



# THE DEPARTMENT OF STATE BULLETIN

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THE OFFICIAL WEEKLY RECORD OF UNITED STATES FOREIGN POLICY

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# THE DEPARTMENT OF STATE BULLETIN

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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.*

## Secretary Kissinger's News Conference of May 16

Press release 265 dated May 16

*Secretary Kissinger:* I thought that in view of the events of this week and prior to my going to Europe we might meet here. I don't have any statement.

Barry [Barry Schweid, Associated Press].

*Q. Mr. Secretary, there have been public complaints from Thailand about our landing of marines. Was there a violation of Thai sovereignty in this caper? And secondly, can you tell us if there was any concern in the strafing of Cambodian gunboats that since we weren't too sure where our own men were, that we might—the crew was—that we might have hit the American crew?*

*Secretary Kissinger:* Well, first of all of course, I have to reject the description of what happened this week as a "caper." It was a serious situation in which we were trying to save a group of Americans and recover a ship.

With respect to Thailand, we have, of course, a treaty relationship with Thailand in SEATO [Southeast Asia Treaty Organization]. And we have had a series of base arrangements with them which over the period of years has led to a degree of cooperation in events in Indochina which were in the mutual interest and in which we have greatly appreciated the assistance that Thailand has given us.

In the course of this decade, it may be that a pattern of action has developed that made us assume that our latitude in using these bases was greater than the current situation in Southeast Asia would permit to the Thai Government. And therefore, insofar as we have caused any embarrassment to the Thai Government, we regret those actions.

At the same time, it is clear that any relationship between us and another coun-

try must be based on mutual interest. And we, I believe, have a reason, or have a right, to expect that those countries that have an alliance relationship with us look with some sympathy at matters that concern the United States profoundly.

If conditions in the area change, we are prepared to adjust our relationship to new conditions and to have discussions on that subject in a spirit of cooperation.

*Q. Mr. Secretary, that was kind of a double-barreled question.*

*Secretary Kissinger:* What was the second question?

*Q. Since we were not so certain—*

*Secretary Kissinger:* Oh, on the gunboats.

One of the most difficult and anguishing decisions we had to make was the risk to Americans in taking these gunboats under attack.

Now, we had to balance this, in our view, against the risk as we then saw it—of their being taken to the mainland—and we wanted to avoid a situation in which the United States might have to negotiate over a very extended period of time over a group of merchant seamen who had no connection whatever with any governmental activity.

There was one incident in which our pilots were told to determine, insofar as one can under those conditions, whether any Americans were likely to have been on the boat. There was one incident where a pilot beginning to take a boat under attack saw a group of individuals that looked to him as if they might have been Americans huddled on the boat, asked for instructions, and was told not to proceed with the attack. And that was one gunboat that reached Kompong Som. So we tried to take it into account, and

fortunately it seems there was no injury to anybody.

*Q. Mr. Secretary, in light of the Thai Prime Minister's recall of his Ambassador and his announcement of a complete review of all treaties and agreements between the two countries, could you give us your assessment of the diplomatic strains now developing? Also, have you had any communication as yet from the Thai Ambassador?*

*Secretary Kissinger:* We have not had any formal communication from the Thai Ambassador. But I am assuming that the story is correct.

The Thai Government finds itself, in general, in a complicated position after the events of Indochina, quite independent of this recent operation.

We had, prior to this recent operation, made it clear that we are prepared to discuss with the Thai Government its conception of its requirements, or of the necessary adjustment in the present period. We are still prepared to do this, and we recognize that the Thai Government is under some strains and under some public necessities. And they have to understand, however, that we, too, have our necessities.

*Q. Mr. Secretary, was there at any time in this crisis any chance to resolve it diplomatically?*

*Secretary Kissinger:* There was no chance during this crisis to resolve it diplomatically. That is to say, we never received a communication, proposition, that would have enabled us to explore a diplomatic solution, and it was—when—by Wednesday evening we had not yet received any reply that the President ordered the military operations to begin.

Mr. Lisagor [Peter Lisagor, Chicago Daily News].

*Q. I would like to clear up one mystifying aspect of this: Why did the Chinese return the note 24 hours later? And did they indicate at the time that it had gotten through to the Cambodian authorities?*

*Secretary Kissinger:* In this matter the Government of the People's Republic was not

responsible for the content of the note. But I am assuming the Chinese Xerox machines can reproduce it within 24 hours.

*Q. What was the significance of their returning it, Mr. Secretary?*

*Secretary Kissinger:* Well, a degree of disassociation from the diplomatic process—

*Q. Do you believe that they actually—*

*Secretary Kissinger:* —a formal disassociation. I don't want to speculate on this, but I wouldn't be surprised.

*Q. Mr. Secretary, in view of the attempts at détente with the People's Republic of China, are you dissatisfied with their apparent—or with the way they handled themselves in this situation?*

*Secretary Kissinger:* The requirements of relationships with some of our potential adversaries have to be seen in a more complicated framework than is often stated.

Both the Chinese and we have certain common interests which have been laid down in the Shanghai communique, which we have reaffirmed, and which we consider remain valid.

At the same time, we do have different perceptions in different areas, and there we will maintain our differences.

Thirdly, one has to keep in mind in asking other countries to play a role what their real possibilities are in any given situation.

And finally, one has to leave it to those countries to play the role, either publicly or privately—if they choose to—that they consider appropriate.

So on the whole, I don't believe that this is a useful area for me to comment on.

*Q. Mr. Secretary, in view of the earlier incidents involving a Panamanian freighter being detained and a South Korean freighter being fired upon, why was there no effort by this government, earlier on, before the Mayaguez seizure, to warn U.S. vessels to stay out of that area?*

*Secretary Kissinger:* Well, my understanding is that insurance companies had been notified and that it had been assumed that they would get in touch with these ships.

So we were, frankly, not aware that there were any American ships in that area. And when the matter came to our attention—this was not a matter that had ever reached high levels of the government. It had been dealt with routinely by notification of the insurance companies, which are presumed to have the greatest interest in the preservation of these ships.

Bernie [Bernard Gwertzman, New York Times], you had a question before.

*Q. I would like to go back to the Thailand question. Why was it, given the known sensitivities of the Thais to this situation in that area, that an effort was not made to at least consult with their government prior to the sending of the marines?*

*Secretary Kissinger:* Well, the assumption was that we were in an emergency situation, in which, on occasion, we have acted without having had a full opportunity for consultation, and it was therefore thought that within the traditional relationship it would be a measure that would be understood.

In any event, it would have presented massive problems either way.

*Q. Mr. Secretary, one of the effects of this incident appears to be a restoration of American credibility and, to some extent, morale. My question is: To what extent was that a consideration in the American operation?*

*Secretary Kissinger:* The thrust of our discussions concerned the recovery of the ship and the rescue of the men. If there were any by-products, that can be considered a bonus to the operation, but it was not the principal impetus behind the operation.

We believed that we had to draw a line against illegal actions and, secondly, against situations where the United States might be forced into a humiliating discussion about the ransom of innocent merchant seamen.

If it had these by-products—I think to some extent it did have this effect. But this was not the primary motivation behind the action.

*Q. Mr. Secretary, the Cambodian Minister of Information and Propaganda has charged that our planes began systematically strafing*

*and bombing the ship about 12 hours after it was seized—the area around the ship. Can you respond to that, please? This would be down on the morning of the 13th.*

*Secretary Kissinger:* I would have to review the actual events. I don't have the log right here.

My recollection would be that it may have started somewhat later, but in any event, the decision was made. It was probably later than 12 hours afterward, but I don't want to tie myself to the time.

A decision was made to try to prevent ships from the mainland from reaching the ship—or ships from the island from reaching the mainland. That I think probably happened sometime during our night on Monday night. So the timing could be roughly correct—

*Q. Mr. Secretary.*

*Secretary Kissinger:* —but there must be some Defense Department statement of when the actual strafing started which would be correct.

*Q. I just wondered how long we waited for the diplomacy to work before force was used.*

*Secretary Kissinger:* The methods that were used were not strafing at first. The methods that were used were to try to force ships back to the island.

*Q. Mr. Secretary, the only basic criticism that has been directed at the Administration's actions this week is that perhaps the Administration moved much too quickly militarily and did not give diplomacy a chance to work.*

*Secretary Kissinger:* Come on, Marvin [Marvin Kalb, CBS]—break down. Maybe we did something right. [Laughter.] Statistically we are bound to do it sometimes. [Laughter.]

*Q. Well, in that spirit, could you tell us, or respond to that kind of criticism?*

*Secretary Kissinger:* Well, when you say diplomacy was given no chance to work—if any communication had been received back, either from Cambodia or from any other



source, then we would have had a subject matter for diplomacy on which to act. On the other hand, when this did not happen, and when we had received no communication whatsoever, we had to balance the risks that would occur if they tried to move the ship. Since we didn't know whether any of the crew was left on the ship or whether a Cambodian crew might have been put on the ship, we had to balance the risks if they tried to move the ship, the pressures we were under in neighboring countries, the difficulties that could arise. We therefore decided, after some 60 hours of diplomatic efforts, to try to seize the ship.

It was a balance that had to be struck. We thought the risks of waiting another 24 to 48 hours in the absence of any communication whatsoever from any government were greater than the risks of going ahead.

*Q. When the Cambodians did say that they would release the ship, why was it, as I understand it, that the bulk of the military action followed the Phnom Penh radio broadcast that they would release the ship?*

*Secretary Kissinger:* The Phnom Penh radio broadcast was received in Washington—it was received in the White House at about 8:16 that evening. At that time, we had 150 marines pinned down on the island, and we had the *Holt* approaching the ship. At that point, to stop all operations on the basis of a radio broadcast that had not been confirmed, whose precise text we did not at that moment have—all we had was a one-page summary of what it said—a broadcast, moreover, that did not say anything about the crew and referred only to the ship, it seemed to us it was too dangerous for the troops that had already been landed to stop the operation.

We therefore took rather drastic measures—drastic communications measures—of informing the Cambodian Government of the fact that we would stop all military operations as soon as the crew was released. And in order to make doubly sure, we released the statement that we had broadcast into Cambodia. We also released that state-

ment to the press—it was verbatim, the same statement—on the theory that perhaps they would read the news tickers faster than they could pick up the other means of communication that we were using.

About two and a half hours after that, the crew was released. And after that, we stopped all military operations except those which we judged necessary for the saving of Americans that were still on the island.

*Q. Mr. Secretary, on that point, questions have been raised in Congress this morning as to whether there was a punitive intent by the United States. And secondly, in relation to that, wasn't there also a hazard that the bombing of the mainland could have hit the crewmen, because there were at least two circumstances where the crewmen could have been hit by American fire—while they were on the ship and while they were on the mainland?*

*Secretary Kissinger:* Well, when you say “punitive intent,” the intent of the operation was as I described it—to rescue the men and to recover the ship. Obviously any damage that is done in the process has a punitive effect, whatever the intention is. We tried to gear the action as closely to the objective as was possible.

Now, as it turned out, there seems to have been some relationship between the release of the crew and the attacks on the mainland. That is to say, some members of the crew were told that they should tell the *Wilson*, or the officers on the *Wilson*, that they were being released on the assumption that this would end the bombing attacks. And when we received this word, around midnight—I mean this additional word, shortly after midnight—then all actions except those that were judged to be immediately necessary for the military operations were stopped. There was some risk. It was clear that either the attack on the island or the attack on the mainland could lead to American casualties if the Cambodians deliberately moved the prisoners into an area where they would be exposed to attack.

On the other hand, we tried to confine our

attack to clearly military objectives, so that there would have had to be a very provocative intent on the part of the Cambodians.

But it was one of the balances that had to be struck.

*Q. Mr. Secretary, when you referred to 60 hours of diplomacy, actually I am told there was fighting which ran through this whole sequence—that there was fighting the night of the 12th, there was some shooting at American vessels the night of the 12th. The Cambodians say that we began strafing at dawn on the 13th. So there was, by both sides' accounts, even though they don't match—there seemed to have been a considerable amount of shooting all during the period when the diplomacy was being attempted. Could we have a better breakdown on that, possibly?*

*Secretary Kissinger:* For about 60 hours we made no attempt to seize the ship. We made it very clear from the very beginning—the President in his statement, the communications that were sent to whoever we thought might have a possibility of reaching the Cambodians, and in a number of statements that I made on Monday and Tuesday—we made it absolutely clear that we insisted on the release of the ship and the men.

Then we took collateral actions to make it more difficult for them to move the men and to speed up the pace of their deliberations.

*Q. Are you satisfied, Mr. Secretary, that the American message reached the Cambodians? And if you are satisfied, what gives you that—*

*Secretary Kissinger:* Well, I am positive that our message reached the Cambodians because we delivered it to the Cambodian Embassy in Peking, in addition to everything else.

