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# THE DEPARTMENT OF STATE BULLETIN

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OF DEPARTMENT'S RESOURCE ALLOCATION AND PERSONNEL SYSTEMS

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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.*

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## Secretary Kissinger Announces New Steps for Improvement of Department's Resource Allocation and Personnel Systems

*Following are remarks by Secretary Kissinger made on June 27 at the swearing-in ceremony for the 119th Foreign Service officer class.*

Press release 349 dated June 27

I have come here today to congratulate you on your choice of career, and the Department of State for its wisdom in selecting you. It will be, I know, the beginning of a long and fruitful association.

Six years of experience in Washington have convinced me that you are joining the most able, the most dedicated group of professionals with whom it has been my privilege to be associated. You are joining an institution with a great tradition—and tradition, even today, is not something lightly to be put aside. This Department and the people in it have, you will find, a unique sense of pride in their purpose and a deep sense of dedication to the national interest.

But with all these qualities, one of the tests of any profession or institution is its ability to overcome the tendency to fight new problems with outmoded concepts and an obsolete structure.

Some of the functions of diplomacy have not changed over the centuries. The representation of our country's interests abroad remains at the heart of your profession. But in today's interdependent world the scope of diplomacy has broadened dramatically and continues to do so every year. In the contemporary world as never before, events and policies in one country have unprecedented effect on the lives of millions elsewhere around the globe.

It is not enough in today's world for the Foreign Service to report on foreign devel-

opments and their relationship to our national interests. That, important as it is, is a passive function. Today what is needed is a Foreign Service that understands our goals as a nation, is capable of formulating a strategy for reaching those goals, and possesses the tactical skill necessary to implement that strategy.

At home as well, the context of diplomacy has changed. No longer is it the esoteric art of an elite separated from the people and the political process it serves. Today the Congress has a decisive role to play in the formulation and execution of our foreign policy; today the American people must be convinced of the wisdom of the course we espouse. In a speech [before the International Platform Association at Washington on August 2, 1973] I gave shortly before becoming Secretary of State, I said that no foreign policy could survive in a democracy if it were born in the minds of a few and carried in the hearts of none. I believe that today even more deeply than I did two years ago.

In short, while the objectives of diplomacy may not have changed, its scope most certainly has. And so have the responsibilities of the Department of State. In a time of massive and continuous change, this Department must, as a matter of course, constantly reexamine the assumptions it has made, the strategies it has espoused, and the objectives it seeks to serve.

What is the purpose of the Department? In its broadest sense, it is to preserve the peace, the security, and the well-being of the United States and—since America cannot live in isolation—to contribute to just international arrangements for all mankind.

It is to bring to the formulation and execution of our foreign policy a vision of the future and a sense of direction.

This concept of the Department's role defines the focus of our work. The crucial test of the Department's relevance will lie in our sense of history and historical perspective. And it will lie in our ability to integrate and to synthesize the national interests of the United States, the global concerns that affect it, the tactical issues of the moment, and the isolated events of the day into a conceptual whole which gives meaning to events and purpose to our decisions. If the Department of State serves the President with these qualities, it will stand at the center of the foreign policy process, not because an organization chart says it should, but because its courage, its intellectual strength, and its strategic grasp have put it there.

What you are entering today is not the Foreign Service of the State Department, but the Foreign Service of the United States. Foreign Service officers should not think that their natural base is overseas, with Washington tours the painful interruption in an otherwise interesting career. They should look forward to Washington assignments and cultivate the skills necessary for such work. In the field, where our principal purpose is the execution of foreign policy, compromise and negotiation are the natural tools of diplomacy. But in Washington, where it is the formulation of foreign policy that should most concern us, our purpose must often be an unrelenting drive to clarify purposes and discover alternatives so that the policymaker will know the depth and dimension of the issues he has before him for decision.

After nearly two years in this Department I am convinced that the dedication and native ability of the Foreign Service mark it as a unique and great institution. Individually we are professionally as good as the best the country has to offer. But the product of our collective effort is sometimes less than the sum of our individual abilities.

I, like every Secretary of State before me, hope that when I take my leave this

Department will be a more effective instrument than when I came. I want the Foreign Service and the Department to have a better appreciation of their own value and worth; I want them to be less concerned with status and more concerned with substance. I believe we have already made great strides:

—The principle of putting the ablest where their talents can best be used is well established, as demonstrated by the number of Ambassadors and Assistant Secretaries appointed solely on the basis of merit and without regard to age or rank. We have shown that even an FSO-4 can have an Ambassador's baton in his knapsack.

—We have reformed the assignment process that allowed, or forced, an officer to return to the same geographic area repeatedly. As a result, Foreign Service officers are gaining a broader perspective and a deeper sense of the range and complexity of the challenges we face as a nation.

—We have moved to compensate for the rigidities of specialization by encouraging officers to take assignments outside their area of functional expertise. While I recognize that the establishment of the cone system was in response to the need for greater emphasis on specialization, we must not permit compartmentalization to deter us from providing the breadth of experience necessary for positions of high responsibility.

—Our analytical and conceptual capabilities have been greatly enhanced by giving the Policy Planning Staff a central position in the organization and by staffing it with the best available talent. The Bureau of Intelligence and Research, too, has been brought into a dynamic and intimate relationship with policymaking and policymakers.

These steps were primarily designed to improve the Department's product by focusing greater attention on a precise definition of our mission and by encouraging a more analytical, more strategic approach to the issues of foreign policy. This is the essential first phase of institutionalization. Now it is time to turn our attention to the development of a departmental structure that is



more responsive both to the needs of its members and the demands of an increasingly interdependent world.

### Resource Allocation

Our first and most critical task is to find a more effective means than we now possess to link resources and policy objectives. Over the years—and especially over the past decade—our policy priorities have undergone substantial change. Yet our resources—people and money—have, because of institutional inflexibility, remained focused on the familiar problems of the past.

The Department lacks an effective system for addressing or deciding priorities among areas or specialties. What is needed, therefore, is a new approach—a mechanism for coordinating resources and goals and for reprogramming existing resources from less important functions to areas that deserve priority attention.

I have therefore recently established a Priorities Policy Group whose principal task will be to provide the mechanism for linking decisions on resource allocation to the broader considerations of foreign policy. The Group will have the following functions:

- a. It will play the central role in formulating the Department's annual budget.
- b. It will review the present allocation of all positions on a regular basis.
- c. It will examine all significant requests for additional resources, both in Washington and overseas.
- d. It will employ whatever instruments it deems necessary, including expanded use of the Foreign Service Inspection Corps, to identify and correct the inefficient use of our resources.

The Group will be headed by the Deputy Under Secretary for Management and will include as members the Director of the Policy Planning Staff, the Director General, the Inspector General, the Counselor, the Assistant Secretary for Administration, and the Director of Management Operations.

I have directed the Deputy Under Secretary for Management to use this new mechanism to bring our budget process under

central management control. This will mean change in some of our current budgetary practices, and a reduction in the degree of autonomy the bureaus now enjoy in the management of their funds. But it will also mean that the Department as a whole will have an important new capacity to bring its resources into relationship with its problems.

### Personnel

Our greatest resource in this Department is people. How well we serve the national interest will depend on the kinds of people we recruit, how well we train them, how demanding we are of superior performance, and how well we reward those who perform with excellence. And so, in consultation with the American Foreign Service Association as appropriate, I am directing new departures to improve the recruitment, evaluation, assignment, and career development of our professional service.

### Recruitment

Our country has every right to expect a corps of foreign affairs professionals which is expert in politics, economics, science, the oceans, military strategy, and other disciplines. These people must be capable of drawing together the widely divergent interests of our society and government, synthesizing this array of forces, tapping available expertise in and outside of government, and advising our political leadership on how best to pursue our national objectives.

