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THE DEPARTMENT OF STATE BULLETIN

Vol. LXXII, No. 1867
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The Department of State BULLETIN, a weekly publication issued by the Office of Media Services, Bureau of Public Affairs, provides the public and interested agencies of the government with information on developments in the field of U.S. foreign relations and on the work of the Department and the Foreign Service.

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

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

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International Partnership To Improve Tomorrow's World

Address by President Ford [1]

The Fighting Irish of Notre Dame have become a symbol of the tenacity and determination of the American people.

But Notre Dame believes not only in might on the football field or on the basketball court but in a spiritual response to humanity's struggles for a decent life.

I have been told that many of you chose to go without a normal meal, eating only a bowl of rice, to save money to help feed the world's hungry. It is heartwarming to know that students are concerned about others abroad at a time when many here at home are finding it difficult to afford an education or to get a job.

Although life is hard for many Americans, I am proud that we continue to share with others. And that, in my opinion, is the measure of genuine compassion, and I congratulate you.

I am especially proud to be on a campus that looks up to God and out to humanity at a time when some are tempted to turn inward and turn away from the problems of the world. Notre Dame's great spokesman, Father [Theodore M.] Hesburgh, is known in Washington as a nonconformist. I must admit that I do not share all of the father's views. But he is following one nonconformist viewpoint to which I fully subscribe, and I quote:

> Be not conformed to this world: but be ye transformed by the renewing of your mind, that ye may prove what is that good, and acceptable, and perfect, will of God.

To conform to apathy and pessimism is to drop out and to cop out. In that sense, I fully reject conformity. In that sense, I am a nonconformist who continues to be proud of America's partnership with other nations and who makes no apology for the United States of America. America's goodness and America's greatness speak for themselves. I believe in this nation and in our capacity to resolve our difficulties at home without turning our back on the rest of the world.

Let me share a personal experience. I was elected to the Congress in the aftermath of World War II. A nonpartisan foreign policy was emerging at that time. America realized that politics must stop at the water's edge. Our fate was linked to the well-being of other free nations. We became the first nation to provide others with economic assistance as a national policy. Foreign aid was an American invention, or an American project, of which we can be justifiably proud.

Today, as I look back, I am grateful for the opportunity to serve in our government during the third quarter of the 20th century. These past 25 years, while not perfect, were incomparably better for humanity than either of the two previous quarters of this century. There was no world war nor global depression. Major nations achieved détente. Many new nations obtained independence. There has been an explosion of hope, freedom, and human progress at home as well as abroad.

[1] Made at Notre Dame University, South Bend, Ind., on Mar. 17 (text from Weekly Compilation of Presidential Documents dated Mar. 24; introductory paragraphs omitted).

America's role, considered in fair context, was a catalyst for change, for growth, and for betterment.

The Marshall Plan, unprecedented in world history, restored a war-ravaged Europe. Even earlier, U.S. relief and rehabilitation activities during World War II and assistance to Greece and to Turkey after the war had provided precedents and experience in America's overseas assistance.

In the same year that I came to Congress, 1949, President Truman advanced Point 4, an innovative, remarkable concept providing technical assistance to developing nations. It brought new American ideas and technology to people hitherto unable to benefit from advances in health, agriculture, and education.

The Food for Peace Act, designed to use America's agricultural abundance to assist others, was a product of the Eisenhower Administration. In the late fifties, we created the Development Loan program to help others help themselves. In 1961, the Congress established the Agency for International Development to consolidate and to administer the various activities and agencies that were carrying out the will of the Congress and the President at that time.

Foreign Assistance and World Peace

Programs to help people in the developing countries are an expression of America's great compassion, and we should be proud of them. But such aid is also part of the continuing effort to achieve an enduring structure of world peace.

It is no longer a question of just the Third World. I am deeply concerned by the problems of the "fourth world"—the very poorest world—where from 400 million to 800 million people suffer from malnutrition, where average per capita income is under $275 per year, where life expectancy is 20 years less than in the developed countries, where more than 40 percent of the children will never reach the age of five, where more than half of the population has never been to school.

Despite these problems, the economies of the developing countries have grown at an encouraging rate in the past 10 years, thanks in part—I think substantial part—to American assistance. Manufacturing output increased 100 percent, food production by over one-third. Enrollment in elementary schools doubled. Enrollment in secondary schools and colleges quadrupled.

But population growth and increased demand collided with inflation and energy shortages. Gains, in many, many instances, have been wiped out. At the very time when our policy seeks to build peace with nations of different philosophies, there remains too much violence and too much threat to peace.

The Congress defined the role of foreign aid this way, and I quote from the legislation itself:

> The freedom, security, and prosperity of the United States are best sustained in a community of free, secure and prospering nations . . . Ignorance, want and despair breed the extremism and violence which lead to aggression and subversion.

Those words, written by the Congress, I think are so accurate. If nations are to develop within this definition, they must be able to defend themselves. They must have assurances that America can be counted on to provide the means of security, their own security, as well as the means of sustenance.

People with an affirmative vision of the future will not resort to violence. While we pursue a peaceful world in which there is unity in diversity, we must continue to support security against aggression and subversion. To do otherwise, in my judgment, would invite greater violence.

The United States, in this day and age, cannot avoid partnership with nations trying to improve the kind of world the children of today will face tomorrow. Recent events have demonstrated the total interdependence of all people who live on this planet.

The 1973 war in the Middle East showed that war confined to a limited region nevertheless has an economic impact not only in South Bend but in every corner of the world. Developing and developed countries are all part of a single interdependent economic system.

This audience, I am told, and this student body includes many students from over 60 foreign countries—and I congratulate you, Father Hesburgh. Let this demonstrate to all Americans that other people place a high valuation on what America has to offer. Let it demonstrate that the University of Notre Dame rejects what some call the new isolationism.

The World Food Problem

Let me share with you a specific problem that Father Hesburgh mentioned in his introduction. When the World Food Conference met in Rome in the fall of 1974, I—as the newly chosen President—was faced with a very perplexing problem.

Food prices in America were over one-fifth higher than in the previous year. Food reserves, as reported by the Department of Agriculture, were dwindling. The corn crop and other commodities were disappointing in 1974. There were concerns about hunger among our own people.

Against this background, I was presented with several alternative estimates on how much we should spend for Food for Peace for those in other lands.

At the Rome Conference, American spokesmen pledged that we would try our utmost to increase our food contribution despite our own crop problems. As crop reports improved, I designated—as was mentioned by Father Hesburgh—a sum even higher than the highest option recommended to me at the time of the conference.

A factor in my own decision was your fine president, Father Hesburgh, and you should be thankful that you have a person who has such broad interests as he as the president of your university.

A factor also in my judgment was that the program provided, and properly so, a reminder of America's moral commitment.

Food for Peace was increased from about $980 million to $1.6 billion. This will provide about 5.5 million tons of commodities, up from 3.3 million tons last year.

Most of the commodities will be wheat and rice. But also desperately required—and also increased—are blended foods used in nutritional programs for mothers and for infants.

The United States, fortunately, is no longer the only country aiding others, but we continue to lead—and we will—in providing food assistance. In 20 years of Food for Peace, we shipped over 245 million tons of wheat, rice, and other grains, valued at roughly $23 billion. Every American should be proud of that record. It is an illustration of the humane feeling and the generosity of the American people.

While food helps, only by technical assistance can emerging nations meet their needs. It has been often said, but I think it is appropriate at this time, that if a hungry man is given a fish he can eat for one day but if he is taught to fish he can eat every day.

The greatest opportunity lies in expanding production in areas where production will be consumed. The world is farming only about one-half of the potential croplands; yet there are insufficient farmer incentives in many countries, shortages of fertilizer, high fuel costs, and inadequate storage and distribution systems.

The answers to the world food problem are to be found in interdependence. We can and will help other nations, but simplistic paternalism may do more harm than good. Our help must take the form of helping every nation to help itself, and we will.

Self-Help and Cooperation

I am particularly concerned about the problem of fair distribution. America believes in equality of opportunity. This nation provides a showcase of change in providing better nutrition, education, health, to more and more people, including those who can least afford it. Now, some nations have made excellent use of our assistance to develop their own capacities. Other governments are still struggling with the issue of equality of opportunity and fair distribution of life's necessities.

Good world citizenship requires more than

moralizing about the role others should take. It requires each nation to put its own house in order. Good American citizenship requires more than moralizations about what is wrong with the United States. It requires personal involvement and action to bring about change. It requires voting and organizing and challenging and changing with the flexible and dynamic American political process. Our system, by any standard, works, and will work better, and you can be a part of it.

The developing nations of the world are increasingly successful in bringing prosperity to larger numbers of their own people. In fact, the assistance we have provided these nations is not just a one-way street. Thirty percent of U.S. exports are purchased by these developing nations, thereby obviously contributing to a better life for their people and jobs for ours.

In cases where countries have the means, let them join in sharing with us, as they should. Some have helped; others have not. We led the way, and we will not shirk from future burdens; but all nations must cooperate in developing the world's resources. We extend the hand of partnership and friendship to make a better world.

Another challenge facing the developing nations, as well as other nations, is to realize the need for peaceful accommodation with neighbors. An interdependent world cannot solve disputes by threat or by force. People now and in the future depend on each other more than they sometimes realize. For example, we in America import between 50 and 100 percent of such essential minerals as cobalt, bauxite, nickel, manganese, and others.

The challenge, as I see it, is for America and all other nations to take responsibility for themselves while building cooperation with each other.

The challenge is also the preservation of the freedom and dignity of the human individual throughout the world. Just as the world's nations can no longer go it alone, neither can the American people.

Woodrow Wilson said that "What we should seek to impart in our colleges is not so much learning itself as the spirit of learning." Great universities that pursue truth face the challenge that confronts the entire American people. It is whether we will learn nothing from the past and return to the introversion of the 1930's, to the dangerous notion that our fate is unrelated to the fate of others.

I am convinced that Americans, however tempted to resign from the world, know deep in their heart that it cannot be done. The spirit of learning is too deeply ingrained. We know that wherever the bell tolls for freedom, it tolls for us.

The American people have responded by supplying help to needy nations. Programs —both government and the voluntary agencies—could not have been and cannot be, reenacted without popular support. CARE and Catholic Relief Services, pioneers in Food for Peace programs, are feeding over 28 million people around the world right today. Protestant, Jewish, and other groups are similarly involved.

At universities throughout the nation, researchers seek answers to world problems. Right here in Indiana, at Purdue University, scientists have made discoveries in high-protein aspects of sorghum, a basic food of more than 300 million people in Asia and in Africa.

Not only the scientists at Purdue but people throughout America realize that no structure of world peace can endure unless the poverty question is answered. There is no safety for any nation in a hungry, ill-educated, and desperate world.

In a time of recession, inflation, unemployment at home, it is argued that we can no longer afford foreign assistance. In my judgment, there are two basic arguments to the contrary:

—First, foreign aid is a part of the price we must pay to achieve the kind of a world in which we want to live. Let's be frank about it. Foreign aid bolsters our diplomatic efforts for peace and for security.

—But secondly, and perhaps just as importantly, even with a recession we remain the world's most affluent country, and the

sharing of our resources today is the right, the humane, and the decent thing to do. And we will.

But just as we seek to build bridges to other nations, we must unite at home. This Administration wants better communication with the academic world, and I express again my appreciation for the warmth of this reception.

