THE DEPARTMENT OF STATE BULLETIN

Volume LXXII • No. 1875 • June 2, 1975

THE OFFICIAL WEEKLY RECORD OF UNITED STATES FOREIGN POLICY

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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.

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

PRICE:

52 issues plus semiannual indexes, domestic $42.50, foreign $53.15
Single copy 85 cents

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

The Challenge of Peace

Address by Secretary Kissinger[1]

We meet here in the aftermath of the tragedy of Viet-Nam. It will be years before it is possible to make a dispassionate analysis of a conflict which we entered so innocently a decade and a half ago, which divided our country more than any event since our Civil War, and which ended so swiftly and painfully.

But the consequences are with us today. Around the world people are asking what recent events mean about our strength, our wisdom, and our constancy. And Americans now ask questions which go to the very heart of our foreign policy: What are our interests in the world? What should be our commitments? Where do we go from here?

Let me begin by stating a profound conviction: The fact that we failed in one endeavor does not invalidate all others. If in the aftermath of Viet-Nam we flee from responsibility as uncritically as we rushed into commitment a decade ago, we will surely soon find ourselves in a period of chaos and peril that will dwarf all previous experience. Global peace and America's security, global progress and America's prosperity, depend decisively on how we act in the months and years to come.

Americans have every reason to take pride in what their country has achieved in foreign policy. In the 30 years since World War II, the United States has done more to preserve peace and promote progress than any other nation in the world. The recovery of Western Europe and Japan, the formation and constant revitalization of our peacetime alliances, the shaping and flourishing of the global trade and monetary system, the economic advance of the newer and poorer nations, the measures to control the nuclear arms race, the development of a new agenda of global cooperation—these are enduring achievements of American leadership.

We undertook these efforts not as charity, but in our enlightened self-interest. For a generation, we have understood that without this country global peace could not be maintained. For a generation, it has been clear that American prosperity is inseparable from and dependent upon a thriving world economy. Our international effort saved American lives and preserved American jobs.

And these goals have been pursued by every Administration—Democratic or Republican—since the war. They have reflected a consensus of the public, the Congress, and national leaders across the country, in and out of government.

This national unity was our most priceless resource. It was the foundation of our achievements. It must be restored.

If frustration, despair, or a desire for novelty alters the American perception of our international responsibilities and causes us to dismantle our accomplishments, we will produce instability in the world and create untold dangers for our country.

The debate over our international commitment must be placed in this perspective. No doubt we must weigh carefully—as we failed to do in the early sixties—the long-term consequences of new engagements. We must not overextend ourselves, promising what is not either in our interest or within

[1] Made before the St. Louis World Affairs Council at St. Louis, Mo., on May 12 (text from press release 247).

our capability. But we cannot shed our existing responsibilities without straining the fabric of international peace.

When people speak of redefining our existing commitments, which ones do they consider expendable? To take just one example, have they considered how abandonment of South Korea or the Philippines would affect the future of Japan and therefore the future of the entire Pacific area? Any ally that prefers alternative arrangements will not find us insistent on the status quo. But by the same token, any ally that prefers existing arrangements will not find us irresolute.

In any event, our obligations cannot be usefully debated in the abstract. A nation's commitments do not derive simply from legal documents or legislative undertakings. They are not merely preferences to be altered at will. If properly conceived, they rest on self-interest, based on the necessities of geography and history and national values. They are reflected in the sum total of a country's past policies and actions, the expectations it has created, the whole texture and record of its international conduct.

Thus we should not treat issues of prestige or credibility too lightly or too ironically. A nation's credibility, the value of its word, enables it to influence events without having to turn every issue into a test of strength. When a country's prestige declines, others will be reluctant to stake their future on its assurances; it will be increasingly tested by overt challenges. Given our central role, a loss in our credibility invites international chaos. There is no question that the trauma America has undergone in the last decade—from the assassination of one President to the resignation of another—has raised many doubts.

We must work hard to maintain our position. And we shall.

The leadership role we have exercised for a generation has never been more vital. The world of the 1970's is less predictable, more fluid than the world of 10 years ago. America's strength is less dominant, our margins for error narrower, our choices more complex and ambiguous. New centers of power and influence have emerged, and nearly a hundred new nations have come into being since the Second World War. What we once considered a monolithic Communist bloc has been fractured by profound divisions. Our alliances have taken on new balance and are adjusting to new conditions. Developing countries are pressing their claims with fresh urgency and unity. Economic interdependence has become a fact of life. While the cold war structure of international relations has come apart, a new stable international order has yet to be formed.

A changing world places new demands on our leadership. Inevitably our policy must be more flexible, more complicated, more subtle, and more imaginative than in the early postwar period. But the link between our international performance and our national destiny remains fundamental; it has become, if anything, more crucial:

—Never before in history have the elements of national military power been so vast, so ready, so dangerous—and so ill suited to political objectives. An upsetting of the strategic equation could doom us; a spiraling arms race could produce a nuclear holocaust. We must prevent both dangers from arising.

—The contemporary world has many centers of power and initiative and many other dimensions of international concern besides military threats to security. In military power, the world is still essentially bipolar. In economic power, there are several poles—Western Europe, Japan, China, the producers of energy and key raw materials—in addition to North America and the Soviet Union. Political, military, and economic power are no longer necessarily commensurate with each other. Only the United States is strong in all categories. Our responsibilities are therefore inescapable. Our performance has profound consequences whether we act or fail to act.

—Regional and local conflicts still abound. The absence of world war for a generation has made the world too complacent about local wars. But if not contained or resolved through diplomacy, these wars pose grave dangers. A war in the Middle East, for example, carries with it profound risks of

global economic depression and confrontation among the major powers. We must do our utmost to prevent this.

—The Indian nuclear explosion of a year ago raises anew the specter of an era of plentiful nuclear weapons in which any local conflict risks exploding into a nuclear holocaust. As nuclear weapons proliferate, nuclear catastrophe looms more plausible—whether through design or miscalculation, accident, theft, or blackmail. The withdrawal or weakening of the American security mantle would accelerate this process. It would give an additional incentive to many countries to seek their security in the development of nuclear weapons.

—The advanced industrial nations and the developing nations are part of a single global economic system whose stability and growth is a vital American interest. The health of the dollar, the expansion of our trade, the free flow of investment, and the supply and price of energy, food, and other vital raw materials are all essential for our own prosperity. Whether we can accommodate the interests of consumers and producers, rich and poor, will determine whether our children inherit a world of tranquillity or of constant conflict.

—The future of the oceans will be shaped in the next few years. At stake are the reach of our navies, the safety of shipping lanes, the rights to vast economic resources, and the choice between chaos and the rule of law across three-quarters of this earth.

In short, as technology expands man's reach, the planet continues to shrink. Global communications make us acutely aware of each other. Human aspirations and destinies increasingly are intertwined.

We thus face a vast agenda. It is time for us to stop tormenting ourselves and get to work.

For Americans, our own destiny has always gone beyond material or physical well-being. To be true to ourselves, we have always been aware of what we mean to others, not only technically but morally. Our Revolution was conceived as vindication of universal truths and of the rights of man. Through the decades of our involvement in international affairs, we have drawn strength from the conviction that our goals of economic and social advance and political freedom were the goals of all peoples; the inspiration for our own achievements lay in the vision of progress we presented to all.

This conviction must continue to inspire us. We cannot abandon values which are inseparable from America.

Though we are no longer predominant, we are inescapably a leader. Though we cannot impose our solutions, few solutions are possible without us. There is no other country so endowed to help build a better future. If we sit back, there will be no hope for stability, no resistance to aggression, no effective mediation of disputes, no progress in the world economy.

When force becomes the arbiter of conflicts, the standards of restraint in international conduct will erode sooner or later; instability and chaos will become the order of the day, with inevitable and tragic consequences for us as well as for others. If there is no accommodation of conflicting economic interests among the industrial nations, or between the industrial and the developing nations, we will face increasing economic strife, of which the oil price rise and embargo will be only the beginning.

So today we face these questions: Will the world be consumed in anarchy—in economic warfare, proliferating weapons of destruction, and regional conflagrations? Or will a new pattern of stable international relations be established, bequeathing a prospect of lasting peace to succeeding generations? Will Americans be so discouraged that we pull away the essential pillar of stability and progress that we have maintained for 30 years? Or will we continue to recognize that our contribution is essential to peace and progress?

We know too much depends on this country to allow us the luxury of retreat. If the United States responds to the challenge of building a peaceful and growing new world with imagination and perseverance, if we make clear to the world that we know where we are going and that we are on course, we have ahead of us a new era of great

achievement for all of mankind. That is our deepest obligation and our most important commitment.

The Design of Peace

In our effort to build a better and safer world, we start from the bedrock of our nation's physical strength—the vitality of our economy, already beginning to recover from recession; our technological supremacy; our military forces second to none. All of these have been indispensable to our security and progress. They remain so.

All foreign policy begins with security. No great nation can afford to entrust its destiny to the whim of others. Any stable international system therefore requires a certain equilibrium of power. Our security and that of our allies rest ultimately on deterrence of possible challenges, on insuring that others have no choice but to exercise restraint.

Therefore it is our national and international duty to maintain our military strength in categories relevant to the political dangers we face. An assault on our defense budget would give a dangerous impression of the trend of American policy, particularly at this moment. Of similar importance is the economic health of this nation—the recovery of full employment, production, and prosperity. For this is the foundation of our strength and that of all the industrial democracies.

But the more profound challenge is to anchor stability not in the negative restraint of deterrence but in the positive reconciliation of interests. The values and intangibles that motivate men and nations have profound weight in the international balance. A stable peace requires a shared stake in its preservation; it must be considered just.

Power without purpose is sterile; strength without direction leads to incoherence and inconsistency. To achieve peace and progress, we must understand the contemporary historical trends and have a design of our own to shape them. The achievement of peace requires a vision of peace.

And this vision must be broadly based. Our people must understand the full complexity of our task; why we must maintain alliances even while striving to ease tensions with adversaries; why we need a design for cooperation between the rich and the poor nations even while many developing countries engage in the rhetoric and often the practice of confrontation. It must have scope to include both the new problems of interdependence and the persistent traditional issues of politics and security.

Allies and Friends. America's alliances, particularly with the industrial democracies of Western Europe, Canada, and Japan, have been the cornerstone of world stability and progress. We share common conceptions of the dignity of man, a common conviction of a linked destiny, and a common interest in peace and prosperity. This truth has been reinforced, not weakened, by changing global conditions. This is why this Administration considers our allies and friends our first priority. This is why the President will visit Western Europe two weeks from now to reaffirm our solidarity at a summit meeting of the leaders of the North Atlantic alliance. This will be the theme of our conversations with the Prime Minister of Japan in early August—and with every other ally.

We will stress that the cement of our relationship should not be verbal reassurances but joint great enterprises. We face a vast agenda. Our alliances were formed when the world was divided into two blocs and the United States was preponderant in the West; today we must harmonize the policies of strong independent states under conditions of eased international tensions. Our alliances represented initially a response to a military threat; today, we must base our unity on shared efforts across a broad range of human activity.

A whole spectrum of challenges calls the industrialized nations to joint action: the need for an equitable and stable world trading and monetary system, the imperative for cooperation in energy development and conservation and in dealing with the energy producers. We are beckoned by the entire agenda of interdependence in food, in raw materials, and in giving meaning and sig-

nificance to life in modern industrialized societies.

Thus, far from being gloomy about the prospects of our alliance, we shall call our friends to joint enterprises equally important and perhaps more exciting than the earlier quest for security. None of us can deal with this agenda alone. We are inseparably linked to each other—by interdependent economies and human aspirations, by instant communications and nuclear peril. Whether our alliances thrive today depends not on reiterating verbal pledges but on our ability to make our collaboration equal to our opportunity. It is with the conviction that our greatest period of creativity is ahead of us that the President will travel abroad in two weeks.

Détente. One of the legacies of a simpler period of American history is the conviction that we can pursue only one strand of policy at one time—either strength or conciliation, either relations with our allies or improving relations with our adversaries.

But the fact is that we do not have such a choice. In a complicated world in transition it is important to recognize that if we do not pursue all these strands, we shall not be able to pursue any of them. Our people expect their government to work for stability and peace, not to seek out confrontation. If we are faced with a crisis, the American people must know that it was forced upon us. Our alliances can be vital only if they are sustained by the conviction that their purpose is not to produce tension but to provide incentives for an ultimate settlement.

It is in this context that we must judge the contrast between the state of U.S.-Soviet relations today and 15 years ago. The world is no longer continually shaken by direct and bitter confrontations. There is a general understanding that tensions when they occur are not the result of U.S. intransigence, and this has enhanced our influence. It would be dangerous to take these achievements for granted; undoubtedly a world neatly divided between black and white was psychologically easier to handle, but it was also infinitely more dangerous.

We therefore should beware of the siren song that détente is a trap, a one-way street of American unilateral concession. In this Administration it will never be. In pursuing détente we will be guided by the following principles:

—We are not neutral in the struggle between freedom and tyranny. We know that we are dealing with countries of opposed ideology and values.

—But we owe our people and mankind an untiring effort to avoid nuclear holocaust. In the thermonuclear age, when the survival of civilization is at stake, we cannot defend peace by militant rhetoric.

—We must outgrow the notion that every setback is a Soviet gain or every problem is caused by Soviet action. In Portugal, the Middle East, even in Indochina, difficulties have resulted as much from local conditions or inadequate U.S. responses as from Soviet intervention.

—We cannot use détente as a substitute for our own effort and determination. Where a vacuum exists, it will be exploited. We have not yet reached the stage where vigilance can be relaxed.

These principles enable us to judge the state of our relations with the Soviet Union. These relations occur on many levels. The first order of business is the imperative of avoiding thermonuclear war. Both superpowers face a problem unprecedented in history; each possesses armaments capable of destroying civilized life. Therefore, however competitive we are and however ideologically opposed, neither can attempt to impose its will on the other without an intolerable risk of mutual annihilation. A President has no higher responsibility than sparing our people the dangers of general nuclear war. He can have no greater goal than to put a permanent end to a spiraling arms race which, uncontrolled, can jeopardize the peace.

The agreement in principle reached last November at Vladivostok between President Ford and General Secretary [Leonid I.] Brezhnev on a long-term agreement limiting strategic offensive weapons is a major step in this direction. When this negotiation is

completed later this year, a ceiling will have been placed on the qualitative as well as quantitative expansion of strategic forces for the first time in history. The momentum of military deployments will have been slowed; military planning will no longer be driven by fear of the unknown; a baseline will have been established from which reductions can be negotiated soon thereafter.

Direct communication and consultation between the United States and the Soviet Union and institutionalized cooperation in economic, scientific, and cultural fields constitute the second level of our relationship. The extent of these links is now unprecedented.

Naturally there are benefits for the Soviet Union, or else the Soviet Union would not participate in them. But they also serve our interest, or we would not conclude them. These agreements serve the additional purpose of engaging the Soviet Union at many levels in contacts with the outside world so as to provide incentives for restraint. And they occur in an environment where failure to proceed on our part only opens the door to other industrialized countries perhaps less able than we to withstand the political use of economic relationships—as happened after the failure of our trade agreement with the Soviet Union.

A third level of U.S.-Soviet relations involves the easing of tensions in areas where our vital interests impinge on each other. The Berlin Agreement of 1971 was both important and symbolic; it was a practical negotiated solution of a chronic dispute that on at least three occasions in 20 years had brought the world to the brink of war. The achievement of a stable political and military balance in Europe has always been a vital American interest, which we have pursued by resisting pressures where necessary and by negotiations when possible. In this spirit we are now engaged in broader negotiations dealing with mutual and balanced force reductions in Central Europe and with an agreement regarding European security and cooperation.

These achievements of détente must be balanced against the record of the fourth level of U.S.-Soviet relations: the quest for stability in areas peripheral to the vital interests of the two so-called superpowers. Here the progress achieved in other fields of our relations has not been equaled. The expansion of Soviet military power and its extension around the world is a serious concern to us. The willingness of the Soviet Union to exploit strategic opportunities, even though some of these opportunities presented themselves more or less spontaneously and not as a result of Soviet action, constitutes a heavy mortgage on détente.

If détente turns into a formula for more selective exploitation of opportunities, the new trends in U.S.-Soviet relations will be in jeopardy. If our contention in peripheral areas persists, even more if it becomes exacerbated, the progress achieved in other areas of détente will ultimately be undermined. The United States is determined to maintain the hopeful new trends in U.S.-Soviet relations on the basis of realism and reciprocity. But it is equally determined to resist pressures or the exploitation of local conflict.

Our new relationship with the People's Republic of China is another priority in the design of American policy. Stability in Asia and the world requires our constructive relations with one-quarter of the human race. We remain committed to the goals of the Shanghai communique. President Ford will visit China later this year to reaffirm these interests and goals and work for the continuing improvement of our relations.