*Q. A technical question for a moment. In response to Bernie before, did you say there was no full consultation with Thailand or no consultation with Thailand?*

*Secretary Kissinger:* Well, after the troops got into—

*Q. Before.*

*Secretary Kissinger:* Before, there was no consultation.

*Q. At all.*

*Secretary Kissinger:* No.

*Q. Mr. Secretary, in Palm Springs you said the United States would face a time of testing, what with events in Indochina. Now, granted that was a private conversation, but much of that conversation has since gone public anyway. I would like to ask you if you think this was indeed a time of international testing of the U.S. resolve; and also what useful purpose was served, that is, what has the world learned from the U.S. action regarding the Mayaguez?*

*Secretary Kissinger:* I have said not only in private conversations, I have stated publicly, that events in Indochina would have international consequences and that they would affect other countries' perception of their position and of our own. I have also said that I believe those consequences were manageable if we were prepared to face them.

Now, this event could well have resulted from an isolated act of a local commander. I am not inclined to believe that this was a carefully planned operation on the part of the Cambodian authorities. Nevertheless, the impact on us was the same—and could have been the same as if it had been carefully planned if we had been drawn through irresolution into a negotiation over a period of months over the release of people that they had no right to seize to begin with.

What the impact of this may be internationally—I don't want to transform it into an apocalyptic event. The impact ought to be to make clear that there are limits beyond which the United States cannot be pushed and that the United States is prepared to defend those interests and that it can get public support and congressional support for those actions. But we are not going around looking for opportunities to prove our manhood.

We will judge actions in the light of our

interests and the extent of the provocation.

*Q. Mr. Secretary, do you have any reason to anticipate a severance of relations with the United States by Thailand or that Thailand may move up the date by which we must remove our troops in that country, which I think is one year?*

*Secretary Kissinger:* I do not personally anticipate a severance of relations with Thailand. I believe that relations with other countries must always be based on a mutual-ity of interest. We are doing other countries no favor when we have a well-considered alliance relationship, because it must be in the mutual interest. Other countries are doing us no favor by having diplomatic relations with us if it doesn't serve their interests. And therefore I am assuming that the Thai Government will look at its long-term interests as we will. We are prepared to discuss all issues with the Thai Government in a spirit of appreciation for what Thailand has done over several decades and with a cooperative attitude.

But, as I said the other day, we will not insist on arrangements that other countries no longer consider in their interests.

*Q. Mr. Secretary, you spoke earlier about certain public necessities in Thailand. Are you implying to us that possibly the Thai Government is more interested in continuing a long-term relationship with the United States than some of its public statements might now suggest?*

*Secretary Kissinger:* Well, I don't want to speculate about the interests of the Thai Government. There is this reality—that sooner or later the private views and the public views of a government must be brought into relationship with each other. And we can, over a long period of time, only act on those things that a government is able or willing to avow publicly.

I repeat: We are prepared to discuss in a spirit of friendship and cooperation all the concerns that the Thai Government has, and we do regret any embarrassment we may have caused them.

*Q. May I just follow up on that, Mr. Secretary? When you say that the public and*

*private views must be brought into balance, that suggests again that there is a discrepancy between the public and private views.*

*Secretary Kissinger:* I don't know. I was trying to respond to your question in which you said maybe there was a discrepancy. And I would say that, even granting there was a discrepancy, then they would have to be brought into balance.

*Q. Is there a discrepancy?*

*Secretary Kissinger:* I don't want to speculate on that.

*Q. Well, I mean without speculation, Mr. Secretary, in their private views were the Thais as forceful as they have been publicly over the past few days?*

*Secretary Kissinger:* I just don't want to comment on private views that individuals in the Thai Government might have. We take the Thai Government by its word, and we are acting on the basis of the official communications we've received.

*Q. Are we witnessing in Thailand, Mr. Secretary, an example of the domino theory at work—*

*Secretary Kissinger:* Yes.

*Q. —a theory which you said was not invalid not so long ago?*

*Secretary Kissinger:* I think we are seeing an effect of the domino theory at work. But it is almost self-evident that any major international event has consequences. The issue isn't whether there's a domino effect, but what we can do about the domino effect or whether we should do anything about the domino effect.

It is clear that a country that was peripherally involved in events in Indochina, but in a rather heavy way, must reassess its position in the light of Indochina events. So in that sense both Laos and Thailand indicate a certain domino effect.

Jerry [Jerry Schecter, Time magazine].

*Q. Mr. Secretary, would you clarify for us the American communications with the Cambodians? Did we specify a deadline as to a specific time when we wanted the ship and the prisoners to be returned? And could*



*you clarify why the marines landed on an island where obviously the prisoners were not being held? How does that whole sequence work there?*

*Secretary Kissinger:* We did not give a time limit. We were considering at various times whether we should give a time limit. Every time we considered it we came to the conclusion that the risk of giving it to any military operation that might be contemplated and to the crewmembers were greater than the benefits to be achieved by giving a specific time limit—since most of those benefits were really domestic, so that we could say that we had given warning.

So by constantly increasing the severity of our requests we tried to convey an increasing sense of urgency, and therefore we approached the Secretary General. First of all, a number of public statements were made. Secondly, we approached on Wednesday the Secretary General of the United Nations with a letter, which was made public, indicating very clearly that we were going to invoke article 51 of the U.N. Charter, the right of self-defense of the U.N. Charter. And therefore we felt we had in effect given an ultimatum without giving a specific time.

We had, in fact, drafted something with a specific time as an alternative, but we felt the risks were too great.

Now, with respect to landing on an island on which the prisoners were not. Almost anything we did would in retrospect be subject to this sort of question. We did not know whether the prisoners were on the ship, whether the prisoners were on the island, or whether the prisoners were on the mainland. We tried to design an operation where we would, as close to simultaneously as possible, bring maximum pressure on the authorities in each place so that if they were on the mainland there was some reason for the mainland authorities to release them, if they were on the island we could seize them, and if they were on the ship, that would, of course, have been the happiest event of all.

We genuinely thought, or at least we suspected, that a number of them might have been brought to the mainland. We thought that a substantial number of them would

probably be on the island. Had we not thought this, there was no reason to land on the island. As it turned out, the results achieved tend to justify what was attempted. There's no question that if it hadn't worked many of your questions would now be asked in a different atmosphere.

*Q. Mr. Secretary, I have a question on the Middle East, if we could change the subject.*

*Secretary Kissinger:* Can we finish this, and then I'll go back to the Middle East.

*Q. Mr. Secretary, could one reasonably infer from several of your comments this morning that the United States would look with very great sympathy should the Thais decide to reconsider their involvement with SEATO and indeed conclude that it's in their best interests to withdraw from SEATO?*

*Secretary Kissinger:* These are decisions which the Thai Government must make. We are in an existing relationship with the Thai Government. We have no reason on our side to change it. It is up to the Thai Government to decide what its interests require. And we will discuss the Thai concerns with the interest and sympathy that an old friend deserves. We are not suggesting to the Thai Government what position it should take.

*Q. Mr. Secretary, let's get to something that might appear to be an inconsistency. I think you said that for 60 hours you waited before taking military action. Later on you said that we had to drive our point home with increasing severity. Did you mean that from the very beginning of this operation there was American military action taken to support existing diplomatic action?*

*Secretary Kissinger:* No. What I meant by increasing severity—meant increasing severity of public statements. I did not mean increasing severity of military action. The military actions that were taken on Tuesday our time were exclusively designed at that point to freeze the status quo as much as possible to keep them from moving the ship and keep them from moving the crewmen. They were not designed as such to bring diplomatic pressure, although they obviously had that result.

*Q. Could I ask a question about the disengagement from the operation once the objective of releasing the men had been accomplished? Did some of the heaviest attacks actually occur after the men had been released?*

*Secretary Kissinger:* I would have to check that. Some attacks occurred after the men had been released. At that point our biggest problem was that we had several hundred marines on the island who were under very heavy attack. There were also 2,400 Communist forces on the mainland, and we wanted to absorb their energies in other things than attempting to intervene with our disengagement efforts on the island. That was the general concept of the operation.

*Q. What are the latest figures on American casualties?*

*Secretary Kissinger:* I think the Defense Department is putting them together and will release them today, or it may have done it already.

*Q. Two other Asian matters. One, the PRG [Provisional Revolutionary Government] has been very insistent in trying to get the United States to accept, I gather, their sovereignty by turning over the Saigon Embassy to the Algerian Government. And secondly, do you have any personal comment on the revelation today that a major oil company gave \$4 million to the ruling party in South Korea?*

*Secretary Kissinger:* Well, on the first, we are studying that question, and we have not yet reached a conclusion.

With respect to the second problem, we oppose illegal actions of American corporations abroad. This action, to the best of our understanding, is not illegal by American law, but it is a matter that we would hope that American companies would take—the propriety of which American companies would take into account if they should be tempted in the future to engage in political activities abroad.

*Q. Dr. Kissinger, Gulf Oil has testified—*

*Secretary Kissinger: Who?*

*Q. Gulf Oil—I am referring to Bernie's case.*

*Secretary Kissinger: Oh, yes.*

*Q. —that it was forced to make \$4 million in payments to stay in business in Korea. What is our attitude toward governments which practice this kind of extortion? And why should we continue to give foreign aid to governments which conduct this kind of thing?*

*Secretary Kissinger:* Let me separate two things. One, if this is true—which I am not in a personal position to confirm—then we would regret such an action by a foreign government toward an American company.

Secondly, what I said about Thailand applies—or what I said about our general attitude toward alliances applies, too. When we have a security relationship with a country, it is based not primarily on approbation of the governmental structure. It must be based on our belief that there is a mutual interest that both countries have in that security. If that mutual interest does not exist, then the arrangement cannot withstand any significant strain.

We believe that the defense of Korea and the security of Korea is important for the security of the whole Northeast Pacific, and it is very important for our—Northeast Asia—and it is extremely important for our relationship with Japan, and that is the primary reason we have.

*Q. Mr. Secretary, to follow that up, if I may, just for a moment. Isn't there a lesson to be learned from what happened to this government in Indochina where, for security reasons, we allowed ourselves to become involved with governments which we might not approve of in terms of our own perception of what a government should be? And are we not in danger now of getting into exactly the same kind of situation in South Korea?*

*Secretary Kissinger:* It is also a lesson to be learned from the consequences of the

collapse in Indochina in terms of international affairs.

I would not make this analogy. The history of our involvement in Indochina was quite different from the history of our involvement in Korea. And to answer this question in detail, I would have to go into a long analysis of the similarities and differences, which we can reserve, I think, for another occasion. Now, let me get the Middle East question.

*Q. Have you had a chance yet to reassess the decision to supply Jordan with Hawk missiles in light of the reports that Syria has promised to supply Jordan with air cover in an exchange for a Jordanian pledge, commitment, to participate in the next war with Israel? And also in light of the reports that there are suspicious Jordanian troop movements along the Jordan River?*

*Secretary Kissinger:* We have seen no confirmation of either of these reports. And it is of course precisely to enable Jordan not to have to participate in defense arrangements with other neighbors that we agreed to continue the discussions on air defense which go back for nearly a year.

*Q. Mr. Secretary, would it be in the interests of the United States now to have a diplomatic presence in Saigon?*

*Secretary Kissinger:* The whole question of our attitude toward the new authorities in Saigon is now being studied.

*Q. Mr. Secretary, in your St. Louis speech [May 12], you cautioned the Soviet Union against trying to exploit what they may perceive as America's weakness, warning that this might put a heavy mortgage on détente. Have the Soviets toughened their position on either CSCE [Conference on Security and Cooperation in Europe] or on the SALT [Strategic Arms Limitation Talks] negotiations?*

*Secretary Kissinger:* I did not use the words "American weakness" in my remarks. I want to point out that I said there are four areas that are involved in détente, in which three were making reasonable progress, and

the fourth—that is, conflict in peripheral areas—was less satisfactory. I think both of these must be stressed and not just the part that was less satisfactory.

Secondly, we do not find that the Soviet Union has toughened its position at the European Security Conference.

With respect to SALT, we are at the exploratory technical phase, and it is now at a point where a political decision will have to be made by both sides to move the negotiations forward and to break some of the deadlocks.

*Q. Mr. Secretary, you spoke about the diplomatic results of the Cambodian operation as a bonus. Are you glad this happened?*

*Secretary Kissinger:* Nobody can be glad to be put into a position where the lives of Americans are at stake. And the anguish of these operations for those who have the responsibility is very grave, because the consequences of failure are very serious and the loss of life is never one that is easy to contemplate. We would far have preferred if this had not happened.

Our problem was that we could not choose our involvement. We were forced into this. And then when the incident had occurred, we had to act on the basis of what we thought would most save lives and was most in the interests of the United States. But we were not looking for an opportunity.

