countries whose economic situation requires that they continue to find funds on concessional terms. Traditional donors have continued to make their contributions of such funds, and oil-exporting countries have made some commitments to provide such assistance. Although the remaining financing problem for these countries is small in comparison with many other international flows, it is of immense importance for those countries affected. The new Development Committee which we are now establishing must give priority attention to the problems confronting these most seriously affected developing countries.

### Trade in Primary Products

For the past two years, world trade in primary commodities has been subject to abnormal uncertainties and strains. Poor crops, unusually high industrial demand for raw materials, transport problems, and limited new investment in extractive industries have all contributed to tremendous changes in commodity prices. Unfortunately, new forms of trade restraint have also begun to appear.

In the past, efforts to build a world trading system were concentrated in opening national markets to imports. Clearly we need now also to address the other side of the equation, that of supply.

The oil embargo, and the sudden and sharp increase in the price of oil, with their disruptive effects throughout the world economy, have of course brought these problems to the forefront of our attention.

The world faces a critical decision on access to many primary products. In the United States we have sought in those areas where we are exporters to show the way by maximum efforts to increase production. Market forces today result in the export of many items, from wheat to coal, which some believe we should keep at home. But we

believe an open market in commodities will provide the best route to the investment and increased production needed by all nations.

We believe that cooperative, market-oriented solutions to materials problems will be most equitable and beneficial to all nations. We intend to work for such cooperative solutions.

### Prospects for the Future

In the face of our current difficulties—inflation, recycling, commodity problems—I remain firmly confident that with commitment, cooperation, and coordination, reasonable price stability and financial stability can be restored.

The experience of the past year has demonstrated that although our economies have been disturbed by serious troubles, the international trade and payments system has stood the test.

Flexible exchange rates during this period have served us well. Despite enormous overall uncertainties and sudden change in the prospects for particular economies, exchange markets have escaped crises that beset them in past years. The exchange rate structure has no longer been an easy mark for the speculator, and governments have not been limited to the dismal choice of either financing speculative flows or trying to hold them down by controls.

Another encouraging fact is that the framework of international cooperation has remained strong. Faced with the prospect of severe balance of payments deterioration, deficit countries have, on the whole, avoided shortsighted efforts to strengthen their current account positions by introducing restrictions and curtailing trade.

In the longer run, we look forward to reinforcing this framework of cooperation through a broad-gauged multilateral negotiation to strengthen the international trading system. In the Tokyo round, we hope to reach widespread agreement both on trade liberalization measures—helping all countries to use resources more efficiently through greater opportunities for exchange of goods

and services—and on trade management measures—helping to solidify practices and procedures to deal with serious trade problems in a spirit of equity and joint endeavor. It is gratifying that more and more governments have recognized the opportunities and the necessity for successful, creative negotiations on trade.

We in the U.S. Government recognize our own responsibility to move these negotiations along. Early last year we proposed to our Congress the Trade Reform Act to permit full U.S. participation in the trade negotiations. It is clear that in the intervening months the need for such negotiations has become all the more urgent. We have therefore been working closely with the Congress on this crucial legislation, and we shall continue to work to insure its enactment before the end of this year.

In the whole field of international economic relations, I believe we are beginning to achieve a common understanding of the nature of the problems we face. There is greater public recognition that there lies ahead a long, hard worldwide struggle to bring inflation under control. Inflation is an international problem in our interdependent world, but the cure begins with the policies of national governments.

Success will require on the part of governments uncommon determination and persistence. There is today increasing awareness that unreasonable short-term exploitation of a strong bargaining position to raise prices and costs, whether domestically or internationally, inevitably intensifies our problems.

Finally, I am encouraged that our several years of intensive work to agree on improvements in the international monetary system have now begun to bear fruit. The discussions of the Committee of Twenty led to agreement on many important changes, some of which are to be introduced in an evolutionary manner and others of which we are beginning to implement at this meeting.

For the immediate future, the IMF's new Interim Committee will bring to the Fund structure a needed involvement of world



financial leaders on a regular basis, providing for them an important new forum for consideration of the financing of massive oil bills and the better coordination of national policies. The Interim Committee should also increasingly exercise surveillance over nations' policies affecting international payments, thereby gaining the experience from which additional agreed guidelines for responsible behavior may be derived.

Moreover, discussions in the Interim Committee can speed the consideration of needed amendments to the Fund's Articles of Agreement. These amendments, stemming from the work of the Committee of Twenty, will help to modernize the IMF and better equip it to deal with today's problems.

For example, the articles should be amended so as to remove inhibitions on IMF sales of gold in the private markets, so that the Fund, like other official financial institutions, can mobilize its resources when they are needed. In order to facilitate future quota increases, the package of amendments should also include a provision to modify the present requirement that 25 percent of a quota subscription be in gold. Such an amendment will be a prerequisite for the quota increase now under consideration. And the amendment will be necessary in any event for us to achieve the objectives shared by all the participants in the Committee of Twenty of removing gold from a central role in the system and of assuring that the SDR [special drawing right] becomes the basis of valuation for all obligations to and from the IMF.

Preparation of an amendment to embody the results of the current quinquennial review of quotas offers us still another opportunity to reassess the Fund's role in helping to meet the payments problems of member nations in light of today's needs and under present conditions of relative flexibility in exchange rates.

The trade pledge agreed by the Committee of Twenty provides an additional framework for cooperative action in today's troubled economic environment. It will mitigate the potential danger in the present situation of self-defeating competitive trade actions

and bilateralism. The United States has notified its adherence to the pledge, and I urge other nations to join promptly in subscribing.

The new Development Committee, still another outgrowth of the work of the Committee of Twenty, will give us an independent forum that will improve our ability to examine comprehensively the broad spectrum of development issues. We look forward to positive results from this new committee's critical work on the problems of the countries most seriously affected by the increase in commodity prices and on ways to insure that the private capital markets make a maximum contribution to development.

### **The World Bank and Its Affiliates**

International cooperation for development is also being strengthened in other ways, notably through the replenishment of IDA [International Development Association]. A U.S. contribution of \$1.5 billion to the fourth IDA replenishment has been authorized by Congress, and we are working with our congressional leaders to find a way to complete our ratification at the earliest possible date. A significant new group of countries has become financially able to join those extending development assistance on a major scale. We would welcome an increase in their World Bank capital accompanied by a commensurate participation in IDA.

The United States is proud of its role in the development of the World Bank over the past quarter century. We are confident that the Bank will respond to the challenges of the future as it has so successfully responded in the past.

One of these challenges is to concentrate the Bank's resources to accelerate growth in those developing countries with the greatest need.

A second challenge is to continue the Bank's annual transfer of a portion of its income to IDA. The recent increase in interest rates charged by the Bank is not sufficient to enable the Bank to continue transfers to IDA in needed amounts. We



urge that the Bank's Board promptly find a way to increase significantly the average return from new lending.

A third challenge is that the Bank find ways to strengthen its commitment to the principle that project financing makes sense only in a setting of appropriate national economic policies, of effective mobilization and use of domestic resources, and of effective utilization of the private capital and the modern technology that is available internationally on a commercial basis.

I should mention also that we are concerned about the Bank's capital position. We should encourage the Bank to seek ways to assist in the mobilization of funds by techniques which do not require the backing of the Bank's callable capital.

Within the Bank Group, we are accustomed to thinking mainly of the IFC [International Finance Corporation] in considering private capital financing. While now small, the IFC is, in my view, a key element in the total equation and should be even more important in the future. But the Bank itself needs to renew its own commitment to stimulation of the private sectors of developing countries.