In the area of recruitment our major problem rests in the need for a clearer definition of our requirements and the need for systematic standards for appointment. I have therefore instructed the Director General:

—First, to adjust examination standards for FSO's to relate our selection more closely to our needs, without at the same time forcing the officer to choose a specialty even before he has begun his career. I personally am doubtful that either the Department or the individual concerned is well served by a system that requires the selection of a functional cone at the time of examination.

—Second, to define and develop exacting standards and procedures for recruiting professionals outside the Foreign Service Officer Corps. With the right training and experience, Foreign Service officers will be able to perform many of the tasks requiring both expertise and specialization. But there will be a continuing need for highly expert, specialized professional talent which cannot necessarily be found in a closed career system. The Department must be free to hire the best talent our society can offer and to guarantee those it hires fair treatment and adequate reward. The career system, on the other hand, has a right to expect that the Department will not abuse its right to hire and promote outside the career service as a device for circumventing the system.

—Third, to institute a program aimed at recruiting top-quality women and representatives of minority groups. Our record as an equal opportunity employer must be improved; I intend to see that it is.

### Evaluation

Virtually everyone agrees that our system of performance evaluation is badly in need of improvement. Regular efficiency reports will continue to be essential in identifying those officers deserving of promotion. But there has been a growing tendency for rating officers to avoid the hard and critical judgments that an effective merit system requires.

We need to place more emphasis on effective methods for evaluating officers at critical points in their careers. We have, for some time now, experimented with the concept of a junior "threshold"—a system that would permit the Department stringently to examine a junior officer's performance, abilities, and potential for growth before any final decision to promote him to the intermediate ranks. It is now time to move from the experimental stage to implementation of this threshold concept as an integral part of the career process. I have instructed the Director General to take the steps necessary to accomplish this. I have also asked her to develop for my early consideration plans

for the institution of a senior threshold which would apply to officers about to enter the executive levels of the Foreign Service.

### Assignments

Central to the quality of our service is the assignment process. The system today is too decentralized, too much characterized by bargaining between bureaus. It is neither rational nor servicewide in its approach. In order to correct this weakness, I have instructed the Director General to establish a more open, centrally directed assignment process. While the new procedures will take into account the legitimate interests of the individual, the bureaus, and the posts abroad, they can only be fair and orderly if they drastically limit the right of an Assistant Secretary or Ambassador to veto assignments and if it is clear that every member of the Service must accept an assignment once made.

### Professional Development

As in all other professional fields today, the range and complexity of foreign affairs issues are heavily affected by the expanding horizons of knowledge and technology. If the professional service is to provide relevant leadership in a wide range of technical subjects, it must be intellectually equipped, as a part of the career process, to take these complexities into account in framing foreign policy. But our present training programs—except in the field of languages, where we have an outstanding program—vary widely in quality and relevance.

As a first step toward correcting this situation, I have ordered the establishment of a Board of Professional Development. It will have the following functions:

—To formulate a comprehensive training program.

—To oversee its implementation.

—To assure that changes in that policy are made as the needs of the Department change.

—To correct current failings in the system.

It will also have oversight responsibility



for details to other agencies and branches of government and assignments to universities.

The members of this Board will be the Deputy Under Secretary for Management, the Director General of the Foreign Service, the Director of the Foreign Service Institute, and other senior officers of the Department on a rotating basis. The Board should, from its inception, seek advice from universities, business, and other appropriate institutions with experience in advanced training techniques.

The Department must also give greater attention to other forms of professional development. I have, for example, instructed that an expanded Junior Officer Rotational Training Program be established. This program will give more entering officers on-the-job experience during their first assignment in all of the principal areas of Foreign Service work—administration and consular, economic, and political affairs. I would hope that we can have this program established in time for at least some of you to take part in it.

We also need to redress our neglect of training in such areas as administration and for those most critically important people, our secretaries. I have directed that these areas be given priority attention.

Finally, details to other agencies, assignments to state and local governments and to the Congress will be substantially expanded. In this regard, I welcome the recent efforts in Congress to make it possible for the Department to detail a greater number of its officers to the Congress and to state and local governments throughout the country. Such assignments would offer enviable experience and should, in some cases, provide excellent managerial training. And most important—now that foreign and domestic policies are virtually inseparable—these assignments will make us more sensitive to the values, interests, and priorities of the country we represent.

In order to relate all these forms of professional development to the key steps in an officer's career, I have asked the Director General to make a year of training or a special detail outside the Department a part of the threshold process. Such assignments

should be looked upon as at least as important to an officer's career as an assignment to a bureau or a post abroad.

### Responsibilities and Obligations

Ladies and gentlemen, I recognize that some of the institutional changes I have announced today may not, at least at first, meet with universal popularity. Reforms seldom do. But I am convinced that they will, over time, be seen as a creative strengthening of the Department and the Foreign Service and that they will mean a more challenging and exciting career for all of you. Yet, in the last analysis, it will be the mutual sense of responsibility and obligation that you feel for the Department of State and that the Department feels toward you that will be important. As you go on in your careers, it will be the Department's responsibility, as well as your own, to encourage the fresh approach, the new initiative; it will be the Department's obligation to permit you to argue what you believe deeply, however unorthodox, and to question old assumptions.

But the reverse side of that coin is that you have an obligation to support decisions once made. "Loyalty" has become an archaic term, but ultimately it means professional self-discipline and as such is the pride and strength of any professional service and a prerequisite to its self-respect.

If, over the many years ahead, you and the Department can maintain a mutual sense of esteem and devotion because each has met its obligation to the other and both have fulfilled their duty to the nation, you will have achieved such a standard of excellence that the question of which agency is the President's principal tool in the conduct of American foreign policy will not need to be asked. You and your colleagues will already have given the answer.

But having a central place in the policy process is only a means to an end. Your ultimate objective must be to serve your country with all your heart and mind, no matter how onerous the task, no matter how difficult your position. Your job, as

junior officers no less than when you reach the senior levels, will often require undramatic, persevering, laborious effort. But if you do your best, I believe you will always find it exhilarating.

I know that I speak for the Director General and all your other colleagues here in the Department and abroad when I extend to you best wishes for a long and productive career. You stand at the threshold of an exciting time, in a world poised between great danger and unprecedented promise. Whether we succumb to the dangers or realize the promise will, in large measure, depend on you.

## Secretary Kissinger Interviewed on ABC Saturday News

*Following is a transcript of an interview with Secretary Kissinger by Ted Koppel recorded for broadcast on the ABC television Saturday News on July 5.*

Press release 355 dated July 5

*Mr. Koppel: And in Washington, earlier today, an interview with Secretary of State Henry Kissinger.*

*Mr. Secretary, the Israelis are obviously nervous. Tomorrow they have a Cabinet meeting, and these rumors of the past week while you have been away have got them terribly upset, privately and semipublicly. To what extent is the United States still committed to Israel? To what extent is there a drifting apart?*

*Secretary Kissinger: The United States is committed to the survival and security of Israel, and nothing in the current discussions changes that situation. We also believe, however, that the security of Israel is best assured through a process of peace in the Middle East. In fact, we believe that if there is no progress toward peace in the Middle East, another war sooner or later will be inevitable with disastrous consequences for all of the peoples in the Middle East as well as for Western Europe, Japan, and serious conse-*

*quences for the United States in terms of a possible confrontation with the Soviet Union.*

*For all these reasons, we feel that there should be progress toward peace in the Middle East. In fact, we feel there must be progress.*

*Mr. Koppel: So in that sense, it is not really unfair to suggest that the United States is pushing very hard for a peace settlement.*

*Secretary Kissinger: The United States has publicly stated that it urges progress toward peace in the Middle East. But the United States also remains committed to the survival and security of Israel.*

*Mr. Koppel: Now, the question is, is the United States pushing President Sadat and the Egyptians with equal vigor? Are you looking for concessions from the Egyptians as much as you are from the Israelis?*

*Secretary Kissinger: I think it is fair to say that all of the concessions, or many of the concessions, that President Sadat has offered have been the result of American urging. So the United States is attempting to find a formula in which both sides, making concessions, take a step toward peace.*

*Israel does have a problem in the sense that it is giving up territory while it is getting in return some assurances. But this fact has been known for a year. The United States has asked nothing of Israel in recent weeks that it did not make clear that it felt was necessary for the last 10 months.*

*Mr. Koppel: Well, now, as the Israeli Cabinet goes into session tomorrow, if you were addressing yourself to the Israeli people directly, what would you tell them?*

*Secretary Kissinger: I would say that whatever decision they make is going to have problems; that it is not going to be a question of one road being easy and the other road being difficult. All roads are difficult. We understand their dilemmas. We understand their fears. But we also feel that they must take a chance on making progress toward peace, because any other approach is going to lead to a war sooner or later which*



is going to have serious consequences, above all for the people of Israel. But the United States will stand behind them in conditions in which we can reasonably say to our people that progress is being made.