But this communication must not just be a search for new technology, but for the human and spiritual qualities that enrich American life. In the future, fewer people must produce more. We must therefore unleash intellectual capacities to anticipate and solve our problems.

The academic world must join in the revival of fundamental American values. Let us build a new sense of pride in being an American.

Yes, you can make America what you want it to be. Think about that for just a moment, if you would. Is it really true? Yes, in my judgment, it is. But there is a catch to it. You will never see it come true. Perhaps your children or your grandchildren will. What you can do is move America slowly, but surely, along the right direction.

A Better Nation and a Better World

Admittedly, today's America is far from perfect, but it is much closer to the America that my class of 1935 wanted than it was when I left the University of Michigan.

Today's America is a far better place than it was 40 years ago when the lingering shadows of worldwide depression were being blotted out by the darker clouds of worldwide war. My generation did not wholly save the world, obviously. But we did, to a degree, help to move it along in the right direction.

We learned along the way that we are part of "one world." The author of that phrase was a Hoosier, the first political candidate about whom I got personally involved enough to volunteer as a campaign worker. His name was Wendell Willkie. Wendell Willkie, of Indiana, was never President, but he was right. He fought for what he believed in against almost impossible odds. In the last Presidential campaign before Pearl Harbor, he believed most deeply—too far ahead of his time, perhaps—that America must be part of one world. He lost the 1940 election but he helped unite America in support of the truth, which has been our nonpartisan national policy since the Second World War, and I say with emphasis, there has been no third world war.

On the contrary, the prospects for long-range peace have slowly but surely improved.

Despite setbacks and current international problems, the standards of human life have been lifted almost everywhere. Yet today we hear another theme—that the tide of history is running against us, that America's example of American leadership is neither needed nor heeded at the present time, that we should take care of ourselves and let the rest of mankind do likewise, that our domestic difficulties dictate a splendid selfishness that runs counter to all of our religious roots as well as to all recent experience.

We are counseled to withdraw from one world and go it alone. I have heard that song before. I am here to say I am not going to dance to it. Nor do I believe this generation of young Americans will desert their ideals for a better nation and a better world.

You can and you will help to move America along in the right direction. Hopefully, you can do a better job than the class of 1935, but while the classes of 1975 and 1935 are still around, we have much to learn from each other.

We can renew the old American compact of respect for the conviction of others and faith in the decency of others. We can work to banish war and want wherever they exist. We can exalt the spirit of service and love that St. Patrick exemplified in his day.

I am not alarmed when I hear warnings that the tide of history is running against us. I do not believe it for a minute because I know where the tide of history really is—on this campus and thousands and thousands of others in this great country and wherever

young men and women are preparing themselves to serve God and their countries and to build a better world.

You are a part of the tide of this history, and you will make it run strong and true. Of that I am sure.

Thank you, and the top of the morning to you.

President Ford's News Conference at South Bend March 17

Following are excerpts relating to foreign policy from the transcript of a news conference held by President Ford at South Bend, Ind., on March 17.[1]

. . . . .

Q. Mr. President, you have said that the question of personalities is really not vital to a settlement in Cambodia. My question is, is the survival of a non-Communist government in Cambodia vital to the U.S. security in Southeast Asia?

President Ford: Miss Thomas [Helen Thomas, United Press International], I think it is. I cannot help but notice that since the military situation in Cambodia has become very serious and since the North Vietnamese have apparently launched a very substantial additional military effort against South Viet-Nam, against the Paris peace accords, there has been, as I understand it, in Thailand—according to the news announcements this morning—a potential request from Thailand that we withdraw our forces from that country.

I noticed in the morning news summary before I left Washington that the President of the Philippines, Mr. Marcos, is reviewing the Philippine relationship with the United States.

I think these potential developments to some extent tend to validate the so-called domino theory, and if we have one country after another—allies of the United States—losing faith in our word, losing faith in our agreements with them, yes, I think the first one to go could vitally affect the national security of the United States.

Q. May I ask you one more question that has been on my mind for a long time? Since you supported the invasion of Cambodia five years ago, would you do the same today?

President Ford: Well, that is a hypothetical question, Miss Thomas, because under the law I have no such authority to do so.

I did support the activities then, the so-called Cambodian incursion, because the North Vietnamese were using that area in Cambodia for many military strikes against U.S. military personnel in South Viet-Nam. It was a successful military operation. It saved many American lives because those sanctuaries were destroyed.

Since I do not have the authority to undertake any such military obligation—we have no U.S. military forces in South Viet-Nam—I think it is a hypothetical question which really I cannot answer.

. . . . .

Q. Mr. President, in your speech here at Notre Dame earlier today, you made a strong pitch for continued foreign aid despite the recession, and I was surprised that you failed to mention your proposal for more military aid to Cambodia and South Viet-Nam. Now, I know military aid to Southeast Asia has been unpopular on many college campuses, and I wonder if your failure to mention that was because you feared you might be booed or there might be a walkout by students if you professed your policy on that issue.

President Ford: The speech that I made this morning on the Notre Dame campus was aimed at the broad concept that the United States must participate in world affairs, that this was one world in which we all live. I pointed out I had always supported as a Member of Congress the mutual security and

[1] For the complete transcript, see Weekly Compilation of Presidential Documents dated Mar. 24.

the foreign aid programs, both economic, Point 4, Food for Peace, as well as the military assistance program.

It seemed to me that we needed a restatement of the basic reason why foreign aid is important—that we live in an interdependent world and that the United States has to make its full contribution in that regard.

The details can be discussed, the details can be argued; but we needed a restatement, a strong restatement of the broad general reasons why this country has to be a part of the one-world concept, working with our allies, trying to eliminate difficulties between ourselves and our adversaries, and it seemed to me if that could be restated we could work out the details within that concept and not reinflame the differences and difficulties that existed while U.S. troops were stationed and fighting in South Viet-Nam.

. . . . .

Q. Mr. President, the State Department announced today that it had found some over $20 billion [million] in 1974 funds that had been voted for aid to Cambodia and had not been sent and that it was making that money available now. Is this an artifice to get around congressional appropriations, and are there other sources of such funds that could be found?

President Ford: I was informed last Friday of what appears to be very sloppy bookkeeping in the Department of Defense, and I condemn it, if it is, and I will not condone it in the future.

I was surprised by these revelations. I don't think it was anything malicious. I don't think it was any purposeful action. But if the money is available and was appropriated by the Congress for the purposes set forth, it will be used according to the law.

Q. Have similar investigations of past Viet-Nam appropriations been made?

President Ford: The Inspector General, as I understand it, found out the $21 million in Cambodian military aid that was revealed last week to me and publicly announced today. The Inspector General has a continuing responsibility to find out any and all circumstances such as the one that we are discussing.

. . . . .

1974 Underdelivery of Ammunition to Cambodia Disclosed by Audit

Department Announcement [1]

We have been advised by the Department of Defense that a Defense Department audit commenced in May 1974 has resulted in a finding by the Department of the Army that ammunition for Cambodia having a value of $21.5 million remains undelivered under the fiscal year 1974 military assistance program (MAP). This finding, which was made on March 10, 1975, resulted in a credit to the Cambodia MAP program on March 11, 1975, of the underdelivery under the fiscal year 1974 program.

The underdelivery resulted from a practice by the Department of the Army of pricing ammunition on the basis of delivery notifications received some weeks after actual delivery of the ammunition. Because the program was carried out during a period of rapidly rising prices, late pricing resulted in overcharges.

The computation of the $21.5 million differential in the pricing dates was made at the request of the Inspector General for Foreign Assistance. The discrepancy in dating was disclosed by a prior U.S. Defense Department audit which was examined by the Office of the Inspector General. Computations were all made by the U.S. Army (U.S. Armaments Command).

A comprehensive review of ammunition-pricing methods for foreign military assistance programs has been initiated.

[1] Read to news correspondents on Mar. 17 by Robert L. Funseth, Director, Office of Press Relations.

Foreign Investment and the Challenge of Interdependence

Address by Deputy Secretary Robert S. Ingersoll[1]

I want to talk this afternoon about International Atlanta and your role in meeting a principal challenge of today's diplomacy—economic interdependence. I will keep my formal remarks short and leave ample time for your questions.

In 1974 this nation paid $26 billion to other nations for oil imports. During the same year our exports increased to almost $100 billion and supported over 3½ million American jobs. When we consider these figures, there can no longer be any doubt that the American economy is irrevocably linked to the world economy. The concept of fortress America has become an economic impossibility. Decisions taken in Brussels, Tokyo, and Saudi Arabia have a direct impact on the economic well-being of every American.

"International Atlanta" is not simply a slogan; it is a fact. Atlanta was host to the hemisphere at last year's meeting of the Organization of American States. Hartsfield International is the second busiest airport in the country and an important gateway to North America. The State of Georgia has opened permanent overseas offices in Brussels and Tokyo to expand international business and encourage investment.

In recognition of the importance other nations attribute to the commercial significance of Atlanta and the Southeast, six foreign consular offices have been established here since 1960. We are currently negotiating with two other trading partners, Greece and Brazil, about opening consulates in your city.

Atlanta in many respects is a microcosm of an American economy increasingly involved in worldwide commerce. Over 450 of the "Fortune 500" corporations maintain offices in Atlanta, and most of them are engaged in export activities. Georgia's exports to the world in 1974 are estimated to have been in excess of $1 billion.

The international flow of goods and capital, so important to the economy of Georgia and the nation, is a two-way street. Just as the Southeast exports to the world, so the area has attracted the commerce and investment of other nations.

Americans are accustomed to the concept and benefits of international trade. When Georgia was founded in 1733 the trustees envisioned an economy based on the production of silk and wine. They banned the importation of rum. This may have served the cause of sobriety among early Georgians, but it also precluded a prosperous trade in lumber with the West Indies. And since the ban on rum was an obstacle to trade, it did not last long.

Today international investment in this country—especially investment by the oil-rich Arab countries—is the subject of intense debate in the nation and in Congress.

Foreign investment is not new to America. Nor does it generally represent a threat to our security and integrity. Many of you are aware that capital from abroad, especially from England, was essential to the construction of our transcontinental railroad systems in the 1880's. When foreign investment in

[1] Made at Atlanta, Ga., on Mar. 17 before a luncheon sponsored by the Southern Council on International and Public Affairs (text from press release 148).

the United States becomes visible—such as substantial Kuwaiti equity in the new Atlanta Hilton or an Arab financial interest in a resort island off the coast of South Carolina —it becomes a public issue.

But let us take a closer look at the situation in Georgia. Japanese investment in this state amounts to over $250 million and could go higher as a result of the visit by a high-level Japanese economic delegation this month. Some 2,500 Georgians work for the 25 Japanese firms doing business here. Dutch State Mines operates two fertilizer plants in Augusta. Over 100 foreign companies do business in Georgia; 50 of them are engaged in manufacturing. More than 12,000 Georgians work for these companies. Total foreign investment in this state is over $665 million.

These foreign investments are not a threat to Georgia or the nation. Foreign capital can sometimes be more effective than domestic investment: one example is the recent take-over of the troubled Franklin National Bank by a European consortium. The size of the transaction and our antitrust laws would have precluded an American bank from rescuing Franklin National.

Free Movement of Goods and Capital

Investment from abroad is a source of capital, technology, management, and jobs—a welcome input to our economy. It is also a corollary to traditional American investment abroad.