*Q. Mr. Secretary, the last raid on the airfield near Sihanoukville [Kompong Som] was made a half an hour after the crew members were released, after the Cambodians had met the requirements for cessation of hostilities that the President laid down in his last public statement—that is, the ship was taken and the prisoners were released. Why was this raid not stopped?*

*Secretary Kissinger:* Because we had some 200 marines on the island. And we were trying to extricate them, and we were trying to keep the military forces on the mainland from interfering with what could have been an extremely tricky and difficult operation.

*The press: Thank you, Mr. Secretary.*

## Advisory Committee Established on Indochina Refugee Resettlement

*Following are remarks made by President Ford in the East Room of the White House on May 19, together with the text of an Executive order he signed that day.*

### PRESIDENT FORD

White House press release dated May 19

Members of the Congress, members of the Advisory Committee,<sup>1</sup> members of the Federal establishment, members who are here just to participate: It is a great privilege and pleasure for me to welcome you to the White House on this occasion. I definitely am grateful for your coming to Washington on this occasion on such short notice, but time is of the essence.

If I might, I would like to now sign the Executive order and make a few comments at a later point.

We have a big job to do, and we have asked some outstanding people from all segments of our society to participate. I am delighted, of course, to have John Eisenhower act as Chairman. His experience in government, his leadership, will be invaluable as we try to meet this critical problem as quickly and as successfully as possible.

We got a great deal of support from many

segments of our society. I was extremely pleased when we received a telegram from George Meany of the AFL-CIO. I am sorry George could not be here, but he is well represented.

We received a number of other communications from individuals and groups—business, agriculture, professions, labor, of course, many church organizations, government, state as well as municipal—and the response has really been most heartwarming and very encouraging to those of us who felt that our country had an opportunity to again reassert the open door policy that we have had for so long on behalf of people who wanted to come to this great land.

It seems to me that as we look back over our nation's history most, if not all of us, are the beneficiaries of the opportunities that come from a country that has an open door.

In one way or another, all of us are immigrants, and the strength of America over the years has been our diversity, diversity of all kinds of variations—religion, ethnic, and otherwise. I recall very vividly a statement that seems apropos at this time, that the beauty of Joseph's coat is its many colors. The strength of America is its diversity.

The people that we are welcoming today, the individuals who are on Guam or in Camp Pendleton or Eglin Air Force Base, are individuals who can contribute significantly to our society in the future. They are people of talent, they are industrious, they are individuals who want freedom, and I believe they will make a contribution now and in the future to a better America.

We do have some difficulties in trying to assimilate as quickly as possible some 100,000-plus, but the Congress has responded, organizations are participating, administrative people are working literally night and day, and the net result is we are making headway and progress.

I don't mean to discount the problems, but all of you and those that you represent can help tremendously in the days ahead.

I can assure you that we will give maximum attention, we will make every conceivable effort, to see to it that your job is made

<sup>1</sup> Members appointed to the President's Advisory Committee on Refugees on May 19 are: Joseph L. Alioto, Mayor of San Francisco; Archbishop Joseph Bernardin, president, U.S. Catholic Conference; Ashby Boyle, National Youth Chairman, March of Dimes; Dr. W. Sterling Cary, president, National Council of Churches; John Denver, professional singer; John Eisenhower, former Ambassador to Belgium; Gaetana Enders, wife of Thomas O. Enders, Assistant Secretary of State; Daniel Evans, Governor of the State of Washington; Maurice Ferre, Mayor of Miami; Minor George, of Parma, Ohio; Edgar F. Kaiser, corporation executive, Kaiser Industries; Philip M. Klutznick, former member of U.S. delegation to the United Nations; William J. Kuhfuss, president, American Farm Bureau; George Meany, president, AFL-CIO; Clarke Reed, Republican National Committeeman; Dr. Malcolm Todd, president, American Medical Association; Elder A. Theodore Tuttle, the First Council of the Seventy, the Church of Jesus Christ of Latter-Day Saints.



easier so that our new friends can start a new life in this great country. We are a big country.

Some 35,000 heads of family are joining us. Sixty-five percent of those who are coming are children. They deserve a better chance. They deserve the warmth and the friendship which is typical of America.

I just thank all of you for what you have done and what you will do in making this job easier and better for people that we want as good Americans.

## TEXT OF EXECUTIVE ORDER <sup>2</sup>

### ESTABLISHING THE PRESIDENT'S ADVISORY COMMITTEE ON REFUGEES

Since the arrival of the first settlers on our eastern seaboard nearly 400 years ago, America has been a refuge for victims of persecution, intolerance and privation from around the world. Tide after tide of immigrants has settled here and each group has enriched our heritage and added to our well-being as a nation.

For many residents of Southeast Asia who stood by America as an ally and who have lost their homeland in the tragic developments of the past few weeks, America offers a last, best hope upon which they can build new lives. We are a big country and their numbers are proportionately small. We must open our doors and our hearts.

The arrival of thousands of refugees, mostly children, will require many adjustments on their part and considerable assistance on ours. But it is in our best interest as well as theirs to make this transition as gracious and efficient as humanly possible.

I have determined that it would be in the public interest to establish an advisory committee to the President on the resettlement in the United States of refugees from Indochina.

NOW, THEREFORE, by virtue of the authority vested in me by the Constitution and statutes of the United States and as President of the United States, it is ordered as follows:

SECTION 1. *Establishment of a Presidential Advisory Committee.* There is hereby established the President's Advisory Committee on Refugees, here-

inafter referred to as the Committee. The Committee shall be composed of such citizens from private life as the President may, from time to time, appoint. The President shall designate one member of the Committee to serve as chairman.

SEC. 2. *Functions of the Advisory Committee.* The Committee shall advise the President and the heads of appropriate Federal agencies concerning the expeditious and coordinated resettlement of refugees from Southeast Asia. The Committee shall include in its advice, consideration of the following areas:

(a) Health and environmental matters related to resettlement;

(b) the interrelationship of the governmental and volunteer roles in the resettlement;

(c) educational and cultural adjustments required by these efforts;

(d) the general well-being of resettled refugees and their families in their new American communities; and

(e) such other related concerns as the President may, from time to time, specify.

The Committee shall also seek to facilitate the location, solicitation, and channeling of private resources for these resettlement efforts, and to establish lines of communication with all concerned governmental agencies, relevant voluntary agencies, the Vietnamese-American community and the American public at large. The Committee shall conclude its work within one year.

SEC. 3. *Assistance, Cooperation, and Expenses.*

(a) All executive departments and agencies of the Federal government, to the extent permitted by law, are directed to cooperate with the Committee and to furnish such information, facilities, funds, and assistance as the Committee may require.

(b) No member of the Committee shall receive compensation from the United States by reason of service on the Committee, but may, to the extent permitted by law, be allowed travel expenses, including per diem in lieu of subsistence, as authorized by law (5 U.S.C. 5703).

SEC. 4. *Federal Advisory Committee Act.* Notwithstanding the provisions of any other Executive order, the functions of the President under the Federal Advisory Committee Act (5 U.S.C. App. 1), except that of reporting annually to Congress, which are applicable to the advisory committee established by this Order, shall be performed by the Secretary of Health, Education, and Welfare.

GERALD R. FORD.

THE WHITE HOUSE, May 19, 1975.

<sup>2</sup> No. 11860; 40 Fed. Reg. 22121.



## President Ford and Secretary Kissinger Honor OAS Foreign Ministers

*Following are texts of a toast given by Secretary Kissinger at a luncheon he hosted on May 9 in honor of chiefs of delegation to the General Assembly of the Organization of American States meeting in Washington and remarks made by President Ford at a reception at the White House in their honor on May 10.*

### TOAST BY SECRETARY KISSINGER AT A LUNCHEON ON MAY 9

Press release 215 dated May 9

I am pleased to be able to welcome you here personally. As friends and neighbors, you are always welcome. But I am especially pleased today; for the 12 months since the OAS General Assembly last met in Atlanta have encompassed enough dramatic world events to upset the best-laid plans—including, regrettably, some in which we were involved together.

This is not the time to go into the details of the issues we are discussing this week. But I want to reaffirm to you now the determination of the U.S. Government to move ahead positively on our hemispheric agenda.

President Ford and I have reviewed U.S. efforts to adapt our traditional friendship to the needs of the times. We agree with you that the historic international principles pioneered in this hemisphere—principles of nonintervention, the sovereign equality of nations, and mutual respect among partners—must not only be reaffirmed but supplemented by strengthened cooperation for the national development and economic security of our peoples.

In Houston last March I said that the ways in which we of the Americas—North and

South—approached these issues would have a profound impact on one of the central dilemmas of our times: the relations between the developing countries and the industrialized nations.

I would like to take a moment now to review with you the impact of recent events on our common search for new progress in the hemisphere and new equilibrium in the world.

We meet at a time of wrenching changes in Southeast Asia and of simmering conflict in the Middle East. Throughout the world, economic difficulties have struck so many countries, and occur against such a generalized backdrop of political uncertainty, that the need for a new set of international economic relationships is ever more apparent.

We would be shortsighted to let the inevitable growing pains and adjustments distract us from the immense potential of this historic period—and from the opportunities we have to realize that potential.

It has been clear for some time that the international system had entered a period of redefinition and that significant adjustments would be required of all countries, large and small.

The problems of improving political participation and eliminating poverty are critical to the quality of life on earth. We must give them growing priority. But we must simultaneously seek to assure life by avoiding nuclear catastrophe.

To meet this double challenge of development and security, the United States has developed a foreign policy designed to meet the requirements of the future by building on the gains of the past.

This approach requires broadened coop-

eration with our traditional friends in this hemisphere and elsewhere. And despite ideological antagonisms with our adversaries, it also requires the practical cooperation in certain limited spheres that has come to be known as détente.

The past year has shown that progress toward a new structure of international relations which promotes cooperation rather than force can be very uneven. But it has not affected the soundness of the objective nor altered its essential framework.

Since we last met as a group, we in the United States have reaffirmed our domestic democracy and the vitality of our institutions. This should not surprise you. You know us well, and you know from your own experiences that what may seem turmoil to outsiders frequently conceals inner strength.

It is also true, of course, that the past month has brought a serious reversal for the United States in Southeast Asia. The tragic collapse of the Government of South Viet-Nam has moved us deeply. But it must be understood clearly that the end of the war in Viet-Nam will not mean a withdrawal by the American people from international commitment. We remain committed to strengthening a peaceful world community based on self-determination and fulfillment of all peoples. We will stand by our friends and our commitments. Indeed, with the end of the war in Viet-Nam, we will be redoubling our attention to the great tasks of constructing a new international system.

In this effort, all of us are venturing onto new ground, where there has been little opportunity for ideas to mature or consensus to emerge. The great issues of global cooperation in agriculture, food, energy, and commodities have only begun to be defined. Yet the global agenda of interdependence gives us an opportunity to transcend traditional patterns of thought and action. The United States remains determined to continue to make a major contribution to this agenda.

To achieve our aspirations, the imperative for us all is one of restraint and cooperation. Our priorities and yours coincide in many ways. Our effort to contain the East-West

struggle is a strategic imperative. At the same time, the dampening of the cold war has provided a better opportunity for the expression of your political and economic concerns. Strategic security enables change in the less developed countries to be separated from the East-West struggle.

In the months ahead, the United States will continue to strive for a stable structure of world peace. We will enter a new phase of SALT negotiations with the Soviet Union. We will strengthen our alliances in Europe. And we will work with the nations of the Middle East to develop a solution that will prevent the current stalemate from deteriorating into war.

This background of global security will enable the dialogue between industrial countries and the less developed to move increasingly to the center stage. Like détente, it is too important to be overshadowed by temporary setbacks. The recent Paris conference between energy producers and consumers did not reach agreement—but it began an essential process of consultation.

U.S. initiatives to enhance world food production and our continuing search for an equitable and viable energy relationship mark the path we have decided to take. Our approach will be to seek functional producer-consumer action on concrete issues in support of mutually defensible goals. We will work hard to achieve a new International Coffee Agreement. We are giving careful study to the problem of raw materials.

In a general sense, the past year has demonstrated that the international structure we seek requires broad political participation, both domestically and internationally. It has shown that economic growth cannot be taken for granted, that productivity, whether of raw materials or of manufactures, requires a fair return, and that development is indivisible, requiring common effort on many fronts.

These general lessons apply directly to this hemisphere.

Trade, commodities, multinational corporations, technology, are intrinsically global problems. They cannot be dealt with as if we were isolated from the global arena.

But these problems acquire a special dimension in this hemisphere. The relations among our countries are intense and deeply rooted in our particular cultures and national histories. As in the past, our cooperation can make important contributions to improving the equilibrium between industrial and developing countries. And, as in the past, our cooperation can be a symbol of a larger world relationship. The United States will make a major effort to give new vitality to its Western Hemisphere relationships, but this can succeed only as a cooperative enterprise.

As we now move ahead on vital issues of trade and development, the lessons of the past year are important.

We have understood that we must move forward on a broad front which includes the settlement of outstanding political issues such as the Panama Canal as well as economic progress.