The Developing World

The fivefold oil price increase decided upon in 1973 by OPEC [Organization of Petroleum Exporting Countries] dramatized another dimension of American foreign policy —our relations with the developing world. For years it has been apparent that Asia, Africa, and Latin America have become major participants in the international system and that a new range of issues was upon us—not those between East and West

but between North and South.

Ideological and economic differences have come to dominate international forums such as the United Nations or the recent preparatory conference in Paris between oil consumers and producers.

The American people have supported the aspirations of developing countries since the postwar years of decolonization. Their economic development has been an objective of American policy for decades. Their genuine nonalignment and interdependence remain an American interest.

Without question, the new nations will have our sympathy and our help as, shaped by their own histories, they seek their own future. Our policy is based on the conviction that our policies are essentially complementary and that our destinies are shaped by interdependence.

At the same time all nations have a basic choice to make. They can pursue confrontation or they can pursue solutions; they can deal in rhetoric or they can deal with reality. They cannot do both. A policy of confrontation will ultimately work to the disadvantage of the weaker. The United States, for its part, is prepared for cooperation in every area of common concern, on the basis of mutual benefit and of mutual respect. Therefore:

—On energy, we will continue our efforts for solidarity among the consumers, and we look forward to an early, constructive dialogue with the producers.

—On the broader question of raw materials, we understand the interest of the producers in equitable prices. We in turn seek reliable supplies. We are prepared to discuss these questions in appropriate forums.

—On the law of the sea, we shall press for a successful outcome in the interest of security, prosperity, and peace.

—On food policy, the United States will strive to eliminate the scourge of hunger from the world and to turn this effort into a model of cooperation for the other global issues of an interdependent world.

We shall soon make specific proposals in all these fields.

The Domestic Dimension

We thus face a great opportunity. Only rarely in history does a people have the possibility to shape its international environment. We are at such a juncture. And the greatest obstacle, paradoxically, is not resistance abroad but division within our country.

Thirty years ago last week the greatest war ever fought by man came to a close in Europe. It took the lives of many millions of human beings, left millions more homeless and destitute, and virtually destroyed the institutional fabric of victor and vanquished alike. Had it not been for the farsighted involvement of the United States in the aftermath of that struggle, it is doubtful that democracy or prosperity would yet have returned to Western Europe. But we gave mightily of our substance in the hope that the generations to come would never again have to live through the agony and torment inflicted on the world in that struggle.

A later generation of Americans learned of the limits to what even we can accomplish—that not every struggle anywhere in the world is necessarily one in which the United States must involve itself; that not every injustice man inflicts upon his neighbor is something that America must or can seek to remedy.

There are lessons to be learned from both experiences. The question is whether we will learn from both or take our most recent experience too literally and, in the process, forget what the agony of a generation ago taught us unmistakably.

We came out of World War II a united people, secure in our belief that our cause was just, our purposes benign. We have come out of Viet-Nam a divided nation, full of distrust—and sometimes even malice—for our fellow countrymen and lacking confidence in the goodness of our design.

It is time—indeed it is more than time—for us to put a stop to this self-doubt and self-punishment.

It is time to remind ourselves that we still live in the greatest nation on earth; that nowhere has any nation come so close to the

ideals of liberty; that others throughout the world still look to us and depend upon us to lead them to a better, freer, and more secure life.

It is time to recognize that we cannot exist apart from the world around us, no matter how much we may wish it. A world imperiled by nuclear weapons forbids it; the reality of an interdependent world renders it self-destructive. We cannot compensate for a cult of action for its own sake by indulging in a cult of withdrawal for its own sake. Withdrawal in any event will give us no respite; it will be an invitation to new burdens.

So it is time that the executive and legislative branches of the government put an end to the divisiveness and distrust that have come to characterize their relationship.

We do not ask that the Congress rubber-stamp everything the executive puts before it—the advice and consent of the Congress is essential for any sustained policy. We have started new procedures of consultation and are prepared for new approaches to obtain advice. And we recognize that many difficulties have resulted from previous excesses by the executive branch. Nevertheless a delineation of responsibilities is now in the interest of both branches.

If the Congress moves from supervision to implementation, if it goes from the setting of guidelines to the insistence on tactics, if the legislative process is turned into a series of prescriptions of individual moves, our foreign policy will eventually be deprived of consistency, direction, strength, and flexibility.

The constitutional separation of powers is a concept that has served us well for almost 200 years. But our government can work and our nation can act only when each branch is prepared to exercise restraint. Without this cooperation, stagnation is inevitable. It is no exaggeration to say that a possible paralysis of leadership in America is the greatest fear today of all those who look to us for international leadership around the world.

We can have no higher national priority than to restore our unity. If we are mired in cynicism, recrimination, and immobility, we will add to the doubts of our friends and to the temptations of our adversaries to take chances with the peace of the world.

In the months ahead we must demonstrate that we still are confident of our purposes; that we remain a strong, energetic, and united people; that we continue to be dedicated to helping other nations help themselves; that we remain faithful to our treaty commitments; that we are concerned for the future of the world, because we know it will determine our own future.

Let us never forget that by any measurement, we have given more in the last 30 years than any other nation in history. We have successfully resisted serious threats to world order from those who wished to change it in ways that would have involved unacceptable consequences for democratic governments. We have provided more economic assistance to others than any other country. We have contributed more food, educated more people from other lands, and welcomed more immigrants. We have done so not only out of a generous spirit—though we should not apologize for this trait—but above all because the American people, after more than a century of isolation, had learned that assistance to others is not a gift to be given, but a service to be rendered for international stability and our own self-interest.

For our own sake and that of the rest of mankind let us now make sure that this lesson does not have to be learned again. And in that case we will usher in a period of progress and peace for which future generations will be grateful.

Strengthening the World Economic Structure

Address by Secretary Kissinger [1]

Yesterday I spoke of the political challenges facing us in foreign policy—that we have a vast agenda ahead of us, that the world is poised on the brink of a new era of achievement or one of chaos, that America's role will be vital.

Our challenges in the economic field are no less urgent and important. Today I will discuss the international economic system and set forth a comprehensive American approach to the major issues at hand.

The paramount necessity of our time is the preservation of peace. But history has shown that international political stability requires international economic stability. Order cannot survive if economic arrangements are constantly buffeted by crisis or if they fail to meet the aspirations of nations and peoples for progress.

The United States cannot be isolated, and never has been isolated, from the international economy. We export 23 percent of our farm output and 8 percent of our manufactures. We import far more raw materials than we export; oil from abroad is critical to our welfare. American enterprise overseas constitutes an economy the size of Japan's. America's prosperity could not continue in a chaotic world economy.

Conversely, what the United States does —or fails to do—has an enormous impact on the rest of the world. With one-third of the output of the non-Communist world, the American economy is still the great engine of world prosperity. Our technology, our food, our resources, our managerial genius and financial expertise, our experience of leadership, are unmatched. Without us, there is no prospect of solution. When we are in recession, it spreads; without American expansion, the world economy tends to stagnate.

For 30 years, the modern economic system created at the Bretton Woods Conference in 1944 has served us well. Its basic goals—open, equitable, and expanding trade, the stability and orderly adjustment of currencies, coordination in combating inflation and recession—have largely been achieved. World growth has surpassed any prior period of history.

But the system is now under serious stress. It faces shortages and disputes over new issues such as energy, raw materials, and food. And many of its fundamental premises are challenged by the nations of the developing world.

Obvious crises are the easiest to meet; the deepest challenges to men are those that emerge imperceptibly, that derive from fundamental changes which, if not addressed, portend upheavals in the future. These contemporary challenges to the world economic structure must be overcome, or we face not only an end to the growth of the last 30 years but the shattering of the hopes of all of mankind for a better future. Our economic strength is unmistakable. But what is tested now is our vision and our will—and that of the other nations of the world.

The international economic system has been built on these central elements:

—Open and expanding trade;

—Free movement of investment capital and technology;

[1] Made before the Kansas City International Relations Council at Kansas City, Mo., on May 13 (text from press release 250); for the transcript of the questions and answers which followed, see p. 727.

—Readily available supplies of raw materials; and

—Institutions and practices of international cooperation.

Within this framework, over the past quarter century, the industrialized countries have maintained an almost continuous record of economic growth. The developing countries have made unprecedented advances, though their progress has been uneven.

After the experience of the 1930's, the postwar system was designed—with the United States playing a leading role—to separate economic issues from political conflict and to subject them as much as possible to agreed multilateral procedures. The rules were designed to restrain unilateral actions that could cause economic injury to others.

The world's economic growth within this framework has been simultaneously the cause and the result of growing interdependence among nations. Revolutions in communication and transportation have shrunk the planet. The global mobility of capital, management and technology, and materials has facilitated the growth of industry. World trade has encouraged specialization and the efficient division of labor, which in turn have stimulated further expansion. The recession and inflation of the last few years—which spread around the world—have reminded us that nations thrive or suffer together. No country—not even the United States—can solve its economic problems in isolation.

Consciousness of interdependence has been most successfully implemented among the industrialized countries. When the energy crisis first hit us, the industrial countries agreed that they would not resort to unilateral restrictive trade measures to make up the payments deficits caused by high oil prices. That pledge was respected and will be renewed this year. And last fall, as the recession worsened, the President held a series of conversations with German, Japanese, British, and French leaders to devise a coordinated strategy for economic recovery. These policies have begun to bear fruit. The advanced industrialized countries have understood the imperative of coordinating their economic policies.

As our economies now turn toward expansion, we must insure that our policies remain coordinated, particularly for the control of inflation with its economic costs and attendant social dangers.

Against this background of cohesion, the industrial countries can act with renewed confidence across the entire range of political, economic, and security issues. The annual ministerial meeting later this month of the Organization for Economic Cooperation and Development (OECD) is therefore of great significance. This body, composed of the industrialized countries of North America, Europe, and Asia, will assess where we stand and discuss even closer coordination and joint actions in economic policies. Secretary Simon [William E. Simon, Secretary of the Treasury] and I will represent the United States.

The Challenge From the Developing World

Global interdependence is a reality. There is no alternative to international collaboration if growth is to be sustained. But the world economic structure is under increasing challenge from many countries which believe that it does not fairly meet their needs.

The challenge finds its most acute and articulate expression in the program advanced in the name of the so-called Third World. This calls for a totally new economic order founded on ideology and national self-interest. It is stimulated by resentments over past exploitation, and it is sustained by the view that the current system is loaded against the interests of the developing countries. One of the central proposals is that the prices of primary products should be set by international agreements at new high levels and then pegged to an index of world inflation. The objective, as with the oil price increases, is a massive redistribution of the world's wealth.

This challenge has many aspects. At one level, it is an effort to make the availability of vital natural resources depend on political decision, particularly with respect to energy but increasingly involving other materials as well. More fundamentally, it is a result of the

new dispersion of economic power among developed and developing countries that springs from the unprecedented global economic expansion of the last 30 years.

The United States is prepared to study these views attentively, but we are convinced that the present economic system has generally served the world well. We are prepared to consider realistic proposals, but we are convinced that poorer nations benefit most from an expanding world economy. History has proved the prosperity of each nation requires expansion of global prosperity. This should be the focus of our efforts.

The United States is convinced that an international system overshadowed by the rivalry of nations or blocs will produce instability and confrontation. This will prove disastrous to every nation—but above all to the weakest and the poorest.

The United States therefore is committed to a cooperative approach. We recognize that an international order will be durable only if its members truly accept it. And while the participation of developing countries has increased, it is clear that the energy producers and the emerging nations in Latin America, Asia, and Africa have believed themselves to be outside the system. We have a duty to warn against, and to resist, confrontation. But we are prepared to strengthen and expand the international economic system.

A serious concern must be the needs of the poorest. They have been the most grievously affected by the food and energy crises of the past two years. Their fate affects us morally as well as materially. Their prosperity would contribute to ours. And their participation in the global economy is required so that all nations, and not only the richest, have a stake in the world which we are building.

The Choice on Energy

Let me now turn to the three most urgent challenges on the economic agenda: energy, food, and primary commodities.

It is in energy that the challenge to the economic system has been the most effective and has had the most severe impact.

For years the United States and other industrial countries built their prosperity on ever-increasing imports of inexpensive foreign oil. Now we see that both the price and availability of those supplies can be determined by decisions over which we have no influence. Our jobs, our output, our future prosperity, are at risk.

In response, at U.S. initiative, 18 major industrial countries created the International Energy Agency (IEA) to coordinate our efforts in a common strategy.

Our first responsibility was to protect ourselves against emergencies. We have to be prepared to deter the use of oil or petrodollars as political weapons or to defend ourselves if we are given no choice. To this end, we and our partners have developed a comprehensive plan to build up oil stocks, coordinate conservation measures, and share available supplies in the event of a new embargo. We have also agreed on a $25 billion "financial safety net" to protect against the stresses of large oil deficits and possible financial manipulation.

The second objective of the strategy is to bring pressure on the oil price through the market. If we act decisively to reduce the consumption of imported oil and develop alternative sources, we will sharply reduce demand. The producers can restrict production to maintain high prices and allocate the cuts among them, but at some point the severe decrease in demand will become a burden on those countries who seek maximum revenue for development.

Accordingly, we and our partners first set joint conservation goals. We then reached preliminary agreement on a plan to stimulate alternative sources. The plan calls for cooperation in research and development and a common minimum price mechanism to protect domestic alternative energy sources from competition from imported oil. The ministers of the International Energy Agency meet later this month to accelerate the common effort. We shall propose ways to exploit our greatest asset—our technological capability and skill, particularly in the development of alternative energy sources.

In the end the key to the international effort will be what America does. We use fully

half of the industrial world's energy. If we bring our consumption under control, so will other industrial countries. Indeed, other countries are already ahead of us in adopting new taxes and other programs to curb energy use. But if we do not act now, while recession is holding down demand for oil, our vulnerability will grow again when our recovery gains momentum.

The choice is clear: either we pass now an effective program of energy conservation and energy development or we become dependent on foreign sources for half our oil within a few years and correspondingly vulnerable to political pressures or manipulation.

The Congress has before it President Ford's energy program. Its decision is therefore critical to our future well-being and that of the international community.

Ultimately, producers and consumers of energy must develop a new and balanced relationship. A first attempt at dialogue at the preparatory meeting called by President Giscard d'Estaing [of France] in April did not succeed.

The United States wants to say now that it is prepared to attend a new preparatory meeting. We believe that the meeting should be prepared through bilateral contacts between the consumers and producers. The United States will initiate such contacts with its partners in the IEA, with the Government of France, and with the producers. Our own thinking on the issue of raw materials, and the manner in which it can be addressed internationally, has moved forward. We can thus resume the dialogue in a new atmosphere. Let me now turn to the issue of raw materials.

U.S. Approach to Commodity Issues

The threat to our national security from a disruption in supplies of most raw materials is limited. We depend on imported raw materials for only 15 percent of our total needs; only 3 percent of our raw materials are imported from developing countries.

But we do have a concern for a flourishing world economy. In raw materials, interdependence is as real as in energy. There exist common interests in a reliable and flourishing trade on mutually beneficial terms.

It is in our interest because the growth of the industrial nations will increasingly depend on raw material imports and because our growth depends on a healthy world economy. It is in the interest of developing countries because their exports are often the principal source of development financing. It is in the interest of the world community because the poorer countries can gain a sense of responsibility and participation only from the sense that their concerns are taken seriously.

The United States is aware of the dependence of many countries on their earnings from a single commodity. It is legitimate and reasonable that they should seek a reliable long-term stable source of earned income for their development.

However, we do not believe that tying commodity prices to a world index of inflation is the best solution.

First, price indexing would strengthen those least in need of help because most raw material production still takes place in the industrial countries; and price indexing would harm those most in need of help because the poorest, most populous states are net importers of raw materials. Finally, such a scheme would introduce artificial rigidities, which is likely to result in misallocation of resources and scarce capital and underutilization of needed productive capacity in many parts of the world.

We are prepared to discuss these issues in a cooperative spirit. We understand that development of many mineral resources is becoming increasingly dependent on heavy capital investment. The efficient development of lower grade ores now depends on sophisticated technology and very large-scale operations. We recognize that excessive swings in commodity markets entail heavy, perhaps growing, costs. In periods of slack demand, substantial excess capacity often appears. In periods of tight demand, skyrocketing prices force costly adjustments in manufacturing processes and pricing. We realize that the role of private capital, which traditionally has been responsible for development of most overseas minerals, is being increasingly

challenged on political grounds. To deal with these issues, the United States will adopt the following approach:

—First, since both producers and consumers want a more reliable basis to do business, we will propose that the multilateral trade negotiations now underway in Geneva develop new rules and procedures on such questions as freer access to supplies and markets, promotion of mining and processing industries, and settlement of disputes.

—Secondly, we are prepared to discuss new arrangements in individual commodities on a case-by-case basis as circumstances warrant.

—Thirdly, we will propose that the World Bank explore new ways of financing raw material investment in producing countries. We are particularly interested in exploring new ways of mobilizing capital and bringing it together with outside management and skills.