In an era of economic interdependence we must be ready to receive, as well as to initiate, investment. If the Japanese can adjust to the Golden Arches of McDonald's in Tokyo, Americans should have no problems learning to live with Mitsubishi in Atlanta.

Under the authority of the Foreign Investment Study Act of 1974 the government is undertaking a comprehensive survey of foreign investment in the United States. The data from this survey will show the amount of foreign investment in every U.S. company of significant size, broken down by type of investment, kind of investor, and country of residence.

Data now available shows that at the end of 1973 direct long-term foreign investment in our private sector had a book value of $18 billion, a 25 percent increase over the previous year. Twelve billion dollars, or about two-thirds of this investment, comes from Europe. Canada accounts for an additional $4 billion. U.S. direct investment abroad in 1974 had a book value of $107 billion, almost six times the figure invested in this country.

Contrary to popular impression, America is not being inundated with investment money from oil-producing nations, although we must recognize the potential from this source. In the first nine months of 1974 the inflows of long-term investment as recorded in our balance of payments from all foreign investors was $4.2 billion, of which only $2.9 billion was direct—as opposed to portfolio—investment. This figure is slightly below the rate of investment in 1973.

We do not yet have an estimate of foreign direct investment in the United States during the fourth quarter of 1974, but we do know that foreign portfolio flows into U.S. private securities declined quarter by quarter last year and actually turned into an outflow in the fourth quarter. Foreign investors apparently did not take advantage of the bargains available in our securities markets.

For many years, U.S. policy has consistently been to reduce the barriers to international trade and investment—to encourage the relatively free international movement of goods and capital.

Our commitment to generally nonrestrictive treatment of foreign investment is embodied in an extensive network of treaties of friendship, commerce, and navigation. An important incentive for negotiating many of these treaties is our desire to establish conditions favorable to private investment abroad.

Under the terms of many of these treaties, the right to establish and, once established, operate majority interests in enterprises in the territory of the other party is governed by the national-treatment standard. This means that foreign investors should be treated generally on the same basis as domestic investors. Foreign control does not provide a basis for discrimination.

In the early sixties, the United States also played a major role in developing the Code of Liberalization of Capital Movements in the Paris-based Organization for Economic Cooperation and Development. This agreement has been a significant factor in persuading governments—Japan is a good example—to relax restrictive investment policies.

These treaties and codes are not intended, however, to throw our vital industries open to uncontrolled capital flows from abroad. There are Federal restrictions which limit the amount of foreign investment in areas such as atomic energy, radio and telegraph communications, shipping and domestic air transport, defense industries, and exploitation of government-owned natural resources. These restrictions are generally accepted internationally and are incorporated into most of our bilateral treaties.

Dealing With Potential Problems and Abuses

Although major OPEC [Organization of Petroleum Exporting Countries] investors have the capacity to make sizable investments in the United States and elsewhere, they have indicated that they do not desire to control large U.S. companies and, indeed, that they do not have the capabilities to manage such companies. They regard themselves as institutional investors seeking a diverse portfolio which will give them security for their investments and the best obtainable long-term return—certainly legitimate desires on the part of any investor.

Our traditional support for freedom of international investment flows must be responsive to the new situation created by the large capital accumulations in the hands of a few oil-producing countries. We must improve our capacity to monitor capital flows, enforce laws designed to protect our vital national industries, and safeguard against abuses such as the use of investments for political purposes. A coherent, comprehensive policy on national investment must therefore contain the following elements:

—An improved system for monitoring foreign investment coming into this country;

—Assurance that existing authority to deal with abuses by foreign investors is vigorously enforced and that any gaps in such authority are promptly recognized and steps taken to close them; and

—Finally, agreement with foreign governments, particularly those with a substantial capacity to invest, to insure that they consult with us prior to making major official investments in U.S. firms.

A recently completed extensive Administration review of government policy on private investment calls for prompt and effective action in each of these areas. The basic conclusion of the study was to reaffirm our traditional policy on investment as stated by President Ford last October: [2]

> We continue to believe that the operation of free market forces will direct worldwide investment flows in the most productive way. Therefore my Administration will oppose any new restriction on foreign investment in the United States except where absolutely necessary on national security grounds or to protect an essential national interest.

We have existing reporting requirements and procedures for dealing with foreign investment abuses, but they are diffused throughout various departments and agencies. To remedy this situation the Administration will establish an office for gathering, consolidating, and reporting information on investments. An interagency board will also be set up to make policy recommendations to the President on inward-investment issues and to coordinate effective use of existing authority. Once established the interagency investment board would be the appropriate vehicle to insure that foreign investments in the United States are consistent with our interests.

Prompt agreement with the major oil-exporting countries to consult with us in advance of any major investments in the United States is also an essential feature of our proposed policy. Agreement could be achieved either formally through an exchange of notes or informally through diplomatic contacts

[2] For President Ford's statement upon signing the Foreign Investment Act of 1974, see Weekly Compilation of Presidential Documents dated Nov. 4, 1974, p. 1375.

and oral commitments. The fact that Iran consulted informally with us on its negotiations with Pan American suggests that the oil producers acknowledge our legitimate concerns regarding investments of a controlling nature in important U.S. firms.

The Joint Commissions we have established with various Middle East nations could prove to be a useful channel for exchanging information and consulting on contemplated major investments. A joint communique issued at the conclusion of the first Commission meeting with Saudi Arabia, for example, includes an understanding to consult on significant official investments.

The Administration feels it now has the tools to deal with the potential problems and abuses of foreign investment.

We are opposed to legislative initiatives that would make it more difficult for other nations to invest responsibly in the United States. Most of the proposed legislation dealing with foreign investment goes beyond what is necessary to safeguard our national interests. Proposals, such as the Williams bill [S. 425], to grant the President authority to screen and block, at his discretion, any investment leading to foreign control of more than 5 percent of a U.S. company could well discourage investments we would find desirable.

Legislation granting discretionary power to block foreign investments, or other unilaterally imposed impediments to the flow of capital, would also be in violation of many of our existing treaties. Actions of this nature could call into question our longstanding commitment to a high degree of freedom in trade and investment flows.

With the safeguards required to protect our national interests already in existence, our task is to utilize these measures more effectively, not to impede the flow of investment. Restrictive policies discourage foreign investment in job-creating industries, and this is particularly inappropriate when the economy is in a recessionary phase. I believe this is a policy the Georgia business community supports.

A basic concern of investment policy is not whether an investor is foreign, but whether he is prepared to abide by our laws and regulations—to operate in the American context. This country is not prepared to pay a political—or economic—price for foreign investment. Business and capital from abroad are welcome in the United States; but in determining whether or not to place their assets in this country, foreign investors should be aware, in the President's words, that "discrimination is totally contrary to the American tradition and repugnant to American principles." [3]

Adjusting to the Reality of Interdependence

Foreign investment, of course, is but one aspect of the challenge of interdependence; our response to the energy crisis, our policies on food aid, our approach to law of the sea, and our policy on access to commodities are others. Our Trade Act of 1974 and the multilateral trade negotiations now underway in Geneva are foreign policy issues important both to Georgia and to a mutually dependent world economy.

How familiar are Georgia's manufacturers with the safeguard provisions of the Trade Act? How will restrictions on granting trade preferences to OPEC nations affect our trade with Latin America? How do our trade policies relate to détente with the Soviet Union, and what do these policies mean to you? International trade is an item of increasing importance to the economy of this nation, and you may wish to discuss our trade policies and opportunities during the question-and-answer period.

Historically, Americans have tended to focus on foreign affairs only when confronted with an immediate threat, when their sons are asked to put on uniforms and fight a war. In 1975 foreign policy extends to the gasoline pump, the price of bread, the cost of commodities, and to the bustling port of Savannah. International Atlanta is irrevocably linked to the world community; what goes on in the world is of very real concern to every person in this room.

[3] For excerpts from President Ford's news conference at Hollywood, Fla., on Feb. 26, see BULLETIN of Mar. 17, 1975, p. 333.

Atlanta has a proud tradition of rising to challenges and meeting tough objectives—whether in the field of racial harmony, industrialization, or urban revival. Your attitude and your accomplishments have set an example to the nation. With the distinction between national and international problems becoming increasingly irrelevant, it is my sincere hope that the civic, academic, and business leaders of this community will devote more of their talents and creative energies to the field of foreign affairs. We need your ideas and your support.

The Southeast has a legacy of internationalism, but the foreign policy establishment in this area of the nation could be strengthened. The Atlanta community, with its obvious stake in a stable, orderly, and peaceful world, has the responsibility to assume a leading role in helping this nation adjust to the reality of economic interdependence. You can help to awaken all Americans to the importance of foreign affairs.

Recent studies have shown declining business support for foreign policy institutions in this country. Less than 1 percent of all corporate donations are directed toward organizations even remotely related to international activities.

Organizations such as the Southern Council on International and Public Affairs merit your attention and support. They play an essential role in forging a domestic consensus on national interests and international objectives, in strengthening the constituency for foreign policy.

Secretary Rusk, who is with us this afternoon, identified this problem over a decade ago when he said: [4]

> There are those who say the Department of State has no constituency, but I know better. How we dispose of our affairs at home can decide elections; but how we dispose of our relations with the rest of the world can decide the survival of mankind. So we have our constituency—every man, woman, and child across our great nation.

Let us work together—government and the private sector—to develop this constituency and enlist its broad support for our efforts to come to terms with the challenge of an interdependent world economy.

[4] For an address by Secretary Rusk made at St. Paul, Minn., on Dec. 10, 1963, see BULLETIN of Dec. 30, 1963, p. 990.

U.S. Responds to Ethiopian Request for Ammunition

Department Statement [1]

The U.S. Government has informed the Ethiopian Provisional Military Government that it is prepared to sell to Ethiopia for cash up to 7 million dollars' worth of ammunition. The United States took this decision, after detailed discussions with the Ethiopian authorities concerned, because it has been virtually the sole supplier of Ethiopia's military needs for over 20 years and it did not believe that it could be totally unresponsive to the most recent request.

At the same time the United States expressed to the Ethiopian Provisional Military Government its strong hope that the two sides in the Eritrean conflict would soon enter into negotiations in order to end the fighting in Eritrea and find an acceptable solution to that problem. In this respect, the United States notes some encouraging indications of progress toward meaningful negotiations between the Ethiopian authorities and the Eritrean Liberation Front and the Popular Liberation Forces.

We also wish to note that the United States is working on a parallel diplomatic track with other states in that area in an effort to try to get negotiations started.

[1] Read to news correspondents on Mar. 17 by Robert L. Funseth, Director, Office of Press Relations.

"The Middle East: A Search for Peace"

The following interview is from "Bill Moyers' Journal: International Report," produced by WNET–13, New York, and broadcast nationally by the Public Broadcasting Service on March 6. Under Secretary of State for Political Affairs Joseph J. Sisco and George W. Ball, former Under Secretary of State and U.S. Representative to the United Nations, were interviewed by Bill Moyers.

Mr. Moyers: Mr. Sisco, before we get to some specific details, a lot of people are asking, why does the Middle East preoccupy so much of the State Department's time? So much energy, so much effort, so much of the American treasury? What is our stake out there, as the government sees it today?

Mr. Sisco: I think we've got very significant overall political, economic, and strategic interests in this area. And above all I think it's important to try to stabilize it in order to reduce the possible risk of confrontation between the major powers. I think it's the key hotspot in the world, and I think this helps to explain the active diplomacy of the past months and years.