*Mr. Koppel: Now, Mr. Secretary, over the past few months both you and the President have always finessed the question of which route to take. And yet it seems behind the scenes that the United States is pushing for another interim agreement. Everything that is happening over the past few weeks seems to indicate another interim agreement. Is that inaccurate?*

*Secretary Kissinger:* The United States has always believed that an interim agreement is a step that can most easily be taken. If that does not prove possible, then the United States will have to pursue an overall agreement.

It is certain, however, that on the road toward an overall agreement we will very soon find exactly the same dilemmas, and this time on all fronts and on all issues that have produced the difficulties now.

*Mr. Koppel: Next Saturday you and Prime Minister Rabin [of Israel] will be in Bonn at the same time. Isn't it inevitable that the two of you will meet and talk?*

*Secretary Kissinger:* No. As I understand it, Prime Minister Rabin's tentative plan is to leave Bonn on Friday. We have left open the possibility that we might meet, depending on the Cabinet decision tomorrow and whether there are any further clarifications that may be needed. At this moment, there is no fixed plan to meet, but there is a geographic proximity that makes it possible for us to meet if it should be necessary.

*Mr. Koppel: On another subject—since you have been gone, Prime Minister Gandhi of India has revoked essentially all the democratic processes in India, in what we have always rather proudly referred to as the world's largest democracy. We have received word that you came down rather hard on all your people here and said, "Button up. I don't want to hear anything." Is it possible for*

*you now to say anything, and is it possible for the United States not to say anything when something like this is going on?*

*Secretary Kissinger:* The fixed policy of the Department of State is not to comment on the internal developments in other countries. The American preference for democratic forms is clear. But we do not think that it would help the situation at this moment for us to make daily comments on the situation in India. Our preference for democratic procedures is clear.

*Mr. Koppel: How does this affect U.S. foreign policy in that part of the world? Does this make it more difficult? Do you see Mrs. Gandhi now moving even closer into the Soviet orbit?*

*Secretary Kissinger:* Well, I have noticed that Mrs. Gandhi last week made some friendlier references to the United States than has been the case previously. The United States considers India an important country. We have said this during periods of difficulties with Indian foreign policy, and we have to say this now. We were not asked about these domestic events that are taking place in India, and we do not think it is appropriate for us to make official comments on these.

*Mr. Koppel: Also while you were gone—a great deal has happened while you have been away—the Murphy Commission [Commission on the Organization of the Government for the Conduct of Foreign Policy] issued its findings, and one of the points they made was that in the future they do not believe that any man should simultaneously hold the positions of Secretary of State and head of the National Security Council. If it is possible for you to take an objective view of that, how would you feel in the future? Do you think anyone should ever again hold these dual positions?*

*Secretary Kissinger:* I think that the President ought to have the flexibility. It depends entirely on his chemistry with the people concerned and on the qualities of the people concerned. And therefore I don't think there should be any legislative action that

constricts the President's freedom of choice.

I think the Murphy Commission has a point that under normal circumstances it would be more usual to keep the two jobs split. But I think that the President, if he finds somebody with whom he can work in this manner, and depending on the circumstances, should have the flexibility to make that decision.

*Mr. Koppel: Well, if you will permit my phrasing it this way, what is the abnormality of the current situation? Are you the abnormality?*

*Secretary Kissinger:* No. The situation is that I was Assistant to the President when I was appointed Secretary of State, so I had in fact been carrying out—I had been in fact active in both jobs.

Secondly, that the President obviously has believed that I can perform both jobs simultaneously, and I have no question that this can happen again. When Acheson was Secretary of State, and when Dulles was Secretary of State, they in fact carried out both jobs, though they didn't have the title. The position of the Assistant to the President at that time was a purely technical administrative function.

And therefore, when you have a strong Secretary of State who has a close relationship with the President, in fact the tendency is that he will carry out both of these jobs. It is not such an unusual event.

*Mr. Koppel: You don't, then, regard this as a personal slap at you.*

*Secretary Kissinger:* No. In fact, they specifically exempted me.

## Sixth Round of U.S.-Spain Talks Held in Washington

*Joint U.S.-Spain Communique*<sup>1</sup>

The sixth round of negotiations between the Spanish and the United States delegations took place in Washington from June 16 to June 19. The Spanish delegation was chaired by the Under Secretary for Foreign Affairs, Mr. Juan Jose Rovira, and the American delegation was headed by Ambassador-at-Large Robert J. McCloskey.

The two delegations continued the discussion on the key aspects of the defense relationship between the two countries and noted the progress being made in defining areas of mutual agreement.

The discussions included an examination of the subject of the Spanish facilities which are used by American forces, and Spanish military defense needs.

The two delegations agreed to set up a steering committee which would establish guidelines and supervise working groups which would study specific technical problems.

As a result of their decision to accelerate the pace of work, the two delegations agreed to hold the seventh round in Madrid during the week beginning June 30th.

The Spanish Ambassador offered a dinner in honor of the two delegations, and Ambassador McCloskey reciprocated with a luncheon in the State Department in honor of Under Secretary Rovira.

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<sup>1</sup> Issued on June 19 (text from press release 341).

## President Ford's News Conference of June 25

*Following are excerpts relating to foreign policy from the transcript of a news conference held by President Ford on the South Grounds at the White House on June 25.<sup>1</sup>*

*Q. Mr. President, the United States, as a matter of policy, has consistently disavowed the first use of nuclear weapons. Is that still our policy in view of recent developments?*

*President Ford:* Well, the United States has a policy that means that we have the maximum flexibility for the determination of what is in our own national interest. We had a change of some degree about a year and a half ago.

When I took office, or since I have taken office, I have discussed this change to maximize our flexibility and to give us the greatest opportunity for our own national security with Secretary Schlesinger [Secretary of Defense James R. Schlesinger], and I can assure you that it is a good policy, and it is a policy that I think will help to deter war and preserve the peace.

*Q. Well, may I follow up, sir?*

*President Ford:* Sure.

*Q. You haven't said whether you will use the first strike, in terms of tactical or strategic, and don't you think the American people should know?*

*President Ford:* I don't think it is appropriate for me to discuss at a press conference what our utilization will be of our tactical or strategic weapons. This is a matter that has to be determined if and when there are any requirements for our national interests. And I don't believe under these circumstances

that I should discuss how, when, or what kind of weapons should be used.

Mr. Cormier [Frank Cormier, Associated Press].

*Q. Mr. President, like your formal declaration of candidacy, the completion of the Middle East reassessment is getting closer every day. I wonder how close is it now, and does it look more like a return to step-by-step diplomacy or a move to Geneva?*

*President Ford:* The reassessment that we are undertaking in regard to the Middle East has not been concluded. We have met with a number of heads of government in the Middle East. We have discussed the alternatives and options with a number of other people who are knowledgeable in this area. But I cannot give you a date as to when that reassessment will be concluded.