It is clear that both producers and consumers have much to gain from the settlement of the disputes over raw materials.

It is also clear that these issues are becoming of fundamental importance to the world's economic, and political, future. They have been brought to the center stage of world diplomacy. They represent an area of potential division. But they also contain the possibility of a new and challenging area of international cooperation.

An important first step will be to consider our approach together with other industrial countries. Other industrialized countries, the United Kingdom in particular, have advanced a number of proposals to this end. Raw material policy will be a primary focus of the upcoming OECD ministerial, and we expect the OECD to undertake a major study of the issue.

The United States is prepared to deal with the raw material question with economic realism, political imagination, and understanding for the concerns of the developing world.

Action Required on the Food Problem

Let me turn now to another issue on which international action has already begun and must now be accelerated. This is the problem of food. Last November the World Food Conference was convened in Rome at American initiative. On behalf of President Ford, I announced a proposal for a long-term international effort to eliminate the scourge of hunger. For we regard our good fortune and strength in the field of food as a global trust. We recognize the responsibilities we bear by virtue of our extraordinary productivity, our advanced technology, and our tradition of assistance. And we are convinced that the global response will have an important influence on the nature of the world that our children inherit.

The Rome Conference reached basic agreement on a comprehensive program in basic areas: Expanding the food production of the major producers; accelerating production in the developing countries; improving the means of food distribution and financing; enhancing the nutritional quality of food production; and developing a system of reserves to insure against food emergencies. A framework for international cooperation was established.

Fortunately, good crops this year will ease food supply problems. But we cannot let this lull us into complacency about the longer term. We cannot escape the reality that the world's total requirements for food are growing dramatically, not easing. The current gap between what developing countries produce themselves and what they need is about 25 million tons; at present rates of growth, the gap is expected to double or triple 10 years from now. There is no escape from the world's duty to deal with the problem of hunger with urgency.

To maintain the momentum begun at Rome, action is needed now in three areas:

—First, for the short term, until a major expansion of world production is brought about, food aid will continue to be vital. The United States sees this as a responsibility not only of major food producers but of all financially capable nations. The United States has provided more than 4 million tons of food aid in all but one of the 20 years of our food aid program. We will do our utmost to maintain this standard of performance.

—Secondly, food aid can only be a stopgap measure. The long-term solution will require that food production be increased to its full potential. Food production in the developing countries can draw on a great deal of underutilized land resources. American assistance will henceforth place primary emphasis on research, fertilizers, better storage, transport, and pest control. We shall concentrate our aid capital in this sector of economic development.

—Thirdly, we must meet emergency shortages and protect world supplies in the face of crop failures and other catastrophes. To do so, we have proposed an international system of nationally held grain reserves. We must start now to build them.

Principles for Grain Reserves System

Let me discuss this issue of reserves more fully. Before 1972, the world had come to depend upon a few major producers, particularly the United States, to maintain the necessary grain reserves. Now, after three years of shortages and emergencies, adequate reserves no longer exist. The United States has therefore removed all governmental restraints on production. Our farmers have gone all-out to maximize their output. The world must take advantage of better crops this year to reconstitute stocks. But this is not enough.

In meetings later this month, the United States will formally propose a comprehensive international system of reserves based on the following principles:

—Total world reserves must be large enough to meet potential shortfalls in food grains production.

—Grain exporters and importers should agree on a fair allocation of reserve holdings, taking into account wealth, grain productive capacity, and trade.

—There should be agreed international rules or guidelines to encourage members to build up reserves in times of good harvest.

—Each participating country should be free to determine how its reserves will be maintained and what incentives to provide for their buildup, holding, and drawdowns.

—Rules or guidelines should be agreed in advance for the drawdown of reserves, triggered by shortfalls in world production. There must be a clear presumption that all members would make reserves available when needed, and conversely, that reserves would not be released prematurely or excessively and thus unnecessarily depress market prices.

—In times of shortage, the system must assure access to supplies for countries that participate in it, and there must be special provision to meet the needs of the poorest developing countries.

—Finally, the system must encourage expanded and liberalized trade in grains.

The United States is prepared to hold an important part of an agreed level of world reserves. If others join us in negotiating such a system, the outline of an international reserves agreement can be completed before the end of the year.

U.S. Responsibility of Leadership

These are the problems of the economic structure. They represent, in their scope and implications, a basic challenge to the economic system of the past generation and a basic test of the world's political future. They have become one of the central concerns of our diplomacy.

The present international economic system has served the world well. Future prosperity in this United States and throughout the globe depends on its continued good performance. We are prepared to engage in a constructive dialogue and to work cooperatively on the great economic issues. We cannot accept unrealistic proposals, but we must act to strengthen the system in areas where it does not function well.

These issues are not technical. They go to the heart of the problem of international order: whether the major industrial nations and the developing nations can resolve their problems cooperatively or whether we are

headed for an era in which economic problems and political challenges are solved by tests of strength. Will the world face up to the imperative of interdependence, or will it be engulfed in contests of nations or blocs?

The role which the United States takes will be crucial. Will we fulfill our responsibility of leadership? If we know our own interest, we will.

For the United States still represents the single greatest concentration of economic wealth and power to be found on the planet. But what is asked of us now most of all is not our resources but our vision and will.

The American people have always believed in a world of cooperation rather than force, of negotiation rather than confrontation, and of fulfillment of the aspirations of peoples for progress and justice. Such a world will never come about without our active contribution. The opportunities open to us are immense, if we have the courage and faith to seize them.

We have a stake in the world's success. It will be our own success. If we respond to the challenge with the vision and determination that the world has come to expect from America, our children will look back upon this period as the beginning of America's greatest triumphs.

U.S. Recovers Merchant Ship Seized by Cambodian Navy

STATEMENT BY WHITE HOUSE PRESS SECRETARY, MAY 12

White House press release dated May 12

We have been informed that a Cambodian naval vessel has seized an American merchant ship on the high seas and forced it to the port of Kompong Som. The President has met with the NSC. He considers this seizure an act of piracy. He has instructed the State Department to demand the immediate release of the ship. Failure to do so would have the most serious consequences.

STATEMENT BY WHITE HOUSE PRESS SECRETARY, MAY 13 [1]

The merchant ship *Mayaguez* at last report was anchored close to the island of Koh Tang, 30 miles off the coast of Cambodia. During the night, Washington time, it was escorted by two Cambodian naval vessels from the point where it was originally boarded (that point was eight miles from the rock island of Poulo Wai) toward its present location. The ship is being kept under observation by U.S. military aircraft. The President was kept informed of developments during the night.

NOTICE TO MARINERS [2]

Special Warning: Shipping is advised until further notice to remain more than 35 nautical miles off the coast of Cambodia and more than 20 nautical miles off the coast of Vietnam including off lying islands. Recent incidents have been reported of firing on, stopping and detention of ships within waters claimed by Cambodia, particularly in vicinity of Poulo Wai Island. This warning in no way should be construed as United States recognition of Cambodian or Vietnamese territorial sea claims or as derogation

[1] Read by Press Secretary Ron Nessen at a news briefing at 6:54 a.m. e.d.t.

[2] Issued by the Defense Mapping Agency Hydrographic Center at 7:15 p.m. EDT, May 12; made available at the Department of Defense and the White House on May 13.

of the right of innocent passage for United States flag vessels, or derogation of the freedom of the high seas.

U.S. LETTER TO U.N. SECRETARY GENERAL, MAY 14

USUN press release 40 dated May 14

DEAR MR. SECRETARY GENERAL: The United States Government wishes to draw urgently to your attention the threat to international peace which has been posed by the illegal and unprovoked seizure by Cambodian authorities of the U.S. merchant vessel, Mayaguez, in international waters.

This unarmed merchant ship has a crew of about forty American citizens.

As you are no doubt aware, my Government has already initiated certain steps through diplomatic channels, insisting on immediate release of the vessel and crew. We also request you to take any steps within your ability to contribute to this objective.

In the absence of a positive response to our appeals through diplomatic channels for early action by the Cambodian authorities, my Government reserves the right to take such measures as may be necessary to protect the lives of American citizens and property, including appropriate measures of self-defense under Article 51 of the United Nations Charter.

Accept, Mr. Secretary General, the assurances of my highest consideration.

Sincerely,

JOHN SCALI
[*U.S. Representative to the United Nations*]

U.S. LETTER TO U.N. SECURITY COUNCIL PRESIDENT, MAY 14

My Government has instructed me to inform you and the Members of the Security Council of the grave and dangerous situation brought about by the illegal and unprovoked seizure by Cambodian authorities of a United States merchant vessel, the S.S. Mayaguez, in international waters in the Gulf of Siam.

The S.S. Mayaguez, an unarmed commercial vessel owned by the Sea-Land Corporation of Menlo Park, New Jersey, was fired upon and halted by Cambodian gunboats and forcibly boarded at 9:16 p.m. (Eastern Daylight Time) on May 12. The boarding took place at 09 degrees, 48 minutes north latitude, 102 degrees, 53 minutes east longitude. The vessel has a crew of about 40, all of whom are United States citizens. At the time of seizure, the S.S. Mayaguez was en route from Hong Kong to Thailand and was some 52 nautical miles from the Cambodian coast. It was some 7 nautical miles from the Islands of Poulo Wai which, my Government understands, are claimed by both Cambodia and South Viet-Nam.

The vessel was on the high seas, in international shipping lanes commonly used by ships calling at the various ports of Southeast Asia. Even if, in the view of others, the ship were considered to be within Cambodian territorial waters, it would clearly have been engaged in innocent passage to the port of another country. Hence, its seizure was unlawful and involved a clear-cut illegal use of force.

The United States Government understands that at present the S.S. Mayaguez is being held by Cambodian naval forces at Koh Tang Island approximately 15 nautical miles off the Cambodian coast.

The United States Government immediately took steps through diplomatic channels to recover the vessel and arrange the return of the crew. It earnestly sought the urgent cooperation of all concerned to this end, but no response has been forthcoming. In the circumstances the United States Government has taken certain appropriate measures under Article 51 of the UN Charter whose purpose it is to achieve the release of the vessel and its crew.

I request that this letter be circulated as an official document of the Security Council.

Sincerely,

JOHN SCALI.

STATEMENT BY WHITE HOUSE PRESS SECRETARY, MAY 14

White House press release dated May 14

In further pursuit of our efforts to obtain the release of the S.S. *Mayaguez* and its crew, the President has directed the following military measures, starting this evening Washington time:

—U.S. marines to board the S.S. *Mayaguez.*

—U.S. marines to land on Koh Tang Island in order to rescue any crew members as may be on the island.

—Aircraft from the carrier *Coral Sea* to undertake associated military operations in the area in order to protect and support the operations to regain the vessel and members of the crew.

MESSAGE TO THE CAMBODIAN AUTHORITIES FROM THE U.S. GOVERNMENT, MAY 14

White House press release dated May 14

We have heard radio broadcast that you are prepared to release the S.S. *Mayaguez.* We welcome this development, if true.

As you know, we have seized the ship. As soon as you issue a statement that you are prepared to release the crew members you hold unconditionally and immediately, we will promptly cease military operations.

STATEMENT BY PRESIDENT FORD, MAY 15 [3]

At my direction, United States forces tonight boarded the American merchant ship S.S. *Mayaguez* and landed at the Island of Koh Tang for the purpose of rescuing the crew and the ship, which had been illegally seized by Cambodian forces. They also conducted supporting strikes against nearby military installations.

I have now received information that the vessel has been recovered intact and the entire crew has been rescued. The forces that have successfully accomplished this mission are still under hostile fire but are preparing to disengage.

I wish to express my deep appreciation and that of the entire nation to the units and the men who participated in these operations for their valor and for their sacrifice.

PRESIDENT FORD'S LETTER TO THE CONGRESS, MAY 15 [4]

MAY 15, 1975.

DEAR MR. SPEAKER: (DEAR MR. PRESIDENT PRO TEM:) On 12 May 1975, I was advised that the S. S. Mayaguez, a merchant vessel of United States registry en route from Hong Kong to Thailand with a U.S. citizen crew, was fired upon, stopped, boarded, and seized by Cambodian naval patrol boats of the Armed Forces of Cambodia in international waters in the vicinity of Poulo Wai Island. The seized vessel was then forced to proceed to Koh Tang Island where it was required to anchor. This hostile act was in clear violation of international law.

In view of this illegal and dangerous act, I ordered, as you have been previously advised, United States military forces to conduct the necessary reconnaissance and to be ready to respond if diplomatic efforts to secure the return of the vessel and its personnel were not successful. Two United States reconnaissance aircraft in the course of locating the Mayaguez sustained minimal damage from small firearms. Appropriate demands for the return of the Mayaguez and its crew were made, both publicly and privately, without success.

In accordance with my desire that the Congress be informed on this matter and taking note of Section 4(a)(1) of the War Powers Resolution, I wish to report to you that at about 6:20 a.m., 13 May, pursuant to my in-

[3] Made in the press briefing room at the White House at 12:27 a.m. e.d.t., broadcast live on television and radio (text from White House press release).

[4] Identical letters were sent to the Speaker of the House and the President pro tempore of the Senate (text from White House press release).

structions to prevent the movement of the Mayaguez into a mainland port, U.S. aircraft fired warning shots across the bow of the ship and gave visual signals to small craft approaching the ship. Subsequently, in order to stabilize the situation and in an attempt to preclude removal of the American crew of the Mayaguez to the mainland, where their rescue would be more difficult, I directed the United States Armed Forces to isolate the island and interdict any movement between the ship or the island and the mainland, and to prevent movement of the ship itself, while still taking all possible care to prevent loss of life or injury to the U. S. captives. During the evening of 13 May, a Cambodian patrol boat attempting to leave the island disregarded aircraft warnings and was sunk. Thereafter, two other Cambodian patrol craft were destroyed and four others were damaged and immobilized. One boat, suspected of having some U.S. captives aboard, succeeded in reaching Kompong Som after efforts to turn it around without injury to the passengers failed.

Our continued objective in this operation was the rescue of the captured American crew along with the retaking of the ship Mayaguez. For that purpose, I ordered late this afternoon [May 14] an assault by United States Marines on the island of Koh Tang to search out and rescue such Americans as might still be held there, and I ordered retaking of the Mayaguez by other marines boarding from the destroyer escort HOLT. In addition to continued fighter and gunship coverage of the Koh Tang area, these marine activities were supported by tactical aircraft from the CORAL SEA, striking the military airfield at Ream and other military targets in the area of Kompong Som in order to prevent reinforcement or support from the mainland of the Cambodian forces detaining the American vessel and crew.

At approximately 9:00 P.M. EDT on 14 May, the Mayaguez was retaken by United States forces. At approximately 11:30 P.M., the entire crew of the Mayaguez was taken aboard the WILSON. U.S. forces have begun the process of disengagement and withdrawal.

This operation was ordered and conducted pursuant to the President's constitutional Executive power and his authority as Commander-in-Chief of the United States Armed Forces.

Sincerely,

GERALD R. FORD.

Letters of Credence

Chile

The newly appointed Ambassador of the Republic of Chile, Manuel Trucco, presented his credentials to President Ford on April 29.[1]

Colombia

The newly appointed Ambassador of the Republic of Colombia, Julio César Turbay Ayala, presented his credentials to President Ford on April 29.[1]

Haiti

The newly appointed Ambassador of the Republic of Haiti, Georges Salomon, presented his credentials to President Ford on April 29.[1]

Peru

The newly appointed Ambassador of the Republic of Peru, Vice Admiral (ret.) José Arce, presented his credentials to President Ford on April 29.[1]

[1] For texts of the Ambassador's remarks and the President's reply, see Department of State press release dated Apr. 29.

Question-and-Answer Session and News Conferences Held by Secretary Kissinger at St. Louis and Kansas City

Following are transcripts of a news conference held by Secretary Kissinger at St. Louis, Mo., on May 12, a question-and-answer session following his address before the Kansas City, Mo., International Relations Council on May 13, and a news conference he held at Kansas City on May 13.

NEWS CONFERENCE AT ST. LOUIS, MAY 12

Press release 247A dated May 12

Q. Mr. Secretary, I think the question is fairly obvious. It is on everyone's mind, and that is the seizing of the U.S. vessel by Cambodia. Can we have some comments from you and some insight on perhaps what the President meant by saying that unless the ship is released immediately, or sometime in the near future, our relations may suffer serious consequences?

Secretary Kissinger: Well, I think that the President's statement speaks for itself. He called the action an act of piracy, and he demanded the immediate release of the American ship and crew. And he has pointed out that failure to do so could have serious consequences.

We are undertaking at present diplomatic efforts to bring about this release, and until they have had their chance, we will not make any further comment.

Q. Has a third nation been called into this as a possible intermediary—like China?

Secretary Kissinger: Well, we don't have any direct communications with the Cambodian authorities.

Q. Have you heard at all from the Cambodian authorities on this?

Secretary Kissinger: Not at the time that I had left Washington. Not at the time that I came down here to give this speech.