Mr. Moyers: You really actually believe that there is a significant possibility of a confrontation between the two major powers if the Middle East remains a pressure point?

Mr. Sisco: No, I don't feel by any manner of means that it's imminent. I think that element is always there because you've got a very complicated area where there are differences between the Arabs and the Israelis. These regional differences, you have superimposed the major-power interests, and therefore this is the key area of possible conflict. I don't say that this is going to occur, but I think it's important that it be a stable area.

Mr. Moyers: George Ball, do you agree that the Middle East occupies that much center gravity?

Mr. Ball: It's been a point of strategic significance from the earliest days, when Alexander the Great cast envious eyes on this area. It's the bridge between Europe and Africa. It's an area which dominates the whole southern littoral of the Mediterranean and therefore is key to the defense of Western Europe. It's an area in which the Soviet Union has had a long interest, ever since the days of the Czar. That's where—it also happens to contain the greatest pool of energy in the world. So no one can question its vital strategic importance, not only to the United States but to practically every other country.

Mr. Moyers: What does the Soviet Union, in particular, think of the Middle East in terms of their strategic interests?

Mr. Sisco: Well, I think if you want to look back, historically, of course, the desire for a warmwater port, the desire to become a Mediterranean power, the desire to have bases on the south coast of the Mediterranean, and an interest in oil—all of these things are vitally important. The Soviet Union is a Mediterranean power now, and it does have a potential very great stake in oil even though it may not need it immediately; but it has a stake also in the strategic, the geographical importance of the area. Let me just sum up the Middle East in two words—it's important geographically and geologically, as far as the world is concerned.

Mr. Moyers: Well, in that context, what are you trying to do—you and Secretary Kissinger—in the next phase of the step-by-step diplomacy as you return this week to the Middle East? What's your immediate goal?

Mr. Sisco: Let me say, first of all, that the

basic step-by-step approach seeks to try to take this thing on a piecemeal basis, on the assumption that if you can get a practical step and then another one it'll help build the kind of confidence between the two sides that in time could break down the distrust which has been so characteristic of the area. In other words, we're looking for practical tests of peace on the ground. So the fundamental assumption of the step-by-step approach has been not only that the problem is so complicated on an overall basis and therefore very difficult to tackle on an overall basis, but rather if one can develop such a step it will build and work toward the overall settlement.

Mr. Moyers: The focus right now is on Egypt and Israel. What does Egypt want?

Mr. Sisco: Egypt wants a substantial withdrawal of Israeli forces in the Sinai. And Israel in return is on public record saying that if they're going to withdraw, there must be also a substantial step forward toward peace, and the particular focus has been on a formal declaration of nonbelligerency.

Mr. Moyers: There have been some reports in the last few days that Secretary Kissinger would not go back to the Middle East if he didn't think some modest step is about to take place there between Israel and Egypt. Is that optimism realistic?

Mr. Sisco: It's very hard to be either optimistic or pessimistic, because the fact of the matter is—and I think we've got a fairly clear notion of what the negotiating positions of each side are, and that's as a result of the mission that we took about two weeks ago—there is a gap and that gap has to be bridged in order to achieve a successful conclusion. We think the stakes are very high. We think there's a chance to achieve this, and for this reason the Secretary is going back.

Mr. Moyers: How can Egypt give Israel the kind of assurance Israel wants without angering the Syrians, who fear a separate agreement by the Egyptians and the Israelis?

Mr. Sisco: Well, actually, any agreement the Egyptians may enter into—not only will they have to justify it in terms of their own people, but in order for this kind of an interim step to be meaningful it really has to have the broad support of other elements in the Arab world, and this is a political fact of life. There are political realities, I might say, on both sides.

Mr. Moyers: If the Secretary were to get some kind of even modest agreement, would he then go immediately to Syria to work on the question of the Golan Heights and the West Bank?

Mr. Sisco: There are no definite decisions, Bill, that have been taken; but if a practical step can be achieved, certainly this will help establish the basis for further efforts, possibly on a broader basis. In terms of where we go, in the circumstance that you've described, I think what we would do is to consult both sides once again at the end of the process. We would consult with the Soviet Union to see what the next step might be.

Mr. Moyers: The Israelis say they need that oil that they're getting from the Sinai, which they occupied after the last war, and that unspokenly the word goes if they give up the claim on those oilfields there has to be some assurance from the United States that we will help them replace the oil. Is that a fact?

Mr. Sisco: We have not gotten into the details of this in any discussion with the Israelis. But the fact of the matter is that if there were such a withdrawal, ways would have to be found to compensate.

Mr. Moyers: What else would we have to give to the Israelis to make them willing to give up this land they won by war and hold by force?

Mr. Sisco: It's not a question of what we would have to give. I think this is—you must remember, Bill, that this is a negotiation between the two sides, and the middleman role that we're playing has largely been to try to reconcile the views of the two sides, and we have not, for example, put forward a proposal of our own. We did, at the crucial point, in the two previous disengagement

agreements that were concluded this past year. And I don't preclude that at some given point that we'll develop some ideas of our own, but essentially the focus is on the substantive positions of the two sides and the negotiations between the two sides.

Mr. Moyers: You talk about the middleman role. There's been a good bit of criticism over the past year about our seemingly keeping the Soviets out, and Secretary Kissinger on my program a few weeks ago and you on "Meet the Press" recently said that he is playing the middleman role by the request of both sides. And the question arises, why do they want him to play that role?

Mr. Sisco: Well, I think they have confidence—both sides have confidence in our Secretary of State and in the United States in particular. The United States has relationships with both sides; that's not the case with respect to the Soviet Union. And we could not have played, and could not presently play, the kind of role unless this was the strong desire of each side; and that continues to be the case today.

Mr. Moyers: In the kind of discussions that he has been having, and will be having, are they formal? When he meets with Sadat [President Anwar al-Sadat of Egypt], when he meets with Rabin [Prime Minister Yitzhak Rabin of Israel], when he meets with Asad [President Hafiz al-Asad of Syria], is it "Mr. Secretary" and "Mr. President"? Would you describe what happens?

Mr. Sisco: Oh, it's very informal. Surprisingly informal. And this is one of the factors, I think, of the personal rapport. Now, this personal diplomacy, of course, is very important and very significant simply because each side has so much confidence in the man. However, one has to add very quickly the objective conditions of the situation in the area—the objective conditions of the situation in the world are really the principal factors that really impinge on this situation.

Mr. Moyers: Don't we hostage, in a sense, on his personal relations and the success or failure of one man?

Mr. Sisco: Not necessarily, Bill. I think this step-by-step approach, particularly if it should achieve a next step, I think will help provide a basis for moving on perhaps in a broader context.

Mr. Moyers: George, you've been rather critical of the step-by-step process and wrote not too long ago that it was going to fail, or it had already come to a dead end. Was that a premature obituary?

Mr. Ball: Well, let me say there's a difference between saying something's going to fail, which I did not say, and saying that I thought that it had come to a dead end. Quite frankly, I've been surprised at the way in which the possibility seems to have opened up for another round, because it seemed to me that after the first two negotiations of disengagement on the Egyptian front, the disengagement on the Syrian front, that that was probably as far as bilateral diplomacy could go, because at some point the very tough substantive problems would have to be tackled. Those were the problems particularly of the Palestinians, the problem of Jerusalem. Those problems were problems in which the interests of all of the Arabs were engaged and therefore they could only be dealt with in a multilateral setting.

Now Secretary Kissinger has undertaken one third round of bilateral diplomacy, with some prospect that it may succeed. If it does succeed, it seems to me it imposes very great strains on the unity of the Arab world, because what it really means is almost a separate peace as far as Egypt is concerned, or at least a substantial progress toward a separate peace. I think this is creating very serious alarm on the part of the Syrians and the Syrians have a measure of support from some of the other more activist Arab states in the area—Algeria, for example, or even Kuwait. Now, I would suppose that a very important factor here is what the attitude of King Faisal [of Saudi Arabia] will be, because he controls the finances of Egypt in a fairly realistic sense today. And if he should shut that tap off as far as Egyptian finances are concerned, I would think it would have a very great effect. His interest

is fundamentally in Jerusalem, and I would think that unless he sees some sign that the negotiation will move toward a plank where Jerusalem can become one of the elements of discussion that he may become quite impatient and this may make it very hard for this step to go forward.

Mr. Moyers: How far, George, can the moderate Arab leaders, like King Faisal, go before they antagonize irrevocably the radicals in their midst who want to see Israel destroyed?

Mr. Ball: Well, I think this is a very big question. All right, we want to live within the dynamics of Arab politics. I mean this is a fact that can't be ignored. And I think that Sadat has gone surprisingly far, much farther—looking at it from the outside—I would have thought that he would go. Now, this is splendid if the momentum can be considered or continued and it doesn't create too many serious repercussions in the Arab world which might actually interfere with further programs. What it would appear is that the United States, through the Secretary of State and the best offices that we've been providing—the good offices—may well be on the way to splitting the Arab world. Now, this may result in eliminating Egypt, which obviously—from potential hostility, which is obviously a big factor. But whether this can be done in such a way as not to create antagonisms throughout the Arab world that will build up trouble for the future, I don't know. And I think this is one of the doubtful elements here.

Mr. Siseo: Let me say a word about that, Bill, because, as George knows, the step-by-step approach has never been conceived by us as an end in itself. It's always been seen as a contribution to the overall settlement. Certainly we have no interest in dividing the Arab world. I don't think it's in the national interest of the United States. So that the point that I've been emphasizing all the way along is that if we can get this next step, I think it will make a contribution toward the process of an overall settlement. And I think this is—this is what I think is key at the moment. I would agree, basically, that there may very well come a point where the process has to be approached in a broader way. But I'm struck with the fact that I can recall the Rabat Conference a few months ago where that decision was taken and there were many predictions that this step-by-step approach had run out of gas. Well, it has not, and we're there doing what we're doing at the behest of the parties, and that's the important thing.

Mr. Moyers: Let's go back to the step-by-step for a moment. Assuming the best possibilities, you would get an agreement between Egypt and Israel for a disengagement in the Sinai. Is that right?

Mr. Siseo: Well, I wouldn't use the word "disengagement," Bill. This negotiation goes beyond the purely military elements as was the case with respect to the two agreements achieved last year. One of the delicacies of this negotiation is that, yes, it does involve withdrawal but it also involves political elements or the Israeli view is that there must be political content in this next agreement.

Mr. Moyers: What do you mean by political content?

Mr. Siseo: Well, we've already discussed one element; namely, the whole question of nonbelligerency. They want to view this agreement in terms of what it contributes to the political process—meaning in this particular instance the process toward peace. In other words, they're feeling that they are not going to be vulnerable to an attack from Egypt if they are involved in a withdrawal. They're concerned over the security situation in Sinai, and in return they want certain assurances.

Mr. Ball: Let me just raise a question with regard to the whole step-by-step approach. It seems to me that this is rather a completely different tactic from the tactic that's been followed in trying to bring peace to the Arabs before—initiatives in which Secretary Sisco has been very much involved, as we all know, the initiatives in 1968, the initiatives under Secretary Rogers. In those cases the effort was made to try to work out the details of a complete settlement using

the—as a framework, Resolution 242 [November 22, 1967], which was passed by the U.N. Security Council. This seems to me an approach where there is an effort, through bilateral diplomacy, to make a little progress here, a little progress there, almost like following the stream of a river in an unknown terrain not knowing whether you're going to run into a cul de sac in the mountains or find another stream that takes you elsewhere—not being totally sure about where you come out at the end.