Finally, let me emphasize that the capable and dedicated leadership and staff of the World Bank have the full confidence and support of the United States as they face the difficult challenges of the current situation.

Ladies and gentlemen, the most prosperous period in the history of mankind was made possible by an international framework which was a response to the vivid memories of the period of a beggar-thy-neighbor world. Faced with staggering problems, the founders of Bretton Woods were inspired to seek cooperative solutions in the framework of a liberal international economic order. Out of that experience evolved an awareness that our economic and political destinies are inextricably linked.

Today, in the face of another set of problems, we must again shape policies which reflect the great stake each nation has in

the growth and prosperity of others. Because I believe that interdependence is a reality—one that all must sooner or later come to recognize—I remain confident that we will work out our problems in a cooperative manner.

The course which the United States will follow is clear. Domestically, we will manage our economy firmly and responsibly, resigning ourselves neither to the inequities of continued inflation nor to the wastefulness of recession. We will strengthen our productive base; we will develop our own energy resources; we will expand our agricultural output. We will give the American people grounds for confidence in their future.

Internationally, let there be no doubt as to our course. We will work with those who would work with us. We make no pretense that we can, or should, try to solve these problems alone, but neither will we abdicate our responsibility to contribute to their solution. Together, we can solve our problems. Let me reaffirm our desire and total commitment to work with all nations to coordinate our policies to assure the lasting prosperity of all of our peoples.

## **U.S. and Jordan Sign Agreement on Nonscheduled Air Services**

The Department of State announced on September 27 (press release 382) the United States and Jordan had signed on September 21 at Amman a nonscheduled air service agreement between the two governments. Ambassador Thomas R. Pickering signed for the United States and Nadim Zarou, Minister of Transportation, for Jordan. The agreement will provide the framework for charter operations between the two countries and will facilitate charter flights to the Holy Land and to historic religious sites in the Middle East. (For text of the agreement, see press release 382.)

## Secretary Kissinger Hosts Dinner for Members of Arab League

*Following is an exchange of toasts between Secretary Kissinger and Lebanese Foreign Minister Fu'ad Naffa', Chairman of the Council of the League of Arab States, at a dinner at the U.S. Mission to the United Nations at New York on September 30.*

Press release 388 dated October 1

### SECRETARY KISSINGER

Mr. Secretary General, Excellencies, friends: I first of all want to make clear that this is not the beginning of a confrontation about oil prices [laughter and applause]—especially as long as you all outnumber me here. [Laughter.]

I tried—I've seen so many of you over the past year so many times; in fact, I've seen more Arab leaders than any other part of the world—that I tried to promote my participation at the Arab summit later this month. [Laughter.] I must say the Foreign Minister of Morocco, who is very elegant and very subtle, did not speak English when the subject was raised. [Laughter and applause.] So maybe next year.

But we met here—many of us—about this time last year, and I had the impression that one or two of you had some slight reservations about my appointment as Secretary of State. And it is true, leaving aside any particular individuals, that for a period of many years the situation in the Middle East had become frozen.

I spoke to my friend Umar [Umar al-Saqqaf, Saudi Arabian Minister of State for Foreign Affairs] two weeks before the October war began, and I told him that we would try to make a major diplomatic effort in order to promote peace in the Middle East. And then there was the war, and since then we have had an opportunity to talk together about many problems.

I think great changes have occurred in the

Middle East. I think the peoples in the Middle East have realized that they should make a very serious effort to move toward peace which is based on the recognition of the rights of all peoples in the area. And the United States has understood that a conditional stalemate in the Middle East creates a constant source of tensions, and the economic consequences that flowed from this war have taught the whole world what was probably not intended; for instance, that our global economy is interdependent in a way that few of us had realized and that producers and consumers—consumers among you gentlemen—depend on an understanding of each other's necessities that has made the world a global community.

We have had the opportunity to meet many of you and to understand the aspirations for peace that exist in the area, and a beginning has been made toward a just and lasting peace. We recognize that it is only beginning. And in my speech to the General Assembly, I expressed the determination of the United States to use all its influence to continue the process that was started on a basis that takes care of the aspirations of all of the countries in the area and that encompasses the concerns of the parties.

I will be going to the Middle East next week to see whether this negotiating process can be started, and we will spare no effort. With your understanding, your support, I am confident that we will make progress. That, at any rate, is what we have dedicated ourselves to.

We also have started, as you all know, a discussion on the nature of the interdependence of the global economy. This is not the place to go into it. And my friend Umar has already told me that he has prepared a crushing reply to be made public very soon. [Laughter.]

I want to say that as far as the United States is concerned, we are not going to enter these discussions in a spirit of confrontation. It is our profound conviction

that what we are trying to convey to all of our friends is that it is impossible to achieve unilateral benefit and that it's peculiarly a situation where what is in the common benefit is also for the individual gain of everybody.

How that will be worked out in time depends on many discussions, but on our side we approach these discussions in a spirit of good will and with the certainty that a reasonable solution that is just to all can be found.

I want to take this opportunity, on a personal basis, to express my gratitude, the gratitude of the U.S. Government, to all of you who have welcomed my colleagues and me over the past year, on our many travels, with the proverbial Arab hospitality.

We are engaged in a very difficult process—all of us together—and I have appreciated your understanding of our friendship. And I am confident that the problems before us will be solved in a manner that all of us in this room can be proud to have worked together.

In this spirit I'd like to propose a toast to the friendship between the Arab peoples and the people of the United States.

#### **AMBASSADOR NAFFA'**

Mr. Secretary of State: I will thank you first because you didn't want to make confrontation with Arabs here about the oil problem, because—as you said—it's not here that we can discuss it, and on the other hand, it would have been a little difficult for me, with my weak English, to discuss this problem. [Laughter and applause.]

Anyway, we conceive interdependence of the nations and the economies as a global community, but we conceive that in the global community right and justice will have their word to say and to be applied.

About your participation at the conference—the summit conference—we cannot decide it here too. [Laughter.] You have to

apply [laughter and applause] and to see who will sponsor your application. [Laughter.] Maybe I will.

Mr. Secretary of State, I would like to express to you on my behalf and on that of my colleagues, the Foreign Ministers of the other Arab states, our thanks and appreciation for your gesture of inviting us this evening. We find this gesture an expression of your desire to establish friendly relations with us on a personal level, to continue the dialogue, and to strengthen the relations between the United States and our countries.

I would like to assure you that we welcome this gesture very much; for we all are open to dialogue, desirous to strengthen the good relations between us and to exchange views in honesty and frankness. Our hope is to be able to develop friendly relations with your country on the basis of understanding and cooperation in an atmosphere of mutual confidence and that these relations would serve real peace which is founded on the respect of the principle of right and justice.

I am confident that I am expressing the opinion of all my colleagues when I praise the great efforts which you have made during the past few months and the positive results which you have been able to achieve. I am also expressing their belief when I say that the present circumstances require intensification of these efforts, for the stage which we have reached today in cooperation with you has been necessary and useful. However, it is not sufficient to achieve peace. It is only a preliminary stage which has opened the door, provided that the intentions are sincere, to implement the basic requirements of achieving peace.

You know these requirements very well, Mr. Secretary of State, and you also undoubtedly know that the real chance for peace depends to a great extent on the position which the United States takes in the next few months because of the great influence which she enjoys and the big potentials she has in her possession.



For this reason, I can say that our expectations from you are as great as the responsibilities which you share.

I raise my glass to wish you health and prosperity.