Obviously, it is getting closer and closer—because we must not permit, to the degree that we can affect it, a stalemate or stagnation, because the longer we have no movement toward peace in the Middle East, the more likely we are to have war and all of its ill ramifications.

I can only say we are working on the problem with countries in the Middle East and with others and that the reassessment will be concluded in an appropriate time and it will provide for movement, as far as we are concerned.

Yes, Mr. Cormier.

*Q. Is it more likely to be in the direction of Geneva or more shuttle diplomacy?*

*President Ford:* The options are still open.

Yes, Mr. Barnes [Fred Barnes, Washington Star].

*Q. Mr. President, your popularity in the public opinion polls has risen rather dra-*

<sup>1</sup>For the complete transcript, see Weekly Compilation of Presidential Documents dated June 30.



*matically recently, and I know you have discussed this matter with pollster Louis Harris. To what do you attribute your improvement in the public opinion polls recently?*

*President Ford:* Naturally, I am pleased that the polls have shown improvement. I think this is a reflection of the fact that we have had a consistently strong policy, domestically, aimed at doing something affirmatively about inflation and showing our concern and compassion in the field of finding a remedy to the recession.

I think it also reflects some of the hard decisions we had to make in the area of foreign policy. Obviously, the *Mayaguez* incident and the way it was handled has had a good reaction, but we have done other things in foreign policy. The trip to Europe, I think, was effective in that it showed the alliance is strong and we are committed to the alliance. And, of course, the alliance has contained aggression and maintained peace in Western Europe.

So there is a whole series of things that, in my judgment, have been good for the country. And when something is good for the nation, people who have something to do with it do benefit to some extent.

*Q. Mr. President, on the subject of foreign policy, Secretary Kissinger spoke in Atlanta the other night, and he had something to say about our alliances, that no country should imagine that it is doing us a favor by remaining in an alliance with us. Is this a signal of a new attitude toward our allies?*

*President Ford:* I don't think it is a signal of a new attitude. Any bilateral agreement is in the mutual interest of both parties, and any alliance, such as the North Atlantic alliance, is also in the mutual interest of all of the participants.

Now, occasionally, I suspect, some partner gets the impression that his country is getting less out of an alliance than another. We think it is important to keep them on a mutual basis, and we intend to do so. But there was nothing in Secretary Kissinger's comments in Atlanta the other night that was aimed at any one country or any one alliance.

*Q. Well, if he might have had Turkey in*

*mind as one country, I am just wondering if this is a diplomatic thing to say at this time when our bases are at stake and the welfare of NATO?*

*President Ford:* Secretary Kissinger's comment, as I said a moment ago, was not aimed at any one country or any one alliance. We are concerned about the conflict in the Mediterranean, which has resulted from the Cyprus difficulty of about 18 months or more ago, which has resulted in differences between Turkey and Greece.

I can assure you that we are going to work as we have in the past to try and find an answer to that problem. But I don't think the Secretary's comment in Atlanta was aimed at either Greece or Turkey or any particular alliance.

*Q. Mr. President, the congressional budget office is concerned that if the Middle East oil producers raise the price of oil this fall as they have threatened to do, it will prolong the American recession and delay the recovery. If the Middle East oil producers do, in fact, increase the price of oil, would you expect the American people to just swallow that increase or would you have a definitive Administration response to an increase from the Middle East, and if you do, what would it be?*

*President Ford:* First, any increase in foreign oil would be, in my judgment, very disruptive and totally unacceptable.

As you know, I have been trying to get the Congress to pass an energy program that would make us less vulnerable to any price increase by foreign oil sources. Unfortunately, the Congress has done nothing, but we are going to continue pressing the Congress to act.

Now, our program, which I hope the Congress will pass eventually, would produce more domestic oil and make us less dependent on foreign oil. In the meantime, we have to work with our allies the oil-consuming nations to bring our policies closer together so we can act in negotiations with the oil-producing countries. And the International Energy Agency, which was formed by the oil-consuming nations, has made some progress

in this area. I hope that through this organization and our domestic energy program, we can meet the challenge, or the prospective or possible challenge, of the OPEC [Organization of Petroleum Exporting Countries] nations.

*Q. Is that what you mean when you say that an increase from the Middle East would be unacceptable, or do you have something else in mind, and could you spell that out? What does unacceptable mean?*

*President Ford:* It means that it is unacceptable in the sense that we as a nation individually and we as a nation in conjunction with our allies are going to find some answers other than OPEC oil.

Yes, Mr. Schieffer [Bob Schieffer, CBS News].

*Q. Mr. President, in response to your comments to Helen [Helen Thomas, United Press International] at the beginning of the news conference, let me just ask you this question pointblank: If North Korea attacked South Korea, would you use nuclear weapons to stop that?*

*President Ford:* I don't think, Mr. Schieffer, that I ought to, in a news conference like this, discuss what I might or would do under the circumstances you describe. We have a strong deterrent force, strategically and tactically, and of course those forces will be used in a flexible way in our own national interest, but I do not believe it is in our national interest to discuss how or when they would be used under the circumstances—

*Q. You are flatly not ruling it out, though?*

*President Ford:* I am not either confirming it or denying it. I am saying we have the forces and they will be used in our national interest, as they should be.

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

*Q. Mr. President, your old sidekick, the former Secretary of Defense Melvin Laird, has written in a magazine article that the Russians have repeatedly violated the SALT [Strategic Arms Limitation Talks] agreement and have mocked détente, and he also*

*has some things to say about what they are doing in Portugal and the Middle East. How concerned are you about these charges?*

*President Ford:* I have investigated the allegations that the Soviet Union has violated the SALT agreements, that they have used loopholes to do certain things that were intended not to be done under the agreement.

I have found that they have not violated the SALT agreement, they have not used any loopholes. And in order to determine whether they have or they have not, there is a standing consultative group that is an organization for the purpose of deciding after investigation whether there have been any violations. And that group, after looking into the allegations, came to the conclusion there had been no violations.

Now, as I indicated in Brussels at a press conference, we are concerned about developments in Portugal. We do not believe that a Communist-dominated government in Portugal is compatible with NATO.

Now, it has not reached that stage yet, and we are hopeful that it will not, and some of the developments in the last several days are somewhat encouraging. We certainly have a concern and a care and a great friendship for the Portuguese people. And we will do what we can in a legitimate, proper way to make sure that the rights of the Portuguese people are protected.

*Q. Can I also ask you in connection with this, do you then see that the European Security Conference is likely to come off as the Russians would like to have it come off, in late July, in Helsinki?*

*President Ford:* There have been rather protracted negotiations involving the European Security Conference. It didn't look a few months ago that there would be any conclusion this summer. But there have been some compromises made, and there may be some others achieved that would permit a summit this summer in Helsinki. But it has not yet reached the stage where I could say there will be a summit, because the compromises have not been finally achieved.

*Q. Mr. President, I would like to ask you, sir, you said that if the Arabs hike their oil prices or there were another embargo, it would be very disruptive for the economy. You have also said recently that the recession has bottomed out or is bottoming out. May I ask you what will happen to your predictions that the recession is bottoming out if the oil-producing nations hike the price of oil by \$2 to \$4 a barrel as they are threatening to do this October?*

*President Ford:* If such an oil price were put into effect, it would have an impact on our economy. It would undoubtedly have a much more significant impact on the economies of Western Europe, Japan, and probably an even more adverse impact on the economies of the developing nations. It would have an adverse impact worldwide.

I think it would be very unwise for OPEC to raise their prices under these circumstances, because an unhealthy economy in the United States and worldwide is not in their best interest.