Q. Mr. Secretary, Senator [James L.] Buckley said that the United States ought to react by surgical retaliatory bombings so this sort of thing wouldn't happen again. What is your reaction to that?

Secretary Kissinger: I don't think this is the time for me to give a checklist of possible American responses. I think our statement has made it clear that we will not accept this and that we are insisting on the release of the ship and the crew. But what specific steps we will take, if that cannot be achieved by diplomatic means, we will have to wait.

Q. Was your trip to St. Louis ever threatened by this incident? Was there any question at all whether you could come out here today?

Secretary Kissinger: Well, there is really not very much I can do about this situation in Washington today. But we had an NSC [National Security Council] meeting just before I came here—not to decide whether I should come, but to discuss that issue and its merits.

Q. Mr. Secretary, can you comment on this? Paul Lindstrom, the member of the Pueblo committee, has given the following information. He says he got from State Department sources that four crewmen were seriously wounded in the seizure and that, according to the Secretary General of the Communist Party in Cambodia, the members of the ship will be held as prisoners until there is an apology for some sort of criminal action against Cambodia and until the U.S.-made ships and planes used by refugees to flee Thailand are returned to Cambodia.

Secretary Kissinger: I don't know who the

State Department sources are that have told him that. I admit the State Department is organized to keep information from its top echelon. [Laughter.] I have not heard that particular information.

Q. What about the four wounded persons?

Secretary Kissinger: When I left, I checked with Washington before I came down here. I did not receive any report of this nature. So unless it happened in the last two hours, I just don't know about this report.

Q. Mr. Secretary, to change the subject for a minute—

Secretary Kissinger: I would be amazed if that person knew it, but I just don't know.

And we certainly haven't had any formal communication.

Q. Mr. Secretary, I wonder if you are now ready to be more specific about the OAS agreement that you say was intended to eliminate, to get rid of the economic sanctions against Cuba. Could you be more specific?

Secretary Kissinger: Well, there hasn't been any formal OAS action yet. What there has been is an informal exchange of views among the Foreign Ministers designed to respond to the desire of those who want to lift sanctions against Cuba. And that was a majority in the last meeting that addressed this question in Quito. So there will probably be another meeting that will address this problem.

But I think we have found a formula which will enable us to be responsive to the desires of our Latin American friends and yet enable us to conduct the policy we consider appropriate.

Q. To follow up, if I could, for a second, Mr. Secretary, when you say you have a majority vote in agreement, is that a substantial majority, or in terms of numbers?

Secretary Kissinger: At the last meeting that dealt with this issue that took place in Quito—let me explain the situation. According to the Rio Treaty, sanctions are imposed by a two-thirds majority and can be lifted only by a two-thirds majority. When the Foreign Ministers of the Western Hemisphere met—of the Organization of American States—met in Quito, they were short of a two-thirds majority by one vote. The United States abstained. So there was a majority then.

We believe that for the formula we are now discussing, there will be an overwhelming majority but it will be somewhat different from the one that was discussed at Quito, and that makes it possible.

Q. I am still not clear. Does the United States support decision by a majority vote?

Secretary Kissinger: If we follow the legal procedures, there has been a proposal that sanctions should be lifted by majority vote. For that to be effective, it has to be ratified by the various governments, which is a time-consuming process. That we can support. But it will take time.

So then there is a question whether something can be done in the interim while the ratification process is continuing. And this is what we have to discuss with our colleagues. But I don't want to go further than that until the meeting actually has concluded.

Q. Mr. Secretary, may I ask you about a point in your speech tonight? You called for Western European countries to join with you in grand new designs. Hasn't the reaction to your oil-energy proposal shown the Western European countries, including Britain, too occupied with their own problems to join in such grand designs?

Secretary Kissinger: Well, I don't think I used the words "grand designs." We spoke of great joint enterprises. I believe, on the contrary, the reaction to our energy proposals proves that the Western European countries and Japan can cooperate with us when we have concrete issues that affect all of our interests.

I believe that the energy program has been one of the success stories of our relationship with our allies. We have, within the space of a year, created the International Energy Agency, developed joint programs of conservation, financial solidarity, and assured prices. And I believe that the energy program proves exactly the opposite of what

you are suggesting; namely, that we can cooperate, and that we can achieve unity of purpose, when the issue is concrete and not abstract.

Q. Mr. Secretary, could you provide any evidence to support the contention made by you and by the President that there is a bloodbath in progress in Indochina?

Secretary Kissinger: I am not aware that I have made the statement that there is a bloodbath in progress in Indochina. We were saying, prior to the collapse of Cambodia and Viet-Nam, that we supported additional aid for these countries because we feared a bloodbath.

Now, with respect to Cambodia, there can be absolutely no question that a tragedy and indeed an atrocity of major proportions is going on. When 3 million people are evacuated from a city and told to march into a countryside in which there will not be another harvest until November, when hospitals are cleared out, there is no question that there are going to be deaths numbering in the thousands, and probably in the tens of thousands. There is no press there to record this. All foreigners have been evicted. And in addition, we have some isolated information from various parts of Cambodia of executions of every official, and in some cases of their wives, of the previous government—and "officials" are defined in those cases to go down as low as second lieutenant.

Now, what is happening in South Viet-Nam is much less clear. And we have made no allegations about South Viet-Nam, except that one remembers that in 1954 when 900,000 people had fled North Viet-Nam, nevertheless, by their own admission, over 60,000 people were killed.

But we have no firsthand information about any significant events of this type in South Viet-Nam at this moment. We do have very clear information about what is going on in Cambodia.

Q. Do you have any idea of the numbers, Mr. Secretary? You talk about "all officials down to the level of lieutenant." Is that hundreds, thousands?

Secretary Kissinger: All we have is isolated instances of individual districts. So in one particular district, this amounted to 90 officials and their wives. But this was a small district town.

Now, if you extrapolate this across the country, you come to very large numbers. If you add to it the evacuation of all the urban centers into a countryside without any apparent plan or previous preparation, you get into very substantial numbers.

Q. [Inaudible] some persons are proposing, or suggesting, that perhaps Thailand will be the next country to be overthrown. Do you have any plans if such a thing were to occur?

Secretary Kissinger: Well, it will now be interesting to see whether Thailand—whether the North Vietnamese, who have been behind—who were conducting the Laotian war for most of the Viet-Nam period with their own troops and who have been supplying and supporting the Pathet Lao—whether they will now stop at the borders of Thailand or whether they will foment a guerrilla-type war in northeast Thailand. That still remains to be seen.

Q. Mr. Secretary, is there any likelihood that you would resume your shuttle diplomacy in the Middle East prior to a reconvening of the Geneva Conference?

Secretary Kissinger: As you know, the President is going to meet with President Sadat and Prime Minister Rabin. Until these two meetings have taken place, we cannot really make a decision as to which approach will be more effective—another attempt at a step-by-step approach or the Geneva Conference, which of course would, by definition, deal with an overall solution. We want to reserve our judgment until we have had these conversations.

Our interest is to prevent stagnation. As the President has said repeatedly, we cannot accept a diplomatic stalemate in the Middle East. Which method will be pursued depends very much on the wishes of the parties—depends crucially on the wishes of the parties.

Q. Mr. Secretary, do you still believe that the United Nations is a useful vehicle for the

United States to belong to in view of what has taken place?

Secretary Kissinger: I think the United Nations is a useful tool for the United States and a useful organization to belong to, as long as we understand its capabilities and its limits.

It often provides an opportunity for diplomatic exchanges that would be very difficult to arrange without it. In Cyprus, even occasionally on the Middle East, in certain conflicts in Africa, the United Nations has performed an extremely useful role.

But what concerns us is that in recent sessions of the General Assembly, an automatic kind of majority has been—has come about that reflects the so-called Group of 77 plus whatever other backing they can get, which develops an almost instinctive reaction which often are not in the American interest and which occasionally are against the Charter of the United Nations, such as the expulsion of nations from membership in the General Assembly.

These actions we oppose, and we shall make clear in the next General Assembly that the charter must be rigidly observed.

Q. Mr. Secretary, in your speech tonight, you said, "When a country's prestige declines, others will be reluctant to stake their future on its assurances; it will be increasingly tested by overt challenges." Do you think this country's prestige has suffered as a result of what's happened in Viet-Nam, in Cambodia, and what's happening in Laos —and what happened today to a merchant ship?

Secretary Kissinger: I think that our credibility has declined, and that one of the most important challenges to our foreign policy is to restore it, partly by bringing our commitments in line with our capabilities and partly by making sure that those commitments we make will be strictly carried out.

Q. Mr. Secretary, in your speech earlier tonight you said, and I am quoting now: "Though we are no longer predominant, we are inescapably a leader." Does that mean the predominance of American power as a global force has come to an end? Are we seeing the decline of the so-called "American empire"?

Secretary Kissinger: Well, I don't believe there was an American empire.

Q. Who is the predominant force now?

Secretary Kissinger: I do believe that the degree of predominance we enjoyed in the fifties and early sixties has come to an end and therefore we have to conduct foreign policy more carefully, more thoughtfully, than we did at a period when we had such an overwhelming physical superiority that we could afford occasional mistakes that would be made up by our predominance.

We still are the strongest nation in the world. We still are, militarily, in a powerful position, but the margin of superiority that we possessed when we had an atomic monopoly has been eroded through the progress of technology as much as through anything else.

Q. What I am concerned about, when you say that we are no longer predominant—who is the predominant power? Is it the Soviet Union?

Secretary Kissinger: No, I don't think the Soviet Union is predominant. I think we are no longer as superior to all the other countries in physical strength as we were, say, 15 years ago. That doesn't mean that any other country has replaced us. We are still probably the strongest nation in the world, but our margin is no longer as great.

Q. You referred to peripheral areas in the Soviet competition. Do you have any specific peripheral areas in mind?

Secretary Kissinger: I mentioned some.

Q. You exempted the Middle East and Iraq and Indochina as a closed chapter, so—

Secretary Kissinger: I remember—let me make clear what I meant. I said, not every problem that is caused in the peripheral area is necessarily caused by the Soviet Union; it may be exploited by the Soviet Union. And I would most definitely include the Middle East.

And if there is a deliberate exacerbation of tensions in the Middle East, it would raise most serious doubts in our mind.

Q. Well, I think you did—I'm sorry—as I recall, I thought you spoke in terms of active competition now, between us and the Soviet Union, in peripheral areas, and détente can suffer as a result.

Secretary Kissinger: It can.

Q. It can?

Secretary Kissinger: Yes.

Q. So I am trying to find out in which peripheral areas is this competition going on. The Middle East is one. Are there others?

Secretary Kissinger: Yes, the Middle East is one. Basically, what I was—I don't want—

Q. I was asking about the Persian Gulf. Do you have that in mind?

Secretary Kissinger: I have—that is another possible area. But what I wanted to stress was that détente cannot survive if no limit is placed on competition. Some degree of competition is inherent in the conflicting ideologies and positions of the country. But if no—in the absence of self-restraint, détente will be in danger.

Q. Mr. Secretary, you mentioned in your speech that we came out of World War II as a united people and out of this recent conflict as distrustful and divided people. What effect do you think that the condition of our economy and the attitudes of our people in our political structure will have on our foreign policy in our future negotiations?

Secretary Kissinger: Well, I think that a strong and vital American economy is absolutely crucial—

Q. True.

Secretary Kissinger: —to the conduct of our foreign policy; that partly, when this country is in recession, it is very difficult for the American people to muster the willingness for the sacrifices that are implied by world leadership—and that is very understandable. The reaction to the Vietnamese refugees, the reluctance to engage in some other foreign activities, are partly the result of economic conditions within this country. So that preconditions for an effective foreign policy is a vital American domestic economy—

Q. I had reference to the fact that election year is coming up—and is this a political football?

Secretary Kissinger: Election year, certainly, that does not have any conduct in foreign policy. [Laughter.]

Q. Mr. Secretary, just one more question: You left a paragraph out of your speech in which you reaffirmed the goals of the Shanghai communique—

Secretary Kissinger: That has absolutely no significance. I have asked Bob Anderson [Robert Anderson, Special Assistant to the Secretary for Press Relations] to explain that I occasionally cut paragraphs as I go through the speech, in the interest of reading time. I affirm that paragraph, and everything that is in the text that was distributed has the same validity as everything that I read.

Q. So the President is going to China in the fall?

Secretary Kissinger: So that has no significance. Yes. The same will happen in Kansas City. [Laughter.]

QUESTIONS AND ANSWERS FOLLOWING ADDRESS AT KANSAS CITY, MAY 13

Press release 257 dated May 14

William Linscott, President, Kansas City International Relations Council: I will ask the Secretary a few of the questions that I have here that are representative really of the groups, of the many that we do have.

The first question that I have asks: What is the Soviet Union's long-range foreign policy toward the Middle East and the Suez Canal? And, two, are we really going to take our ship back from Cambodia, or is this a verbal ploy?

Secretary Kissinger: Well, let me take the second question first. With respect to the ship, we have called it an act of piracy. We have said that we demand the release of the ship and the crew and the failure to release

the ship and the crew could have serious consequences.

We are now giving diplomacy a chance. Until this has been done, I do not think it would be useful to make any statements. But I can assure you that the statement released by the White House on behalf of the President yesterday was not said idly. I repeat that we insist on the release of the ship and the crew. [Applause.]

The other question is: What is the Soviet Union's long-range foreign policy toward the Middle East and the Suez Canal?

The Soviet foreign policy is dominated by many factors. It is important for us to remember that the Soviet Union is ideologically hostile to the United States. And we recognize that the Soviet Union, if it has an opportunity, will fill vacuums.

We are pursuing a policy of seeking to relax tensions, because we believe that we owe it to the American people to make clear that if there is a crisis it will not have been caused by an American failure to seek out every opportunity for honorable solutions.

On the other hand, we must recognize that this policy is not a substitute for our own efforts. If a vacuum exists, it will be filled. And therefore what the Soviet Union does in the Middle East depends importantly on what we are prepared to do in the Middle East as well as in other areas of the world.

If we are ready to act with a sense of responsibility to the overall balance of power, then I believe we can make progress toward peace in the Middle East. And this is our biggest effort at this moment.

So, on the whole, I believe that progress toward peace can be made in the Middle East, but it cannot be done on the cheap.

Mr. Linscott: Thank you. The next question I have is: After the Arab-Israeli negotiations broke down, there was an apparent cooling of U.S.-Israeli relations. How is the temperature today?

Secretary Kissinger: My friend Abba Eban, the former Foreign Minister of Israel, said to me once that the Israelis consider objectivity a hundred percent agreement with their point of view. [Laughter.] So, when you begin to slide toward the 95 percent mark, you get accused of tilting toward the other side.

Our relations with Israel are friendly. We are engaged in close consultations about what steps to take next. Inevitably, the Israeli perspective is focused on its own survival and on the immediate problems of its area.

We, on the other hand, have interests also in better relations with the moderate Arab countries and in making sure that the situation in the Middle East does not explode into a war, which could bring on another massive recession and a threat of confrontation with the Soviet Union.

We believe that this is also in the long-term interest of Israel.

So I believe that as we go through our present period of reassessment, that we will come out with a policy that will be generally approved by the American people and will be compatible with the survival and security of Israel, as well as with our relations with the Arab world. And I think that our relations are basically good. [Applause.]

Mr. Linscott: The next question they ask, Mr. Secretary: Do you need congressional approval to take military action in the matter of the Cambodian piracy affair?

Secretary Kissinger: There is no question that the War Powers Act and the restrictions, the special restrictions, that have been placed on military operations in Indochina complicate the flexibility of the President as compared to a number of years ago.

On the other hand, it has generally been held that the President has inherent powers to protect American lives and American property when they are threatened. And I believe that the President—and I know that the President is operating on this assumption today. Of course, before any steps are taken we would discuss them with the leaders of the Congress.

Mr. Linscott: Will the forthcoming talks in Brussels bring about new dimensions of the U.S.-Common Market relationships? Do you anticipate changes in the troop commitments?

Secretary Kissinger: After recent events, the United States cannot afford a withdrawal of troops from Europe without creating a totally wrong impression about our determination and about our willingness to play an international role. And therefore this is an issue that we will not raise—we do not expect to raise in Brussels.

The purpose of the talks between the President and his colleagues will be to reaffirm the dedication of the Western democracies to common goals.

It is not enough to do this simply with verbal declarations. It is important that we are joined together in some great common enterprises. We are already doing it in the field of energy. I have indicated today in the economic parts of my speech some of the other areas where joint efforts are possible.

What united the Western countries in the fifties and sixties was not simply declarations, but joint efforts. We believe that such joint efforts can again be created. And therefore we believe that the Western alliance can emerge from the present period more vital than before.

Mr. Linscott: Are we going to revise our policy of containment and limited war in view of its minimal success in Viet-Nam?

Secretary Kissinger: Well, we do not have a policy of limited war. Our policy is to attempt to preserve the peace.