We have learned that progress requires the serenity to overcome temporary conflicts and misunderstandings.

The constructive atmosphere of this Assembly clearly demonstrates that we have learned to confront our problems with more perseverance than rhetoric, more humility than anger.

For we have learned that dialogue in itself does not bring instant change. Interdependence affects the entire fabric of our societies; its complexity will require special efforts from us all.

We must now broaden these efforts and support them with institutional structures that will enable us to translate our growing understanding into action.

I am confident that we will do so together:

—We have almost completed the modernization of the Rio Treaty, thereby strengthening our collective security.

—This General Assembly already reflects the new flexibility required to deal effectively with the challenges of development; we must now proceed to make the equally necessary changes in OAS structure and operations.

As I suggested in my Houston address, we can use our strengthened regional insti-

tutions to search for answers in this hemisphere to the challenges posed by development and interdependence.

I am convinced, for example, that the Western Hemisphere can show the way to the rest of the world in meeting the critical need for increased food production. The Inter-American Development Bank has already begun work to establish the hemisphere agricultural consultative group I suggested at Houston.

The Inter-American Development Bank is our most important regional development institution. The Administration will seek a substantial U.S. contribution to the capital replenishment to be considered soon.

All of us must examine how we can improve access of the poorer countries of the region to the Bank's concessional funds, while simultaneously broadening alternative sources of capital, management, and technology for all countries.

Above all, we must foster the humane vision of the future that has always marked the Americas. If we can fuse the insights of our artists and poets with the productive skills of our professionals and technicians, we will once again transform the American Continent into a vast crucible of ideas and progress worthy of our new attitudes and our special place in the world.

Friends, I invite you to join me in a toast to the health of our Presidents, to the self-reliance of our peoples, and to the success of our mutual efforts to bring them together.

#### REMARKS BY PRESIDENT FORD AT A RECEPTION ON MAY 10

Weekly Compilation of Presidential Documents dated May 19

Mr. President of the General Assembly, Excellencies, distinguished delegates, ladies and gentlemen: This is my very first opportunity as President to welcome the chiefs of delegation to the General Assembly of the Organization of American States. I am very delighted to be here, and it is a great privilege and pleasure to see all of you here this evening.

It has been my good fortune to have met

many of you when I was in the Congress and to meet many of you when I was Vice President. I have had an opportunity to see many of you as President, and it is a great pleasure to have you in the White House on this occasion.

Your presence here tonight is testimony to the wisdom of the Western Hemisphere's pioneering effort to create a free association of sovereign nations about a century ago. The durability of our inter-American system rests on its ability to adapt to changing hemispheric and world conditions and to respond to the new problems and the needs which arise.

I just noticed that some of my good friends and old colleagues in the House of Representatives and the Senate are here, and I welcome them as well.

Let me add at this point—it is a comment by my good friend and old colleague, Bill Mailliard [William S. Mailliard, Permanent U.S. Representative to the OAS], and he has said this, and I fully concur: The bedrock strength of this organization comes from the wealth of wisdom that the member states and their representatives bring to the solution of our common problems.

Today, this General Assembly is carrying on the tradition of adaptability to change, as we see it, in considering recommendations for reform. Just as the inter-American system was the pathfinder in the field of international organizations, it could, likewise, become a pioneer in reforming the traditional way in which international organizations do business. The basic concept which holds this organization together is that strength and progress come from cooperation rather than from conflict.

In this country, we are extremely proud of our achievements under a democratic form of government and a productive economic system. We recognize that every state has the right to adopt its own system of government and its own economic and social organization. Fortunately, we live in a hemisphere with a rich tradition of diversity.

One of our continuing tasks is to resolve issues that from time to time divide us. For example, we are now updating our relation-

ship with Panama over the issue of the canal. This new relationship will accommodate the important interests of both of our countries and all of the nations of the world which depend upon the canal.

The world we now live in is increasingly fluid and complex, containing many new centers of power. There are new and more subtle challenges to the well-being of mankind. And the new issues reflect the major concerns of our people—economic development, growth of trade, sufficient food production, a healthy environment, and managing the growth of population.

As the world economy becomes much more complex, the line between domestic and international economic policy becomes ever less distinct. We know we have differences, and we certainly will continue to have them. But despite such problems, I am personally confident that we will shape the relationships necessary to improve the lives of all of our people.

The nations of this hemisphere have individually and jointly made great progress in their efforts to promote the well-being of their peoples. Our cooperation for development requires constant redefinition and imaginative new solutions to the common problems that we face. The United States is proud of its continuing contribution to this joint effort. There is no reason we cannot conquer the last vestiges of poverty in a hemisphere which is so richly endowed.

The tradition of mutual cooperation, which is at the heart of our inter-American system, adds another dimension to the requirements of global interdependence. We must be particularly conscious of the need to avoid unnecessary damage to each other's interests. For this reason, I am supporting modification of recent legislation passed by the Congress which singles out a few nations of the hemisphere for what seems to be discriminatory treatment.

International cooperation that assures mutual respect among nations is more essential than ever, and the opportunities, particularly in this hemisphere, are without precedent.

I wish you the greatest success in your



deliberations and hope that together we can take full advantage of the opportunities for cooperation that present themselves to us, who are the fortunate inhabitants of these great Americas.

## Prime Minister of the Netherlands Visits Washington

*Prime Minister Johannes den Uyl of the Netherlands made a working visit to Washington May 13-15. Following is an exchange of toasts between President Ford and Prime Minister den Uyl at a dinner at the White House on May 14.*

Weekly Compilation of Presidential Documents dated May 19

### PRESIDENT FORD

Mr. Prime Minister: Let me extend on behalf of all of our people a very warm welcome on your first visit as Prime Minister to our country.

And may I point out in that capacity, that you and I have some similarities in our previous background—before you became Prime Minister and before I became President. It is my understanding from reading recent history that you had some long experience in politics in your country, and I had a few years in mine. And in the process, both of us served as the leaders of our party in the legislative branch in the process of moving from where we were to where we are.

So, we do have a common understanding and rapport which I felt was most helpful in our discussions this morning, as we were very frank in setting forth observations and comments concerning the situation in various parts of the world.

Our country, of course, has a tremendous indebtedness to those from your country. I understand that Amsterdam is dedicating its 700th year in 1976 and that New York City is doing the same for its 200th year.

The Dutch, of course, had a tremendous impact on New York City, for which we are most grateful. But the influence of people

from your country goes far broader than the impact of several hundred years ago in New York. I have had the personal experience, as I indicated to you this morning, of exposure to and benefiting from people with a Dutch background and heritage, and I personally am indebted.

But we in America are most thankful that so many of your people came to America in various waves and for various reasons, but they did contribute, and still do, to the kind of America that I—and I think everybody here—believes is the right kind of America.

So, I thank you for the contribution. It gives to us, as a result, an understanding between the Netherlands and ourselves as we seek to move ahead in the days before us in meeting the current challenges that are as important to you as they are to us.

I am looking forward to joining you and others in a few weeks in Brussels. I believe that this gives us another opportunity to help to solidify the common aims and objectives that are important not only to the Community but to Europe as a whole.

Let me assure you to the extent that words mean anything, this country—and I look around and see good Democrats and good Republicans—we are unified in this country in the strength, the solidarity, and the vision of Europe and the United States and the allies.

So, when I have the privilege of joining with you and with the others representing the NATO organization, I think I can speak for all of America in saying that we believe what was established in 1951 is as strong and as viable and as effective in the years ahead.

So, if I might, Mr. Prime Minister, may I offer to you and to your health, a toast, and to the health of Her Majesty Queen Juliana and to the lasting friendship between our peoples.

### PRIME MINISTER DEN UYL

Mr. President: The Minister of Foreign Affairs joins me in expressing our sincere thanks for your warm hospitality and for your kind words of welcome this morning.

When you refer to the many ties that are



between the Netherlands and the United States, you are right. You, personally, you may testify about historical origins of those ties in the state where you come from and where many Dutch people have found a new homeland.

While the Dutch still have been active in history of the United States—they founded New Amsterdam—and while it should still be New Amsterdam—was it not that they sold it too much a low price to other people?—and while there are so many things of Dutch activities in the past in this nation that—well, you are right in saying that so much in the past and so much in the present unify us.

Well, let me say a few more words to what might be of importance in our relations.

You know, Holland is a small country. It is more dependent on international relations than a few other countries. We are densely populated. Our imports and exports together are as big as our gross national product.

When anything is wrong in the world—we feel it just today that it happens—we cannot live without the working of international institutions, and we firmly believe in the value and the importance of those institutions.

While the times that a little Dutch boy could solve an environmental crisis by just putting his finger in the dike belongs to the past, these problems can now only be adequately dealt with in major international organizations—the United Nations, the OECD [Organization for Economic Cooperation and Development], the energy action group.

The Netherlands is traditionally a strong supporter of such institutionalized international cooperation. Our support for NATO is increasingly linked to the considerable contribution to détente that this organization has been able to make during the last years and, hopefully, will make in the future. A historic breakthrough has been accomplished from the cold war years to a new era of, as we see it, dialogue and negotiations.

Let me say this is well known that in my country an intensive discussion is going on on the present and future role of NATO. For my government, it is essential that NATO will contribute to the developing and deepen-

ing of democracy and the promotion of détente in East-West relations as we stressed in the Declaration of Ottawa last year.

While, Mr. President, this morning discussing our common problems, I referred to the great significance that the problems of the North-South relations have in my country, I told you that perhaps the very strong Calvinist tradition is true to the very important role we attach to North-South relations and to development of cooperation in the world. Churches in Holland are aware of that—political parties—and we consider it as our plight to come out for it.

Let me say a few more words to the problem. We do think that the problems of international peace and security are closely linked with social progress and economic well-being. You, Mr. President, and your collaborators, have on numerous occasions stressed the basic reality of worldwide interdependence.

In this respect, we cannot ignore the fact that in a world of what's called rising expectations, for too many the prosperity which our nations enjoy is still beyond their reach. In a world of true interdependence, we cannot afford to let our attention be diverted from the fact that many countries are as yet highly dependent on our level of aid and our respective trade policies.

Relations between the Western democracies and the countries of the Third World have, as I see it, been strained in recent years by an apparent lack of confidence in our willingness to share their burdens and to help them solve their immense problems.

While I am humble to say, but it is the experience of my country that a new basis of confidence can be established if we succeed in finding adequate forms of cooperation.

We have experienced, and it is our conviction that one of the major aims of the continuing cooperation between Western countries must be the creation of a reestablishment of a basis of confidence in the Third World.

In this context, the early start of a serious dialogue on raw materials has a special importance, as we discussed this morning and about which Mr. Secretary of State spoke yesterday.

We hope that the coming Special Assembly of the United Nations will provide a new basis for cooperation between developing and industrialized nations. I believe that in view of its wide responsibilities and its tremendous economic capacity, Mr. President, your country, the United States, can and will make a significant contribution in this respect. And we believe that a country like ours, the Netherlands, can also make a contribution to world peace and worldwide economic cooperation, albeit a more modest one.

My government is bound to raise development aid and transfer of real financial resources next year to 1½ percent of net national income. It is also in this context that we have welcomed today the opportunity to discuss with you international problems and our respective positions on a wide range of issues.

Meaningful ties between the United States and the Netherlands, the recognition that our responsibilities, Mr. President, are small compared with yours, but against that background, again, expressing our great appreciation for the hospitality and friendship which are being shown to us in Washington, I should now like to propose to you a toast to the health and the well-being of the President of the United States.

## **U.S. Provides Credits to Israel for Purchase of U.S. Goods**

AID press release 75-40 dated April 28

Daniel Parker, Administrator of the U.S. Agency for International Development, and Simcha Dinitz, Israeli Ambassador to the United States, signed on April 28 an agreement which will provide Israel \$174.5 million in credits for the import of U.S. goods.

The AID grant brings to \$324.5 million the amount provided to Israel this fiscal year, the total amount appropriated by the U.S. Congress for this purpose. Congress appropriated \$652 million to assist the nations of the Middle East, saying this would help them

"in their efforts to achieve economic progress and political stability, which are the essential foundations for a just and durable peace."

The grant has been made available to Israel in the form of credits for the purchase of chemical products, agricultural products, pharmaceuticals, textiles, metal products, structural steel, agricultural implements, computer hardware, manufacturing machinery, electrical transmission equipment, trucks, medical equipment, and other goods.

In addition, Israel this fiscal year has received 50,000 metric tons of wheat under the U.S. Food for Peace program, valued at about \$9 million.