*Q. Mr. President, are you making any current efforts to persuade the oil-producing nations not to increase their prices this autumn as they have threatened, and are you meeting with any success?*

*President Ford:* We are seeking to solidify our consumer-nation organization so that we act in concert when we have to meet with the producing nations.

And equally importantly, I am trying to get the United States Congress to do something affirmatively in the field of energy so we don't have to worry about OPEC price increases.

*Q. Mr. President, the Rockefeller Commission was told about extensive electronic surveillance by Soviet intelligence agents and American ability to piggyback on to that monitoring. Can you tell us how long that has been going on and what is being done about it?*

*President Ford:* I don't think that I should comment on a matter of that kind. I can say

very emphatically that we have an expert intelligence-gathering community in our Federal Government and we have a first-class counterintelligence organization in the United States Government. I have full faith in their responsibilities in any field, such as that that you mention.

## **U.S. Contributes \$10.9 Million for Cyprus Relief**

*AID Announcement, June 3<sup>1</sup>*

The United States is contributing \$10.9 million to two international agencies for the relief effort in Cyprus, bringing total donations for the 1975 fiscal year to \$25 million. The new contributions, made by the Agency for International Development (AID), consist of \$9.9 million to the U.N. High Commissioner for Refugees (UNHCR) and \$1 million to the International Committee of the Red Cross (ICRC) to continue their assistance to Greek and Turkish Cypriots displaced from their homes in 1974. The present grants bring the total U.S. assistance to Cyprus to \$20.8 million to the UNHCR and \$4.2 million to the ICRC. The United States has provided about half of the total contributions from more than 40 governments and private donors in 20 countries.

Part of the AID contribution will be used by UNHCR to buy imported food and local fresh fruits and vegetables to support the relief feeding program. In addition, the AID funds will be used to purchase about \$3.5 million worth of blankets and sheets in the United States for distribution to victims of the civil strife. The immediate needs of shelter for displaced persons have been met, and the main requirements are now food and work. The remaining AID funds will finance small projects developed by local authorities to provide work relief to fill the direct needs of displaced persons.

<sup>1</sup> Text from AID press release 75-49 dated June 3.



The \$1 million AID donation to the ICRC will be used to help that relief agency protect civilians, provide medical and relief assistance, and trace missing persons. Under its relief assistance program, the ICRC has made regular deliveries of meat, baby foods, and powdered milk to about 140,000 persons and has distributed food to some 5,000 Turkish Cypriots in unsundered villages. An ICRC tracing agency collects information concerning missing persons on both sides and has carried more than a million messages between families and friends separated by the civil strife.

### **People's Republic of Mozambique Recognized by United States**

*Following is the text of a letter dated June 25 from President Ford to Samora Moises Machel, President of the People's Republic of Mozambique.*

Weekly Compilation of Presidential Documents dated June 30

DEAR MR. PRESIDENT: I am pleased to inform you that the United States Government extends recognition to Mozambique. It is our hope, with your agreement, that diplomatic relations can soon be established between our two countries.

We congratulate your leaders and their Portuguese colleagues on the wise statesmanship that has led to Mozambique's independence.

The American people share with the people of Mozambique the knowledge that hard-won individual liberty and national independence can be preserved only by unrelenting labor and sacrifice.

As we strengthen and multiply our bonds of mutual friendship, I am confident of a future in which our two peoples will work together in the freedom, peace and security of all mankind.

Sincerely,

GERALD R. FORD.

THE WHITE HOUSE, June 25, 1975.

### **Secretary Designates U.S. Members of Permanent Court of Arbitration**

The Department of State announced on June 26 (press release 347) that the Secretary of State has designated four U.S. members of the Permanent Court of Arbitration. They are William W. Bishop of Ann Arbor, Mich., Herbert Brownell of New York, N.Y., Monroe Leigh of Washington, D.C., and John R. Stevenson of New York, N.Y. (For biographic data, see press release 347.) Messrs. Brownell and Stevenson are being appointed to a second consecutive term. Members of the Permanent Court of Arbitration serve in their personal capacities and not as officers of the United States. They are appointed for terms of six years.

Under the Statute of the International Court of Justice, the members of the Permanent Court of Arbitration nominate persons for election by the U.N. Security Council and General Assembly as judges of the International Court of Justice. The Statute recommends that each national group of Permanent Court members "consult its highest court of justice, its legal faculties and schools of law, and its national academies and national sections of international academies devoted to the study of law" before making these nominations. Five vacancies will occur on the International Court of Justice this year.

The Permanent Court of Arbitration was created by the 1899 and 1907 Hague Conventions for the Pacific Settlement of International Disputes "with the object of facilitating an immediate recourse to arbitration for international differences, which it has not been possible to settle by diplomacy." In accordance with the two Hague Conventions, each signatory power selects four persons as members of the Court. The Hague Conventions provide that when any contracting powers desire to seek recourse to the Permanent Court of Arbitration for the settlement of a difference that has arisen between them, the tribunal to decide the difference shall be chosen from the general list of the members of the Court.

## Department Discusses Policy on the Sale of U.S. Military Articles and Services

*Statement by Thomas Stern*

*Deputy Director, Bureau of Politico-Military Affairs*<sup>1</sup>

I would like to address myself today to U.S. foreign military sales policy considerations, in particular our purposes and goals in selling defense articles and services and general infrastructure to governments with which we maintain close security ties as well as those with which we share common political and economic interests.

I hope that today's session represents the continuation of a dialogue between the Congress and the executive branch on this important subject. Our policies support the regional and global interests of the United States, and I hope to show the manner in which our interests are supported. I also hope to demonstrate that our policies and program are carefully constructed and pursued with prudence and balance. You will note that I do not use the phrase "arms transfers"; for to do so would obscure the fact that many foreign military sales orders include funds for training, maintenance, and construction of facilities which have both military as well as civilian uses.

The most fundamental reason for security assistance and military sales is to be found in American history and the growing realization in this country that, in the 20th century, we could not isolate ourselves from the mainstream of major forces and events

abroad. The view that aggression should not be permitted to succeed had, after our experience in World War II, assumed a certain moral force. The emergence of new threats in the late 1940's, toward Greece and Turkey, Europe, and then Korea, were clear challenges to our own security.

As the leading proponent of collective security and international organization, we looked to the newly formed United Nations to respond. Where it could not, we created regional collective security organizations. Where required and appropriate, we also entered into special bilateral arrangements. Throughout this immediate postwar period, the United States saw the danger to its interests as both military and ideological, i.e., as a threat to the beliefs, values, and institutions of the Western world.

In a world that was divided along bipolar lines, the U.S. role as a major supplier was clear and straightforward: we sold or gave military materiel and services to countries that were closely associated with us in opposition to the Soviet Union and Communist China. While the legislative and executive branches sometimes debated the specifics of our security assistance program, there existed a consensus on the relationship of our program to our security, and it was generally supported.

More recently, however, changes in the international scene have made security relationships a much more complex subject.

The rigid bipolar world of the 1950's and early 1960's no longer exists. Our painful

<sup>1</sup> Made before the Subcommittee on Foreign Assistance and Economic Policy of the Senate Committee on Foreign Relations on June 18. 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.

involvement in Viet-Nam is ended. And power no longer is measured today in purely military terms. The post-bipolar period is an era of increasing interdependence in the fields of international trade, international security, and in development, trade, and shared environmental concerns.

Despite this interdependence, this is a world of nations, whose number is constantly growing. The total now approaches 150. All have some kind of armed force, and few judge themselves capable of insuring internal order or of maintaining the integrity of their territory without external sources of military supply. Furthermore, no government can be indifferent to its security, however it defines it; and security requirements will compete with economic and social development for a share of whatever resources are available.