Mr. Moyers: What would have been the alternative? Are you saying we should have gone to Geneva?

Mr. Ball: Well, I'm not suggesting that going to Geneva would have—in those terms, would have meant anything. The one suggestion I did make was that it seemed to me that at some point in the process the Soviet Union had to be brought in and that there had to be a substantial agreement between the Soviet Union and the United States as to how Resolution 242 should be filled out, because that is the one document that represents an agreement between the Soviet Union and the United States.

Mr. Sisco: There's always been a fundamental difference, however, George, in the interpretation of that resolution, you will recall. Because one interpretation, the Israeli interpretation, has been that it does contain the principle of withdrawal but the final so-called secure and recognized borders are a matter of negotiation between the two sides. The Arabs, on the other hand, have interpreted that resolution to mean total Israeli withdrawal to the '67 borders. And, candidly, we and the Soviets have never really seen eye-to-eye on what the substance of—

Mr. Ball: It shows what you really accomplished when you took that definite article out, doesn't it?

Mr. Moyers: Do you disagree, at the moment, with the possibilities of the step-by-step?

Mr. Ball: No, I would like to see this stage played out, obviously, and of course I would like to see it succeed. I can see, however, implicit in this, the possibilities of contention in the Arab world, which may or may not advance with the progress toward a final settlement. If, for example, the Syrians become completely disenchanted, PLO [Palestine Liberation Organization] feels that it's being so pushed out of the action that it starts another wave of terrorism—all of these things could, it seems to me, result, if the suspicion grows throughout the Arab world that what the Egyptians are basically up to is to making what amounts to a separate peace and really withdrawing themselves from—their military weight from the balance, because their military weight is enormous.

Mr. Sisco: I can see this happening, George, if this next step were the end in itself, but as you know we as a government have by no manner of means precluded the renewal of the Geneva Conference. We have no objection to the renewal of the Geneva Conference as a matter of principle. So that I think this may very well be something that may, in time, be in the offing. You know we ourselves have not taken any definitive decisions. As I said, Bill, if we get to that particular point we'll want to consult with everyone concerned. But the important thing is that we see this thing as a preparatory step, perhaps moving toward the broader considerations in Geneva.

Mr. Moyers: Including moving toward a full-scale Geneva Conference?

Mr. Sisco: The possibility of the renewal of the Geneva Conference in the aftermath of this next step I think is there, and it will depend on what our consultations show.

Mr. Moyers: How would we feel about the Palestinians, the PLO, attending that conference?

Mr. Sisco: Well, Bill, I think we're very clear in that regard. Our policy has been expressed by both the President as well as the Secretary, and that is that as long as the PLO is unwilling to recognize the State of Israel we don't see any possibility of negotiation and neither are we pressing any-

one to negotiate on this basis. The key, I think, is at least a recognition of the existence of the State of Israel.

Mr. Ball: I would see a real possibility of problems with Syria, however, because of the fact that the Golan Heights is not a question that can be settled pre-final-settlement on a bilateral basis. There simply isn't enough wiggle room in the situation. The terrain is too narrow, and the high points are of such vital strategic importance to each side. So that I would assume that this is something that only can be done as part of a final settlement. I would not see very much chance of another stage of bilateral negotiations that could result in anything like the same result as occurred in the Sinai where you have very large areas in which you can negotiate. There isn't much room to negotiate there.

Mr. Moyers: There's a third area, too, that's involved, if I understand step-by-step diplomacy and that would be the Gaza Strip to—from the Sinai to the Gaza Strip to the Golan Heights and into the question of the West Bank. Do you think the West Bank can be resolved in step-by-step diplomacy?

Mr. Ball: I think there's a very interesting development there. For example, there was an article by Marilyn Berger in the Washington Post this morning—a report from there that the Jordanians are pouring substantial funds into the area with the approval of the Israelis. And there seems to be a real effort on the part of King Hussein [of Jordan] to move back into the situation and to the point where conceivably the PLO would lose a good deal of their strength and status, because I don't think that they're very enthusiastically supported by many of the Arab leaders even though those Arab leaders feel a compulsion to support them because of past commitments and because of the general emotion throughout the area.

Now, if this is the case, then conceivably, I suppose, one could even have a negotiation between Hussein and the Israelis down the road, in spite of the decision that was made in Rabat and in spite of Mr. Arafat's [Yasir Arafat, Chairman, PLO] appearance at the United Nations. Whether this, in fact, can occur or not, I think only time will tell.

Mr. Sisco: In the aftermath of Rabat, Bill, King Hussein has busied himself in development in the East Bank and he's been very careful, as George has indicated, in keeping open bridges to the west, that is, the West Bank, and maintaining his interest there.

Mr. Moyers: What I can't see is the consideration that is or isn't being given to the political—to the human dynamic of the political situation. The Palestinians would appear to many people to be in the same position that the Jews were back when the world was not paying any attention to their request for a homeland, and here the Palestinians, who probably don't feel they can trust the Israelis and they're not sure they can trust the United States, so their stake seems to me to be so enormous from their terms, from their standpoint, that they're willing to take radical actions to keep on the agenda. What are we doing about that? Have we moved the Arabs any closer to recognizing both the need of the Palestinians and the need of the Israelis to get together?

Mr. Sisco: As I say, as long as the situation is as it is, in terms of nonrecognition, you should not expect that the United States will take any step in this regard.

I would say this. We've used here, rather loosely, the word "Palestinians," or even the PLO. The reality is that this is a rather divided group, and there are divisions in terms of what the solution might be, where it might be, and so on. I'm struck with the fact that Mr. Arafat, of course, made his statement at the General Assembly, and that basically is the view. But I would not expect, in these circumstances, any negotiating process to begin, for the reason that I've given.

Mr. Moyers: Do you have any indication from any Israeli sources that they at least understand the problems of the Palestinians?

Mr. Sisco: Israelis are very strongly op-

posed to any negotiations with the PLO at this time. They're pretty well convinced—or they are well convinced, I should say—that their posture is one of nonrecognition, and therefore they refuse to deal with them.

Mr. Moyers: Does anyone have any indication from the Palestinians that they understand why the Israelis are so fearful of a Palestinian state?

Mr. Ball: Well, I think that the declared position of the PLO in favor of a secular state, which would include Israel, obviously means that they would expect opposition from the Israelis.

One of the interesting questions, it seems to me, is what the people who are now in West Bank really want, and I'm not at all sure that they're as enthusiastic for the PLO as the world might think.

Mr. Moyers: Well, you've both been involved over the years in various negotiations. What are the unexpected interventions that can suddenly turn a negotiation around? Could something happen that none of us can foresee at the moment?

Mr. Ball: We could have an unforeseen act of terrorism in the situation, obviously, which would be—it might have a brutal effect on the whole situation. Or you could have a position taken by Syria, for example, of total intransigence as far as this arrangement is concerned, which could lead to very serious problems. I don't know whether one—whether there is a serious possibility of the Soviet Union making a move. I really, at the moment, don't see what they can do very effectively.

Mr. Sisco: The interesting thing, George, about the area in the last 18 months, I wonder whether you would agree, is the fact that the war in '73 actually altered the objective conditions in the area. From the Arab point of view, you can recall after the 1967 war, this was defeat in their eyes, and the whole notion of going to the conference table or the whole notion of negotiations was really not a reality; and yet in the immediate aftermath of the October '73 war, negotiations became very respectable. In fact, the strategy pursued by Sadat in the '73 war, he announced ahead of time—that the purpose of that military action was to get a political process started. And in fact it did start a political process. And we are where we are principally because that October war, I think, did change the objective conditions in the area.

Mr. Moyers: How does that apply to where we are now?

Mr. Sisco: In this sense. Each side, in the aftermath of that war, concluded that the best route was the route of diplomacy and negotiations, and this is the reason why the United States was able to bring them together on these two disengagement agreements, and this is why this process is continuing today. And I think that if there is hope in the situation, it is that I have found—I've been to the Middle East now a little over three months over the last year—I really believe that each side is pretty sick and tired of war. I think the principal moderate leaders in the Arab world would like to find a way diplomatically. I think Israel would like to find an agreement on the basis of diplomacy.

And I think that basically represents a change in the situation in the aftermath of the October '73 war from that which existed beforehand.

Mr. Ball: Could I ask you this? It seemed to me that what happened was that before the October '73 war there was a feeling on the part of a great many Israelis that time was really running on their side and if they simply sat on the occupied territory long enough the world would come to recognize this as an accomplished fact.

On the part of the Arabs there was a feeling of considerable sense of failure or inferiority or frustration—the fact that they hadn't demonstrated the qualities that they knew they possessed. That the October '73 war reestablished their own sense of self-confidence. That the change in the oil prices obviously showed them that they were no longer financially inferior, or wouldn't be over time. The oil embargo gave them an-

other feeling that they had an additional weapon.

But instead of becoming then insistent on trying to press what was a new advantage to the conclusion they instead, it seems to me rather remarkably, have opted for trying to find a peaceful solution, which is something that I think is quite surprising and quite extraordinary.

Whereas on the part of the Israelis, they also have recognized that now time probably isn't working on their side or at least they can't make that assumption that it is and that therefore they have a greater interest in a peaceful solution—in a negotiated solution—than they have before.

Mr. Sisco: I tend to agree that there has developed, I think, a more conscious mutual interest in the diplomatic process, George. As I say, I think it's in the aftermath of the October '73 war, and if one can express oneself in a guarded way—in an optimistic way, very guardedly—it's that psychological factor which I like to point to.

Mr. Moyers: The sticky issue remains the Golan Heights, which George said a minute ago was really indispensable to both sides: The absolute demand by the Palestinians that they have a home finally and a state and the absolute demand by the Israelis that the Palestinians not continue their aim of destroying the State of Israel.

Mr. Ball: Well, when I suggested that the Golan Heights was indispensable to both sides, that is, if that is the only basis for their security, it's a purely security interest that they each have in the Golan Heights. And if there is some way of assuring security, then obviously some settlement is possible on the Golan Heights.

But I indicated that in my view that probably could only come about in terms of a final wrapping up of a great many of the difficult issues.

Mr. Moyers: What do you see as the most desirable possibility for the kind of accord in the Middle East that would get this problem off of the main agenda of the world into a back seat where there could be some lasting peace?

Mr. Ball: Well, I think there are certain indispensable conditions to a final settlement that would be a durable one. One of them is, I feel myself, that it must be a settlement in which the United States and the Soviet Union are in accord. I don't think we can have a settlement in which the Soviet Union is totally left out and frustrated because, with the beachhead they already have in the area, I think they would continue to be a source of disequilibrium. That is one element.

Another element is that there must be the buffer zones and the injection of some kind of neutral force, whether it should be a neutral force in the traditional kind which neither side has much enthusiasm for, or one that's set up—a purely neutral status such as the Scandinavian peoples or the Indians or something like that.

However, there could be a force in which the United States and the Soviet Union would make a contribution—not necessarily being the exclusive elements in that force. It remains to be seen.

There is considerable discussion, at least in the radio news these days, about Egypt—interest in Egypt in bringing the French and British back into some kind of a guaranteeing role.

Now this again seems to be an element that has to be worked out in some way.