I think we must learn from the experience of Viet-Nam that if the United States—that the United States should think through all the implications of its commitments before it makes them. But also, if it makes them, that it cannot do so half-heartedly.

We believe that we cannot commit the world to be at the mercy of other Communist superpowers. Now what precise conclusions we will draw from that, in any individual instance, I cannot now say; but as a basic principle of our foreign policy, we cannot be indifferent to changes in the world balance of power, and we are determined to resist them. [Applause.]

Mr. Linscott: One last question: Mr. Secretary, would you serve as Secretary of State under a Democratic President, if one were elected in 1976? [Laughter.]

Secretary Kissinger: I don't think that I will be—I would— [Laughter.] I have the conviction from some of the statements of the various hard-working candidates that this is a decision that I would not have to make. [Laughter.] But I also have the conviction that they will not be in a position to make a concession. [Laughter and applause.]

NEWS CONFERENCE AT KANSAS CITY, MAY 13

Press release 251 dated May 13

Mr. Anderson [Robert Anderson, Special Assistant to the Secretary for Press Relations]: I would like to make just one brief announcement before the Secretary comes. I said it to a number of you before. In the Secretary's speech today, you will notice that he omitted certain paragraphs. But the full speech stands as the Secretary gave it out.

Secretary Kissinger: I omitted some paragraphs to be able to take some questions. But I stand behind everything that is in the text that we distributed.

Q. Mr. Secretary, has the United States had any communication, direct or indirect, with the Cambodian Government about the ship? Second, have we entered a period when we must expect harassment in and around Indochina?

Secretary Kissinger: We cannot go beyond the statement that was released by the White House yesterday. In that statement, it was made clear that the President had instructed the Department of State to demand the release of the ship and of the crew. Those diplomatic efforts are in progress now. What the precise steps are, we will not discuss for the time being.

With respect to the second question, the United States will not accept harassment of its ships on international sealanes. And whether it can be expected or not is a question that I wouldn't want to answer. We will not accept it.

Q. Mr. Secretary, can you confirm a Reu-

ters report that a U.S. reconnaissance plane was fired on at the time the ship was seized?

Secretary Kissinger: I have not heard of such an event. I don't think this is true.

Q. Mr. Secretary—

Secretary Kissinger: At the time the ship was seized? Inconceivable, because we didn't know about it until three or four hours later.

Q. Mr. Secretary, we get sort of a puzzled picture out here in the Midwest. We are very much concerned, being midwesterners. We have a picture of troops poised for movement, ships sailing into the Gulf of Siam, aerial surveillance, and a meeting today of the National Security Council. Can you give us anything beyond what you have already said, without violating any security regulations, on a general assessment of the situation and whether this could be just an isolated incident or a pattern?

Secretary Kissinger: I really cannot tell you whether it is an isolated incident or a pattern, whether it was a deliberate action by the Cambodian Government or by some local commander, because what you should remember is that even in Washington, when these events occur the information can be very confused and fragmentary. At this point, we are making efforts to secure the release of the ship. At the same time, the words of the White House statement yesterday were carefully chosen, and they have been reiterated since. So you can assume that we are not taking the matter lightly. But we do want to give an opportunity for diplomatic efforts to succeed.

Q. Mr. Secretary, you have said, and the President has said, that we will pursue serious consequences unless this ship is released. Can you tell us what serious consequences the President could pursue without congressional approval?

Secretary Kissinger: Well, I didn't say he would pursue them without congressional approval. But he has certain inherent powers to protect American lives and American property. But it would be done in close consultation—whatever would be considered would be done in close consultation with the Congress.

Q. What could be considered? What are your options?

Secretary Kissinger: That is what we are at the moment considering in Washington. And there will be other meetings on the subject.

Q. Mr. Secretary, recently Abba Eban said that the reason that you were not too successful with the Mideast peace was because the Israelis themselves caused you to have a few problems there. Would you comment on that, please?

Secretary Kissinger: The problem of the negotiations in the Middle East is extremely complicated. When you analyze it, it depends at what point in time you start. The negotiation is based on the fact that Israel has to give territory or contribute territory, which is a tangible thing, in return for intangible concessions in the form of promises, steps toward peace, new legal commitments, and so forth. Now, how to balance these two is under the best of circumstances an extremely difficult and complicated matter.

In this negotiation, it was further complicated by the fact that there were many Arab pressures; that within Israel there were many very profound political divisions. And I think that it is more useful for us to concentrate on what we will do in the future rather than going over what went wrong in that particular negotiation.

Q. Mr. Secretary, Prime Minister Rabin, according to the Associated Press, has had a book censored. According to the Prime Minister the book is "potentially explosive" —that if it were published it would force your resignation. Do you know of such a book, and what is your reaction to it being censored?

Secretary Kissinger: Well, there are so many competing groups trying to force my resignation [laughter] that I really don't want to give that much credit to any book that any Israeli journalist could be writing. I don't doubt that the publication of confidential negotiations and the exchange of

views between us and the Israeli Government could be embarrassing. Particularly given the closeness of our relationship, we are apt to speak with considerable candor about events and personalities. On the other hand, the main lines of our policy are clearly known, and I don't know about the book, I don't know about the event—somebody told me about this story. It seems to me that it is my fate at press conferences to talk about my resignation.

Q. Along the same line, the book alleges that you made a number of disparaging remarks about Soviet and Arab leaders. Do you think this will make them suspicious and affect future negotiations with the Arabs and the Soviets?

Secretary Kissinger: I am not particularly worried about this. I don't think it will affect future negotiations either with the Arabs or with the Soviets, with whom we are in constant touch, and they know our views.

Q. Mr. Secretary, you talk about a quid pro quo in the Middle East. We seem to be on the verge of normalizing relations with Cuba. What kind of quid pro quo do they expect there?

Secretary Kissinger: Just a moment—we are not on the verge of normalizing relations with Cuba. We faced in the OAS a situation where more and more countries were going ahead on their own in restoring diplomatic and commercial relations with Cuba, despite the fact that the OAS had voted sanctions. Last year in Quito there was a meeting of Western Hemisphere Foreign Ministers designed to lift the sanctions on Cuba. According to the statutes of the OAS, lifting of sanctions, as the imposition of sanctions, requires a two-thirds majority. This failed by one vote. Afterward a number of countries went ahead anyway to restore diplomatic and commercial relations with Cuba.

So the only issue that is being discussed at this moment is how to bring the practice of the OAS into line with the statutes. It does not affect the American policy directly. And it does not mean that we are going to normalize relations with Cuba.

I indicated in a speech a few weeks ago that we are in principle prepared to improve relations with Cuba on the basis of reciprocity. This, however, requires negotiations, and it requires negotiations with the U.S. Government, not with visitors. And until these negotiations have taken place—and they have not even begun yet—the implication of your question is quite premature.

Q. Mr. Secretary, President Ford expressed himself as quite upset and disappointed in the attitude of the American public towards the Vietnamese refugees. Do you share his anger and upset?

Secretary Kissinger: People who work with me know that my nature is very even-tempered, so anger is not something that they would associate with me.

No, I was also profoundly upset. This is, after all, a country in which we were heavily involved for 15 years. And we have an obligation to people who, in reliance on us, put themselves into a position where their well-being and perhaps their survival is in jeopardy as a result of their association with us. We therefore felt we had a moral obligation to help as many of those who felt threatened to escape from South Viet-Nam. And the lot of a refugee, cut off from his society and from everything that is familiar to him and moving into a totally new environment, is in any case very difficult.

I think we have an obligation to them. I think they deserve our compassion and our support. And I have the impression that since the initial hesitation, the American people have now rallied to the view of the President.

Q. Mr. Secretary, what is your reaction to the refusal of Thailand to allow the U.S. marines who are on Okinawa to go into Thailand for possible use to rescue the ship?

Secretary Kissinger: Well, I have not been informed that this has officially taken place. And if it has taken place—whether or not it has taken place—it is clear that recent events in Indochina have seriously affected the Thai perception of the degree to which they can remain closely associated with the United States, especially on issues that pri-

marily concern the United States. So leaving aside this particular report, whose authenticity I am not sure about, this is a basic fact of the present Thai situation.

Q. Mr. Secretary, why is the United States selling a Hawk air defense system to Jordan, and did you discuss this sale with King Hussein last November?

Secretary Kissinger: We have been discussing the sale of air defense equipment to Jordan—I forget when the discussion started—many months ago. This is not something that was started now. It is something that was started probably in November, maybe even before then. I don't have the exact date in my mind now.

Jordan has been extremely moderate, extremely restrained, did not participate in the last war; is under great pressure from neighboring countries that get a great deal of Soviet military equipment, some of which even offered their own equipment to Jordan. And we felt that it was in the overall interest of the United States and the overall interest of the stability of the area that we continue to be the principal supplier of military equipment to Jordan and as a means of encouraging a continuation of the moderate and restrained course. The fact that this agreement was finally concluded—it had been agreed to in principle many weeks previously, in fact, during March—and so it was just a question of—

Q. Do you recall discussing the issue with King Hussein when you were in Jordan last November?

Secretary Kissinger: It is highly probable that I did, but I would not want to tie myself to any date. I certainly discussed it last fall with him on a number of occasions, but whether it was in November I cannot remember. I could check it.

Q. A few months back, a New York Congressman was promoting a resolution to repeal the native-born requirement for U.S. Presidents. Do you have any interest in such a resolution?

Secretary Kissinger: I consider him one of the leading statesman legislators. [Laughter.] I am campaigning for his reelection. [Laughter.]

Q. Mr. Secretary—

Secretary Kissinger: Yes, sir.

Q. —in some quarters the Kissinger personal shuttle diplomacy is considered dead and in other quarters is considered recessed. What is your own evaluation of the chances of another try for an interim agreement before Geneva?

Secretary Kissinger: Well, it depends very much whether both parties or one party—either party—comes up with something that makes it possible. The last shuttle diplomacy depended really on two concurrent negotiations—the negotiation between Egypt and Israel and the negotiation within the Arab world to make it possible for Egypt to go ahead.

It will not be easy to re-create these conditions, and in any event, it would be unwise and risky for the United States to engage its prestige at this level unless there were some assurance from the parties ahead of time of a probable success. So we will be able to make a better judgment on that after President Ford has spoken to President Sadat and Prime Minister Rabin.

At this moment, we are not familiar with any new ideas that have come from either side that would encourage us to resume shuttle diplomacy. On the other hand, we don't want to exclude it at any point in the next month—if conditions are such that this would be the best way to promote peace in the Middle East.

Q. Mr. Secretary, you mentioned in your speech—

Secretary Kissinger: It doesn't seem to make any difference whom I point to first [Laughter.]

Q. You mentioned in your speech this afternoon, or said that you are building world grain reserves.

Secretary Kissinger: Yes.

Q. It has come to our attention on the news wire service here that USDA [U.S. Department of Agriculture] has figures a

little bit opposed to what the State Department has recommended for a world grain reserves quota. I think the USDA wants 20 million tons of grain in the reserve, whereas the State Department wants 60 million tons put in reserve.

Secretary Kissinger: Just a nuance of difference. [Laughter.]

Q. I wonder if you have reached any conclusions, and if you have, what would your compromise be?

Secretary Kissinger: Well, the figure—the principles that I outlined today on the world food reserve have been agreed to by the Agriculture Department, and therefore it is a historic occasion when both the State Department and the Agriculture Department have a joint position.

Now, how you would translate—you remember that one of the principles is that the reserves should be able to meet foreseeable shortfalls, or something like that. I think that would tend to push them to the higher rather than to the lower figure on that spectrum, but obviously the precise figure is one that will have to be negotiated.

Q. Okay.

Q. Mr. Secretary—

Secretary Kissinger: Yes.

Q. —in several of his speeches, former President Nixon referred to the situation in Viet-Nam as "peace with honor." Whatever happened to peace with honor? Did it ever really exist?

Secretary Kissinger: I think it is important in assessing any foreign policy to look, first of all, at the alternatives that were available. After all, we found 550,000 Americans engaged in combat in Viet-Nam when we took office, and we found an existing and constantly growing demand for the withdrawal of American forces and the release of American prisoners. And, if you remember, the criticism that was made of our efforts at the time was not that we were making too many concessions. The universal criticism was that we were asking for too-stringent conditions.

Secondly, it was our objective—for which we do not apologize—not to end a war in which the United States had suffered tens of thousands of casualties and spent untold treasure by overthrowing the government which we had been largely responsible for installing and with which we had been associated for so many years.

So our definition of peace with honor was a withdrawal of American forces, a release of American prisoners, and to create conditions in which that government would have an opportunity to survive.

Now, in the two years after the agreement was signed, many conditions changed in ways that were totally unpredictable at the time the agreement was signed. One was the total collapse, or the substantial collapse, of executive authority in the United States as a result of Watergate, which encouraged pressure. Secondly, there were a number of legislative restrictions. And, third, there were reductions in aid.

So we thought—and I still believe—that the terms we achieved were better than anybody thought possible at the time. And we thought that they were in the national interest and that the United States should not put it on itself to end such a war by overthrowing its allies.

Q. Mr. Secretary—

Secretary Kissinger: And I think the consequences we are seeing today would have been even more severe if we had done this. And that was the only alternative we had at that time.

Q. Secretary Kissinger, do you feel that in the light of recent events, such as Communist takeovers of South Viet-Nam and Cambodia —and now apparently Laos—that the domino theory is manifesting itself?

Secretary Kissinger: I have always held the view that any action in foreign policy has consequences—that you cannot end these consequences simply by denying that they exist. So a certain domino effect is inherent in any major action. And when a great country like the United States engages in a massive enterprise for 10 years and then

this enterprise founders, inevitably there is a certain domino effect.

Now, our problem is not to deny that this effect exists, but to manage the new situation. We would like to avoid a debilitating debate about these events. And I want to make clear that my answer on peace with honor was in response to a question; it is not an issue which we will raise.

It is now important to face the facts that we now confront and to deal with them. I believe we can deal with them, and we will deal with them. But we can't deny that there have been consequences.

Q. Mr. Secretary, can you say why you chose St. Louis and Kansas City as forums for foreign policy speeches?

Secretary Kissinger: Well, I believe that the conduct of our foreign policy requires, very strongly, the support of the American people, and I believe also that here in the center of America that we have too much of a tendency to take it [1] for granted. I've been invited for many months to visit St. Louis, and therefore I took the opportunity of this period when I believe that it is important for the public to understand that we have a purpose in foreign policy—that we think it can be realized—to talk about our political objectives in one part of Missouri and then of our economic objectives in another.

This is essentially why I chose to come here.

Q. Mr. Secretary, in North Korea, do you foresee any type of movement across the DMZ [demilitarized zone] there, or any jockeying for a more stronger position in that area?

Secretary Kissinger: Well, the President has strongly reaffirmed our commitment—our security commitment—to South Korea. As you know, this commitment is one that is embodied in a treaty which has been ratified; and therefore there is no ambiguity about what our commitment is.

I do not believe that there will be a North Korean military move unless North Korea questions the validity of our commitment. And I think they would make a mistake if they did this.

Q. Do we have troops?

Secretary Kissinger: Well, we have 40,000 troops there.

Q. Mr. Secretary, since about 1919 the U.S. foreign policy with regard to the Communist countries generally has been based on the single theme of containment. You have talked about dealing with the consequences of recent developments in Indochina. It seems apparent that the idea of "what's theirs is theirs and what's ours we will talk about" has not worked too well. Is there any chance that there will be a major change in foreign policy?

Secretary Kissinger: The policy of containment does not mean what is theirs is theirs and what is ours we will talk about. And what hasn't worked in Indochina is not that they talked about what was ours, but that for a variety of reasons we were not prepared to sustain the effort there or the effort was never capable of being sustained.

But in any event, it is not a correct description of American foreign policy that what is theirs is theirs and what is ours we will talk about.

Q. Mr. Secretary, what are the prospects of Thailand and Burma? Will they need help?

Secretary Kissinger: Well, Burma is of course a neutralist country and has no direct —I mean it has diplomatic relations with us but it has no form of security relationship with us.

Thailand is a member of the Southeast Asia Treaty Organization and as such is connected with us in that military organization. What Thailand will do in the light of events in neighboring countries which the United States proved unable or unwilling to stem—I would expect that Thailand will review its policy, and indeed it has stated that it will review its policy. The willingness of all countries that are potentially threatened by North Vietnamese or other Communist pressures in Southeast Asia to resist is one

[1] The center of America. [Footnote in transcript.]

of the issues that will have to be looked at in assessing the consequences of Indochina.

Q. Mr. Secretary, a report from Washington today indicates the possibility that the Mayaguez was carrying military weapons, in fact, under lease to the U.S. military. Is this correct?

Secretary Kissinger: To the best of my knowledge this is not correct. The last information that I had was that it was not carrying weapons, that it was a container ship carrying miscellaneous cargo, including some PX supplies. But it is not something to which I want to be finally held, because I have not seen the manifest. What I do know is that the highest officials of the government, when they learned of this, were dealing with it as a merchant ship, finding out information from the company to which it belonged, and therefore we are dealing with it as the seizure of an American merchant ship on peaceful trade in international waters. And I think no other interpretation has yet come to my attention or is valid.