Not surprisingly, then, this is also a world in which the level and quantity of military transactions between nations will be substantial. Most of the world's almost 150 nations have no arms industries. Their equipment and related services must be acquired from the more industrialized nations on a cash, credit, or grant basis.

In the early 1950's the United States and the United Kingdom were the dominant suppliers of major weapons systems. The Soviet Union is now very active, and France has equaled and at times surpassed Britain as a major weapons supplier. Nine nations were the source of 97 percent of world military exports over the period 1964-73. The United States delivered 51 percent, the Soviet Union 27 percent, the United Kingdom, France, and China 10 percent, and Czechoslovakia, Poland, Canada, and West Germany 8.5 percent. These trends all point toward the growth in size and complexity of the international military trade.

Today, those who purchase from the United States vary widely in their security concerns and political orientations. There are, of course, the traditional U.S. allies, such as the NATO countries of Western Europe. In addition, we sell military items to Israel, Korea, Jordan, the Philippines, and Thailand—countries with which we maintain

special ties and connections. Within the past three years, a substantial proportion of our military sales has shifted to the Persian Gulf area. This is an area where a spectacular transition is in progress in terms of the balance of economic power, the emergence of new political institutions, and the transfer of technology from industrialized nations to states in the region. It is also an area where concerns for security and stability have loomed large since Britain's termination in 1971 of its protective presence. Because the forces at work in the Persian Gulf could have a profound influence on the world balance of power, the U.S. Government has developed a special relationship with a number of states in the area.

### Organization of Review Process

I wish to turn next to how the U.S. Government functions in the military sales field.

In developing and implementing its policy, the U.S. Government has developed in recent years a well-structured review process that passes on all requests for military materiel and services within the framework of the Foreign Assistance and Foreign Military Sales Acts. This process may be familiar to you, but I would like to recapitulate briefly its main features.

The normal review channel for military equipment transfers which involve appropriated funds is the Security Assistance Program Review Committee chaired by the Under Secretary of State for Security Assistance and consisting of representatives from State, Defense, Treasury, OMB, NSC, AID, and ACDA [Office of Management and Budget, National Security Council, Agency for International Development, Arms Control and Disarmament Agency]. The committee reviews both the level and the content of each country program.

In cases of cash sales through government channels or commercial sales, the procedures vary somewhat depending on type of case. All cases are processed within policy guidelines established by the Department. Furthermore, all major cases must be approved by senior officials in the Department.



Within the State Department cases are reviewed by the regional bureau involved and the Politico-Military Bureau. In very important cases of whatever type, the President or the Secretary of State may make the decision.

Although the views of Defense Department officials are fully taken into account in the decisionmaking process, it should be emphasized that the Defense Department does not make policy with respect to military sales or transfers. The prime responsibility of the Defense Department is to implement national policy. This is clearly understood within the executive branch but may not be so clearly understood elsewhere.

Procedures in and of themselves, of course, cannot insure that sales, or any other activity, support the national interest. Decisions are made by men, not organizational and staffing arrangements. But procedures can help insure that the relevant information, analysis, and perspectives are brought to bear on the issue for decision.

#### **Factors Affecting Transfer Decisions**

There is a large range of considerations that we normally take into account when judging whether to enter into a military supply relationship and—when that decision is positive—determining what kinds and quantities of materiel and services we will provide. Each case is unique and handled as such. There are, however, some fairly consistent yardsticks that we do apply, and I would like to sketch these briefly for you.

On the political side we assess:

—The role the country plays in its surroundings and what interests it has in common with the United States and where our interests diverge.

—Whether the transactions further U.S. objectives more on balance than other economic or political measures.

—The position of influence that sales might help support, including the potential restraint that can be applied in conflict situations.

—Whether a particular sale would set a precedent which could lead to further re-

quests for arms or similar requests from other countries.

—The current internal stability of the recipient country, its capacity to maintain that stability, and its attitude toward human rights.

—The disadvantages of not selling to a government with which we enjoy good relations.

—The options available to the recipient country. Will a refusal result in the country's turning to other sources of supply? What sources? What will be the political, military, and economic implications of this? If a country has options that it will unhesitatingly employ, by refusing to sell might we forfeit opportunities of maintaining a close relationship that could better enable us to develop or maintain parallel interests and objectives?

There are also important economic questions:

—Whether the proposed sale is consistent with the country's development goals or our economic assistance program, if there is one.

—Whether the sale might strain the country's ability to manage its debt obligation or entail operations and maintenance costs that might make excessive claims on future budgets.

—The economic benefits to the United States from the sale or coproduction of arms, especially to the oil-rich states. As significant as these benefits may be, however, they remain secondary and certainly would never decide an issue.

And finally, there are military aspects to be taken into account:

—The threat the military capability is supposed to counter or deter, whether we agree on the nature of the threat, and how it relates to our own security. During a period when the United States and some other major powers are transferring some security responsibilities, we must attempt to understand the security concerns of smaller countries. To us their concerns may seem exaggerated, but to them their concerns are usually very real.

—How the proposed transfer affects the

regional military balance, regional military tensions, or the military buildup plans of another country.

—Whether the recipient country has the capability to absorb and utilize the arms effectively.

—What other military interests—for example, overflight rights or access to facilities—would be supported by the transaction.

—The impact on our readiness. At least since the Arab-Israeli war of October 1973, we have had to assess the impact of sales on the readiness posture of our own forces.

—Whether a substantial physical dependence on U.S. sources of supply could enable us to better control conflict under some circumstances.

—Finally, except in special circumstances we do not sell or otherwise transfer certain sensitive items such as hand-transportable surface-to-air missiles and weapons which are primarily designed for use against crowds.

The basic issue is to make the best possible systematic judgment in light of the totality of U.S. interests just as we do in other international political judgments. And this is a critical point: security relationships are an element of foreign policy and thus neither more nor less subject to uncertainties than any other tool of policy. Like any other tool it could theoretically be dispensed with. But in an age when we need to exploit our capabilities to the maximum, it would be pointless to forgo the use of any tool that, when wisely used, promises substantial benefit at acceptable cost and risk.

#### **Various Rationales for Transfers**

I believe it would be important in this context to consider why the United States is, for many countries, the supplier of choice.

At the simplest level, others prefer our products because they are of high quality. Like other American manufactured goods, our hardware is well designed, well made, and dependable. Our supporting systems—training and logistics—are second to none.

Of equal importance, many nations want to buy from us because they want to be

associated with the United States on other matters of mutual interest, and they may wish to avoid relations with other exporting countries whose intentions are open to question. Military assistance and, most recently, military sales have been supporting elements in relationships with friends and allies over the years. I would like to reiterate what Under Secretary Sisco recently stated during a discussion of our transfer policies:<sup>2</sup>

These are valid questions for Americans who are troubled at seeing their country in the arms supply business. The image of the "merchant of death" dies hard.

I hope I have been able to . . . demonstrate that we are dealing with it in the context of an overall and carefully developed policy concept. The fact is that foreign relations are a whole piece. We cannot pick up elements with which we feel comfortable and ignore others. For every country in the world, its ability to defend itself is the most important thing to its national survival. If we do not take this into account in our relations with that country, the totality of our relationships with that country will suffer, as will our political and economic objectives.

Even nations not under immediate threat find it prudent to maintain a certain level of military capability to meet unforeseen foreign or domestic contingencies, much as we did through long periods of our own history. Also, a military establishment is almost an inevitable symbol of national sovereignty, especially in new countries that are developing a national identity and pride. One may have reservations about this, but it is a fact of life.