Mr. Sisco: Let me say a word about this. First, George, I obviously agree with you that you really can't have a durable peace in the Middle East unless the two major powers manifest that interest and support the peace. After all, I think, if anything, the discussion we've had here demonstrates that we all feel that the Soviet Union is a reality in the area; it has interests as we have interests.

On this question of guarantee, we've not really drawn any definitive conclusions and obviously we're looking—and looking at it, I might say, George, only in the context of an overall settlement, not in relationship to any next interim step. My own feeling

is this: That the principal assurance of any agreement really has to be that peace agreement between the two sides in which each side exchanges obligations with each other that's going to build a kind of confidence on the ground that's going to be required. Because years of distrust really have to be dispelled. So the principal assurance is whatever peace agreement Israel and the Arabs actually agree on.

I can see all sorts of situations where an endorsement by the major powers or some support for this agreement will add political force to this kind of an agreement as a supplement, complementary to the agreement.

I don't see it, however, as a substitute for the kinds of arrangements between the parties, the actual security arrangements on the ground, whatever peacekeeping forces may be decided upon, on the ground, and the obligations that they exchange with one another.

Mr. Moyers: As you speak, Joe, I see the forces that you're saying are bringing some equilibrium into the air with the exception of the Palestinians. We're there with the center of our gravity leaning toward Israel as has been the history of our involvement in the Middle East. The Arabs have the Soviets in the background. I don't see who is working in all of this complicated process to speak for the interest of the Palestinians.

Mr. Sisco: Well, maybe, Bill, it's because basically in the first instance this is a problem for the Arabs themselves to sort out. And I think we indicated there are different views on this in the area and it may very well be that it's really not the United States that can sort this out at a given time.

Mr. Moyers: What might bring a breakdown of this process and war? What do you fear most?

Mr. Sisco: Well, I think it's important that we achieve this next step, and I think it's important that some diplomatic process continue because, if there is a diplomatic void, tensions are apt to increase.

Mr. Ball: Yes, I would agree with this. I think that if there should be a breakdown and the whole process loses momentum, then I would think that out of frustration and fear that time was in fact running against them there might be a great temptation on the part of Israel to move, perhaps to strike at Syria or something.

U.S. and India Sign Agreement on Wheat Sales Under P.L. 480

A U.S.-India agreement for sales of agricultural commodities was signed at Washington on March 20 by G. V. Ramakrishna, Minister (Economic), Embassy of India, and Sidney Sober, Deputy Assistant Secretary for Near Eastern and South Asian Affairs. Following are remarks made by Mr. Sober at the signing ceremony.

Press release 158 dated March 20

The agreement we are signing today is an important step by both of our governments in the development of a closer relationship, which we both seek.

This agreement provides for the sale under title I of Public Law 480 of 800,000 tons of wheat—a good deal more than we had originally expected to be able to supply to India this fiscal year. The sale is being financed by a long-term low-interest loan, and payment will be made in dollars.

I want to offer a special word of thanks to those people on both sides who worked so hard to bring these negotiations to a successful conclusion.

In New Delhi last October, Secretary Kissinger stated [upon signing the U.S.-India agreement to establish a Joint Commission on Economic, Commercial, Scientific, Technological, Educational and Cultural Cooperation] that "the interests of India and the United States are compatible and that we are only at the beginning of a period of cooperation whose possibilities have only begun to be exploited." Today's agreement should be seen in that context. I am honored to be able to play a part.

Compelling Need for Assistance to Cambodia Reemphasized

Following is a statement made before the House Committee on Foreign Affairs on March 13 by Deputy Secretary Robert S. Ingersoll, who was Acting Secretary during Secretary Kissinger's visit to the Middle East.[1]

I am pleased to have this opportunity to appear before the House Foreign Affairs Committee to address the urgent matter of assistance to Cambodia.

Since January 28 when the President asked Congress to lift the ceiling on overall U.S. assistance to Cambodia and authorize a supplemental budget request of $222 million for military assistance, many witnesses have been heard.

On Tuesday, the subcommittee on foreign relations of the Senate voted a compromise which will be voted on in the full committee next Monday. Briefly, this would provide $125 million more in drawdown authority for military aid to Cambodia, as well as an increase in the ceiling on economic assistance which will allow an additional $73 million for Public Law 480 and $15.5 million for other economic aid.

Just yesterday, this committee's Subcommittee on Investigations recommended an alternative compromise formula whereby the ceiling on military assistance would be increased to permit an additional $20 million per month from available military assistance funds plus an additional $7.5 million per month under the drawdown authority. This formula would also permit an increase of $17.7 million per month in food aid under Public Law 480.

While the Administration's request for the full $222 million is based on our best estimate of the requirements of the situation, the Administration is prepared to accept a compromise in view of the urgency of the situation. The Senate approach comes closer to meeting what we consider to be the necessary levels of economic and military assistance. Nevertheless we hope both the Senate and the House will move expeditiously so that the necessary legislation can be enacted as quickly as possible.

I am appearing today as Acting Secretary of State to stress once more the absolute necessity for urgent congressional action.

The military situation in Cambodia has deteriorated since the President's January 28 request. For the first time in five years of war, the Mekong River has been temporarily closed to shipping. Munitions, food, and petroleum supplies must now be brought into Cambodia by airlift. Government forces, however, will be unable to continue their defense unless supplemental authority and funds are provided promptly for increased military assistance, 80 percent of which will be ammunition.

Unless the ceiling of total Cambodian aid is lifted, we shall be unable to continue the purchase and delivery of adequate foodstuffs to Cambodia. A delay on food aid means malnutrition and starvation for increasing numbers of Cambodians, particularly the very young and very old.

One of the most prevalent arguments against increased aid to Cambodia is that additional assistance may well prolong the killing and agony but will not provide any guarantee of negotiation and a compromise settle-

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

ment—policy objectives long sought by the Khmer Government and the United States.

I contend that it is not up to the United States unilaterally to make that judgment for another sovereign government.

Neither we nor the Cambodian Government seek a military solution.

You will recall that last week the Administration provided a summary of our efforts—in support of and complementary to the efforts of the Cambodian Government—to find the way to a compromise, negotiated settlement to the Cambodian problem.

Let me repeat a point made previously by the President and other Administration spokesman: We honestly believe—and believe very strongly—that, with the provision of the additional assistance under discussion, there is a reasonable chance that the Khmer Government will survive the current crisis. This will permit the Cambodians and their friends, including the United States, to pursue vigorously their efforts to find a compromise settlement. I want to stress this.

Without the additional assistance there can be only one result to the situation in Cambodia: a military victory for the other side.

In addressing the President's request for aid to Cambodia, I hope members of the committee will not look at the country as an isolated area but as part of a mosaic which includes Indochina, Southeast Asia, and the whole world.

We have no legal commitment to Cambodia. Nevertheless, we responded to Cambodia's request for help to defend itself and have continued this assistance for five years. Are we now simply to abandon a friend whose will is to continue defending itself but whose ability to do so depends on us?

Our policy toward Cambodia is being watched with some concern by other nations, many of them our friends, as a possible indication of future U.S. policy. It will be so viewed, whether or not Congress intends this to be the case.

In conclusion, let me stress once more the compelling need for the supplementary military aid request for Cambodia and the urgent requirement for congressional approval to lift the ceiling on overall aid to that country.

Department Discusses Arab Boycott of Israel

Following is a statement by Sidney Sober, Deputy Assistant Secretary for Near Eastern and South Asian Affairs, made before the Subcommittee on International Trade and Commerce of the House Committee on Foreign Affairs on March 13.[1]

I am sure the subcommittee will understand that while we are in the middle of delicate negotiations in the Middle East, this is a particularly difficult time to be discussing the subject before us today. I nevertheless wish to be responsive to the subcommittee's interest in discussing the policy of the Department of State toward the Arab boycott of Israel and actions by the Department in connection with the boycott.

Let me begin by putting the boycott in its Middle East context.

The Arab boycott of Israel is one manifestation of the basic Arab-Israeli conflict and thus arises from deep-seated political and emotional factors. The initial boycott organization, which was set up as a committee of the Arab League Council at the beginning of 1946, applied a primary boycott to prevent the entry of certain products into Arab countries from what is now the State of Israel. The secondary boycott, designed to inhibit third parties from assisting in Israel's development, was introduced in 1951, and it is this secondary boycott that affects American economic relations with a number of Middle East countries.

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

The scope of the boycott has been broadened through the years, and it applies to a variety of activities which are seen by the Arab countries as constituting a special economic relationship with Israel. An extension of the boycott has involved the blacklisting of foreign actors, artists, and other entertainment figures (and their films or recordings) judged to have aided Israel, such as through fundraising. It is our understanding that, generally speaking, the act of trading with Israel—as such—does not violate any of the regulations of the boycott organization and does not of itself bring the boycott into effect. However, the Arab countries themselves reserve the power to interpret the boycott regulations and decisions, and our experience suggests that they are not uniformly applied. There are a number of firms which do business in Israel and Arab countries.

It is impossible to determine how much the boycott up to now has actually harmed Israel, whose economy has been growing at the rate of about 10 percent annually. We recognize, however, that the rapidly increasing economic strength of certain Arab countries has enhanced the Arab boycott as a potentially effective weapon against Israel. There is a likelihood that the growing attractiveness of commerce with Arab countries will place greater pressure on some foreign firms not to deal with Israel because of the boycott.

Now I want to come to the position of the United States with regard to the boycott. As stated on numerous occasions, our position is clear and it can be summarized as follows: The United States opposes the boycott. We do not support or condone it in any way. The Department has emphasized our opposition to the boycott to the Arab governments on many occasions as it adversely affects U.S. firms, vessels, and individuals. Where the commercial interests of American firms or individuals have been injured or threatened with injury, we have made representations to appropriate Arab officials.

Consistent with our policy of opposition to the boycott, as reflected in the Export Administration Act of 1969, the Department of State has refused hundreds of requests from U.S. companies for authentication of documents relating to the boycott as being contrary to public policy.

A number of American firms with boycott problems have consulted with Department officials. These firms have been (a) reminded of their reporting responsibilities under the Export Administration Act and (b) encouraged and requested to refuse to take any action in support of restrictive trade practices or boycotts.

A fundamental factor which has to be faced is that Arab governments regard the boycott as an important element in their position toward Israel and one of the basic issues of the Arab-Israeli conflict to be dealt with as progress is made toward resolving that conflict. Indeed, this is one of the issues which we have very much in mind as we continue our diplomatic efforts to help the parties achieve a just and lasting peace. The problem has been how to change effectively the underlying conditions which led to imposition of the boycott. We believe we can best serve this objective not through confrontation but by continuing to promote with the parties directly concerned a peaceful settlement of basic Middle East issues. We believe that our present diplomatic approach is the most effective way to proceed.

Though the boycott emerged from the political problems of the Arab-Israeli conflict, we are also concerned by reports that it could be used for discrimination on outright religious grounds. On this subject President Ford has recently said [in a news conference on February 26]:

> There have been reports in recent weeks of attempts in the international banking community to discriminate against certain institutions or individuals on religious or ethnic grounds.
>
> There should be no doubt about the position of this Administration and the United States. Such discrimination is totally contrary to the American tradition and repugnant to American principles. It has no place in the free practice of commerce as it has flourished in this country.
>
> Foreign businessmen and investors are most wel-

come in the United States when they are willing to conform to the principles of our society. However, any allegations of discrimination will be fully investigated and appropriate action taken under the laws of the United States.