## Secretary Kissinger Hosts Luncheon for Latin American Foreign Ministers

*Following is an exchange of toasts between Secretary Kissinger and Adolfo Molina, Foreign Minister of Guatemala, at a luncheon for Latin American Foreign Ministers and Permanent Representatives to the United Nations at the Center for Inter-American Relations at New York on October 2.*

Press release 390 dated October 3

### SECRETARY KISSINGER

Excellencies and friends: I speak before this group always with considerable hesitation, knowing the high quality of oratory that is assembled in this room and the judgments that will be made on my effort—not to speak of the replies that will be given either while I'm in the room or to the press after we all leave.

We met in this room just about a year ago today, and it isn't often that one attends lunch and one can say it makes a difference in the affairs of nations. But I like to think that the new dialogue which we started in this room last year has already made a difference and, if we carry out the promise that it contains, that it will make an even more important difference in the years ahead.

I told you then, and still believe, that relationships in the Western Hemisphere had been too long neglected and that if the United States could not establish a constructive and creative relationship on the basis of equality and mutual respect with its friends to the south, with so many historic ties connected

to it, then how can we speak of a world structure or expect to be creative in other parts of the world? The Foreign Minister of Costa Rica replied, and so did the Foreign Minister of Colombia; and out of this developed a series of meetings that we have had since then.

I believe that the new dialogue has already removed some misunderstandings; it has already identified some common problems; and it has already created some working groups—on science and technology, on the multinational corporations—that deal with some of our specific aspirations and with our particular grievances.

But we are only at the very beginning of this process. All of our countries face problems which have become global in nature. We all face the problem of inflation. Some of us are commodity exporters, some of us are commodity importers, and some of us are both. But we all realize that we have become part of an interdependent world community and that none of us—not the United States nor anybody else—can solve these problems by purely national policies. So the question isn't really whether they should be dealt with in a larger forum—about that we have no choice—but with what group we should discuss, in what manner, and to what purpose.

In this respect, as I have said to you in our several meetings over the past year, the United States attaches extraordinary importance to its Western Hemisphere relationships. In Mexico City I used the word which was criticized by one or two of you with great eloquence when I spoke of "community" in the Western Hemisphere. And in fact I told my friend the Foreign Minister of Jamaica if we could only have excluded the Caribbeans we would have a happy meeting. [Laughter.] And as our influence grows, I don't exclude the possibility. [Laughter and applause.]

But we do not insist on any particular phrase in the name of which we work together. We recognize several countries here have attended meetings of the nonaligned,

and we realize that all countries here want to pursue foreign policies that reflect their own national interests and their own regional concerns.

What we propose is that those problems which we identify as "common" we should deal with in a spirit of cooperation and on the basis of equality and thereby set an example to many other parts of the world of how problems must be dealt with. Nor is this proposed in any spirit of exclusivity, because eventually the problems I have enumerated can be dealt with only on a global basis.

The United States hopes that in the next year we can translate the dialogue into concrete achievement. We believe that the working groups that already exist can lead to tangible results. We hope, and are quite confident, that our own Trade Reform Act will pass so that the systems of preferences—which we have talked about for too long—can finally be instituted.

And beyond this, we are prepared to discuss the political relationships in the Western Hemisphere, the restructuring of the OAS, with an open mind and paying careful heed to the predominant views of our friends in the Western Hemisphere, both within the OAS and at the forthcoming Foreign Ministers meeting in Argentina.

We will work toward a concrete solution of our common problems. Within the United States, we will make an effort to anchor the Western Hemisphere relationship not only in the consciousness of our government but in the hearts of the people. And we believe that all of us have an obligation to contribute to this in our countries as much as we can.

I'm glad to say that our new Assistant Secretary of State for Latin American Affairs, Mr. William Rogers, who is here with us, has accepted this position, because he has had a long history of dedication to Western Hemisphere relationships. You have in him a guarantee that what we will do together will not be done by one country for others nor will it be done in a spirit of bureaucracy, but

with an attitude of friendship, with a feeling of humanity, and with a hope that what we do here in the Western Hemisphere is of significance not just for us ourselves but for a world that needs a demonstration of how free people working together can master their own future.

It's in this spirit that I would like to propose a toast to progress in the Western Hemisphere and to our close and growing friendship.

#### FOREIGN MINISTER MOLINA

Mr. Secretary of State, Your Excellencies, and ladies and gentlemen: It is indeed a great pleasure—coincidentally, because of the fact that Guatemala is at present presiding at the Latin American group of nations—that I have been singled out for the specific honor of acting here as spokesman for the Latin American Foreign Ministers as well as for the Latin American Ambassadors to the United Nations to respond to the invitation to this banquet.

In the first place, I should state—and I must state—that I want to thank you for your invitation to share bread and wine here with all of your colleagues in this spirit of friendship with the countries of Latin America and in the spirit of a continuous dialogue.

As was stated one year ago, when we held this meeting that has been referred to here, the dialogue is based on the basis of equality, as has been mentioned by Secretary Kissinger, as well as the principles of dignity of the members of the various countries of our hemisphere. It is because of this dialogue that started here—that we continued in Bogotá, Mexico City, Washington, D.C., and Atlanta—that we have been able to broach sudden problems in a practical manner with the practicalities that characterize Secretary Kissinger's approach, which can be summarized in use of few words and decisive action, in order to state that we here have a

responsibility to deal with the problems of the economic development of our countries, the problems that have been mentioned of transfer of technology, the problems of the transnational corporations, and also other points that are related.

We have a number of study groups that have met both in conferences. We have had working groups that have worked on all of the subjects that have been referred to as well as some of the others incorporated in the Declaration of Tlatelolco. It is in this spirit of Tlatelolco that the new dynamics of the relationships in the hemisphere toward greater economic development have been conducted.

This new year of the dialogue is one that brings with it numerous problems, as Secretary Kissinger has suggested, and reflects ominous clouds on the horizon in which the policies of the different countries will have to be defined. We have noted problems, such as the unbalance in the balance of payments that exists between our respective countries and, as has sometimes been also stated by the Secretary at the United Nations, the problems that come forth with diffusion of knowledge—specifically, with reference to nuclear technology—as well as the problems relating to the inflationary spirit which is affecting most countries in the world.

The history of the world confirms the fable of Nemesis—one that really rules the destiny of man, one of providing man with the type of abundance that he desires—that he might be led to the type of nuclear technology which could destroy humanity, one in which an excess in the amount of money or funds available could, in fact, engulf humanity in a situation as we conceived it.

With respect to the concept of interdependence, this is one that, I would like to point out, has both a positive and negative connotation. It is positive in the sense that the peoples of the world can no longer live in isolation. We all need from one another in order to help ourselves. But it also has a negative side in the sense that problems of

the world now affect everybody in the world and therefore we need joint solutions.

For the Latin Americans and Latin American countries, the question of economic security is of great importance, and that is why we attach special significance to the charter of duties and obligations of member states in the realm of economic relationships—in order to guarantee our mutual economic security. We find a twofold problem that we are facing, and this is one that I was specifically facing when I started to address this group. In the first place, I was not informed or aware of the points that Secretary Kissinger might bring up in his speech. And, secondly, I am not aware of the points of view that my colleagues in this room share with us.

I believe therefore that in order to fulfill the mission that was specifically assigned to me I should express to the Secretary of State, on behalf of all of you, our great interest in all of the issues that he has raised. The matters that have been raised here will be studied by our respective governments. They will be considered and reflected upon. And in the future we will be able to come to other meetings with specific proposals and recommendations to deal with them.

I believe that I express the gratification that we all share here at the appointment of William Rogers, who has always been, and is considered, a great friend of Latin America.