Q. Mr. Secretary, what has been learned about Cambodia's possible reasons for taking the ship? Has there been any communication indicating—

Secretary Kissinger: I don't want to speculate on this. I have no—

Q. Have we been in communication with them?

Secretary Kissinger: I have said that we are pursuing diplomatic efforts to secure the release of the ship.

Q. Mr. Secretary, how much pressure is there on the Administration to use force now to get the ship back? If there is some pressure, where is it coming from, what part of the government?

Secretary Kissinger: Well, as you all know, I got out of town as soon as things got hot. [Laughter.] But I have been in close touch with Washington. We are proceeding with deliberation and determination. And we will make the decision not on the basis of what pressures are brought on us, but what is most likely to secure the release of the ship.

Q. Who is bringing pressure on you—the Pentagon, Congress, any sector of Congress?

Secretary Kissinger: Well, I have seen a lot of public statements that have been made by various Congressmen with various points of view. But I think as far as the government is concerned—I attended one NSC [National Security Council] meeting, I have had a full report on another one—I have the impression that the government is fully united on the course that needs to be taken. There are no pressures within the government that are trying to push the President in a direction in which he doesn't want to go. So I think this ought to be looked at from the point of view of a problem that the country has, with which it is trying to deal in the most effective way possible.

Q. Mr. Secretary, have you taken a stand on participation in the Geneva Conference by the PLO [Palestine Liberation Organization]?

Secretary Kissinger: We have not taken a formal stand on it. Our view is that until the PLO recognizes the existence of Israel and the relevant resolutions, we don't have a decision to make, because until that is done, we don't see that any negotiation with it could be even theoretically contemplated. After that, we might look at the problem. But this situation does not now exist.

Q. Mr. Secretary, you were asked before about Hawks. Were you saying that the supplying of Hawks to Jordan was likely to keep Jordan from war with Israel?

Secretary Kissinger: It enables Jordan to pursue the kind of moderate policy that we have sought to encourage and to rely on its own resources rather than on those of its neighbors or other foreign countries.

Q. Wasn't its lack of air defense its reason for not being in the last war? And now they will have an air defense.

Secretary Kissinger: I think they would have no difficulty getting an air defense, if

they wanted it badly enough, from any number of sources.

Q. Mr. Secretary, why was it not possible, then, to keep that decision in abeyance until after the reassessment of Mideast policy?

Secretary Kissinger: Partly because there has been a whole series of ongoing shipments to Israel that have also continued during this period of reassessment. And this particular negotiation was more in the category of an ongoing one than of moving into a totally new area of technology.

Q. Wasn't it true that the Israelis have been asking also for new weapons systems, like the Lance and the F–15—

Secretary Kissinger: But the Lance and the F–15—the Israelis possess Hawks. The Lance and the F–15 are in a quite different category. Indeed, the F–15 cannot be delivered until late 1977, anyway. So no irrevocable decisions have been taken there.

The press: Thank you, Mr. Secretary.

Prime Minister Lee of Singapore Visits Washington

Prime Minister Lee Kuan Yew of Singapore made an unofficial visit to the United States May 5–11. Following is an exchange of toasts between President Ford and Prime Minister Lee at a White House dinner May 8.

Weekly Compilation of Presidential Documents dated May 12

PRESIDENT FORD

We are here, all of us this evening, to welcome to Washington the very distinguished Prime Minister and Mrs. Lee of Singapore, and we are delighted to have both of you here, Mr. Prime Minister and Mrs. Lee.

Regrettably, I have not yet had the opportunity, Mr. Prime Minister, to visit Singapore and, unfortunately, until this morning, I had never had the opportunity to get acquainted with you and to exchange views with you. But obviously, because of your reputation and your country's reputation, I have known both of you.

And I must say that the reputation of both the country and yourself is carried very far throughout the world. In its brief existence, Mr. Prime Minister, a decade of independence, Singapore has compiled a tremendous reputation and record of accomplishment.

Asian traditions have blended in this case very successfully with modern technology to produce a prosperous and a very progressive society without sacrificing a disinctive cultural heritage.

Singapore has built for itself a position of great respect and influence in Southeast Asia and throughout the rest of the world, and I have noticed that in my many contacts with other leaders in the Commonwealth, as well as elsewhere.

As the principal architect of this success, the Prime Minister has become widely known, not only for what Singapore has accomplished under his leadership but also for his very broad grasp of international relationships.

Over the last decade, he has achieved a very special status among world leaders for his very thoughtful and his articulate interpretations of world events. He is a man of vision whose views are very relevant to world issues and whose advice is widely sought.

When the Prime Minister speaks, we all listen most carefully for good and sufficient reasons, and we come away from those experiences far wiser.

And I am especially pleased that we have an opportunity to exchange views with the Prime Minister at this time. We have had a tragedy in Indochina. It is affecting all of the countries in Southeast Asia, as well as all of us who are deeply concerned for the future of Southeast Asia and for the cause of freedom.

It has made the problems of Southeast Asia much more difficult. But let me say without reservation, we are determined to deal affirmatively with those problems, and we will deal with them.

The Prime Minister's visit gives us the benefit of his experience and his wisdom in assessing the current situation in that part of the world. It also gives me the opportunity to assure him that our commitments in Southeast Asia, and elsewhere if I might add, are honored and will be honored, and that our concern for the security and for the welfare of free nations in Southeast Asia is undiminished.

Mr. Prime Minister and Mrs. Lee, it is a great pleasure for Mrs. Ford and myself to have you here with us this evening and at last to have an opportunity to have an acquaintanceship and a fine evening with you. Both Mrs. Ford and I have looked forward to this for some time.

Ladies and gentlemen, I ask you now to raise your glasses and join with me in offering a toast to the Prime Minister of Singapore and to Mrs. Lee.

PRIME MINISTER LEE

Mr. President, Mrs. Ford, ladies and gentlemen: It is two years since I was here as a guest on a similar occasion—a guest of your predecessor. For America, her friends and allies, the world has been somewhat diminished since then.

In the first years after the end of World War II, the great events were the cold war, the Marshall plan, the Berlin blockade, the Korean war. In each one of these trials of will and strength, America and her allies in Western Europe, and later Japan, came out strong and united.

But the dramatic turn of events of the last two years—the war in the Middle East in October 1973, followed by an oil embargo, a fourfold increase in oil prices, the partitioning of Cyprus in June 1974, and more recently, the loss of Cambodia to the Khmer Rouge and the capture of South Viet-Nam by the North Vietnamese army—have weakened America and her allies.

Economic recession and increased unemployment on top of the crisis of confidence of a Watergate and other related issues bequeathed a host of problems on your great office. They have become the more difficult to resolve because of bitterness and animosities within America and between America and her allies over past policies and, worse, over suspected future courses of action.

Then, as the United States was near distraction as a result of these problems, the North Vietnamese, who had been well supplied in the meantime with arms by her allies, struck with suddenness and boldness and brought off a great political coup, routing the South Vietnamese Army. They had judged the mood of America correctly. They got away with it. These events have grave implications for the rest of Asia, and I make bold to suggest, subsequently for the rest of the world.

I hope you would not think it inappropriate of me to express more than just sympathy or even sorrow that so many Americans were killed and maimed and so much resources expended by successive Democratic and Republican Administrations to reach this result. It was an unmitigated disaster. It was not inevitable that this should have been so, especially in this catastrophic manner, nor the problems would now end just with Communist control of Cambodia, South Viet-Nam, and Laos, and of their allegiance to competing Communist centers of power.

Now much will depend upon your Administration getting problems back into perspective. An economically weakened America with recession dampening the economies of Western Europe and Japan, leading to falling commodity prices for the developing world—other than the oil producers—was threatening to further weaken other non-Communist governments the world over.

Now it looks as if the worst may be over. It may take some time and no little effort to sort out the complex problems of the Middle East, to remove the threat of a sudden cut in supplies in oil, at reasonable prices.

Next comes the restoration of confidence in the capacity of the United States to act in unison in a crisis. No better service can be done to non-Communist governments the world over than to restore confidence that

the American Government can and will act swiftly and in tandem between the Administration and Congress in any case of open aggression, and where you have a treaty obligation, to do so.

If the President and Congress can speak in one voice on basic issues of foreign policy and in clear and unmistakable terms, then friends and allies will know where they stand and others will not be able to pretend to misunderstand when crossing the line from insurgency into open aggression. Then the world will see less adventurism.

When confusion reigns, it is more often because men's minds are confused rather than that the situation is confused. I found considerable clarity of exposition on future policies, both here in our discussions this morning and in most of my discussions on Capitol Hill. There was no congruence, complete congruence of attitudes and policies, but I believe there is or should be enough common ground on major issues. If this common ground can form the foundation of a coherent, consistent policy between now and the next Presidential elections, there would be great relief around the world.

Like the rest of the world, we in Asia have to get our people reconciled to slower rates of growth now that the cost of energy has nearly quintupled. But growth, however slow compared to what it used to be, would be of immense help in keeping the world peaceful and stable. Only then will great matters be accorded the priorities they deserve, and men's minds will be less confused.

One such confusion is that since Viet-Nam and Cambodia were not America's to lose in the first place, then nothing has been lost. It is this apologetic explaining away of a grave setback that worries many of America's friends. Since we do not belong to you, then you have lost nothing anyway if we are lost.

I am happy to tell you, Mr. President, that my immediate neighbors and I have not been lost. Indeed, we have every intention to coordinate our actions and policies to insure that we will never be lost. It is a euphemism for a takeover, often by force. It will help if Americans, particularly those in the mass media, do not find this strange.

Mr. President, I have expounded this last week in Jamaica, as a consequence of which my friend, the British Foreign Secretary, Jim Callaghan, said it made him melancholy. And I went back and quoted a Chinese metaphor saying—4,000 years of variegated living, sometimes in prosperous, often in less prosperous circumstances, and the same language, polished and repolished over some 3000-plus years, one can usually find something apt.

It runs thus: Saiwung Chima—Saiwung is a name of a man who lived in the Sung Dynasty—he had many horses. One day he lost one. Who knows what tragedy he felt? The great chairman may not. I don't know whether this is ideologically purist in its approach, but it has a philosophical explanation for fortune and misfortune. The horse was a loss, great loss. The horse came back and brought another horse—profit. His son rode the horse and was thrown off and broke his leg. Great pity. War came and the young men were conscripted, but his son, having broke his leg, missed the conscription. Unlike his many other contemporaries, he survived—but with a broken leg, mended.

It is as much to console my friend Jim Callaghan as it is to give me that degree of solace and sometimes objectivity. Who knows—two years ago it was a different world; two years from hence could be better, could be worse, but I do not believe in Marxist-Leninist predetermination.

I have been able to spend a delightful evening beside your wife, Mr. President. I read of you, and it was as I found it—that you were open, direct, easy to get along with, but with decided views. I did not know, however, that you had a gracious wife who made me feel completely at home, and I enjoyed my evening.

So, ladies and gentlemen, if you would join me in wishing the President and Mrs. Ford good health, good fortune, long life.

The U.S. Role in the Search for Peace in the Middle East

Remarks by Joseph J. Sisco
Under Secretary for Political Affairs [1]

The Middle East is a strategic area of the world in terms of geography, international politics, energy resources, trade and investment, communications, transit, and culture. Therefore it is an area of major interest to the United States. Moreover, it is the home of ancient and magnificent cultures and of people who should never be forgotten in favor of political abstractions. Our basic interests have been constant for the past quarter of a century. But the dramatically increased importance of the area has given a new dimension to our traditional interests.

There are certain fundamental considerations which guide U.S. thinking and policy in the Middle East:

—The United States has broad and far-reaching political, economic, and strategic interests throughout the region.

—The interests and concerns of two global powers, the United States and the U.S.S.R., meet in the Middle East, and the possibility of confrontation is evident. The Middle East situation also has important implications for Western Europe, Japan, and the developing nations.

—The United States is determined to continue the improvement of relations with the nations of the Arab world, where we have such important political, economic, and cultural ties. At the same time, the United States is determined to continue its support for Israel's security.

—The United States is determined to maintain a key role in seeking through the diplomatic negotiating process a peaceful and just settlement of the Arab-Israeli conflict; vital American interests are involved.

—The United States seeks to avoid polarization of the Middle East into antagonistic ideological camps where domination by any one outside power would be facilitated.

—The United States desires to help the people of the area pursue their national development, knowing as all you do, that self-help is the key to achievement.

These are, therefore, basic factors which are involved in the formulation of our foreign policy in the Middle East. We have sought to preserve our interests in this area in one way: we have pursued an active diplomacy with a view to making practical progress toward a just and durable peace which will guarantee the security and peaceful existence of all the states in the area, including Israel, and meet the legitimate interests of all the peoples in the area, including the Palestinians.

America's interests can best be served by resolving the Arab-Israeli conflict by peaceful means. The absence of peace has kept the area in turmoil, created pressures on the U.S. position in the Middle East, and provided opportunities to our adversaries.

That is why peace has been our objective since 1948. But we have not yet found the secret to achieving it, although on several occasions it appeared possible. Indeed, the history of the Arab-Israeli struggle has been one of lost opportunities. Throughout the period of my involvement, the peoples of the area have been locked in incessant struggle, a cycle of wars followed by uneasy cease-fires, followed again by bloodshed and tragedy. Thus, two peoples have been thrown together in what history will undoubtedly recall not as a series of wars but as one long war broken by occasional armistices and temporary cease-fires.

Before 1967 no Arab government would speak of peace with Israel. In fact, the situation was quite the opposite, and U.S. policy was focused primarily on containing area tensions, not solving them.

In 1967 there was a historic change. The June war unfroze the situation, and U.N.

[1] Made before the third annual convention of the National Association of Arab Americans at Washington on May 9 (text from press release 244; introductory paragraphs omitted).

Resolution 242 established the framework for peace.

Unfortunately this opportunity was missed, and the situation froze again until 1971, when peace opportunities again appeared. However, in the absence of negotiations in which principles could be translated into specific commitments, there was no agreement. U.S. policy focused on seeking total solutions and later on maintaining the cease-fire, but the lack of progress led inevitably to the October 1973 war.

Another war once again unfroze the situation, and the United States moved rapidly to try again for a peaceful settlement. At that point we had two immediate objectives: First, to bring about a cease-fire and, second, to do so in a manner that would leave us in a position to play a constructive role with both the Arabs and the Israelis in trying to shape a more durable peace. It was evident that the search for peace would be arduous and that a lasting settlement could only be approached, at least initially, through a series of discrete steps in which the settlement of any particular issue would not be dependent upon the settlement of all issues.

Even though that approach suffered a setback in March 1975 with the suspension of the last Egyptian-Israeli talks on a further disengagement in Sinai, we must not forget the progress that has been made:

—For the most part the guns have remained silent.

—Disengagement agreements between Israel and Egypt and Israel and Syria have been concluded.

—We demonstrated that the United States can have relations of trust and understanding with Arab nations, and even improve those relations, while maintaining our support for Israel's security.

—We have helped the Arabs and Israelis to move at least a small step toward mutual understanding. A dialogue has been started.

We know that there must be further stages in the diplomatic process. Our immediate objective is to prevent a diplomatic void. If there is no diplomatic progress, then the prospects for increased tensions in the area are enhanced. We do not want a return to the stalemated situation which led to the 1973 war; stagnation is not in the U.S. interest, and there is no realistic alternative to the United States remaining actively involved.

President Ford has recently ordered a reassessment of our Middle East policy. We seek a policy which will protect the overall U.S. interests I cited earlier. We are determined to recapture the momentum toward peace because the alternative is not a prolonged stalemate—the alternative is a likely deterioration to a renewal of hostilities.

We are studying all diplomatic options, including the possibilities of (a) picking up the negotiations where they broke off or (b) moving the negotiations to Geneva.

There is room for hope. Most of the countries in the area have adopted a more moderate course. Instead of concentrating solely on preparations for war, a number have demonstrated that they are ready to consider, however tentatively, the possible fruits of peace.

Let me assure you, as concerned Americans of Arab origin, that the United States will continue to play a major role in the search for peace in that troubled region of the world. It is evident that a stable and lasting peace in the world requires a stable and durable settlement in the Middle East.

I am convinced that the peoples of the area are sick and tired of war. They yearn for the blessings of peace in order to get on with the task of developing their societies. We shall endeavor to help them realize their aspirations.