In summing up, I want to reemphasize that we oppose the boycott and will continue to make our opposition to it known and that we will continue to oppose any efforts to discriminate against American firms or individuals on the basis of religion or ethnic background.

At the same time, we will continue to do our utmost to help the countries in the Middle East to find a basis for resolving the Arab-Israeli dispute and to arrive at a just and durable peace. It is our conviction that in the attainment of peace lies the fundamental basis for the resolution of the boycott issue, among others which we are discussing today.

Fifth Report on NATO Offset Transmitted to the Congress

Message From President Ford[1]

To the Congress of the United States:

In accordance with Section 812(d) of the Department of Defense Appropriation Authorization Act, 1974 (Public Law 93–155), I am pleased to submit a fifth report to the Congress on our progress toward offsetting the balance of payments deficit resulting from the deployment of U.S. forces in NATO Europe.

As required by Section 812, the Department of Commerce has been working in consultation with the Department of Defense and the General Accounting Office to define the U.S. balance of payments deficit on military transactions incurred in Fiscal Year 1974 as a result of our NATO commitments. In my November report, I provided to the Congress tentative figures developed by the Commerce Department which estimated our FY 74 expenditures at $1.983 billion. This has now been confirmed as the final FY 74 expenditure figure.

The Commerce Department is now in the process of identifying U.S. FY 74 balance of payments receipts reflecting military-related sales and exports to our European NATO allies, through both official U.S. Foreign Military Sales (FMS) and commercial channels. Once total receipts have been identified, they will be subtracted from the $1.983 billion in expenditures to establish the FY 74 deficit. While the Department has been able to confirm Allied purchases through FMS channels, it has been unable to settle on a figure for commercial receipts. The Commerce Department's balance of payments accounting procedures are not in sufficient detail to permit it to isolate all of these purchases. Using information provided by our Allies through the NATO Economic Directorate, the Commerce Department is making an effort to identify as many of these transactions as possible and to include them in its calculation of the balance of payments deficit.

An interagency committee within the Executive Branch has been working to identify other transactions which serve to offset this balance of payments deficit. Of major importance is the FY 74–75 US/FRG Offset Agreement, which was described in some detail in the May 1974 report. We have since been working in cooperation with our Allies to identify additional categories of offsets. These will include Allied purchases of U.S. military-related equipment which cannot be extracted from the U.S. balance of payments accounting system. I will provide details on these offset categories in my May 1975 report to the Congress.

Once our analysis has been completed and the FY 74 military balance of payments deficit has been established, I am confident that this deficit will be offset by the items we have identified and that the requirements of Section 812 will be met.

GERALD R. FORD.

THE WHITE HOUSE, *February 20, 1975.*

[1] Transmitted on Feb. 20 (text from White House press release).

U.S. Outlines Issues Before Resumed Conference of the Committee on Disarmament

Statement by Joseph Martin, Jr.
U.S. Representative to the Conference of the Committee on Disarmament [1]

The President of the United States has directed me to convey to the CCD the following message, which I request be made a conference document:

As the Conference of the Committee on Disarmament begins its 1975 deliberations, I would like to extend my best wishes and express my fervent hope that its work this year will add new achievements to the Committee's substantial record.

The accomplishments of previous sessions have earned the respect of nations throughout the world. The General Assembly of the United Nations has entrusted to the Committee some of the most important and complex problems of our time. The dedication and seriousness of purpose that have characterized the work of the CCD have made it a most effective multilateral forum for dealing with arms control and disarmament questions.

The Committee's work resumes this year at a significant moment. One of its accomplishments, the Convention on the Prohibition of the Development, Production, and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction, is about to enter into force. The Convention is a positive measure of the progress that can be made through responsible and constructive international negotiation.

A great many tasks—some continuing, some new—face the CCD. Few have simple solutions. No one can guarantee that agreed solutions can be achieved for every issue. For its part, the United States will do all in its power to promote agreement wherever and whenever possible.

I am confident that this Committee, through the constructive dialogue that is its hallmark, will continue to make its valuable contribution to the promotion of peace and security through effective arms-control measures.

GERALD R. FORD

We are resuming our work at a time when disarmament efforts are receiving increasing attention in the search for a more stable and secure world. Convincing evidence of the growing interest in arms control solutions to national and international security problems can be found in the extensive treatment of disarmament questions at the 29th U.N. General Assembly. It is also reflected in the unprecedented number of international meetings which are currently dealing with the subject.

Here in Geneva, Soviet and American negotiators are working out the specific provisions of a second-stage SALT [Strategic Arms Limitation Talks] agreement, the broad outlines of which were agreed at the Vladivostok summit. In Moscow, representatives of the United States and the Soviet Union are engaged in discussions aimed at reaching the agreement governing peaceful nuclear explosions that is called for in article III of the Threshold Test Ban Treaty. In Washington, representatives of the two countries have been considering the question of effective measures of restraint on environmental modification techniques. In Vienna, members of NATO and the Warsaw Pact are continuing their efforts to reach agreement on mutual and balanced force reductions

[1] Made before the opening session of the resumed Conference of the Committee on Disarmament (CCD) at Geneva on Mar. 4.

in Central Europe. In addition, the International Atomic Energy Agency is the focal point for international examination of safeguards on the peaceful uses of nuclear technology and of various aspects of peaceful nuclear explosions. Finally, two months from now the conference to review the operation of the Nonproliferation Treaty (NPT) will begin in Geneva.

The CCD occupies a unique and important position in this overall effort. In 1975 our newly enlarged Committee can expect a heavier workload than it has had in several years. The 29th General Assembly of the United Nations, in addition to urging the CCD to continue its work on a comprehensive test ban and chemical weapons limitations, called on the Committee to examine questions that have so far received relatively little attention in this forum; namely, environmental modification for military purposes, nuclear-free zones, and the arms control implications of peaceful nuclear explosions (PNE's). My delegation welcomes these new responsibilities and is confident that the CCD can make a valuable contribution in each of these fields.

Among the large number of items on the international disarmament agenda, the most pressing, in our view, concern nonproliferation and related nuclear issues. My government was gratified that at the 29th U.N. General Assembly many nations recognized that there is serious cause for concern in the prospect of the further spread of independent nuclear explosive capabilities. The United States feels that the wide support given to the Nonproliferation Treaty and the many calls for broader adherence to that treaty were constructive developments.

At the same time, a large number of delegations recognized that the prevention of the further spread of nuclear-weapons capabilities cannot be taken for granted and that a broad and determined international effort is needed to strengthen the nonproliferation regime.

My government is urgently considering what courses of action would contribute most effectively to achieving a more universal, reliable system of safeguards against diversion of nuclear materials and technology to military purposes. It is also considering what would be the most promising steps to increase the political and economic incentives which could lead a country to forgo the nuclear explosive option. My government looks to the NPT Review Conference to assess how well the treaty has functioned in the first five years of its existence, to consider how the treaty can be more effectively implemented, and to provide an impetus for the broadly based effort that will be essential if we are to avoid a proliferation of nuclear powers.

U.S.-U.S.S.R. Steps To Curb Nuclear Arms Race

The Review Conference will be concerned not only with the operation of those provisions of the NPT that deal directly with the spread of nuclear-weapons capabilities but also with the implementation of those provisions that were designed to halt and reverse the nuclear arms race, notably article VI. In this connection I am pleased to note that, since the CCD last met, the United States and the Soviet Union have taken another major step to curb their competition in nuclear arms. At Vladivostok President Ford and General Secretary Brezhnev set firm and equal numerical limits on the strategic forces of both sides. Specifically, they agreed to put a ceiling of 2,400 on the total number of intercontinental ballistic missiles, submarine-launched ballistic missiles, and heavy bombers for each country. They also agreed on a maximum number of 1,320 launchers for missiles that could be armed with multiple independently targeted reentry vehicles (MIRV's). With the agreement to place all these strategic delivery vehicles under the ceiling and to set an additional limit on MIRV's, this general framework for a new SALT accord goes well beyond the scope of the interim agreement concluded in 1972.

Because of this breakthrough at Vladivostok, for the first time in the nuclear age each side's strategic calculations and force plan-

ning will not be motivated by fear and uncertainty about a possible open-ended strategic buildup by the other side. Instead, they can be based with confidence on firm, established parameters. This can be expected to make a valuable contribution to the stability of the strategic relationship.

Of perhaps greater long-range importance, the ceilings worked out by the leaders of the two countries will provide a solid foundation for negotiating future arms reductions. While many details remain to be settled before this general framework can be transformed into a new agreement, the United States is confident that such an agreement can be concluded this year and that further negotiations on reducing the force ceilings can follow soon thereafter.

My government is aware of the importance attached internationally to a comprehensive test ban as a means of curbing the nuclear arms race. The United States remains firmly committed to seeking an adequately verified comprehensive test ban. The Threshold Test Ban Treaty, negotiated in Moscow last summer, is not only a step toward that objective but will be in itself a significant constraint on the nuclear arms competition between the United States and the U.S.S.R.

Question of Peaceful Nuclear Explosions

The question of peaceful nuclear explosions has recently become a major topic in international disarmament discussions. We must start from the facts that a number of uncertainties about the feasibility and practicability of PNE's have yet to be resolved and that the use of PNE's is a highly complicated matter both politically and legally. Recognizing these facts, the U.S. delegation at the recent General Assembly called for thorough international consideration of the PNE question. We accordingly supported the Assembly's request in resolution 3261D that the CCD consider the arms control implications of peaceful nuclear explosions.

Those implications have two aspects: implications for the development and testing of nuclear weapons by nuclear-weapon states and implications for the spread of nuclear-weapons capabilities among non-nuclear-weapon states.

With respect to the first of these categories, it is clearly important to insure that nuclear explosions carried out ostensibly for peaceful purposes are not used to gain weapons-related information in circumvention of agreed limitations on weapons testing. This is the central task of the bilateral negotiations now underway in Moscow, where the two sides are discussing criteria to insure that PNE's are consistent with the Threshold Test Ban Treaty. An analogous question arises with respect to any form of international test ban agreement. Indeed, this question would be particularly crucial with a comprehensive test ban, since in the absence of any authorized weapons testing, there would be a greater incentive to seek weapons information in the course of a PNE program.

With respect to PNE implications for the spread of nuclear-weapons capabilities, my government's firm conviction remains that it would be impossible for a non-nuclear-weapon state to develop a nuclear explosive device for peaceful purposes without in the process acquiring a device that could be used as a nuclear weapon. It has been argued that the critical factor is not the capability to produce nuclear devices but the intention of the country producing the device. However, this is not the issue. The critical question is not whether we can accept the stated intentions of any country, but whether a world in which many states have the capability to carry out nuclear explosions—and in which all therefore fear the nuclear-weapons capability of others—would not be vastly less secure than a world that has successfully contained the spread of nuclear explosive technology.

Study of Nuclear-Free Zones

A notable development at the last General Assembly was the heightened interest in nuclear-free zones. Resolutions were adopted dealing with nuclear-free-zone proposals for South Asia, the Middle East, and Africa

and with the Latin American Nuclear-Free-Zone Treaty. Reflecting this renewed interest, and motivated in part by the diversity of the regional initiatives and the complexity of some of the issues involved, the General Assembly requested that an ad hoc group of governmental experts, under CCD auspices, undertake a comprehensive study of the question of nuclear-free zones in all its aspects.