It is in this context that we want to point to our hopes that we will be able to carry forth in the extraordinary program and tasks that we have set for us and that Secretary Kissinger so well understands in our own hemisphere and also the extraordinary hope that we have because we know how well Secretary Kissinger is familiar and aware with the problems that confront all of the countries of the world and the repercussions that those world problems have on the Western Hemisphere.

Finally, I would like to express a great appreciation to you, Mr. Secretary, for the special hospitality, understanding, and soli-



parity that has been reflected here with all our friends of the Western Hemisphere, and I would like to express our hope that we may be able to continue this spirit of friendship and progress among our countries.

## Department Discusses Decolonization of Portuguese African Territories

*Statement by Donald B. Easum  
Assistant Secretary for African Affairs*<sup>1</sup>

My appearance before you today is particularly significant and timely in the light of the important changes that are taking place in southern Africa as the result of recent developments in Portugal and Portuguese-speaking Africa.

In March of this year, when a representative of my Bureau last appeared before this subcommittee, we stated that the then recently published book by General [António] Spínola presaged possible changes in the Portuguese territories. The book has now become history, and General Spínola has resigned from public office. But the Portuguese Government since the coup in April has remained dedicated to decolonization in its African territories.

We have been gratified to observe how Portuguese decolonization efforts have been, in the spirit of the Lusaka Manifesto, met by a responsible and helpful attitude on the part of African nations, a number of whom greatly assisted in the negotiating effort that enabled the Portuguese and Portuguese African nationalist movements to reach the agreements which have given such impetus to the program of self-determination in Portuguese Africa.

<sup>1</sup> Made before the Subcommittee on Africa of the House Committee on Foreign Affairs on Oct. 8. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

As the committee is aware, the efforts of the parties concerned have brought Portuguese-speaking Africa to the threshold of total independence. On September 10 Portugal recognized the independence of Guinea-Bissau, which is now a fully independent member of the family of nations. On September 7 Portugal and the Liberation Front of Mozambique (FRELIMO) agreed, in Lusaka, to the installation of a joint transitional government that would prepare the country for full independence scheduled for June 25, 1975. This government was installed in Lourenço Marques on September 20. The territories of Angola, Cape Verde, São Tomé, and Príncipe are still Portuguese dependencies, but Portugal has agreed that each has the right to independence and has taken important steps toward that end.

In Angola, however, the decolonization process is seriously complicated by the fact that the three principal liberation movements remain divided among themselves. They have been unable to agree on a common position concerning negotiations with the Portuguese, who have offered them participation in a provisional government.

The United States is pleased by the progress that has been made in the decolonization of Portuguese Africa. As you know, the United States has long espoused the principle of self-determination for the peoples of these territories. We are fully aware of the difficulties still to be overcome before the achievement of complete independence in all of the territories.

The United States was happy to be able to recognize the new Republic of Guinea-Bissau on September 10. Earlier, on August 12, we had supported its application to the United Nations, in which it is now a full and participating member. President Ford's letter of recognition contained our offer to establish diplomatic relations with Guinea-Bissau. Based on recent conversations I have had with officials of the new Guinea-Bissau Government, I believe that this offer will be accepted.

The United States is also looking forward to establishing and strengthening mutually beneficial relations with each of the other emerging Portuguese-speaking African states. That includes not only contact with new governments but, we hope, meaningful dialogue with liberation movements and political groupings that continue to play such a vital role in the process of decolonization.

While we are giving our full moral support to the decolonization process, we also are looking into ways and means within congressional mandates of assisting the emerging states, if they desire our assistance. In this connection, a State/AID [Agency for International Development] Working Group has been established in the Department to study ways in which we might respond to requests for such assistance.

The Working Group is looking in particular at educational needs and at possibilities for assisting those segments of the societies that are under greatest hardship. They are also investigating the possible extension of existing regional programs into Portuguese-speaking Africa. Finally, we have already provided modest emergency assistance to help alleviate the dislocation resulting from the recent disturbance in Lourenço Marques.

I hope that I have made clear the hopeful and helpful attitude of the United States toward these new and encouraging developments in Africa. All of this must of course be looked at in the broader perspective of southern Africa and the basic right of all peoples to self-government.

We believe that a great deal of credit should go to the post-April government in Portugal and to those African states and individuals who have played such a driving and dedicated role in bringing about these significant developments. We can only urge that the patience and good judgment that have so far characterized the process of decolonization continue to prevail as the rest of Portuguese-speaking Africa moves toward independence in what we hope will be a peaceful and stable manner.

## Food for Peace Report for 1973

### Transmitted to Congress

*Message From President Ford*<sup>1</sup>

*To the Congress of the United States:*

I am pleased to transmit to the Congress the 1973 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace). This has been a successful program. It has provided a channel for humanitarian assistance, promoted economic development and, in general, supported foreign policy objectives of the United States.

Throughout the year, the Food for Peace program demonstrated its flexibility in a changing agricultural situation. Because of the tight commodity supply situation in the United States, shipments during the year were somewhat restricted. This was especially true of wheat and wheat product shipments. However, our food contributions to the drought-stricken African countries, including Ethiopia, were substantial. In both East and West Africa, United States food aid represented about 40 percent of the total supplied by the international community. The level of U.S. contributions to the World Food Program and the U.S. voluntary agencies was maintained and the Title I concessional sales programs continued in such high-priority countries as Bangladesh, Bolivia, Cambodia, Israel, Pakistan, and Vietnam.

The Food for Peace program continues to be the primary U.S. food aid activity. Concessional sales programs continued to encourage recipient countries to establish self-help objectives and also support economic development projects. The program retains its emphasis on improving the nutrition of pregnant and nursing mothers, babies, and pre-school children, the most nutritionally significant periods of human life. Although most programs have aspects of agricultural

<sup>1</sup> Transmitted on Sept. 25 (text from White House press release); also printed as H. Doc. 93-362, 93d Cong., 2d sess., which includes the text of the report.



market development, specific programs for trade expansion have been limited because of strong commercial demand. Such programs could be resumed under changed supply conditions.

As 1973 legislation authorized the extension of the Public Law 480 program through 1977, it will go on playing its vital role in terms of development assistance, trade expansion, and promotion of our foreign policy objectives.

GERALD R. FORD.

THE WHITE HOUSE, *September 25, 1974.*

## U.S. Welcomes Turkish Decision To Change Poppy-Harvesting Method

### *Department Announcement*<sup>1</sup>

The Turkish Government announced its decision July 1 of this year to authorize the resumption of the cultivation of opium poppies. Since that time there has been an ongoing high-level dialogue between our two governments during which we have made clear our concern at the possibility of a renewed flow of heroin made from Turkish opium to the United States. We stressed the vital need for effective control.

A special U.N. team has also recently held discussions on this subject in Turkey. The Turkish Prime Minister has repeatedly assured us of his government's strong determination to prevent smuggling. The Turkish Government has informed us that it has decided in principle to adopt a method of harvesting the poppies called the "poppy straw process," which involves the collection by the Turkish Government of the whole poppy pod rather than the opium gum. Traditionally the opium gum was taken by the farmers through lancing the pod in the field. And it was a portion of this gum that was illegally diverted.

<sup>1</sup> Read to news correspondents on Sept. 20 by Robert Anderson, Special Assistant to the Secretary of State for Press Relations.

We are very pleased with this decision. With effective policing to make sure that the opium gum is not illegally extracted by the farmers, the reflow of heroin that we fear can be avoided.