Obviously it is not in our interest to cater to extreme expectations, and we practice maximum restraint in dealing with countries under these circumstances. But refusal to sell any military articles and services would be in some cases interpreted as a signal by the United States that we do not support the security concerns of the countries involved or do not consider them mature enough to be trusted with some types of military equipment. There may be cases in which we in fact make such judgments in light of our interests and as a result will refuse the sale

<sup>2</sup> For a statement by Under Secretary Sisco made before the Special Subcommittee on Investigations of the House Committee on International Relations on June 10, see BULLETIN of July 14, 1975. p. 73.

of sought-after equipment. However, we must recognize the sensitivity of these problems and make careful judgments in a context of trying to foster maturity and responsibility.

It has been argued that relationships involving military exports harbor hidden dangers. Based primarily on our Viet-Nam experience, some think that these transactions, whatever our intentions, can draw us into quarrels among nations, or within nations.

It is true that military transfers by their nature are not as politically neutral as non-military trade or economic assistance, especially when the supplier is a nation, such as the United States or the U.S.S.R., that is recognized as having global interests and responsibilities. Moreover, as I indicated earlier, military assistance and sales are by design supportive of bilateral relationships and broader foreign policy interests.

However, a distinction can be made between these transfers, whether grant or sales, that support a recognized security commitment and others which support a more general relationship. In the latter case, commitments are not entailed; in the former, transfers only support a commitment already made. Moreover, to the extent military transfers strengthen the ability of states to defend themselves, they can diminish the excessive dependence on the United States which has so often led to pressures for direct U.S. military involvement in the past.

Finally, it is my own view that those who argue that our military assistance and sales policies are intrinsically destabilizing and eventually lead to conflict assume a narrow view of history. In contrast, I would suggest that an arms balance in areas of tension has, in most cases, inhibited the occurrence of conflict. Further, I suggest that a good case can and should be made that the risk of war is increased in situations when a power imbalance exists, where the stronger power is tempted to take advantage of the weaker or where one power or the other attempts to markedly alter the power relationship.

## Repeal Urged of Byrd Amendment on Chrome From Southern Rhodesia

*Following is a statement by Charles A. James, Deputy Assistant Secretary for African Affairs, before the Subcommittee on International Organizations of the House Committee on International Relations, on June 19.<sup>1</sup>*

Thank you for this opportunity to testify on the draft amendment to H.R. 1287. As the committee is aware, the Department of State has already expressed its strong support for H.R. 1287, which would restore the United States to full compliance with the U.N. economic sanctions against the Smith regime in Southern Rhodesia. Early passage of H.R. 1287 has become even more urgent in the light of recent developments in Southern Africa.

As was noted by Deputy Assistant Secretary [for African Affairs James J.] Blake when he appeared before you in February, it is now no longer a question of whether there will be majority rule in Rhodesia but, rather, a question of when. There are continuing indications that the final chapters of the so-called Rhodesian problem are now being written. In Salisbury itself, there seems to be a growing perception that their present course can only lead to violent tragedy, and on-again-off-again talks between the Smith regime and Rhodesian nationalists are underway; in Lusaka, Dar es Salaam, and Gaborone there are continuing efforts to support and encourage a peaceful settlement in Rhodesia; in Pretoria, leaders of the Republic of South Africa are continuing to urge the Smith regime to reach an acceptable settlement with the majority of the Rhodesian people; in London, the British Government announced last week that it was sending an emissary to Salisbury to discuss with the

<sup>1</sup> 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.



Smith regime and with African nationalist leaders the timing and modalities of a constitutional conference; in Kingston [Jamaica], the leaders of the Commonwealth countries agreed to provide special financial assistance to Mozambique to help that country to apply U.N. sanctions against Rhodesia; and in Lourenço Marques, the imminent independence of Mozambique on June 25 and the prospect of the closing of its border to Rhodesian trade will add still greater physical and psychological pressure on the Smith regime to come to accommodation.

It would be a tragedy, Mr. Chairman, and an injustice to our own heritage if this country, the United States of America, is depicted in these chapters not as protagonist for liberty, freedom, and justice, but as the last remaining prop of an illegal and repressive regime.

Our primary objective has always been the repeal of the Byrd amendment. It is in this context that we support the objectives of the proposed amendment to H.R. 1287. The proposed amendment could make the sanctions program more effective by encouraging stricter compliance on the part of other countries. We do not believe that our trade or commerce with other nations would be unduly affected by this amendment, since the nations who will be required to provide certificates of origin all support the U.N. sanctions program against the Smith regime in Rhodesia.

The requirement that a certificate of origin issued by the foreign government or its designee with respect to shipments of steelmill products to the United States be filed with the Secretary of Treasury appears to us to be a reasonable method of assuring that chrome of Rhodesian origin is effectively barred from the United States. It would follow of course that if the Secretary is called upon to make a determination as to the adequacy of such a certificate, he should have the discretionary authority to establish procedures to ascertain that such certificates do indeed contain accurate information.

In closing, I would like to emphasize again

that repeal may be "now or never"—that in the near future we may find ourselves confronted with a successor government to the Smith regime in Southern Rhodesia which will base its political and trade relations with other nations on the degree of support provided for self-determination and majority rule in Rhodesia. Indeed, during their visit to Washington in early May, the president of the Rhodesian African National Council, Bishop Abel Muzorewa, and other ANC officials, specifically made this point. In this sense then, repeal of the Byrd Amendment now may be vital in assuring long-range access to Zimbabwe chrome and other minerals for American companies.

## Department Testifies on U.S. Policy Toward Mozambique

*Statement by Nathaniel Davis*

*Assistant Secretary for African Affairs*<sup>1</sup>

I welcome this opportunity to meet with the subcommittee for the first time since my appointment as Assistant Secretary of State for African Affairs. I would like to begin by saying that I look forward to frank and constructive exchanges with you on all aspects of our relations with the nations of Africa. In dealing with the many complex issues involved in our relations with these nations, I shall hope for your advice and cooperation.

This is a particularly opportune time for us to discuss Mozambique, which will become independent in less than two weeks' time.

I would first like to submit for the record the following brief summary of economic data. During the course of my remarks, I will touch briefly on the economic development of Mozambique and on the role that the

<sup>1</sup> Made before the Subcommittee on Africa of the Senate Committee on Foreign Relations on June 13. 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.

United States could play in assisting that development. Mr. Dennis Conroy, from the Agency for International Development, is with me here today.

U.S. policy toward Mozambique has been predicated on the principles of self-determination and majority rule. It has also been our policy to encourage the achievement of these goals by peaceful means. Therefore the United States established an embargo on arms shipments to both sides in the Portuguese colonial wars after the outbreak of hostilities in Angola in 1961, two years before the U.N. called for a similar embargo. We also began at that time asking for and receiving assurances from the Portuguese that any military equipment supplied them would not be used outside the NATO area, an area which has not included their African colonial territories.

It was in accordance with our hope for peaceful resolution of southern African problems that we, along with the rest of the world, heartily welcomed Portugal's decision after April 1974 to recognize the right of self-determination in Mozambique and in the other Portuguese territories in Africa.

In Mozambique, the process of negotiation led the Front for the Liberation of Mozambique (FRELIMO)—the group representing the peoples of Mozambique—and Portugal on September 7, 1974, to sign an agreement setting June 25, 1975, as the date for Mozambican independence. The same agreement provided for a provisional government to lay the groundwork for that independence and to administer the country in the interim. We immediately sent a letter of congratulations to the provisional government, made up of both FRELIMO and Portuguese representatives, to mark this dramatic development in the decolonization effort.

President Ford stated our government's policy toward Mozambican independence in his toast to Zambia's President Kaunda on April 19. Speaking of all the former Portuguese colonies, President Ford said:

... we have been following developments in southern Africa with great, great interest. For many years the United States has supported self-

determination for the peoples of that area, and we continue to do so today.

We view the coming independence of Mozambique, Angola, and the island territories with great satisfaction, just as we viewed the independence of Guinea-Bissau just last year.

... America stands ready to help the emerging countries ... and to provide what assistance we can ...