## **Foreign Investment in the United States**

### **AN EXECUTIVE ORDER<sup>1</sup>**

By virtue of the authority vested in me by the Constitution and statutes of the United States of America, including the Act of February 14, 1903, as amended (15 U.S.C. 1501 et seq.), section 10 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 822a), and section 301 of title 3 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. (a) There is hereby established the Committee on Foreign Investment in the United States (hereinafter referred to as the Committee). The Committee shall be composed of a representative, whose status is not below that of an Assistant Secretary, designated by each of the following:

- (1) The Secretary of State.
- (2) The Secretary of the Treasury.
- (3) The Secretary of Defense.
- (4) The Secretary of Commerce.
- (5) The Assistant to the President for Economic Affairs.
- (6) The Executive Director of the Council on International Economic Policy.

The representative of the Secretary of the Treasury shall be the chairman of the Committee. The chairman, as he deems appropriate, may invite rep-

No. 11858; 40 Fed. Reg. 20263.

representatives of other departments and agencies to participate from time to time in activities of the Committee.

(b) The Committee shall have primary continuing responsibility within the Executive Branch for monitoring the impact of foreign investment in the United States, both direct and portfolio, and for coordinating the implementation of United States policy on such investment. In fulfillment of this responsibility, the Committee shall:

(1) arrange for the preparation of analyses of trends and significant developments in foreign investments in the United States;

(2) provide guidance on arrangements with foreign governments for advance consultations on prospective major foreign governmental investments in the United States;

(3) review investments in the United States which, in the judgment of the Committee, might have major implications for United States national interests; and

(4) consider proposals for new legislation or regulations relating to foreign investment as may appear necessary.

(c) As the need arises, the Committee shall submit recommendations and analyses to the National Security Council and to the Economic Policy Board. It shall also arrange for the preparation and publication of periodic reports.

SEC. 2. The Secretary of Commerce, with respect to the collection and use of data on foreign investment in the United States, shall provide, in particular, for the performance of the following activities:

(a) The obtainment, consolidation, and analysis of information on foreign investment in the United States;

(b) the improvement of procedures for the collection and dissemination of information on such foreign investment;

(c) the close observation of foreign investment in the United States;

(d) the preparation of reports and analyses of trends and of significant developments in appropriate categories of such investment;

(e) the compilation of data and preparation of evaluations of significant investment transactions; and

(f) the submission to the Committee of appropriate reports, analyses, data and recommendations relating to foreign investment in the United States, including recommendations as to how information on foreign investment can be kept current.

SEC. 3. The Secretary of the Treasury is authorized, without further approval of the President, to make reasonable use of the resources of the Exchange Stabilization Fund, in accordance with section 10 of the Gold Reserve Act of 1934, as amended (31 U.S.C. 822a), to pay any of the expenses directly incurred by the Secretary of Commerce in the performance of the functions and activities provided by this order. This authority shall be in effect for one year, unless revoked prior thereto.

SEC. 4. All departments and agencies are directed to provide, to the extent permitted by law, such information and assistance as may be requested by the Committee or the Secretary of Commerce in carrying out their functions and activities under this order.

SEC. 5. Information which has been submitted or received in confidence shall not be publicly disclosed, except to the extent required by law; and such information shall be used by the Committee only for the purpose of carrying out the functions and activities prescribed by this order.

SEC. 6. Nothing in this order shall affect the data-gathering, regulatory, or enforcement authority of any existing department or agency over foreign investment, and the review of individual investments provided by this order shall not in any way supersede or prejudice any other process provided by law.

GERALD R. FORD.

THE WHITE HOUSE, May 7, 1975.

## Amendment of Generalized Tariff Preference Provisions of Trade Act Supported by Department

*Statement by Deputy Secretary Robert S. Ingersoll<sup>1</sup>*

Thank you, Mr. Chairman, for giving me this opportunity to appear before your subcommittee to testify on H.R. 5897 and related bills which would amend the generalized tariff preference provisions of the Trade Act of 1974. Frankly speaking, Mr. Chairman, we believe that H.R. 5897 does not go far enough, since we would have preferred the amendment to cover all countries that do not embargo us in the future. However, we consider H.R. 5897 a significant step forward, and we support it and urge its early adoption.

The generalized system of preferences, or GSP, is a commitment by all major non-Communist industrialized countries to extend preferential treatment to all developing countries. As such it represents a significant action by developed countries to meet the recognized need of developing countries for special treatment in the area of trade.

Other industrialized countries, 18 in number, now offer these tariff advantages in their markets. I am gratified that the United States now has the authority to join with them in fulfilling this promise. Still I fear that GSP is not well understood in the United States.

GSP is not, as is widely believed, a giveaway program. American consumers and

producers will benefit from it. The amount of tariff revenues which the U.S. Government actually gives up is estimated at only between \$100 and \$200 million annually. GSP does, nevertheless, stimulate development by promoting export expansion and diversification. To the extent that the program is successful in increasing the export earnings of poor countries, they will buy more of our products.

The legislation does anticipate that, in certain cases, tariff reductions can have an adverse impact on individual domestic producers. In addition to the normal escape clause provisions of the Trade Act, which apply to all imports, including GSP imports, there are other safeguards, including International Trade Commission investigations, exclusion of import-sensitive products, and country ceilings on preferential imports of any one product. Finally, the President may withdraw or suspend GSP in whole or in part should he find it appropriate to do so.

President Johnson first expressed U.S. willingness to consider trade preferences for the developing countries at a conference with Latin American heads of state in 1967. Perhaps the most important factor motivating this shift in traditional U.S. policy was the steady erosion during the 1960's of the most-favored-nation principle as the European Community extended its network of preferential trading arrangements throughout Africa and the Mediterranean region. These arrangements discriminate against third countries, including the United States

<sup>1</sup> Made before the Subcommittee on Trade of the House Committee on Ways and Means 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.



and Latin America. GSP was seen as an attractive alternative to regional or special preferences to meet the legitimate trade needs of poor countries with a minimum of discrimination and inefficiency. In a broader sense, the GSP concept helps to offset ever-present tendencies to divide the world into spheres of influence.

The GSP concept has three prongs. The preferences are to be generalized—all major industrialized countries would join in extending them. All developing countries, rather than just countries with historical ties with certain donor countries, would benefit (nondiscrimination). Developing countries would not be required to give something in return as they have heretofore been required to do as part of the European Community preferential arrangements (nonreciprocity).

We considered that implementation of GSP would encourage the phasing out of special preferential arrangements. Indeed, the provision of title V of the Trade Act which encourages the elimination of reverse preferences has in our estimation been a major factor in hastening the elimination of this type of discrimination, which adversely affected U.S. exports to those developing countries associated with the European Community.

Mr. Chairman, I have gone into considerable detail on these points to explain why the provision excluding OPEC [Organization of Petroleum Exporting Countries] members from GSP has come under sharp criticism from abroad as coercive, discriminatory, and in violation of our international commitments. While we believe that some countries have overreacted and that these charges are exaggerated, we must nevertheless deal with the consequences.

This critical attitude toward the OPEC provision is held not only by Ecuador and Venezuela, which are directly affected, but is also shared by Latin American countries which are not members of OPEC. Opposition to this provision resulted in indefinite postponement of a third meeting to further the new dialogue between Secretary Kissinger and the Latin American Foreign Ministers in Buenos Aires—an occasion which

was to have been an important step in further developing our relations with our friends in Latin America to meet the new challenges of global interdependence.

This provision also threatens to have serious adverse consequences on our relations with other countries with which we are actively seeking to strengthen our relations. Other countries which did not participate in the oil embargo against us have expressed to us their serious concern. Of these, Nigeria is an increasingly important supplier of crude petroleum to the United States. Indonesia is a key member of the Association of Southeast Asian Nations (ASEAN)—which also includes the Philippines, Malaysia, Singapore, and Thailand. Both Indonesia and Nigeria have low per capita incomes and large populations. The importance of our relations with Iran was recently underlined in the meeting of the U.S.-Iranian Joint Commission, which announced an unprecedented expansion in trade between the two countries.

To date, the Arab members of OPEC have not expressed strong reactions to their exclusion from GSP. However, these countries export only a negligible volume of nonpetroleum commodities to the United States. Consequently, the direct economic impact of denying them GSP benefits is also negligible.

Clearly, the most unsettling reaction to the OPEC provision has been that of Latin America. U.S. support for the GSP concept has evolved in close relationship with our policy toward Latin America and is an important element in that policy. That explains why Bill Rogers [William D. Rogers], Assistant Secretary of State for Inter-American Affairs, is sitting here with me today instead of being at the OAS General Assembly meeting across town. It was in a policy address on Latin America in October 1969 that President Nixon announced that the United States would press internationally for a liberalized system of generalized preferences. A highlight of Secretary Kissinger's meetings with the Foreign Ministers of Latin America early last year in Mexico City and later in Washington was the renewal of the U.S. commitment to GSP. We



see the export, and consequent industrial, diversification which GSP will promote as an indispensable condition for the continued economic growth of the region, with concomitant improved markets for U.S. goods, and as a necessary ingredient in the continuing evolution of a mature and constructive partnership between Latin America and the United States.

While Indonesia has not made as much of a public issue about their exclusion from GSP, they have expressed to us their distress about this provision, which they consider discriminatory and unfriendly. They have the sympathetic support of the other members of ASEAN. Indonesia's exclusion from GSP may adversely affect the intensification of our economic ties with the region, an objective which both sides desire particularly in light of recent events in that part of the world.

The Administration position on this provision is quite clear. Both President Ford and Secretary Kissinger have expressed regret at the rigidity or automatic character of this provision. The adverse effect of automatic denial of GSP on our relations with the OPEC countries is in many cases wholly out of proportion to any advantage we might gain from excluding them. Tariff preferences are not appropriate policy instruments to influence the actions of petroleum exporters, because of the negligible trade losses which result from the denial of preferences. On the other hand, denial of GSP can have an unfortunate effect on the atmosphere for constructive negotiations with these countries—and with other countries not directly affected, as our experience with Latin America attests—and can needlessly threaten U.S. commercial interests in their markets. In his foreign policy address on April 10, President Ford noted the unfortunate and unintended impact which this provision has had and urged the Congress to reconsider it.

Further to my point on the inappropriateness of GSP as a policy instrument vis-a-vis the OPEC countries, we have examined the potential benefits to these countries of GSP treatment. Total U.S. imports from the 13

member countries of OPEC in 1973 were \$3.8 billion. Imports of items now under consideration for GSP treatment were \$64 million, or 1.6 percent of the total. This figure is likely to be further reduced by the quantitative ceilings. Most OPEC members are dependent and will continue to be dependent on crude oil exports and petroleum products for the bulk of their foreign exchange. Such products are generally not included among products under consideration for GSP treatment. From what we know about future OPEC exports, they are unlikely to benefit appreciably from GSP.

In sum, Mr. Chairman, we share the concerns of Congress with respect to the practice of embargoing supplies of vital raw materials and the related act of artificially raising prices which motivated section 502(b)(2) of the Trade Act. We believe subsequent events, including the unfortunate and unintended impact on our relations with the Latin Americans, have demonstrated that automatic denial of GSP benefits is not an appropriate policy instrument to deal with the problems of commodity pricing and supply.

We welcome the constructive and cooperative spirit with which Congress and, Mr. Chairman, this subcommittee in particular have approached a resolution of the problems caused by the OPEC restriction. H.R. 5897 would, assuming all other criteria of the Trade Act are met, permit the President to extend GSP to OPEC members which did not participate in last year's oil embargo, including Ecuador, Gabon, Indonesia, Iran, Nigeria, and Venezuela, if he determines that it is in the national economic interest to do so.

We distinctly prefer H.R. 5897 to the related bills now under consideration by this subcommittee which would exempt countries in the Western Hemisphere only from the restrictions of section 502(b)(2), although we appreciate the constructive spirit which motivated them.

We now anticipate the GSP will be implemented on November 1. We would hope that H.R. 5897 can be enacted prior to that time.

## Department Urges Approval of Appropriations for International Financial Institutions

*Statement by Charles W. Robinson  
Under Secretary for Economic Affairs<sup>1</sup>*

The current world political and economic situation gives these hearings on appropriations for the international financial institutions special significance and relevance. The United States has reached a point in its history where we must clearly demonstrate our continuing leadership in international political and economic forums. Our historical tradition of responsible leadership, our size, our economic strength, and also our self-interest all dictate that we do so. Withdrawal in this world of interdependent nations and economies is no longer a real option.

U.S. relations with less developed countries constitute one segment of our foreign policy which currently requires positive action. A key facet of our relations with these countries is our development assistance programs.

Our development assistance effort is composed of complementary bilateral and multilateral programs. I would like to stress that these programs are not competitive. Bilateral assistance can be used as a flexible instrument of national policy focusing on countries and problems of particular interest to us. The multilateral framework enables us to share the development burden by tapping official and private capital markets of other industrialized nations. Taken together,

these programs permit a more efficient allocation of resources than either program by itself could achieve.