## Congressional Documents Relating to Foreign Policy

### 93d Congress, 2d Session

- Department of State Appropriations Authorization Act of 1974. Report to accompany H.R. 16168. H. Rept. 93-1241. July 31, 1974. 8 pp.
- Temporary Suspension of Duty on Certain Forms of Zinc. Report to accompany H.R. 6191. S. Rept. 93-1058. August 1, 1974. 5 pp.
- Extending the Temporary Suspension of Duty on Certain Classifications of Yarns of Silk. Report to accompany H.R. 7780. S. Rept. 93-1059. August 1, 1974. 5 pp.
- Elimination of Duty on Methanol Imported for Certain Uses. Report to accompany H.R. 11251. S. Rept. 93-1060. August 1, 1974. 5 pp.
- Temporary Suspension of Duty on Crude Feathers and Downs. Report to accompany H.R. 11452. S. Rept. 93-1061. August 1, 1974. 5 pp.
- Temporary Suspension of Duty on Synthetic Rutile. Report to accompany H.R. 11830. S. Rept. 93-1062. August 1, 1974. 5 pp.
- Temporary Suspension of Duty on Certain Carboxymethyl Cellulose Salts. Report to accompany H.R. 12035. S. Rept. 93-1063. August 1, 1974. 4 pp.
- Suspension of Duties on Certain Forms of Copper. Report to accompany H.R. 12281. S. Rept. 93-1064. August 1, 1974. 5 pp.
- Temporary Suspension of Duty on Certain Horses. Report to accompany H.R. 13631. S. Rept. 93-1065. August 1, 1974. 4 pp.
- Telegraph and Telephone Regulations, 1973. Message from the President of the United States transmitting the telegraph regulations and the telephone regulations along with the appendices thereto and a final protocol to those regulations, done at Geneva, April 11, 1973. S. Ex. E. August 2, 1974. 33 pp.
- Ratification of the Geneva Protocol of 1925. Report to accompany H. Res. 1258. H. Rept. 93-1257. August 2, 1974. 10 pp.
- World Food Resolution. Report to accompany S. Res. 329. S. Rept. 93-1070. August 5, 1974. 3 pp.
- Amending the Export-Import Bank Act of 1945, and for Other Purposes. Report, together with supplemental views, to accompany H.R. 15977. H. Rept. 93-1261. August 6, 1974. 20 pp.
- Authorization of Icebreaking Operation in Foreign Waters. Report to accompany S. 3308. S. Rept. 93-1084. August 12, 1974. 3 pp.
- Situation in Cyprus. Report to accompany S. Res. 381. S. Rept. 93-1092. August 15, 1974. 2 pp.



## Cooperative Actions To Solve Economic and Social Problems

*Statement by Senator Charles H. Percy  
U.S. Representative to the U.N. General Assembly*<sup>1</sup>

On this speck of debris in the universe which we call earth, no individual, no nation, no race can be an island unto itself. The economic and social issues that face one face us all.

Philosophically, the United States is committed to improving the economic and social welfare of humanity. The great difficulty is to translate our philosophical commitments into political realities. It is easy to speak in platitudes, but much harder to talk in the political realities of what can be done.

Certainly the major issues facing the 29th Assembly will be economic. They will be interwoven in the fabric of virtually every topic discussed. Without economic resources, we cannot realistically move to solve the vast social problems that beset this planet. This does not mean that economic and social problems are separate. They are not. In fact, many of the solutions to the economic problem of increasing the wealth of the world are closely tied to social conditions.

The state of humanity necessitates that the agenda before us be broad. The issues we must deal with this year include inflation, trade reform, monetary reform, economic assistance, population planning, food production, the status of women, and education. But as essential to all these issues, we must resolve through open discussion and negotiation the lowering of the price of international crude oil.

The price of international crude oil is the most destabilizing element in the world economy today. Its price denies the developing countries of the world adequate energy supplies to run their economies and fertilizer to grow their crops. The most seriously affected nations must take the rise in price directly out of the very low standard of living of their populace.

While the developed countries can borrow funds among each other in the short run, they will not be able to stand the drain of funds for a long period. No matter how effective the recycling of dollars is from oil exporters to oil importers, regional and national balance of payments disparities will grow so great that even many now-developed countries will be faced with international insolvency.

Such events could collapse the trade and monetary systems that have been so painfully constructed since the end of World War II. This in turn could certainly mean economic catastrophe, first for the less developed nations of the world, then for oil-dependent countries, and last for such countries as the U.S.S.R. and the United States who have oil resources of their own. And further, what optimism can there be in the long run for nations, primarily oil producers, in such a world?

No one can benefit from a worldwide depression. What will be lost is years of economic growth, resulting in despair for at least a generation of the world's people. What will be lost is a chance to work on our

<sup>1</sup> Made in Committee II (Economic and Financial) of the U.N. General Assembly on Oct. 1 (text from USUN press release 123).

social and economic interests together. We must work together. There is no reasonable, rational alternative. Economic nationalism should not bring down the world economic system, and thus social and political systems; nor should that system be operated for the benefit of only a few.

An alternative solution, of course, to the problem of oil prices is the development of alternative energy sources. All nations must work cooperatively on energy research to achieve technical breakthroughs to harness new sources of energy and better develop existing energy sources.

At best, however, this is a longer term solution, and for the time being most nations will continue to be heavily reliant on oil. That is why the policy of certain oil-producing nations engaged in unilateral price fixing on a noneconomic basis, commonly known as cartels, poses such severe economic problems to the world.

Such practices, whether they be by sellers or buyers, by industrial nations or less developed, can be ruinous. Like retaliatory tariff barriers and competitive devaluations, economic nationalism can spread through the body of the world economy and essentially destroy it. The world has come too far to return to barter.

This body should further note that such practices are contrary to the principles and objectives of the General Agreement on Tariffs and Trade (GATT) in that they are monopolistic, anticompetitive, and distort flows of resources.

To be more specific, three key international organizations—GATT, the IMF [International Monetary Fund], and the IBRD (World Bank) [International Bank for Reconstruction and Development]—are the basis for today's world trade and payments system. Thus the international payments system itself is threatened by these practices.

Unilateral price fixing on a noneconomic basis is usually bad no matter who does it—not just in oil but in all commodities. Those who decry the present oil crisis must also look to themselves—are they in the process of fixing other prices?

If these practices are continued, those shouldering the brunt of such practices, particularly in developing countries, can take only so much. Masses of unemployed and starving will bring a powerful political and economic reaction against those causing the problem.

Therefore we must all consider in this forum and send home to our governments the following message:

—Abandon monopolistic economic practices, wherever they may exist, that are now the main cause of distortion in our world economy.

—Return to and reaffirm the open trade and free payments principles of these organizations—the United Nations, GATT, IMF, and IBRD.

—Understand that the long-term prosperity of each nation depends to a degree on the prosperity of all nations.

—Understand that not to correct these problems is to threaten grave economic disruption worldwide.

My own country certainly has a strong responsibility to help achieve these ends. Less developed countries need more access to the markets of developed nations. While our trading system is built on the idea of comparative advantage, the realities of economics are such that it is difficult to penetrate major markets and risky to move against established competition.

The trade reform bill now before the U.S. Senate establishes the principle of trade preferences for less developed countries. It is not enough, I would be the first to admit, but it is a start. As a realist, I can only report that it may be politically difficult to get more.

### Need for New Solutions

The economic problems facing the world today have been further aggravated by world social problems and demonstrate the need to view economic and social questions as inextricably related. The solution of one without the other is impossible.