Relief and Resettlement of Vietnamese and Cambodian Refugees

Following are statements by L. Dean Brown, Special Representative of the President and Director of the Interagency Task Force on Indochina refugee relief and resettlement, made before the Subcommittee on Foreign Operations of the House Committee on Appropriations on May 8, before the Senate Committee on Foreign Relations on May 12, and before the Subcommittee on Foreign Operations of the Senate Committee on Appropriations on May 13.[1]

HOUSE SUBCOMMITTEE ON FOREIGN OPERATIONS, MAY 8

The tragic outcome of events in Indochina has thrust upon the United States a gigantic humanitarian responsibility. Over 130,000 Vietnamese and Cambodians have fled their countries in fear of persecution; all expected American help, even those who were rescued at sea—resulting in the largest movement of refugees over a short period of time that the United States has ever faced. Confronted by sudden tragedy, we have responded with all the means at our disposal; we must continue to do so if we are to transport to safety those refugees under our protection, resettle those who enter the United States, and support an international resettlement effort.

The urgency of the situation is clear to all of us. I am grateful to this committee for affording me the earliest of opportunities to describe the steps which the United States has taken to date in meeting its responsibilities and to report on the Refugee and Migration Act of 1975, which contains the funds necessary to continue this effort. The committee is aware of the pressing need for funding. Within several days we shall exhaust existing funds and without new obligation authority cannot transport or resettle even those refugees currently under our protection.

Let me review with you briefly the steps which we have taken to date:

—We have directly evacuated over 40,000 Vietnamese and 7,000 Americans principally by air, including a dramatic helicopter extraction under hostile and hazardous conditions.

—We have in addition rescued at sea or escorted some 67,000 other Vietnamese who escaped and sought refuge at great peril to their lives.

—We have established two staging centers in the Western Pacific to receive about 65,000 persons, manned by our military forces and civilians specializing in health, immigration, and refugee assistance, in less than a week.

—We have created and staffed three reception centers in the United States capable of receiving up to 42,500 refugees at one time.

—We have organized a massive air and sea transportation system to bring refugees from the Philippines and Thailand to Guam and Wake and on to the United States. The system at the same time furnishes the logistical support to our distant Pacific centers.

—We have launched a resettlement program in the United States in cooperation with nine voluntary agencies and those departments of government concerned with resettlement, including, inter alia, Health,

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

Education, and Welfare; Defense; Housing and Urban Development; Transportation; Justice; Treasury; State.[2]

—We have begun to reunite separated families and have already brought more than 12,000 Vietnamese and Americans together with their American families and sponsors.

—We have undertaken a vigorous series of diplomatic initiatives with multilateral agencies and with nations worldwide to find resettlement opportunities in third countries. The results to date have not, quite frankly, been encouraging, but we continue to press this effort.

Now permit me to turn to the pressing order of business before us today. You must remember that we are making an initial assessment of a situation which remains quite fluid. We are projecting a figure for a total of 130,000 refugees for whom the United States may have to assume ultimate responsibility. We are also assuming that many of these refugees will be remaining in restaging areas for three months or longer. The numbers, however, might be less and the duration of their stay in these areas shorter.

The Migration and Refugee Assistance Act of 1975 provides statutory authorization for a temporary program, to extend no longer than fiscal year 1977, of relief and resettlement for refugees from Cambodia and Viet-Nam. The assistance will be provided under the Migration and Refugee Assistance Act of 1962, as amended, utilizing the established procedures and administrative machinery with which the voluntary agencies and state and local governments are familiar. The authorization provides for daily maintenance for the refugees at the staging areas; transportation to other areas in the United States; public health care; bilingual, vocational, and remedial education; adult education courses; possible welfare costs; and transportation costs for the movement of some refugees to third countries. These programs will be available only to those refugees who meet the requirements of financial need applicable to other refugees assisted under the 1962 act and will terminate no later than the end of fiscal year 1977.

The unexpected collapse of South Viet-Nam has resulted in the exodus of over 100,000 people in three short weeks, the largest influx of refugees in our history in so short a period of time. We have presented to the committee our estimate of costs based on the best information of the refugee situation available to the Administration today. Some of the costs are fixed and represent one-time expenditures—the costs of the staging and reception centers and transportation. Other costs are long-term investments. I feel very strongly that any reduction in this request will impede our resettlement efforts and lead to greater costs in the long run. A reduction would likely leave a larger portion of the refugees in the centers longer, offer fewer training opportunities, and dampen the enthusiasm of the voluntary agencies in their support of the program. We know from experience that a small investment in the short run is likely to pay off handsomely in the long run in the ability of these people to enter society productively.

America has a tradition of extending a warm hand of welcome to those who are forced to flee to our shores. We are asking for no more today.

SENATE COMMITTEE ON FOREIGN RELATIONS, MAY 12

The rapid collapse of the Governments of Viet-Nam and Cambodia has unleashed a virtual flood of refugees who, in the great majority, have turned to the United States for rescue and safe haven. The United States has welcomed to its shores hundreds of thousands of refugees from Europe and Latin America. We absorbed the flow successfully and to our general benefit. In the

[2] The cooperating voluntary agencies are: U.S. Catholic Conference; American Fund for Czechoslovak Refugees; Church World Service; Lutheran Immigration and Refugee Service; United HIAS Service, Inc.; Tolstoy Foundation, Inc.; International Rescue Committee; American Council for Nationalities Service; Traveler's Aid-International Social Services.

present instance, however, we are faced with a situation of unprecedented dimensions. Never before have we been called upon to absorb as large an influx in so short a period of time or to move so many refugees over such great distances. We do not have the cushion which camps for displaced persons in Europe provided or the flexibility which the gradual arrival of Cubans over a period of several years afforded us.

The United States has responded magnificently in evacuating or rescuing at sea almost 120,000 Vietnamese and Cambodians; our military forces, which made the evacuation possible, deserve special credit. They have in addition readied staging areas in the Pacific and reception centers in the United States and provided the transportation and logistical system to support this gigantic movement.

The civilian agencies of government which the President drew together into an Interagency Task Force on April 18 have contributed impressively. The voluntary agencies traditionally charged with resettlement are straining to meet their responsibilities; and Americans—corporations, labor unions, state and municipal governments, and private citizens—have generously and, despite present difficult economic conditions, offered support.

We must continue to move with utmost speed if we are to accomplish the task so clearly at hand. The Administration has proposed legislation which will provide $507 million. I am sure I speak for the President when I express appreciation to the Congress for setting aside normal practice in order to give the legislation urgent consideration.

The evacuation and resettlement of the refugees is of profound importance to the United States. The domestic implications are significant, albeit in our opinion manageable; our ability to care for these victims of the wars in Viet-Nam and Cambodia and the quality of our response has a foreign policy dimension. We support free movement of peoples, we are committed to the protection of refugees, and we stand by those whom we befriend when adversity becomes their turn.

Let me turn to the legislation you are now considering. Our estimate of the refugee situation has not changed since the President proposed the present bill. Our principal assumptions and intentions are:

—Up to 150,000 Vietnamese and Cambodians will require resettlement in the United States and third countries.

—Almost 130,000 refugees will be resettled in the United States. In cooperation with private voluntary agencies, we will seek to disperse them geographically and will avoid locating them in areas of high unemployment. It is our intention that they reach their new homes prepared for life in the United States and capable of being absorbed into America's society and economy.

—About 10 percent of the refugees will find homes in third countries. We will continue to press on a multilateral and a bilateral basis a vigorous campaign to bring this humanitarian issue to the international community's attention and obtain its cooperation, but we assume the heaviest burden will fall to the United States.

In order to accomplish our objectives, we are asking the Congress to provide funds which will:

—Pay for the air and sea movement of refugees to the Pacific staging areas, the continental United States, and to third countries.

—Provide temporary food and medical care and screening at our staging and reception sites.

—Permit resettlement in communities throughout the United States under voluntary agency and similar auspices.

—Furnish limited vocational and language training.

—Provide adequate Federal support in the areas of health and welfare to defray charges to state and local governments.

The program is not new; it does not differ meaningfully from the assistance we have provided earlier generations of refugees. But speed is essential. Without new funds the resettlement effort cannot pick up the speed we require to clear our centers and

permit the movement of those refugees at our Pacific staging areas to the continental United States.

I would urge the members of this committee to give their urgent and favorable attention to the Administration's request for funds for evacuation and resettlement assistance. The problems we face in this last and tragic moment of the Indochina conflict call for a dramatic humanitarian response on the part of all Americans. We cannot afford to delay.

SENATE SUBCOMMITTEE ON FOREIGN OPERATIONS, MAY 13

I would like to address today some of the long-term aspects of the resettlement of refugees from Indochina.

At this point, we have about 115,000 persons in the U.S. system, of whom approximately 15,000 have completed processing and are already at homes in the United States. In my opinion, this initial flow will prove to be the easiest to absorb, since they are largely persons who are related to U.S. citizens or have an identifiable American sponsor. The more difficult task will come when we seek to resettle persons who have no specific sponsors.

How are we planning to deal with this larger and more difficult problem?

Our first effort has been to bring the voluntary agencies directly into the resettlement process, since they have traditionally been most effective in settling refugees from abroad, such as with the Hungarians and Ugandan Asians. The voluntary agencies will have the principal responsibility of finding sponsors who are capable of meeting their obligations, though the government will be able to assist the agencies by providing the names of those who have called to volunteer their help. The voluntary agencies will subsequently have to match qualified sponsors with specific groups of refugees before they can be actually moved out of the reception centers.

We have agreed on certain general guidelines with the voluntary agencies on how this procedure should be carried out. First, we will avoid resettling the refugees in areas which are economically depressed and have high rates of unemployment; secondly, the refugees will not be concentrated in specific localities but will, rather, be resettled throughout the country to the maximum extent possible. For these reasons, I do not believe that the refugees are going to be a significant burden on our economy or are going to impact heavily on our unemployment problem, especially since we are only talking about finding jobs for 30,000–35,000 heads of household.

Once the refugee is placed in a community, the role of the voluntary agencies will be to provide an allowance if needed for initial resettlement costs such as food, clothing, and shelter, though in most instances we expect the sponsor will be able to pick up most of these expenses. They will also provide counseling to the sponsors and refugees as required and generally follow up to insure that the resettlement is proceeding smoothly.

There are a variety of other programs which we know from previous experience are needed to have a successful resettlement program over the long term. These include most importantly providing special language training and vocational training for those who need to improve existing skills or acquire new ones. We will also need a social services program which could provide assistance to refugees in order to prevent them from going on public welfare. These services would not go beyond those provided to other residents of the communities in which the refugees are located. They could include arranging for needed medical services, providing counseling in order to retain or obtain employment, or dealing with vocational rehabilitation for persons who have disabilities.

We must also face the problem of breakdowns in the system as a result of difficult placement cases or serious mismatches in the sponsorship process. We have started contingency Federal planning to develop information which could assist with residual resettlement problems. For example, we have asked Health, Education, and Welfare, in

cooperation with Labor, to report on employment sectors where skills are presently in short supply and Interior to analyze land availability in our Pacific or Caribbean areas for rice farming or tropical agriculture. I would emphasize, however, that we will rely heavily on the private voluntary agencies to provide these services to the extent possible when the system for whatever reason breaks down.

These are some of our views on how resettlement will take place over the coming months in the United States. We also expect that some refugees—I estimate 10 percent, or 10,000 to 15,000—will be resettled in other countries. Canada has moved quickly on this matter and has said they will accept 3,000 refugees over and above those who already have documentation to enter Canada. The United Kingdom has declared they will take "a number of refugees," and I expect Australia and other countries will also help.

We have followed two tracks in our effort to involve the international agencies and other governments in the resettlement of refugees from Indochina. First, we appealed directly to a number of governments to accept refugees into their countries. Secondly, we have been in constant contact with the United Nations High Commissioner for Refugees (UNHCR) and the Inter-Governmental Committee on European Migration (ICEM), who are the two principal international agencies responsible for resettlement.

Among other things, we have been providing these two agencies with the results of our approach to other governments in order that they can take followup action. The process has not moved as quickly as I would have liked. However, UNHCR has asked 40 countries to help by accepting refugees for permanent resettlement; and UNHCR, ICEM, and the ICRC [International Committee of the Red Cross] have representatives on Guam who are screening refugees who wish to go to third countries. The UNHCR also has the responsibility for taking care of those who wish to go back to Viet-Nam.

In conclusion, Mr. Chairman, I believe we have acted quickly in establishing a system and program to deal with the large number of refugees who fled Viet-Nam and Cambodia after their collapse. We can never forget this is a major human tragedy. Nor should we overlook that our present problems are unprecedented, given the large number of refugees who have been transported over great distances and received, fed, and sheltered in staging areas in the Pacific and reception centers in the United States and are now to be resettled permanently in the United States or other countries. Our requirements are urgent and need a speedy resolution.

Department Discusses Means of Insuring Investment in Energy Sector

Statement by Thomas O. Enders
Assistant Secretary for Economic and Business Affairs [1]

I am pleased to be with you today to discuss our energy policy and particularly factors associated with the necessary investment in the energy sector.

We start from the premise that the present level of American dependence on imported oil is excessive and that without substantial efforts in the United States and other major consuming countries the future vulnerability of the United States will be unacceptably high. It is more than 18 months since the October embargo demonstrated our vulnerability to the manipulation of our oil supply and oil prices. The situation remains grave, and the work needed to correct it is enormous.

The Project Independence report estimated that more than 450 billion 1973 dollars would be required between 1975 and 1985 to meet the needs of our energy sector (under an accelerated supply scenario).

Although energy investments will be massive during this period, the total capital pool expected to be available for energy is also substantial. According to the Project Independence report, projected investment in coal, oil, gas, and utilities would constitute less than 23 percent of business fixed investment during the period 1975 to 1985, an amount consistent with the energy sector's historic share.

While there may be enough investment resources to support the projected energy investment in the aggregate, this committee is well aware that any project or sector must compete in the marketplace with other projects and sectors to command a share of the capital available at any given time. Specific sectors of the energy industry may not be able to maintain their traditional share of investment because of constraints on equity financing, long-term debt, and short-run liabilities. In addition, the peculiar nature of the international energy market, in which a small group of oil-producing countries has concerted to establish and maintain a severely inflated price, may itself serve as a disincentive to investment in domestic energy sources.

Oil is traded internationally at the price dictated by a handful of producing governments which have agreed together to reap $10.12 for each barrel of oil they sell. This figure compares with production costs in the range of 10–25 cents a barrel in the most productive oil-exporting countries.

The great spread between production costs and the cartel price illustrates the potential for declines in the world price, either motivated by the predatory objective of eliminating energy investment in the consuming countries—where costs are substantially higher—or resulting from the collapse of the cartel.

This threat is a deterrent to investors in alternative energy sources that involve costs well below the current international price of oil but far higher than production costs for oil in the OPEC [Organization of Petroleum

[1] Submitted to the Subcommittees on Financial Markets and on Energy of the Senate Committee on Finance on May 7. 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.

Exporting Countries] countries. Without some assurance that cheap imported oil will not be sold domestically below a certain safeguard level, investors and financiers are frequently reluctant to undertake the larger, capital-intensive investments needed to reduce our dependence on imported oil in the future.

Proposed Legislation

President Ford took account of the need "to provide the critical stability for our domestic energy production in the face of world price uncertainty" in his state of the Union message in January. At that time, the President announced his intention to seek legislation, now proposed in title IX of the Energy Independence Act of 1975, to "authorize and require tariffs, import quotas, or price floors to protect our energy prices at levels which will achieve energy independence."

Such an approach will remove an element of uncertainty for investors in domestic energy sources and also serve to retain consumption when world oil prices fall. Both these effects will contribute substantially to our objectives of greater energy independence.

According to data projected for the Project Independence report, a drop in the price of oil in 1985 from $7.50 to $4.50 a barrel (in constant 1974 dollars), in the absence of a safeguard, or floor, price, would increase oil consumption by about 5 million barrels per day while it would reduce domestic production by some 11 million barrels per day. As a result, imports would increase from less than 6 million barrels per day to more than 21 million barrels per day; i.e., from about one-fourth of our needs to about three-fourths of our total oil consumption.

The Energy Development Security Act (title IX) would authorize and direct the President to adopt appropriate measures to prevent the domestic prices of imported petroleum from falling to levels that would substantially deter the development and exploitation of domestic petroleum resources or would threaten to cause a substantial increase in petroleum consumption. This authority is an essential element of any comprehensive program to deal credibly with our energy problem.

International Dimensions of a Solution

The market for energy is a world market. Consequently, we have a major interest in the ways other major consuming countries approach their energy problems, and they have a stake in our energy programs, for several reasons:

—First, we do not want to be the only country making the tough decisions and committing scarce resources to programs to encourage more energy production in our own territory. If all major consumers do what they can to exploit their domestic energy resources, we will hasten improvements in the supply-demand balance in world energy markets.

—Second, having committed ourselves to do what is required to achieve greater self-sufficiency in energy, we do not want to find ourselves alone someday on a high-cost energy track while industry in other countries again has access to low-cost imported oil. This situation could place our industry at a competitive disadvantage in world markets, partly as the paradoxical result of the success of our own programs to reduce dependence on imported oil.

—Finally, in the absence of a common approach to achieve a price at which imported oil will be sold in the domestic markets of the industrialized countries, a break in the world price could kick off a sharp resurgence in the world demand for oil. This result, made possible in large part by American efforts, could undo the very success of our efforts. The cycle would begin again of growing reliance on cheap oil from unreliable sources, and we would have the conditions for a return to high world prices.