Our desire to promote the development of these nations cannot be based solely on altruism. We depend on the less developed nations to be both suppliers of many critical raw materials and important markets for our exports. Last year they purchased approximately one-third of our exports. In fact our balance-of-trade surplus with the non-oil-producing less developed countries was approximately \$5.5 billion. If these countries become more prosperous, we can anticipate selling more to them and buying more of their products. U.S. investment in less developed countries has grown to over \$30 billion as of last year. All these facts clearly show that economic interdependence is a reality.

In such an interdependent world, it is my judgment that the international financial institutions will be increasingly important. They will, if adequately supported, shoulder a significant portion of the international responsibility for building a peaceful and growing new world. They will play a crucial role in mobilizing the vast amounts of capital necessary for development of the world's supplies of food, raw materials, and energy. They hold promise as institutions that can help assuage conflicting economic interests between the industrialized countries and the developing world. They will be able to contribute to the resolution of some specific economic problems where individual nations

<sup>1</sup> Made before the Subcommittee on Foreign Operations of the House Committee on Appropriations on May 14. 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.

or companies cannot. In short, the international financial institutions can serve as one important source, among others, of the initiative and resources required to assure progressive development of the global economic order, which is vital to America.

To be more specific about the advantages of the international financial institutions to the United States, these institutions meet the objective of sharing the burden of development assistance with other industrialized countries by mobilizing foreign official funds as well as tapping foreign private capital markets. The U.S. share of total multilateral aid has consistently been lower than the U.S. share of total bilateral aid. In other words, the multilateral channel attracts relatively more official foreign funding for each U.S. dollar invested than does an equivalent amount of U.S. bilateral aid. Our relative financial share in these institutions has steadily declined as other governments have been willing to contribute at a proportionally greater rate.

#### **Market-Oriented Development Planning**

A major benefit, in my opinion, has been the Banks' contribution to development planning based on market-oriented economies. The country and project analyses methodology of these institutions is generally accepted in most of the developing world. It encourages borrowers to consider their priorities in a market-oriented framework. Concepts such as fiscal responsibility, rates of return, free movement of goods and capital, investment rights, and self-help are stressed. Where government officials use these principles with the Banks, there is a good chance they will apply them in other sectors of the economy as well.

These Banks enjoy the status of impartial and expert observers of development issues. They are able to offer hard economic advice in an apolitical context which is less offensive to national sensibilities. Under the guidance of these institutions, less developed countries have the opportunity to assume primary responsibility for their development programs. Their assumption of this responsibility

means that the United States is able to reduce its overseas staff. Also the Banks provide assistance to countries where we would rather maintain a low political profile.

We must play a constructive role in the Banks. If we do not continue to provide a "fair share" in support of the development process, we will reduce the ability of these institutions to mobilize additional resources from other governments. Moreover, we will affect our own ability to obtain cooperation of other donors and developing countries in a whole series of international economic, trade, and monetary negotiations.

Continued U.S. support of the Banks will have a significant effect on the Banks' relations with oil-exporting countries. We believe that the oil exporters should channel a larger proportion of their development assistance funds through multilateral institutions. We are strongly urging them to do so.

The international financial institutions will help insure that oil exporters' aid funds are used efficiently and allocated in an apolitical manner to less developed countries. Investment of a sizable amount of oil exporter funds in these Banks will also help with the basic recycling problem. Within the framework of the Banks, the oil exporters and traditional donors will find they can cooperate more productively on the problems of development assistance. But it is hard for the United States to advance these arguments if our own support for these institutions is declining. We must demonstrate concretely to the oil exporters that we believe the international financial institutions are viable Banks in which they must become major participants if they are to have an important influence on development issues.

I would like to make some observations about each Bank.

#### **The International Development Association**

First, the International Development Association, which provides low-cost loans to the world's poorest countries. The United States must provide its fair share to the economic development of these countries

whose per capita gross national product is \$375 or less. In many of these nations our bilateral assistance programs are either small or nonexistent. Thus our contribution to the International Development Association becomes the primary symbol of our concern for their development.

Two years ago we negotiated the fourth replenishment of the resources of the International Development Association, with the U.S. share to be \$1.5 billion, or 33 percent of the total. The decrease from our 40 percent share in previous replenishments was made in recognition of the changed world economic picture.

The U.S. negotiating position in these replenishment talks was established after extensive consultations between the executive and legislative branches. We believe the results of the consultations are reflected in the final agreement. These hearings constitute yet another stage in the consultative process. It should be noted that the other major donor countries have proceeded with their initial contributions in anticipation of eventual U.S. participation. Without these contributions the International Development Association would have run out of funds last summer.

Were it to go out of business, the International Development Association's substantial contribution to the development needs of the poorest less developed countries would not be replaced from other sources. The International Development Association's lending record and projects are indeed impressive when one considers that they are working with countries which have very limited infrastructure and trained manpower.

#### **The Inter-American Development Bank**

I would like to strongly urge full appropriation of the \$275 million still due on our pledged contribution to the Fund for Special Operations of the Inter-American Development Bank—the FSO. Mr. Chairman, you are aware that the FSO finances projects for the poorest countries, and the poorest people in those countries. The requested amount

is long overdue and desperately needed. Whether it is appropriated provides a clear benchmark of whether we take seriously our statements about the importance to us of our neighbors in this hemisphere. Latin America is carefully watching U.S. foreign policy intentions at this time. We think it important to demonstrate that the United States intends to meet its commitments.

As you know, contributions to FSO under the 1971-73 replenishment were to be made over a three-year period ending in December 1973. The United States is the only nation which has not completed the terms of that replenishment.

Many of these nations which receive FSO moneys have been among the hardest hit by the dramatic increases in oil prices and by the crises in food and fertilizer. Concessional contributions will be coming in from other countries, including a large group of non-regional nations and, for the first time, from Latin American countries; but most of these will be made only over the next three or four years. Thus the \$275 million requested is needed now for the Bank to maintain its lending to those who need it most.

Secretary of State Kissinger has been meeting with Latin American representatives at the General Assembly of the Organization of American States here in Washington. In previous meetings with them, he has stated that the executive branch would urge the Congress to maintain aid levels to the hemisphere. Your early and favorable action on this request will make our discussions in the next replenishment—at the Bank's Board of Governors meeting later this month—more credible.

I also request that you remove the requirement, imposed by Senate initiative in action on the fiscal year 1975 appropriations request, for earmarking of \$50 million of the funds provided under the FY 1975 appropriations act for cooperatives and credit unions. Earmarking is inconsistent with the concept of multilateralism, which is basic to our participation in an international development bank. And it invites others to earmark, too, so as to include or exclude—in ways which we may not favor—particular



activities or countries. We recently successfully discouraged Venezuela from earmarking part of its new Inter-American Development Bank Trust Fund for certain purposes.

### **The Asian Development Bank**

The Asian Development Bank is primarily an Asian institution, which has contributed to the U.S. policy goal of encouraging self-reliance for the countries in the region. The Bank has also succeeded in obtaining non-regional capital for development purposes. The United States, Canada, and 13 European countries, as well as Japan, Australia, and New Zealand, have contributed to the Bank's resources.

Our support of the institution is a concrete sign of our continued interest and concern for Asian economic development. Now, when our Asian allies are showing doubts about our commitment to them, it is of the utmost importance that we dispel those doubts by asserting our continued interest in their economic well-being. For this reason we must be forthcoming with our participation in the Asian Development Bank and make our fair contribution to it. The nations which over the past decade have received well over 75 percent of the Bank's loans are countries of critical importance to us—Korea, the Philippines, Pakistan, Thailand, Malaysia, Singapore, and Indonesia.

The proposed U.S. contribution of \$121 million to the Bank's ordinary capital resources is the second of three tranches. These funds will insure that we will keep our Executive Director position and match the contributions already made by others. The \$50 million being requested for the Special Funds is the final tranche in the Bank's current replenishment of its concessional funds resources. These funds have been used primarily for projects in the lowest income countries of the region.

A good example not only of Asian Development Bank concessional financing but also of cooperation among the international financial institutions is the Ashuganj Fertilizer Project in Bangladesh. The International

Development Association, Asian Development Bank, and four national assistance agencies including AID worked together to implement this \$250 million project to build a fertilizer plant. The project is designed to help meet the country's need for nitrogen fertilizer by using Bangladesh's abundant natural gas to produce it locally. Once the plant is working, it will save Bangladesh \$74 million a year in foreign exchange.

### **The African Development Fund**

Mr. Chairman, there is one other subject which I would like to bring to the committee's attention today.

We realize that the members of the committee will not wish to discuss in depth an appropriation for the African Development Fund prior to passage of legislation authorizing us to join that institution. I would like to point out, however, that bills authorizing our long-overdue participation in this important African financial institution are pending in both the House and Senate. Our proposed contribution of \$15 million, paid in over a three-year period, would be less than 10 percent of the Fund's resources. We in the Department of State attach a high priority to early passage of an appropriation for the Fund when the authorization has been enacted. The continued deferral of American membership in the African Fund not only disadvantages American businessmen, who are not eligible to bid on the Fund's projects, but has raised questions concerning our willingness to participate in a meaningful way in the process of African development. It is our view that further delay would clearly be detrimental to our long-term interests in that part of the world.

The multilateral Banks have shown themselves to be efficient, effective institutions clearly meriting our continued support. Given today's economic interdependence, it is in our national self-interest as well as being in the interest of the less developed countries for the United States to continue to contribute its fair share to the international financial institutions.



## Department Gives Views on Bills Relating to Foreign Investment in the United States

*Statement by Thomas O. Enders*

*Assistant Secretary for Economic and Business Affairs*<sup>1</sup>

Mr. Chairman [Senator Daniel K. Inouye]: I appreciate this opportunity to present to your committee the Administration's views on S. 1303, S. 995, and S. 329, relating to foreign investment in the United States. You and the other members of this committee have made an important contribution to the development of U.S. policy in this area. We in the Administration were pleased to be able to work with you toward the enactment of the Foreign Investment Study Act last fall. We expect that our consideration of this new legislation will proceed in the same constructive and cooperative manner.

Since other Administration witnesses are addressing themselves to the technical and domestic economic policy issues raised by these three bills, I will direct my comments primarily to the foreign policy issues which they raise.

It has long been the policy of the U.S. Government generally to welcome foreign investment in recognition of the benefits which it brings to our economy. At the same time, both the legislative and executive branches of the U.S. Government are aware of the necessity to take whatever measures in the investment field are necessary to protect our national interests, recognizing, however, that such measures may involve costs in terms of

our other objectives. Thus, in the past, we have instituted restrictions on foreign investment only in those areas of the economy where it was determined that the national interest required them.

As you know, Mr. Chairman, the executive branch recently conducted an extensive review of U.S. policy on inward investment in which we examined the adequacy of existing safeguards in light of, *inter alia*, the rapid accumulation in the hands of a few oil-producing governments of funds available for investment abroad. As was explained by Administration witnesses before the Senate Subcommittee on Securities on March 4, the basic conclusion of our review was to reaffirm the traditional commitment of the U.S. Government to national treatment—i.e., treatment no less favorable than that which it accords to its own citizens in like circumstances—for foreign investors.

In addition, however, we concluded that we should take the following administrative actions to guard against the potential problems of foreign investment in the United States:

1. Establish a new high-level interagency body to serve as a focal point within the executive branch for insuring that foreign investments in the United States are consistent with our national interests;
2. Create a new office to gather, consolidate, and report on information on foreign investment in the United States which is collected by the various agencies of the U.S. Government; and

<sup>1</sup> Submitted to the Subcommittee on Foreign Commerce and Tourism of the Senate Committee on Commerce 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.

3. Seek assurances from those foreign governments that are capable of making very substantial investments that they will consult with the U.S. Government before making major investments in the United States.

We have now made significant progress in the implementation of this new program. An interagency Committee on Foreign Investment in the United States and an Office of Foreign Investment in the United States are presently being organized. In addition, we have already discussed the inward-investment issue with the principal oil-producer governments. We have found that they are understanding of our concerns in this area and now expect that they will consult with us in advance of any major investments in the United States. Our consultations with Iran concerning its prospective investment in Pan Am will set a useful precedent for these discussions.

#### **Advantages of Administration Program**

I would like to review several advantages of this Administration program.

First, it does not represent a departure from traditional policy on inward investment and hence is unlikely to have the negative effects upon U.S. foreign policy that new legislative restrictions on inward investment might produce.

The United States remains a leader in international economic relations. Other nations look to us to prevent a return to the divisive economic nationalism of the 1930's. In the past, the United States has fulfilled this role in part by seeking acceptance of the principle of nonrestrictive treatment of foreign investment through an extensive network of bilateral friendship, commerce, and navigation (FCN) treaties. In addition, the United States has played a key role in winning international support for the principles of the Code of Liberalization of Capital Movements of the Organization for Economic Cooperation and Development. This code and the FCN treaties have contributed to the achievement of a regime of relatively unrestricted movements of capital among the developed nations of the world, a regime un-

der which American investors have made investments in foreign countries totaling more than \$100 billion in book value.