As stated by the U.N. Committee for Development Planning in its 1970 report: <sup>2</sup>

While it is evident that high rates of growth of output and income have to be realized in these (developing) countries in order to eliminate mass poverty, to generate fuller opportunities all round and to finance some of the social measures, the process of development has itself to be viewed in terms of fundamental structural changes and as much with reference to concepts and methods appropriate to planned social transformation as those customary to economic analysis and policy-making. . . . for this reason, *the distinction often made between economic and social objectives is not a very meaningful one to draw.* [Italic added.]

How true. In the search for solutions to our traumatic economic and social problems, we must find a rational balance between people and resources so that the quality of human life worldwide may be enhanced.

If the problems basic to human and national survival—the population explosion, food and resource shortages, mass poverty—are to be solved, new, nonstereotypic solutions are needed.

Central to the creative and innovative processes needed to produce these new solutions is education. Education is the fount of knowledge and thus the basis from which civilization, cultures, and humankind have grown and advanced. Education has been the basis from which the world has made its immense advances in science and technology. If the world's acute problems of poverty, disease, and hunger are to be resolved, education must continue to produce the breakthroughs necessary to expand agricultural, industrial, and technological productivity. Increasing technological progress, however, will require new skills and resources. Only through education will the need for expanded skills and resources keep in line with new demands.

That education is integral to national development goes without saying. Education, however, is also the basis for personal development. It is through education that people seek to improve themselves and reach full potential.

We have to take into account that we are

all committed to education. The more education people get, the more dissatisfied they become with their lives when the shackles of ignorance are thrown off, if their rising expectations are not met. They will become a destabilizing force within each nation if they have no hope and are faced only with despair.

### Full Utilization of Talents of Women

The ultimate purpose of economic growth, stability, and well-being is to provide the opportunities for a better life to all people. Particularly important will be the elimination of mass poverty and social injustice.

One of the greatest economic mistakes and social injustices that almost every nation in the world has at one time or another been guilty of is the assignment of women to a second-class role in society.

Actually, the role women often do play in contributing to social and economic development has perhaps gone as unrecognized as the potential role they can play. But, with great justification, no longer are they going to tolerate it. Action must be taken to correct both of these problems if women are to be fully integrated into all aspects of national and international economic, political, and social activity.

Both economic and social development require the full utilization and recognition of all individuals in society—economic development because all potential resources must be utilized in this effort, social development because a fundamental precept of human rights is that all people must be allowed to participate in the economic and political processes by which decisions are made about their lives.

It was because of this that I sponsored legislation in the U.S. Senate requiring the United States to work so far as possible toward the integration of women into the implementation of our foreign aid programs. This requirement is now law, but we must work to assure that its intent is carried out.

Similarly, we must all work to assure that the principle of equality for women established in the original U.N. Charter is realized

<sup>2</sup> U.N. doc. E/4776.



—not only in the nations of the world but in the functioning of the United Nations itself. We must all work, individually and collectively, on the economic and social changes necessary to bring this about.

Education and the avenues for greater participation in society give birth to rising expectations, expectations which cannot be met without new economic development.

The United Nations has wisely designated 1975 as International Women's Year. But let us not wait until next year to develop programs to better utilize one-half of the world's human resources. ECOSOC [Economic and Social Council] has called for a World Conference on the Status of Women, which Colombia has offered to host, in June 1975. We fully support the objective of the Year and the conference and will do all we can to insure the success of both.

### **Global Approach to Population Problems**

In another area involving the linking of economic and social issues, the United Nations was living up to its potential as a global problem-solving organization in naming 1974 as World Population Year and in sponsoring the World Population Conference in Bucharest. In sponsoring Population Year and the conference, the United Nations has successfully assumed a leadership role in urging upon the world community the need for a unified approach to development and the problems that accompany development.

At the Bucharest World Population Conference, I was particularly struck by the complex interrelationships of the economic and social problems we face. The subject of population was once the esoteric realm of demographers—scientists whose concern was with numbers and distributions of people. In 1974, however, the population issue can no longer be separated from the problems of agriculture, resources, land use, health, education, women's rights, as well as all other aspects of economic and social development.

In Bucharest, the global approach to problem solving worked well. Candid expressions of widely disparate views were heard, but they did not obscure the real desire of

participating nations to reach agreement on approaches to population problems. The World Plan of Action, the document resulting from the Conference, is an outline which any nation may follow in its search for improved living conditions and opportunities for its people.

The Plan of Action is an excellent base upon which the United Nations and its member nations can build. But the Plan of Action must be recognized as only an outline and only a foundation for continuing efforts. The United Nations must not delay in urging all nations to accept as their own and to implement the far-reaching recommendations of the Plan of Action. At this point, the Plan of Action is only a document. Concerted efforts by us here in New York and by the governments of all nations can, however, transform that document into a reality that will mean a higher quality of life for all people.

### **Short-Term and Long-Term Food Problems**

Finally, no problem is more economically and socially intertwined or global in dimension or in greater immediate need of U.N. attention and assistance than the world food situation. During a recent visit to South Asia, I saw firsthand the magnitude of unmet nutritional needs the world faces.

The problem is that if food production only stays even with demand for the foreseeable future, then it will be impossible to upgrade the diets of those who exist on subsistence or lesser diets at present. Hundreds of millions of persons around the world are undernourished or even malnourished. Moreover, if production fails to live up to expectations for any one of a number of reasons, then the millions who are now malnourished because of subsistence diets will fall below this dietary level. They will starve.

We face two different but related problems. There is the short-term problem of providing food aid to meet existing food emergencies and of organizing a system to deal with similar situations which may arise in the next few years, and there is the longer

range problem of increasing worldwide production, particularly in developing countries. This latter problem requires nothing short of a revolution in the countryside of developing nations. Neither set of problems will be easily solved. For our part, the United States this year will increase the amount of money we spend on food aid for others.

Such aid, however, even from many nations, is not enough and can never be enough. Long-term relief can only be accomplished through increased agricultural production in developing countries. As a U.S. Senator from a major agricultural state, I know that the lives of millions in distant lands cannot be allowed to depend on crop success or failure in another country.

Developing countries must have fertilizer production capability and the technological base from which to guide their own growth. And the developed nations must assist them in achieving this independent base. This is the main avenue to economic and social growth with justice.

I find it encouraging that the concept of a U.N.-sponsored World Food Conference developed simultaneously in the U.S. Government and at the last Nonaligned Conference. The fact that we worked together in the last Assembly and the Economic and Social Council to bring this idea to fruition bodes well. But as with the Population Conference, the United Nations has responsibility to carry through, and well beyond the World Food Conference, with efforts to solve the problem of production, storage, and distribution we all face.

In summation then, what the global community must do and what the United Nations must actively encourage are the following:

1. The price of international crude oil must be lowered.
2. The development of alternative sources of energy must be encouraged.
3. Economic nationalism should be discouraged, and we must return to the open trade and free payments principles of the United Nations along with a monetary system adapted to our changing world.

4. Educational opportunities for all peoples must continue to expand, but opportunities for economic fulfillment must expand commensurately.

5. Women must be given a greater role in economic development.

6. The United Nations must help encourage countries to deal with population problems by developing plans to eliminate unrestrained population growth.

7. We must solve the world's food problems through an international system of nationally held food reserves and increased investments in research, fertilizer production, and development assistance.

Only if we really work together on these problems and dedicate ourselves to their solutions will we have the chance to actually benefit all of humankind. If we just let empty rhetoric consume our days this fall, then we will have empty stomachs. Nations will have to empty treasuries, and eventually we will all go down together. On the other hand, through cooperative action in the self-interest of all nations, we can find solutions to these problems which will be worthy of the objectives of this organization.