For these reasons, we have been negotiating with other members of the International Energy Agency to develop a coordinated system of cooperation in the accelerated development of new energy. A preliminary agreement in the IEA recognizes the need for

governmental action in providing three interrelated policies:

—A framework of cooperation to provide specific incentives to investment on a project-by-project basis in energy production, especially synthetics and other high-cost fuels.

—A comprehensive energy research and development program under which parties in two or more IEA countries would cooperate on a project-by-project basis.

—An agreement to encourage and safeguard investment in the bulk of conventional energy sources through the establishment of a common minimum price below which we would not allow imported oil to be sold within our economies.

Common Minimum Safeguard Price

Each IEA country will be free to implement its commitment to the common minimum safeguard price by a measure of its own choosing—a tariff, a quota, or a variable levy. These measures would not have to be applied until the world price of petroleum fell below an agreed level which remains to be established on the basis of technical analysis.

Obviously, given our interest in a common approach among industrialized countries, we cannot defer negotiations to establish such an approach until prices soften greatly or actually break. To achieve the desired results, this commitment must be in place before the price falls so that investors can make the critical investment decisions now and so that we are not forced to build a dike in the midst of a flood.

One should be clear in discussing the safeguard price that it will not prevent our economies from enjoying the benefits of the lower international price for oil if and when it falls below the minimum safeguard price. Importing countries would pay the exporting countries no more than the world price, however low it might fall, capturing the balance-of-payments and income gains of the lower price while maintaining the minimum price internally to protect domestic investment. Users of oil in importing countries would receive the benefit of any drop in world prices down to the level of the minimum safeguard price. The government would get the benefit of any drop below the safeguard minimum through, for example, tariff revenues. These funds would be available for public purposes.

Other Approaches to Investment Protection

Obviously, a minimum safeguard price is not the only means available to protect our domestic energy investments. Other policies have been suggested, and the Administration has examined other approaches. I would like to comment on two other policies which have been proposed for dealing with the phenomenon of downward price risk.

A deficiency payments scheme has been suggested by some as their preferred approach. If this policy were adopted, and the world price of oil fell below a specified level, the government would compensate domestic producers. Such compensation could be based on the difference between a reference price and the prevailing market price, or it could be based on the difference between a firm's production costs and the market price.

The first system is far simpler to administer because it would not entail the enormous cost-accounting task inherent in operating a scheme based on actual production costs, and it would retain an incentive for any firm to operate efficiently. It is, however, apt to be far more expensive than the latter system, in which some firms would receive only a portion of the difference between the reference price and the market price because their costs could be assumed to be well below the reference price.

We have calculated some estimates of the cost of operating a deficiency payments scheme. Our figures are calculated for payments based on production costs. Such deficiency payments would be lower than those associated with the full spread between a reference price and the market price.

If we assume that in 1985 the world price of oil drops from $7.50 to $4.50 a barrel (in constant 1974 dollars), the Treasury would have to expend an estimated $8.7 billion a year to meet its commitments under this

kind of deficiency payments scheme. Conversely, under the minimum safeguard price, the Treasury could collect some $6.1 billion in revenues from the tariff, variable levy, or other device employed to implement our commitment to a safeguard price.

There are other differences in the approaches. Under a common minimum safeguard price, the U.S. balance of trade would enjoy a $6.1 billion annual improvement. The full benefit of the price drop would be felt in the trade balance because the volume of imports would not change. Under a deficiency payments scheme, however, consumer prices for energy would fall, demand for energy in general and oil in particular would be stimulated, and oil imports would nearly double in volume. As a result, the payments gain associated with the fall in the world price would be more than offset by the additional outlays for the larger volume of imports. The result would be an annual loss in our trade balance of $2.3 billion. The net difference in the trade results between the two options amounts, therefore, to $8.4 billion a year.

In short, the benefits citizens would enjoy as consumers under a deficiency payments scheme would have to be weighed against the liabilities they would incur as taxpayers under that scheme as compared with a common minimum safeguard price. More serious, in many respects, would be the reversal of progress we expect to have achieved by 1985 in substantially reducing our dependence on imported oil. This reversal would be felt in terms of both increased vulnerability (with the possibility of very substantial losses of GNP and employment in case of an embargo) and a deterioration in our trade balance.

Another approach that has been proposed to protect against downward price risk is for the government to conclude long-term purchase contracts with domestic investors in energy. Such contracts would give producers an option to sell their output to the government at a specified price. Thus firms would be assured that they would be able to sell their production at prices no lower than the contracted level but above that level if the market price were higher. The government would apply its energy purchases to its own needs or sell the excess, at a loss, at the lower market price. Conceptually, this approach is only a variation of the deficiency payments scheme, pegged to a reference price. It has all of the same difficulties associated with deficiency payments plus the inefficiencies inherent in a large governmental operation in the market.

A common minimum safeguard price will work on our problems of both supply and demand when world oil prices fall. It is a vital element in our program to achieve our two essential objectives: a substantial decrease in the international price of oil and substantial U.S. self-sufficiency in energy.

TREATY INFORMATION

United States and Canada Renew NORAD Agreement

Press release 240 dated May 8

The United States and Canada have agreed to renew the North American Air Defense (NORAD) Agreement for an additional period of five years. The renewal was effected on May 8 at Washington by an exchange of notes signed by the Canadian Ambassador Marcel Cadieux and Deputy Assistant Secretary of State for Canadian Affairs Richard D. Vine.

NORAD is an integrated U.S.-Canadian air defense command which is responsible for the surveillance and control of North American airspace and for the defense of North America against air attack. U.S.-Canadian cooperation in this field is conducted within the general framework of mutual responsibilities under NATO. Established in 1957, NORAD headquarters is in Colorado Springs, Colo. The present commander in chief is Gen. L. D. Clay, Jr., U.S. Air Force, and his deputy is Lt. Gen. Richard C. Stovel, Canadian Forces.

The NORAD renewal takes into account the changes in the character of strategic

weapons and the threat posed by them to North America which have occurred since NORAD was first established. The agreement makes clear that the continuing, if changing, threat from the manned bomber still calls for close U.S.-Canadian cooperation in air defense for North America. While participating in the warning, aerospace surveillance, and control functions of NORAD, Canada will not participate in any active antiballistic missile defense. Under the terms of the new agreement, close coordination and cooperation will take place between civilian and military airspace control authorities in the United States and Canada.

Current Actions

MULTILATERAL

Atomic Energy

Protocol suspending the agreement of March 1, 1972 (TIAS 7295), between the International Atomic Energy Agency, Sweden, and the United States for the application of safeguards and providing for the application of safeguards pursuant to the nonproliferation treaty of July 1, 1968 (TIAS 6839). Signed at Vienna April 14, 1975.
Entered into force: May 6, 1975.

Aviation

Amendment to article V of the agreement of September 25, 1956 (TIAS 4048), on the joint financing of certain air navigation services in Iceland to increase the financial limit for services for 1973. Done at Montreal March 13, 1975. Entered into force March 13, 1975.

Amendment of article V of the agreement of September 25, 1956 (TIAS 4048), on the joint financing of certain air navigation services in Iceland by increasing the financial limit for services. Adopted by the ICAO Council at Montreal March 27, 1975. Entered into force March 27, 1975.

Amendment of article V of the agreement of September 25, 1956 (TIAS 4049), on the joint financing of certain air navigation services in Greenland and the Faroe Islands by increasing the financial limit for services. Adopted by the ICAO Council at Montreal March 27, 1975. Entered into force March 27, 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. Entered into force March 26, 1975.
Ratification deposited: Portugal, May 15, 1975.

Conservation

Convention on international trade in endangered species of wild fauna and flora, with appendices. Done at Washington March 3, 1973. Enters into force July 1, 1975.
Proclaimed by the President: May 12, 1975.

Customs

Customs convention on containers, 1972, with annexes and protocol. Done at Geneva December 2, 1972.[1]
Accession deposited: Spain (with reservation), April 16, 1975.
Enters into force: December 6, 1975.

Narcotic Drugs

Convention on psychotropic substances. Done at Vienna February 21, 1975.[1]
Accessions deposited: India, Lesotho, April 23, 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.
Ratification deposited: The Gambia, May 12, 1975.

Program-Carrying Signals—Distribution by Satellite

Convention relating to the distribution of programme-carrying signals transmitted by satellite. Done at Brussels May 21, 1974.[1]
Signature: France, March 27, 1975.

Property—Industrial

Convention of Paris for the protection of industrial property of March 20, 1883, as revised. Done at Stockholm July 14, 1967. Articles 1 through 12 entered into force May 19, 1970; for the United States August 25, 1973. Articles 13 through 30 entered into force April 26, 1970; for the United States September 5, 1970. TIAS 6923.
Notifications from World Intellectual Property Organization that ratifications deposited: Ivory Coast, February 4, 1974; Niger, December 6, 1974; Portugal, January 30, 1975.
Notifications from World Intellectual Property Organization that accessions deposited: Egypt, December 6, 1974; Togo, Republic of Viet-Nam, January 30, 1975.

Space

Convention on registration of objects launched into outer space. Opened for signature at New York January 14, 1975.[1]
Signature: United Kingdom, May 6, 1975.

Telecommunications

International telecommunication convention, with annexes and protocols. Done at Malaga-Torremolinos October 25, 1973. Entered into force January 1, 1975.[2]
Accession deposited: Fiji, April 17, 1975.

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[1] Not in force.
[2] Not in force for the United States.

BILATERAL

Bulgaria

Consular convention, with agreed memorandum and exchange of letters. Signed at Sofia April 15, 1974. Entered into force May 29, 1975.
Proclaimed by the President: May 12, 1975.

Canada

Agreement terminating the United States and Canadian reservations relating to the nonscheduled air service agreement of May 8, 1974 (TIAS 7826), subject to certain understandings. Effected by exchange of notes at Washington March 19 and 20 and May 2, 1975. Entered into force May 2, 1975; effective March 19, 1975.

Agreement relating to the organization and operation of the North American Air Defense Command (NORAD). Effected by exchange of notes at Washington May 8, 1975. Entered into force May 8, 1975; effective May 12, 1975.

El Salvador

Agreement relating to the limitation of imports from El Salvador of fresh, chilled, or frozen meat of cattle, goats, and sheep, except lambs, during calendar year 1975. Effected by exchange of notes at San Salvador April 15 and 30, 1975. Entered into force April 30, 1975.

Federal Republic of Germany

Agreement regarding mutual assistance between the customs services of the United States and the Federal Republic of Germany. Signed at Washington August 23, 1973.
Enters into force: June 13, 1975.

Japan

Agreement concerning an international observer scheme for whaling operations from land stations in North Pacific Ocean. Signed at Tokyo May 2, 1975. Entered into force May 2, 1975.

Mexico

Agreement relating to trade in cotton, wool, and manmade fiber textiles, with annexes. Effected by exchange of notes at Washington May 12, 1975. Entered into force May 12, 1975; effective May 1, 1975.

Nicaragua

Agreement relating to the limitation of imports from Nicaragua of fresh, chilled, or frozen meat of cattle, goats, and sheep, except lambs, during calendar year 1975. Effected by exchange of notes at Managua April 16 and 23, 1975. Entered into force April 23, 1975.

Poland

Agreement deferring purchase by the United States of dollar exchange for zlotys accrued under certain agricultural commodities agreements and terminating the agreement of August 6, 1968 (TIAS 7473), relating to U.S. Government pensions, with schedule. Effected by exchange of notes at Washington May 15, 1975. Entered into force May 15, 1975.

Agreement concerning the method of payment to persons residing in Poland of pensions due from American authorities. Effected by exchange of notes at Warsaw August 6, 1968. Entered into force August 6, 1968. TIAS 7473.
Terminates: June 30, 1975.

Saudi Arabia

Agreement on guaranteed private investment. Signed at Washington February 27, 1975.
Entered into force: April 26, 1975.

Thailand

Agreement amending the agreement of March 16, 1972, concerning trade in cotton textiles, with related letters. Effected by exchange of notes at Bangkok April 21, 1975. Entered into force April 21, 1975; effective April 1, 1974.

Union of Soviet Socialist Republics

Agreement amending the protocol of June 23, 1973 (TIAS 7658), on questions relating to the expansion of air services under the civil air transport agreement of November 4, 1966 (TIAS 6135). Effected by exchange of notes at Moscow December 9, 1974, and April 16, 1975. Entered into force April 16, 1975.

United Nations Children's Fund

Agreement amending the grant agreement of December 26 and 30, 1975, as amended, concerning assistance for children and mothers in South Viet-Nam, Cambodia, and Laos. Signed at New York April 1, 1975. Entered into force April 1, 1975.

DEPARTMENT AND FOREIGN SERVICE

Confirmations

The Senate on May 7 confirmed the following nominations:

Lawrence S. Eagleburger to be Deputy Under Secretary of State [for Management].

William C. Harrop to be Ambassador to the Republic of Guinea.

John L. Loughran to be Ambassador to the Somali Democratic Republic.

Laurence H. Silberman to be Ambassador to the Socialist Federal Republic of Yugoslavia.

Charles S. Whitehouse to be Ambassador to Thailand.

Designations

Carol C. Laise as Director General of the Foreign Service, effective April 10.

PUBLICATIONS

GPO Sales Publications

Publications may be ordered by catalog or stock number from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. A 25-percent discount is made on orders for 100 or more copies of any one publication mailed to the same address. Remittances, payable to the Superintendent of Documents, must accompany orders. Prices shown below, which include domestic postage, are subject to change.

Background Notes: Short, factual summaries which describe the people, history, government, economy, and foreign relations of each country. Each contains a map, a list of principal government officials and U.S. diplomatic and consular officers, and a reading list. (A complete set of all Background Notes currently in stock—at least 140—$21.80; 1-year subscription service for approximately 77 updated or new Notes—$23.10; plastic binder—$1.50.) Single copies of those listed below are available at 30¢ each.

Argentina	Cat. No. S1.123:AR3 Pub. 7836 6 pp.
Canada	Cat. No. S1.123:C16 Pub. 7769 8 pp.
Costa Rica	Cat. No. S1.123:C82 Pub. 7768 5 pp.
Denmark	Cat. No. S1.123:D41 Pub. 8298 6 pp.
Peru	Cat. No. S1.123:P43 Pub. 7799 7 pp.
Swaziland	Cat. No. S1.123:SW2 Pub. 8174 6 pp.
Sweden	Cat. No. S1.123:SW3 Pub. 8033 6 pp.
Yemen Arab Republic	Cat. No. S1.123:Y3 Pub. 8170 4 pp.

Youth Travel Abroad. This booklet includes a brief checklist and tips on passports and visas, work and study programs, penalties for drug and black market involvement, and the scope of U.S. consular assistance in emergencies overseas. Pub. 8656. 19 pp. 45¢. (Stock No. 044-000-01571-4).

Secretarial Task Force Report, Department of State. Texts of summary and committee reports of 15-man task force established July 23, 1974 to "take a good hard look at the role and future prospects for secretaries in the Department of State and the Foreign Service." Pub. 8806. 90 pp. $1.55. (Cat. No. S1.69:8806).

Check List of Department of State Press Releases: May 12–18

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

Releases issued prior to May 12 which appear in this issue of the BULLETIN are Nos. 240 of May 8 and 244 of May 9.

No.	Date	Subject
247	5/12	Kissinger: St. Louis, Mo., World Affairs Council.
247A	5/12	Kissinger: news conference, St. Louis.
†248	5/12	Stevenson: Law of the Sea Conference, Geneva, May 9.
*249	5/13	Program for state visit of the Shah of Iran, May 14–18.
*249A	5/13	Addendum.
250	5/13	Kissinger: Kansas City, Mo., International Relations Council.
251	5/13	Kissinger: news conference, Kansas City, Mo.
*252	5/14	Advisory Committee on the Law of the Sea, June 28.
*253	5/14	International Women's Year Commission, May 15–16.
*254	5/14	Eagleburger sworn in as Deputy Under Secretary of State for Management (biographic data).
*255	5/14	U.S.-Mexico textile agreement extended.
†256	5/14	Richardson: statement on East-West Center legislation.
257	5/14	Kissinger: question-and-answer session, Kansas City, Mo., May 13.
*258	5/15	Department sponsors International Women's Year study tour of the U.S. for women leaders from 24 countries, May 10–June 19.
*259	5/15	Silberman sworn in as Ambassador to Yugoslavia (biographic data).
*260	5/15	Secretary's Advisory Committee on Private International Law Study Group on Matrimonial Matters, Baton Rouge, June 4.
*261	5/15	Advisory panel on music.
*262	5/15	National Review Board for the East-West Center, Honolulu, June 20.
*263	5/15	Ocean Affairs Advisory Committee.
*264	5/15	Harrop sworn in as Ambassador to Guinea (biographic data).
†265	5/16	Kissinger: news conference.

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

Name Index