Today, as we consider new safeguards for our own economy, we must remember that the commitment of other nations to liberalized treatment of foreign investment, in some cases not as strong as our own commitment, may well prove to be all too easily reversible should the United States abandon its role of leadership in this area.

A second advantage of the Administration program is that it provides us with an effective central authority for the formulation and implementation of a coherent investment policy. Particularly important in this regard, the new machinery will act as a vehicle for the compilation and analysis of data on inward investment currently collected by a number of U.S. Government agencies. We anticipate that in performing these functions the new Office and Committee will be able to correct many of the shortcomings of current data collection programs revealed in the recent CIEP-OMB [Council on International Economic Policy; Office of Management and Budget] report. On the other hand, should any significant deficiencies prove intractable using existing powers, the Committee would make recommendations for new administrative or legislative action to deal with them.

Given the advantages which we see in this new Administration program, we would like to give it an opportunity to prove its worth before reaching conclusions concerning the need for new legislation. Therefore, although we share most of the concerns of the sponsors of S. 1303, S. 995, and S. 329, the Department of State cannot support the passage of these bills, at least until we have had the opportunity to assess the effectiveness of the Administration program.

#### **Foreign Government Investment Control Act**

In giving the Department's views of these bills, I will address myself first to S. 995 and then, since they are in many respects quite similar, to S. 1303 and S. 329 together.

S. 995, the Foreign Government Invest-

ment Control Act, would impose broad new restrictions upon investment in the United States by foreign governments and government enterprises. It aims to achieve by legislation part of what we are seeking to accomplish through the Administration program. There are two major reasons for our preference for the administrative approach.

First, a mandatory screening requirement of the kind proposed in S. 995 would tend to call into question our commitment to a policy of national treatment for foreign investors. By avoiding mandatory screening in favor of a more flexible approach, we are indicating that although we have concerns about inward investment and are acting upon them we nevertheless will seek to preserve our overall adherence to the national treatment principle. We believe that the Administration program will provide a satisfactory balance between our need to protect our national interests and our desire to minimize the burdens which we impose on foreign investors. In addition, it will permit us to welcome acceptable investments by governments in a manner consistent with the spirit of cooperation upon which we are seeking to base our overall relations with those countries.

A second problem of S. 995, related to the first, concerns our treaties of friendship, commerce, and navigation. A number of these treaties assure nationals of each of the parties to the treaty of nondiscriminatory treatment with respect to the establishment or acquisition of interests in enterprises in the territory of the other party. Nothing in these treaties indicates an intention to treat government investment differently from private investment. S. 995 would derogate from this national treatment principle by subjecting foreign governments to special restrictions not applied to domestic investors or to other, non-governmental, foreign investors. The Administration program is designed to maintain the integrity of these treaties, which are of importance to the actions of American investors and businessmen abroad.

In addition to the two general problems just mentioned, I would also mention that the Department of State questions the need

for section 3(c) of S. 995, which identifies areas of the economy in which foreign government investments are to be prohibited. It is not clear why these particular areas were chosen, especially since we already have restrictions on foreign investment from all sources in a number of these sectors.

#### **Bills Extending Reporting Requirements**

I will now present the views of the Department of State concerning S. 1303 [Foreign Investment Disclosure Act of 1975] and S. 329 [Foreign Investment Reporting Act of 1975]. Since these two bills are primarily designed to restructure and extend existing procedures for gathering data on inward investment, their foreign policy implications are relatively minor and I will make my remarks very brief.

First, the Department of State is concerned that S. 1303 and S. 329 would impose additional reporting requirements where we may in fact already have the information which we need or are capable of getting it under existing reporting requirements. For example, based in part upon the findings of the CIEP-OMB study, we are encouraged by the potential for obtaining information on most foreign investment in the United States through improvement in the Securities and Exchange Commission (SEC) reporting system. It was for this reason that the Administration last month indicated a desire to examine more closely those provisions of S. 425, the proposed Foreign Investment Act of 1975, designed to obtain increased disclosure of beneficial ownership, more effective sanctions to insure such disclosure, and identification of the national origin of foreign shareholders.

Reliance upon the SEC for the collection of data would also have the advantage of avoiding the appearance of discrimination against foreign investors, since the SEC collects needed information from both foreign and domestic investors on a nondiscriminatory basis. From a foreign policy point of view, we find this approach preferable to that of placing special reporting burdens on foreign investors only.

Under the new Administration program, an Office of Foreign Investment in the United States will be assigned the task of gathering data on inward investment being collected under existing programs. This effort, to be carried out in conjunction with the second stage of the CIEP-OMB study, should pinpoint any serious gaps in the data available to us. Since excessive reporting requirements are costly and may themselves serve as a deterrent to investment, we recommend that new ones not be imposed until the existing ones have been fully evaluated.

My second point relates to section 5(7) of S. 1303, under which the proposed [Foreign Investment] Administration is called upon to make policy recommendations directly to the Congress, and to section 7, under which the Secretary of Commerce is authorized to issue guidelines and policy statements with respect to foreign investments. In view of the fact that the inward-investment issue is a broad one involving concerns of many agencies, we feel that responsibility for formulating and making recommendations concerning inward-investment policy should not be given to any one department. Such responsibility would better be lodged with the Committee on Foreign Investment in the United States, comprising representatives of the State, Treasury, Defense, and Commerce Departments and of the Assistant to the President for Economic Affairs (with other agencies participating as appropriate), currently being established under the new Administration program.

Mr. Chairman, although the Administration cannot support passage of this legislation at this time, our opposition is founded

less on substantive disagreement with the bills than on a desire to avoid overreacting to an issue which we are hopeful can be handled with the resources already at our disposal. It is reassuring to find that the sponsors of S. 995, S. 1303, and S. 329 all share our commitment to the principle of freedom of international capital movements. In conclusion, I would urge that we seek together to pursue a course of action that will not endanger that commitment.

## **Congressional Documents Relating to Foreign Policy**

### **94th Congress, 1st Session**

- A Select Chronology and Background Documents Relating to the Middle East (Second revised edition). Senate Committee on Foreign Relations. February 1975. 313 pp.
- Vietnam and Korea: Human Rights and U.S. Assistance. A study mission report of the House Committee on Foreign Affairs. Submitted to the committee by Congressman Leo Ryan. February 9, 1975. 15 pp.
- Nomination of Nathaniel Davis to be Assistant Secretary of State for African Affairs. Hearing before the Senate Committee on Foreign Relations. February 19, 1975. 86 pp.
- Supplemental Assistance to Cambodia. Hearings before the Subcommittee on Foreign Assistance and Economic Policy of the Senate Committee on Foreign Relations. February 24-March 6, 1975. 204 pp.
- Acquisition, Operation, and Maintenance of Buildings Abroad. Hearings before the Subcommittee on International Operations of the House Committee on Foreign Affairs. March 4-12, 1975. 38 pp.
- Military Assistance to Turkey. Report of the Senate Committee on Foreign Relations to accompany S. 846. S. Rept. 94-74. April 10, 1975. 4 pp.



## Third Session of Law of the Sea Conference Meets at Geneva

*The third session of the Third United Nations Conference on the Law of the Sea was held at Geneva March 17-May 9. Following is a statement made before the conference on May 9 by John R. Stevenson, Special Representative of the President and chief of the U.S. delegation.*

Press release 248 dated May 12

Many experienced diplomats would agree that the Law of the Sea Conference is the most important and complex global negotiation to take place since the founding of the United Nations. However, its importance to the public at large is frequently obscured by the complexity of the issues. Indeed, the response of states to the events of the last eight weeks here may well have a profound impact on the future of the oceans and man's ability to use them peacefully. The ultimate success or failure will influence the views of thoughtful men everywhere on the very capacity of the organized international community to deal with problems on a global scale in more than general and nonbinding terms.

At the end of the Caracas session of the Law of the Sea Conference last August, I reported that while the general outlines of the Law of the Sea Treaty had emerged, what was missing was the will to negotiate, to make the accommodations necessary to achieve specific agreements.

Obviously we have not reached the stage of any final agreement in Geneva. If I might summarize the situation as it now appears, I would say that there have been two concrete results.

First, there has been progress, and in some cases substantial progress, on filling in with specific articles the outlines of a treaty, par-

ticularly with respect to the duties in a 200-mile economic zone in which the coastal states would control both coastal fisheries and non-living resources. On other subjects, the discussions and negotiations were not as focused on the essential elements of agreement as they might have been; but there was no general debate, and because most of the meetings were informal there was far less talking for the record than at the Caracas session.

A second result has been a procedural one, and that is the single texts of treaty articles on virtually all subjects with which the conference is dealing that were distributed today.

I say that the texts are an important procedural result because early in the session it became evident that one of the things that was slowing the process of negotiation was the lack of a single text with which to work in each of the main committees. In Committee II we were, as you know, working with the main-trends paper prepared in Caracas, which included a number of alternative texts on all key issues.

The single text, as the President of the conference emphasized when he requested that the committee chairmen produce such a text on their individual responsibility, is not a negotiated or consensus text. It is a text intended for use as the basis for future negotiations and which, of course, will be revised and amended to reflect the agreements and accommodations that we hope will be possible at the next session. Nevertheless some important aspects of the text are in fact a reflection of the latest stage reached in some very productive negotiations. As you know, this document is a lengthy one and was distributed only this morning; so I can-

not comment on it at this time, other than to welcome its appearance as a device which may serve to speed the negotiations along.

While the single text is one visible result of the conference, there are other bases on which we might assess the work that has gone on here.

We have, as you know, agreed on another formal session in April next year, with provision for a second session next summer if the conference decides this is desirable, and on provision of conference and interpretation facilities for informal intersessional work.

On some important controversial issues, we have negotiated texts that come quite close to what might be generally acceptable. On a large number of technical issues such as baselines, innocent passage in the territorial sea, and high seas law, we have a large body of negotiated texts. Together with the single texts, these represent the tools with which we can proceed.

Whether or not we do proceed, and how fast, depends upon the answer to one question, and that is: Are governments willing to make the political decisions on a few critical issues which must be resolved to permit accommodation of fundamental interests? No amount of continuing discussion will avail unless, in this interim period, a number of governments determine that, in the interest of an overall agreement, some willingness to accept less than their view of the optimum possible result is necessary. It seems to me that, whether we wish it or not, events may overtake this effort and the time will be past in which a comprehensive law of the sea agreement is possible. Yet one of the difficulties we have faced in trying to move ahead is that many delegations do not share our sense of urgency and our concern that unilateral actions may overtake us.

This opportunity is not yet lost, and I for one would continue to urge patience and understanding of the enormous difficulty and complexity of the tasks we have undertaken. At the same time, I must emphasize that from the points of view of the United States and other countries at this conference, certain fundamental interests must be accommodated. We are prepared, and I think the rec-

ord of the many U.S. proposals that have been made in the course of these two sessions shows that we have been prepared, to accommodate the interests of other countries. But at the same time, we are not prepared to abandon those interests which we deem vital not only for the United States but for the world community as a whole.

On some very important issues we have arrived at the point where, if we continue to move ahead, an agreed text is possible.

On the economic zone, the Evensen group, an informal group of 40 countries meeting under the chairmanship of Minister Jens Evensen of Norway, has met almost daily during this session and completed a text of articles on the 200-mile economic zone, including fisheries questions. The text attempted, and I think in large measure succeeded in, the essential task of the economic zone negotiation: to establish the balance of rights and duties of coastal states, and of all other states, which have a vital interest in the many uses of an area which would amount to more than one-third of the world's oceans. Nevertheless we must bear in mind that the landlocked and geographically disadvantaged states do not believe adequate provision has yet been made to protect their interests.

The fisheries issue is a matter of great concern to the United States and to many other nations at this conference. The Evensen text provides for the right of the coastal state to manage coastal fish stocks in the 200-mile economic zone and for their conservation and full utilization in a world which has great need for additional food resources. Moreover, the Evensen text contains a new and very welcome development of great importance to our environmentalists and fishermen: recognition of the special interests of the state of origin in anadromous fish, such as salmon, that spawn in our streams. No agreement, however, was reached on the treatment in the economic zone of highly migratory fish such as tuna.

The economic zone is one part, although clearly a critical part, of a Committee II package of issues which includes also the resolution of the question of a territorial sea

and unimpeded passage through straits used for international navigation. There is a clear consensus in this conference for a 12-mile territorial sea and growing perception of the importance to the world community of fully guaranteeing unimpeded transit for ships and aircraft in straits used for international navigation.