## **United States Makes Contribution to U.N. Fund for Namibia**

USUN press release 124 dated October 2

On October 2 the U.S. Mission to the United Nations forwarded a check for \$50,000 to the office of Secretary General Waldheim for the Fund for Namibia. The check honored the U.S. pledge of March 21. The United States fully recognizes the U.N.'s responsibility for Namibia and considers the Fund a necessary and appropriate effort to aid some of the territory's people. It is the belief of the U.S. Government that the U.N. Fund for Namibia should be supported solely by voluntary contributions. The U.S. contribution was made subject to the condition that it did not exceed one-third of the total contributions to the Fund.

## U.S. Explains Vote on Resolutions on South Africa

*Following is a statement made in the U.N. General Assembly by U.S. Representative John Seali on September 30, together with the text of a resolution adopted by the Assembly that day.*

### STATEMENT BY AMBASSADOR SCALI

USUN press release 121 dated September 30

My delegation finds the policy of apartheid an illegal and obnoxious violation of fundamental human rights. It is as contrary to that for which my government stands as it is to that for which the United Nations stands.

We understand why many seek this opportunity to assert their moral outrage at this heinous policy. We for our part, however, do not believe the question of credentials was an appropriate one for this purpose. The purpose of evaluating the authenticity of the credentials submitted to the Secretary General is clearly to insure that the individuals representing states in this body have been authorized to do so by the government of the country they are here to represent.

The policies of those governments are not a legitimate consideration in this context. There are other times and other contexts in which they may be. But what is unquestionably true is that here they are not. No one can reasonably argue with the facts that South Africa is a member of the United Nations, that the government which has sent representatives to this Assembly is indeed the government in power in that country, that an appropriate official of that country signed the necessary credential documents, and that they were submitted in a proper, timely way.

Since we do not regard this as the appropriate item for expressing the Assembly's views on the policy of apartheid or the representative nature of the Government of South

Africa or other members who do not elect governments by universal, free elections, our vote against this report does not diminish our opposition to these unfortunate practices.<sup>1</sup>

My delegation abstained on the resolution sending this matter to the Security Council. The preambular paragraphs contained statements of undeniable and tragic accuracy. As I said, the policy of apartheid we believe is illegal, immoral, and fundamentally repugnant. It is the obligation of the United Nations to be concerned and to seek to take steps to eliminate such outrages.

We are not convinced, however, that the Security Council is the appropriate forum for discussing such issues. For this reason we did not believe it appropriate to cast a positive vote. Since others wished to discuss this question in the Security Council—and we favor wherever legally possible the right of all members to state their views in the forum of their choice—we did not believe it appropriate for us to cast a negative vote. Since we were neither in a position to vote in favor nor of a mind to oppose, we have abstained.

Of course our abstention is without prejudice to the position my government will take in the Security Council when this matter is discussed there.

### TEXT OF RESOLUTION <sup>2</sup>

*The General Assembly,*  
*Recalling* its resolutions 2636 A (XXV) of 13 November 1970, 2862 (XXVI) of 20 December 1971 and 2948 (XXVII) of 8 December 1972 and its decision of 5 October 1973, by which it decided to reject the credentials of South Africa,

*Recalling* that South Africa did not heed any of the aforementioned decisions and has continued to

<sup>1</sup> The Assembly on Sept. 30 adopted by a recorded vote of 98 to 23 (U.S.), with 14 abstentions, Resolution 3206 (XXIX) approving the first report of the Credentials Committee (U.N. doc. A/9779), which included a recommendation not to accept the credentials of the representatives of South Africa.

<sup>2</sup> U.N. doc. A/RES/3207 (XXIX); adopted by the Assembly on Sept. 30 by a recorded vote of 125 to 1, with 9 abstentions (U.S.).



practise its policy of *apartheid* and racial discrimination against the majority of the population in South Africa,

*Reaffirming*, once again, that the policy of *apartheid* and racial discrimination of the Government of South Africa is a flagrant violation of the principles of the Charter of the United Nations and the Universal Declaration of Human Rights,

*Noting* the persistent refusal of South Africa to abandon its policy of *apartheid* and racial discrimination in compliance with relevant resolutions and decisions of the General Assembly,

*Calls upon* the Security Council to review the relationship between the United Nations and South Africa in the light of the constant violation by South Africa of the principles of the Charter and the Universal Declaration of Human Rights.

## United Nations Documents:

### A Selected Bibliography

*Mimeographed or processed documents (such as those listed below) may be consulted at depository libraries in the United States. U.N. printed publications may be purchased from the Sales Section of the United Nations, United Nations Plaza, N.Y. 10017.*

#### World Population Conference

World Population Conference documents:

Recent population trends and future prospects. Report of the Secretary General. E/CONF.60/3. 97 pp.

Population change and economic and social development. Report of the Secretary General. E/CONF.60/4. 65 pp.

Population, resources and the environment. Report of the Secretary General. E/CONF.60/5. 92 pp.

Population and the family. Report of the Secretary General. E/CONF.60/6. 78 pp.

World Population Conference background papers:

Report of the symposium on population and human rights, Amsterdam, January 21-29, 1974. E/CONF.60/CBP/4. March 19, 1974. 45 pp.

World population and food supplies: looking ahead. Prepared by Lester R. Brown, senior fellow, Overseas Development Council, Washington. E/CONF.60/CBP/19. March 22, 1974. 20 pp.

Research needed in the field of population. Prepared by the staff of the International Union for the Scientific Study of Population, Liège. E/CONF.60/CBP/28. April 3, 1974. 14 pp.

Population and education. Prepared by the U.N. Educational, Scientific and Cultural Organization. E/CONF.60/CBP/20. April 12, 1974. 21 pp.

## TREATY INFORMATION

### Current Actions

#### MULTILATERAL

##### Aviation

Protocol relating to an amendment to the convention on international civil aviation, as amended (TIAS 1591, 3756, 5170, 7616). Done at Vienna July 7, 1971.<sup>1</sup>

*Ratifications deposited:* Romania, September 6, 1974; Tunisia, July 10, 1974.

##### Patents

Strasbourg agreement concerning the international patent classification. Done at Strasbourg March 24, 1971.<sup>1</sup>

*Ratification deposited:* Netherlands (applicable to Surinam and Netherlands Antilles), September 13, 1974.

##### Phonograms

Convention for the protection of producers of phonograms against unauthorized duplication of their phonograms. Done at Geneva October 29, 1971. Entered into force April 18, 1973; for the United States March 10, 1974. TIAS 7808.

*Notification from World Intellectual Property Organization that ratification deposited:* Monaco, September 2, 1974.

##### United Nations Charter

Charter of the United Nations and Statute of the International Court of Justice. Signed at San Francisco June 26, 1945. Entered into force October 24, 1945. 59 Stat. 1031.

*Admission to membership:* Bangladesh, Grenada, Guinea-Bissau, September 17, 1974.

##### Wheat

Protocol modifying and extending the wheat trade convention (part of the international wheat agreement) 1971. Done at Washington April 2, 1974. Entered into force June 19, 1974, with respect to certain provisions; July 1, 1974, with respect to other provisions.

*Accession deposited:* Dominican Republic, September 26, 1974.

##### Wills

Convention providing a uniform law on the form of an international will, with annex. Done at Washington October 26, 1973.<sup>1</sup>

*Signature:* United Kingdom, October 10, 1974.

<sup>1</sup> Not in force.