My delegation welcomes this step and hopes it will contribute to a better understanding of the wide range of issues relating to nuclear-free zones. Given the differences that exist from region to region, we think it would be unrealistic to expect the experts to reach agreement on requirements for nuclear-free-zone arrangements that could be applied universally. One useful purpose of the study might be to identify issues where standardized provisions could be feasible, and others where they would not.

Unlike earlier studies undertaken under the auspices of the Secretary General, the study of nuclear-free zones will involve issues that are by nature primarily political rather than technical. This is the first such study to be carried out under the auspices of the CCD, and it was entrusted to this body with the understanding that a number of states not represented in the Committee would participate. My delegation has developed a number of ideas on the organization of this project which we will be discussing with members of the Committee in the next few days.

Restraints on Chemical and Biological Weapons

Turning to the area of restraints on chemical and biological weapons, I am pleased to be able to report two important actions recently taken by the U.S. Government. On January 22 President Ford signed the U.S. instrument of ratification of the Geneva Protocol of 1925. I should point out that, although not party to the protocol in the past, my government has always observed its principles and objectives.

The President also signed on January 22 the U.S. instrument of ratification of the Biological Weapons Convention, a product of the expert and painstaking efforts of this Committee. As members of the CCD are aware, this convention is the first agreement since World War II to provide for the actual elimination of an entire class of weapons; namely, biological agents and toxins. With ratification procedures already completed by the three depositary governments and by many more than the required 19 additional governments, we expect the convention to enter into force in the very near future. It is our hope that this will prompt many other governments to adhere to the convention.

As members of the Committee are aware, article II of the Biological Weapons Convention requires parties to destroy or to divert to peaceful purposes, as soon as possible but not later than nine months after entry into force, all agents, equipment, and means of delivery prohibited in article I. In this connection I would like to state that the entire U.S. stockpile of biological and toxin agents and weapons has already been destroyed and our former biological warfare facilities have been converted to peaceful uses. My delegation, and I am sure other members of the Committee, would welcome similar confirmations of implementation of article II from parties to the convention.

The ratification of the Geneva Protocol and the ratification and entry into force of the Biological Weapons Convention are viewed by my government as significant steps toward our common objective of the effective prohibition of chemical and biological weapons.

My delegation is prepared at the current session to participate in the active examination of possibilities for further effective restraints on chemical weapons. An important element in this examination should continue to be a thorough analysis of the verification question in relation to the possible scope of any prohibition.

The U.S. interest in overcoming the dangers of the use of environmental modification techniques for military purposes was reflected in the U.S.-Soviet summit joint statement of July 3, 1974, in which both countries advocated the most effective measures pos-

sible to accomplish that objective. At the U.N. General Assembly last fall my government indicated that it would be ready at the CCD to consider this subject further. We pointed out that little is known about the scientific and technological aspects of environmental modification and that many of the applications posed for discussion are at present only hypothetical. At the same time we stressed that we were prepared to participate actively and positively in further discussion of this matter. We would expect to contribute to the Committee's deliberations in that spirit.

In my statement today I have discussed a number of new responsibilities to be assumed by the Committee. There is another issue I think should be added to the list: the question of restraints on conventional arms. This Committee has always given the highest priority to the control of weapons of mass destruction. While my delegation regards this as entirely appropriate, we see no reason why possible controls on conventional weapons, which account for the largest share of world military expenditures, cannot be considered concurrently. I plan to return to this subject in a later intervention.

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.

Economic and Social Council

Commission for Social Development:

The welfare of migrant workers and their families. Report of the Secretary General. E/CN.5/515. October 14, 1974. 45 pp.

Rehabilitation of disabled persons. Report of the Secretary General. E/CN.5/500. October 18, 1974. 22 pp.

Protection and welfare of children. Convening of a United Nations conference for an international convention on adoption law. Report of the Secretary General. E/CN.5/504. November 15, 1974. 41 pp.

TREATY INFORMATION

Current Actions

MULTILATERAL

Aviation

Convention on offenses and certain other acts committed on board aircraft. Done at Tokyo September 14, 1963. Entered into force December 4, 1969. TIAS 6768.

Accession deposited: Egypt, February 12, 1975.

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. Entered into force December 19, 1974.

Ratification deposited: Cuba, January 3, 1975.

Biological Weapons

Convention on the prohibition of the development, production and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow April 10, 1972.[1]

Ratification deposited: San Marino, March 17, 1975.

Coffee

Protocol for the continuation in force of the international coffee agreement 1968, as amended and extended (TIAS 6584, 7809), with annex. Approved by the International Coffee Council at London September 26, 1974. Open for signature November 1, 1974, through March 31, 1975.[1]

Signatures: Finland, February 24, 1975;[2] Guinea, February 21, 1975.

Maritime Matters

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

Accessions deposited: Chile, February 14, 1975; Syria, February 6, 1975.

Nuclear Weapons—Nonproliferation

Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force March 5, 1970. TIAS 6839.

Accession deposited: Western Samoa, March 18, 1975.

Seals—Antarctic

Convention for the conservation of Antarctic seals, with annex and final act. Done at London June 1, 1972.[1]

Acceptance deposited: France, February 19, 1975.

[1] Not in force.

[2] Subject to approval, ratification, or acceptance.

Telecommunications

International telecommunication convention, with annexes and protocols. Done at Malaga-Torremolinos October 25, 1973. Entered into force January 1, 1975.[2]

Ratifications deposited: Netherlands,[4] United Kingdom,[5] December 31, 1974.

Accession deposited: South Africa, December 23, 1974.

Terrorism—Protection of Diplomats

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Done at New York December 14, 1973.[1]

Ratification deposited: Ecuador, March 12, 1975.

World Heritage

Convention concerning the protection of the world cultural and natural heritage. Done at Paris November 16, 1972.[3]

Acceptance deposited: Niger, December 23, 1974.

BILATERAL

Bangladesh

Agreement amending the agreement for sales of agricultural commodities of October 4, 1974 (TIAS 7949). Effected by exchange of notes at Dacca February 28, 1975. Entered into force February 28, 1975.

Federal Republic of Germany

Agreement on cooperation in environmental affairs. Signed at Bonn May 9, 1974.

Entered into force: March 26, 1975.

India

Agreement for sales of agricultural commodities. Signed at Washington March 20, 1975. Entered into force March 20, 1975.

Pakistan

Agreement amending the agreement for sales of agricultural commodities of November 23, 1974 (TIAS 7971). Effected by exchange of notes at Islamabad March 3, 1975. Entered into force March 3, 1975.

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[1] Not in force.

[3] Not in force for the United States.

[4] Extended to Surinam and Netherlands Antilles.

[5] Extended to Antigua, British Solomon Islands Protectorate, Brunei, Condominium of the New Hebrides, Dominica, St. Christopher-Nevis-Anguilla, St. Lucia, St. Vincent, and territories under the territorial sovereignty of the United Kingdom. Not applicable to Southern Rhodesia until the United Kingdom informs the Secretary General of the International Telecommunication Union that it is in a position to insure that the obligations imposed by the convention in respect of that territory can be fully implemented.

PUBLICATIONS

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Military Assistance—Payments Under Foreign Assistance Act of 1973. Agreement with Jordan. TIAS 7921. 4 pp. 25¢. (Cat. No. S9.10:7921).

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Refugee Relief in the Republic of Viet-Nam, Laos and the Khmer Republic. Agreement with the International Committee of the Red Cross amending the agreement of November 1, 1973, as amended. TIAS 7923. 3 pp. 25¢. (Cat. No. S9.10:7923).

Military Assistance—Payments Under Foreign Assistance Act of 1973. Agreement with the Dominican Republic. TIAS 7924. 7 pp. 30¢. (Cat. No. S9.10:7924).

Drug Enforcement Administration Regional Office. Agreement with Venezuela. TIAS 7925. 5 pp. 25¢. (Cat. No. S9.10:7925).

Certificates of Airworthiness for Imported Aircraft, Appliances and Components. Agreement with Israel amending the agreement of July 23, 1968. TIAS 7926. 5 pp. 25¢. (Cat. No. S9.10:7926).

Weather Stations. Agreement with Mexico amending and extending the agreement of July 31, 1970. TIAS 7927. 20 pp. 40¢. (Cat. No. S9.10:7927).

Telecommunication—Pre-sunrise Operation of Certain Standard Radio Broadcasting Stations. Agreement with the Bahamas. TIAS 7929. 4 pp. 25¢. (Cat. No. S9.10:7929).

Agricultural Commodities. Agreement with Egypt amending the agreement of June 7, 1974. TIAS 7930. 4 pp. 25¢. (Cat. No. S9.10:7930).

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Military Assistance—Payments Under Foreign Assistance Act of 1973. Agreement with Turkey. TIAS 7933. 4 pp. 25¢. (Cat. No. S9.10:7933).

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Military Assistance—Payments Under Foreign Assistance Act of 1973. Agreement with Indonesia. TIAS 7938. 4 pp. 25¢. (Cat. No. S9.10:7938).

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Single Convention on Narcotic Drugs, 1961—Amendments and Additions to the Schedules. Notifications by the United Nations dated April 19, 1973. TIAS 7945. 3 pp. 25¢. (Cat. No. S9.10:7945).

Editor's Note

The Schedule of International Conferences, which is published quarterly by the Office of International Conferences, will no longer appear in the BULLETIN. Interested individuals and organizations may arrange to receive the list on a regular basis. Requests should be addressed to: Director, Office of International Conferences, Department of State, Washington, D.C. 20520.

Check List of Department of State Press Releases: March 17–23

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

No.	Date	Subject
†143	3/17	Kissinger: remarks, Jerusalem, Mar. 14.
†144	3/17	Kissinger: departure, Damascus, Mar. 15.
†145	3/17	Kissinger: arrival, Amman, Mar. 15.
†146	3/17	Kissinger: departure, Amman, Mar. 16.
†147	3/17	Kissinger, Allon: remarks, Jerusalem, Mar. 16.
148	3/17	Ingersoll: Southern Council, Atlanta.
*149	3/17	U.S. Advisory Commission on International Educational and Cultural Affairs meets Apr. 11.
†150	3/17	Kissinger: remarks, Jerusalem.
†151	3/17	Kissinger: arrival, Aswan.
†152	3/17	Foreign Service examination.
†153	3/18	U.S. Governors to visit U.S.S.R.
*154	3/18	Program for visit of Dzemal Bijedic, President of the Federal Executive Council of the Socialist Federal Republic of Yugoslavia, Mar. 18–21.
†155	3/18	Kissinger, Sadat: remarks, Aswan.
†156	3/19	Kissinger: remarks, Jerusalem, Mar. 18.
†157	3/19	Kissinger, Yamani: departure, Riyadh.
158	3/20	Sober: remarks at signing of U.S.-India P.L.-480 agreement.
*159	3/20	Ryan, Luers, and Fishlow designated Deputy Assistant Secretaries, Bureau of Inter-American Affairs.
*160	3/20	Safety of Life at Sea Subcommittee of Shipping Coordinating Committee, Apr. 15.
†161	3/20	Kissinger, Peres: remarks, Jerusalem.
†162	3/21	Kissinger, Peres: remarks, Mar. 20.
*163	3/21	Foreign basketball coaches to attend San Diego convention, Mar. 24.
†164	3/23	Kissinger, Peres: remarks, Mar. 21.
†165	3/23	Kissinger, Rabin: remarks, Mar. 22.
†166	3/23	Kissinger, Rabin: departure, Jerusalem.

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

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