I spoke to some of you a week or two ago on the issue of the continental margin, at which time I said I believed a compromise could be worked out which would couple coastal state jurisdiction over the continental margin in those areas where it extends beyond 200 miles with revenue sharing on production in that area beyond 200 miles. By way of illustration, we have presented a specific idea with respect to revenue sharing from the continental margin under coastal state jurisdiction beyond 200 miles. After five years of production at a site, the coastal state obligation to share revenues would begin at 1 percent of wellhead value and increase by 1 percent per year until it reached 5 percent in the 10th year, after which it would remain at 5 percent. Our experts tell us that if we assumed a given field would produce 700 million barrels of oil through a 20-year depletion period, and a value of \$11 per barrel, the total amount would be \$130 million per field. I should note that the oil and other minerals themselves, and revenues collected by the coastal state, would of course remain with the coastal state. This problem was discussed somewhat late in the conference, and I would hope that the details of such a compromise could be worked out early in the next session.

With respect to the deep seabed, we were encouraged early in the session by what appeared to be a sincere effort on the part of many states to create a regime which would serve the interests of the international community without obstructing, or subjecting to political judgments, the development of the mineral resources. The investment in this type of project is, as you know, an enormous one. And in a world where we have all felt the effects not only of scarcity of vital raw materials but of uncertainty of access to them, nations are not prepared, in my judg-

ment, to subject their access to seabed minerals to a system of exploration and exploitation and to a decisionmaking process in which they do not have reasonable assurances of security of access and may not be adequately represented. Moreover, I do not think it will be possible, seen against the background of today's developments in raw materials matters, to agree to give ultimate powers of exclusive exploitation to a single new international entity. The United States has been willing to work with all nations of the world to insure that a system of exploitation is devised that will permit both sharing in the benefits and future participation in the development of these resources. So far, however, basic compromises on this most difficult of issues have eluded all of us, although I am pleased to say that on some of the important questions progress has been made.

On problems of marine pollution, which concern us all, I think there is a growing agreement that pollution standards should be established internationally. Together with new and effective enforcement of such agreed standards, this is the only way in which the problem of pollution can effectively be dealt with.

I am particularly dismayed by continuing attempts to place restrictions on the conduct of marine scientific research. Knowledge of the oceans is important to all of us. Good science is free science; it is not a commodity that can be packaged and purchased in predetermined quantities. The conference should concentrate on means to insure that all will enjoy the fruits of science, not on means to restrict science for fear it will only benefit the few.

What we sometimes tend to lose sight of in the course of negotiations is that we are not here to decide what is yours and what is mine. We are not concerned solely with resources, or with navigation, or with scientific research, or with pollution, or with fisheries. What this agreement must do, if it is to be effective, is to create a balance of all these multiple uses of the oceans, so that while interests of coastal states are recognized, the interest of all in navigation and other nonresource uses of the oceans and

in their preservation as a productive and healthy environment is maintained.

Such a balance of interests is inevitably going to lead to disputes as to their interpretation, and this conference has also done some notable work in the drafting of general articles and alternative possibilities of means of binding settlement of such disputes. In the U.S. view, binding dispute-settlement procedures would be a necessary part of such a treaty. Otherwise we may simply convert disagreements about principles into disagreements about interpretation. There is serious doubt that this would serve anyone's interest.

This is a somewhat lengthy assessment of what has transpired here; yet it seems to me important not to lose sight of the progress we have made simply because these negotiations have not yet resulted in agreed treaty articles in all areas.

It may be that the reason that more fundamental agreements were not reached here had less to do with the willingness of states to make them than with the fact that the pace of progress did not earlier lead us to the point where such agreements were essential to further progress. Certainly, it is difficult to overestimate the difficulties inherent in a negotiation of some 140 states on matters of vital national interest to many.

I am hopeful that the common purpose that has sustained this difficult negotiation through its early stages is intact. That purpose is our shared conviction that law, not anarchy, will best serve man's future in the oceans. The real problems of nations and their citizens that make this negotiation difficult will not disappear if we do not succeed; they will get worse. There are basic differences of national interest and in the sense of urgency of resolving our oceans problems, as well as basic differences in perception of how best to protect common interests, but none, I think, would willingly choose the course of chaos in which greater power prevails at great cost.

## TREATY INFORMATION

### Current Actions

#### MULTILATERAL

##### Agriculture

International agreement for the creation at Paris of an International Office for Epizootics, with annex. Done at Paris January 25, 1924. Entered into force January 17, 1925.<sup>1</sup>

*Senate advice and consent to accession:* May 5, 1975.

##### Antarctica

The Antarctic treaty. Signed at Washington December 1, 1959. Entered into force June 23, 1961. TIAS 4780.

*Accession deposited:* Brazil, May 16, 1975.

##### Arbitration

Convention on the recognition and enforcement of foreign arbitral awards. Done at New York June 10, 1958. Entered into force June 7, 1959; for the United States December 29, 1970. TIAS 6997.

*Accession deposited:* Holy See, May 14, 1975.

##### Aviation

Convention on international civil aviation. Done at Chicago December 7, 1944. Entered into force April 4, 1947. TIAS 1591.

*Adherence deposited:* Lesotho, May 19, 1975.

Convention for the suppression of unlawful acts against the safety of civil aviation. Done at Montreal September 23, 1971. Entered into force January 26, 1973. TIAS 7570.

*Ratification deposited:* Egypt (with a reservation), May 20, 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:* Rwanda, May 20, 1975.

##### Genocide

Convention on the prevention and punishment of the crime of genocide. Done at Paris December 9, 1948. Entered into force January 12, 1951.<sup>1</sup>

*Accession deposited:* Rwanda (with a reservation), April 16, 1975.

<sup>1</sup> Not in force for the United States.



## Health

Amendment of article 24 and 25 of the Constitution of the World Health Organization of July 22, 1946, as amended (TIAS 1808, 4643). Adopted at Geneva May 23, 1967.

*Acceptance deposited:* United States, May 19, 1975.

*Entered into force:* May 21, 1975.

Amendment to article 34 and 55 of the Constitution of the World Health Organization of July 22, 1946, as amended (TIAS 1808, 4643). Adopted at Geneva May 22, 1973.<sup>2</sup>

*Acceptance deposited:* United States, May 19, 1975.

## Judicial Procedure

Convention on the taking of evidence abroad in civil or commercial matters. Done at The Hague March 18, 1970. Entered into force October 7, 1972. TIAS 7444.

*Signature:* Sweden, April 21, 1975.

## Maritime Matters

Amendment of article VII of the convention on facilitation of international maritime traffic, 1965 (TIAS 6251). Adopted at London November 19, 1973.<sup>2</sup>

*Acceptances deposited:* Netherlands (extended to Surinam and Netherlands Antilles), April 25, 1975; Sweden, April 28, 1975.

## Nuclear Weapons—Nonproliferation

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

*Accession deposited:* Rwanda, May 20, 1975.

## Oil Pollution

Amendments to the international convention for the prevention of pollution of the sea by oil, 1954, as amended (TIAS 4900, 6109). Adopted at London October 21, 1969.<sup>2</sup>

*Acceptance deposited:* Italy, April 30, 1975.

## Organization of American States

Charter of the Organization of American States. Signed at Bogotá April 30, 1948. Entered into force December 13, 1951. TIAS 2361.

*Signature and ratification deposited:* Grenada, May 13, 1975.

## Racial Discrimination

International convention on the elimination of all forms of racial discrimination. Done at New York December 21, 1965. Entered into force January 4, 1969.<sup>1</sup>

*Accession deposited:* Rwanda (with a reservation), April 16, 1975.

## Safety at Sea

Convention on the international regulations for preventing collisions at sea, 1972. Done at London October 20, 1972.<sup>2</sup>

*Ratifications deposited:* Bulgaria, April 29, 1975; Sweden, April 28, 1975.

## Space

Convention on registration of objects launched into outer space. Opened for signature at New York January 14, 1975.<sup>2</sup>

*Signature:* Nicaragua, May 13, 1975.

## Tourism

Statutes of the World Tourism Organization (WTO). Done at Mexico City September 27, 1970. Entered into force November 1, 1974.<sup>1</sup>

*Declaration of approval deposited:* Sudan, April 18, 1975.

*Declarations to adopt the statutes deposited:* German Democratic Republic (with declaration), April 14, 1975; Mongolia, April 10, 1975;<sup>3</sup> Netherlands, April 11, 1975;<sup>3</sup> Togo, April 16, 1975; United States, April 10, 1975.<sup>2</sup>

## Wheat

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement) 1971. Done at Washington March 25, 1975. Enters into force June 19, 1975, with respect to certain provisions, and July 1, 1975, with respect to other provisions.

*Ratification deposited:* Trinidad and Tobago, May 20, 1975.

## Wills

Convention providing a uniform law on the form of an international will, with annex. Done at Washington October 26, 1973.<sup>2</sup>

*Accession deposited:* Niger, May 19, 1975.

## Women—Political Rights

Inter-American convention on the granting of political rights to women. Signed at Bogotá May 2, 1948. Entered into force April 22, 1949.<sup>1</sup>

*Ratification deposited:* Chile, April 10, 1975.

## BILATERAL

### European Economic Community

Agreement regulating trade in cheese. Effected by exchange of letters at Brussels December 20, 1974 and January 14, 1975. Entered into force January 14, 1975.

### Iceland

Convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income and capital. Signed at Reykjavik May 7, 1975. Enters into force one month after the date of exchange of instruments of ratification.

<sup>1</sup> Not in force for the United States.

<sup>2</sup> Not in force.

<sup>3</sup> Subject to approval.

## Jamaica

Agreement for sales of agricultural commodities, with annex. Signed at Kingston April 16, 1975. Entered into force April 16, 1975.

## Union of Soviet Socialist Republics

Agreement amending the agreement of September 30, 1971 (TIAS 7187), on measures to improve the direct communications link. Effected by exchange of notes at Moscow March 20 and April 29, 1975. Entered into force April 29, 1975.

## U.N. High Commissioner for Refugees

Grant agreement concerning assistance to displaced and uprooted persons in South Viet-Nam and

Laos. Signed at Washington and Geneva November 13 and December 2, 1974. Entered into force December 2, 1974.

Agreement amending the grant agreement of November 13 and December 2, 1974, concerning assistance to displaced and uprooted persons in South Viet-Nam and Laos. Signed at Geneva December 16, 1974. Entered into force December 16, 1974.

Agreement amending the grant agreement of November 13 and December 2, 1974, as amended, concerning assistance to displaced and uprooted persons in South Viet-Nam and Laos. Signed at Geneva February 5 and 10, 1975. Entered into force February 10, 1975.

## Check List of Department of State

### Press Releases: May 19-25

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

Releases issued prior to May 19 which appear in this issue of the BULLETIN are Nos. 248 of May 12 and 265 of May 16.

No.	Date	Subject
*266	5/19	13,000 calls received offering assistance to Viet-Nam refugees.
†267	5/19	Kissinger: arrival, Vienna, May 18.
†268	5/19	Kissinger: remarks, Vienna.
†269	5/20	Kissinger, Gromyko: remarks, Vienna, May 19.
†270	5/20	U.S.-U.S.S.R. joint statement, Vienna.
*271	5/15	Shipping Coordinating Committee, working group on container operations, June 18.
*272	5/20	Shipping Coordinating Committee, working group on radio communications, June 19.
†273	5/20	Kissinger, Gromyko: remarks, Vienna.
†274	5/20	Kissinger: departure, Vienna.
†275	5/20	Kissinger: arrival, Bonn.
†276	5/21	Kissinger: address, Berlin House of Representatives.
*277	5/21	Inter-Agency Task Force plans for fourth refugee reception center.
*278	5/21	Secretary's Advisory Committee on Private International Law, Study Group on Matrimonial Matters, cancellation of meeting, June 4.
†279	5/21	Kissinger, Genscher: departure, Bonn.
*280	5/22	Shipping Coordinating Committee, working group on subdivision, stability, and load lines, June 24.
*281	5/22	U.S. Delegation to the World Conference of the International Women's Year.
†282	5/22	Kissinger: arrival, Berlin, May 21.
†283	5/22	Kissinger: departure, Berlin, May 21.
†284	5/22	Bunker: Rainier Club, Seattle.
†285	5/22	Kissinger: toast, Berlin, May 21.
†286	5/22	Kissinger: statement, Berlin, May 21.
†287	5/22	Kissinger: arrival, Ankara, May 21.
†288	5/22	U.S. and Hungary amend air services agreement.
†289	5/22	Kissinger: statement at CENTO meeting, Ankara.
†290	5/22	Kissinger: interview following CENTO meeting, Ankara.
†291	5/22	Kissinger, Caglayangil: remarks, Ankara.
*292	5/23	U.S.-U.K. statement on airline commission rates.
*293	5/23	Museum directors from 18 foreign countries to visit seven U.S. cities.
†294	5/23	Kissinger, Ecevit: remarks to press, Ankara.
†295	5/23	Kissinger: remarks, Ankara.
†296	5/23	Kissinger: remarks at American Embassy, Ankara.
†296A	5/23	Kissinger: departure, Ankara.
†297	5/24	Kissinger: news conference.

\* Not printed.

† Held for a later issue of the BULLETIN.

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