## BILATERAL

### Austria

Agreement amending and extending the agreement of July 11, 1969 (TIAS 6815), for cooperation concerning civil uses of atomic energy. Signed at Washington June 14, 1974.

*Entered into force:* October 8, 1974.

### Guatemala

Agreement relating to payment to the United States of the net proceeds from the sale of defense articles by Guatemala. Effected by exchange of notes at Guatemala September 20 and 27, 1974. Entered into force September 27, 1974, effective July 1, 1974.

### Poland

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income, with related notes. Signed at Washington October 8, 1974. Enters into force 30 days after the exchange of instruments of ratification.

Agreement on cooperation in the field of health. Signed at Washington October 8, 1974. Entered into force October 8, 1974.

Agreement on funding of cooperation in science and technology. Signed at Washington October 8, 1974. Entered into force October 8, 1974.

Joint statement on the development of agricultural trade. Signed at Washington October 8, 1974. Entered into force October 8, 1974.

## DEPARTMENT AND FOREIGN SERVICE

### Confirmations

The Senate on September 30 confirmed the following nominations:

William D. Rogers to be an Assistant Secretary of State [for Inter-American Affairs].

Edward S. Little to be Ambassador to the Republic of Chad.

### Appointments

George Bush as Chief, U.S. Liaison Office, the People's Republic of China, effective September 27.

## Check List of Department of State

### Press Releases: October 7-13

Press releases may be obtained from the Office of Press Relations, Department of State, Washington, D.C. 20520.

Releases issued prior to October 7 which appear in this issue of the BULLETIN are Nos. 382 of September 27, 388 of October 1, and 390 of October 3.

No.	Date	Subject
395	10/7	Kissinger: news conference.
*396	10/10	U.S. National Committee for the CCIR Study Group CMTT, Oct. 31.
*397	10/7	Rogers sworn in as Assistant Secretary for Inter-American Affairs (biographic data).
†398A	10/8	U.S.-Polish agreement on joint funding of scientific and technological cooperation.
†398B	10/8	U.S.-Polish joint statement on agricultural trade.
†398C	10/8	U.S.-Polish agreement on coal research.
†398D	10/8	U.S.-Polish income tax convention.
†398E	10/8	U.S.-Polish agreement on health.
†398F	10/8	U.S.-Polish agreement on environmental protection.
†399	10/9	Kissinger: arrival statement, Cairo.
*400	10/10	Claxton: conference on world population for nongovernmental organizations.
*401	10/10	Shipping Coordinating Committee, Subcommittee on Maritime Law, Oct. 30.
*402	10/10	Shipping Coordinating Committee, Nov. 12.
*403	10/10	Advisory Committee on the Law of the Sea, Nov. 4-8.
†404	10/10	Lord: Commonwealth Club of San Francisco, Oct. 11.
†405	10/11	Kissinger: remarks in Cairo, Oct. 10.
*406	10/11	Little sworn in as Ambassador to Chad (biographic data).
†407	10/11	Kissinger, Sadat: remarks after meeting, Oct. 10.
†408	10/11	Kissinger: departure statement, Cairo.
†409	10/11	U.S. and Australia delegations discuss air navigation facility charges.
*410	10/11	St. Paul Chamber Orchestra tours Eastern Europe.
*411	10/11	Cancellation of meeting of Book and Library Advisory Committee.
†412	10/12	Kissinger: departure statement, Damascus, Oct. 11.

\* Not printed.

† Held for a later issue of the BULLETIN.

Africa. Department Discusses Decolonization of Portuguese African Territories (Easum)	586	Namibia. United States Makes Contribution to U.N. Fund for Namibia	593
Atomic Energy. Secretary Kissinger's News Conference of October 7	565	Narcotics Control. U.S. Welcomes Turkish Decision To Change Poppy-Harvesting Method (Department announcement)	588
Aviation. U.S. and Jordan Sign Agreement on Nonscheduled Air Services	580	Poland. Secretary Kissinger's News Conference of October 7	565
Barbados. Letters of Credence (Williams)	573	Population. Cooperative Actions To Solve Economic and Social Problems (Percy)	589
Chad. Little confirmed as Ambassador	596	Presidential Documents	
Chile. Secretary Kissinger's News Conference of October 7	565	Annual Meetings of IMF and IBRD Boards of Governors Held at Washington	574
China. Bush appointed Chief, U.S. Liaison Office, People's Republic of China	596	Food for Peace Report for 1973 Transmitted to Congress	587
Congress		President Ford's News Conference of October 9 (excerpts)	572
Confirmations (Little, Rogers)	596	South Africa	
Congressional Documents Relating to Foreign Policy	588	U.S. Explains Vote on Resolutions on South Africa (Scali, text of U.N. General Assembly resolution)	594
Department Discusses Decolonization of Portuguese African Territories (Easum)	586	Spain. Letters of Credence (Alba)	573
Food for Peace Report for 1973 Transmitted to Congress (message from President Ford)	587	Syria. Letters of Credence (Kabbani)	573
Costa Rica. Letters of Credence (Silva)	573	Treaty Information	
Cuba. Secretary Kissinger's News Conference of October 7	565	Current Actions	595
Cyprus. Secretary Kissinger's News Conference of October 7	565	U.S. and Jordan Sign Agreement on Nonscheduled Air Services	580
Department and Foreign Service		Turkey. U.S. Welcomes Turkish Decision To Change Poppy-Harvesting Method (Department announcement)	588
Appointments (Bush)	596	U.S.S.R.	
Confirmations (Little, Rogers)	596	President Ford's News Conference of October 9 (excerpts)	572
Economic Affairs		Secretary Kissinger's News Conference of October 7	565
Annual Meetings of IMF and IBRD Boards of Governors Held at Washington (Ford, Simon)	574	United Nations	
Cooperative Actions To Solve Economic and Social Problems (Percy)	589	Cooperative Actions To Solve Economic and Social Problems (Percy)	589
Energy. Secretary Kissinger's News Conference of October 7	565	United Nations Documents	595
Foreign Aid		U.S. Explains Vote on Resolutions on South Africa (Scali, text of U.N. General Assembly resolution)	594
Food for Peace Report for 1973 Transmitted to Congress (message from President Ford)	587	United States Makes Contribution to U.N. Fund for Namibia	593
Secretary Kissinger's News Conference of October 7	565	Venezuela. Letters of Credence (Burelli-Rivas)	573
Ghana. Letters of Credence (Quarm)	573		
International Organizations and Conferences.			
Annual Meetings of IMF and IBRD Boards of Governors Held at Washington (Ford, Simon)	574		
Jordan. U.S. and Jordan Sign Agreement on Nonscheduled Air Services	580		
Latin America			
Rogers confirmed as Assistant Secretary for Inter-American Affairs	596		
Secretary Kissinger Hosts Luncheon for Latin American Foreign Ministers (Kissinger, Molina)	583		
Mexico. President Ford's News Conference of October 9 (excerpts)	572		
Middle East			
Secretary Kissinger Hosts Dinner for Members of Arab League (Kissinger, Naffa')	581		
Secretary Kissinger's News Conference of October 7	565		

*Name Index*

Alba, Jaime	573
Burelli-Rivas, Miguel Angel	573
Bush, George	596
Easum, Donald B	586
Ford, President	572, 574, 587
Kabbani, Sabah	573
Kissinger, Secretary	565, 581, 583
Little, Edward S	596
Molina, Adolfo	583
Naffa', Fu'ad	581
Percy, Charles H	589
Quarm, Samuel Ernest	573
Rogers, William D	596
Scali, John	594
Silva, Rodolfo	573
Simon, William E	574
Williams, Cecil B	573