In the spirit of the President's remarks, we are now looking forward to a cooperative relationship with the new Mozambique. It is a country of dynamism and potential. Its leaders are already participating in efforts to seek a solution to the problem of Rhodesia. The United States will recognize this new nation on its independence and seek a mutually beneficial relationship.

We are aware of the major administrative and development challenges which face Mozambique. It is basically an agrarian nation—with 85 percent of its population living in rural areas—and its new leaders have indicated that they will concentrate their efforts on rural development and the agricultural sector. Mozambique's development plans will also emphasize other areas, in particular health care but also education and training.

We are ready to give a prompt and sympathetic response to an expression of interest in U.S. assistance and cooperation in these areas. We are also ready to consider balance-of-payments support and P.L. 480 assistance, subject to congressional authorization and appropriation. The United States has discussed these questions with FRELIMO's President, Samora Machel. My predecessor met with President Machel in October 1974 and indicated our willingness, within our means, to assist the new nation. In January, we offered to send an economic survey team to study developmental problems and assistance potential. We are hopeful that a date will be set for consultations with Mozambique on this subject before or soon after independence.

As a further indication of our attitude, I would like to mention that the United States has contributed \$275,000 in disaster relief funds over the past year, to aid victims of the September disturbances in Lou-

renço Marques and to aid victims of flooding in the Limpopo Valley area; we indicated that we were prepared to consider a request for P.L. 480 assistance from Mozambique; the Export-Import Bank approved both a \$4.5 million credit and equivalent guarantee for the purchase of locomotives by Mozambique; and we are now considering a contribution to a U.N. High Commissioner for Refugees' (UNHCR) appeal for a refugee resettlement program.

In more general terms, the Congress has demonstrated its interest in the former Portuguese territories by appropriating funds under the Foreign Assistance Act for the specific purpose of aid to these areas. The fiscal year 1975 appropriation was for \$25 million for Portugal and the territories, not less than \$5 million of which would go to Cape Verde and not less than \$5 million for Mozambique, Guinea-Bissau, and Angola. Under this appropriation \$400,000 has been obligated for a development-oriented training program for nationals of Portuguese-speaking Africa. \$1 million has been granted to the UNHCR for resettlement of refugees in Guinea-Bissau, and we hope to sign a \$1 million grant and a \$3 million loan with the Cape Verde islands this month. We also hope to add another \$1 million grant to Cape Verde early in FY76, but this will require special authorization under the continuing resolution.

I believe these actions illustrate U.S. interest and concern for all the Portuguese-speaking African nations in general and for the new nation of Mozambique in particular. The role that they will play and the effect they will have on stability and progress in southern Africa, with its many problems—some of which will be subject of later hearings by this committee—make their peaceful and successful transition to independence of great concern and importance to all nations which favor peace with justice in southern Africa.

The United States numbers itself among nations that take this approach. We look forward to the evolution of stable and prosperous nations in southern Africa—under principles of human dignity and self-deter-

mination. We believe that Mozambique will play a major role in the achievement of these objectives. Therefore we offer our congratulations and extend the hand of friendship to the Government and people of Mozambique.

## TREATY INFORMATION

### U.S. To Launch Satellites for Japan

The Department of State announced on May 27 (press release 300) that the United States and the Government of Japan have entered into an agreement under which NASA will launch satellites on a reimbursable basis for the National Space Development Agency of Japan.

These satellites—the geostationary meteorological satellite, the medium-capacity geostationary communications satellite for experimental purpose, and the medium-scale broadcasting satellite for experimental purpose—will be launched from the Kennedy Space Center, the first launch scheduled two years from now.

Notes concluding the agreement were signed by Dr. Dixy Lee Ray, Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, and Takeshi Yasukawa, Ambassador of Japan, on May 23. (For text of the Japanese note, see press release 300.) The agreement was concluded pursuant to the launch policy announced by the President October 9, 1972. That policy is designed to promote international cooperation in the peaceful use of outer space and to make the capabilities of space available to all mankind.

The satellites are being built in the United States and will be launched by Delta launch vehicles. A memorandum of understanding between NASA and the Science Technology Agency will be signed shortly which establishes the general responsibilities for each



side in connection with preparation for and conduct of these launchings. Further, an agreement will be signed between NASA and the National Space Development Agency of Japan with the detailed arrangements for each launch.

Previous reimbursable launches have been conducted for Canada, the United Kingdom, the European Space Research Organization, France and Germany, and further launches are planned for Canada, Italy, Indonesia, and ESRO.

## **U.S. and Poland Conclude Fisheries Agreements**

### **MIDDLE ATLANTIC COASTAL FISHERIES**

Press release 309 dated May 30

Representatives of the United States and Poland signed on May 29 an agreement aimed at providing improved conservation for certain species of fish, such as river herring, which are found off the U.S. Atlantic coast and increased protection for some shellfish and other creatures, such as lobsters, found upon the U.S. east coast continental shelf.

The new agreement, the latest in a series which began in 1969, places additional and much-needed restrictions upon Poland's fishing effort in waters of the western region of the Middle Atlantic. These waters, heavily fished by foreign fleets, contain once-rich stocks of fish such as flounders, hake, and black sea bass which are particularly desired by U.S. consumers and which are of great importance to U.S. fishermen.

The new restrictions include both additional reductions in the geographic area in which the Poles may fish and reductions in the amount of the Polish catch. For example, Poland agreed not to direct any fishing effort toward river herring and to avoid fishing at times and in places where concentrations of such fish occur.

As is the case with all such agreements concluded recently, the new arrangements provide for a number of practical measures that are to be taken to avoid catching or otherwise harming the fishery resources of the U.S. continental shelf, such as lobsters and some crabs. In order to help insure that these and other provisions in the agreement are strictly adhered to, additional arrangements permit the use of observers upon Polish fishing vessels and allow for on-board inspection of catches and gear.

Practical measures to minimize the possibility of conflict between different types of fishing gear have been included within the agreement; and should such conflicts nevertheless occur, the new agreement continues the existing U.S.-Polish Fisheries Board, a mechanism aimed at providing for settlement of claims for damage from gear conflicts and consideration of other fisheries problems arising from the agreement.

In return for the many measures resulting in a reduction of the Polish fishery to protect resources of special interest to U.S. fishermen, the agreement continues to allow Polish vessels to conduct loading operations in the contiguous fisheries zone between 3 and 12 miles off the U.S. coast in three localities and to make limited port calls as before. A new provision permits Polish vessels a limited opportunity to exchange their crews in the Port of New York only.

The agreement will enter into force July 1, 1975, and extend to June 30, 1976, and if agreed at that time, may extend for another year. At the request of either government, it can be terminated upon two months' notice at any time during the period of force of the agreement.

The U.S. delegation to the deliberations was headed by William L. Sullivan, Jr., Coordinator of Oceans and Fisheries in the Department of State, and included a number of representatives of the east coast fishing community. The Polish delegation was led by Deputy Minister of Foreign Trade and Maritime Affairs Romuald Pietraszek.

Press release 311 dated June 2

The Governments of the United States and Poland on May 30 concluded a short-term fisheries agreement effective from June 15 to December 31, 1975, relating to the fisheries of the North Pacific area extending from California north to Alaska. This is the first such agreement concluded between the two countries on Pacific coast fisheries.

Poland, which is a relative newcomer to the North Pacific fisheries, agreed to maintain the level of her fishing effort in 1975 to not more than 15 vessels, of which not more than 11 vessels would fish at the same time. The 11 vessels will be dispersed in a manner designed to avoid a concentration of vessels in one locality.

Poland agreed to refrain from fishing for salmon and halibut and will not conduct specialized fisheries for other species of special importance to the United States. These species include rockfish, black cod, flounders, soles, anchovy, Pacific mackerel, and shrimp. At the same time, Polish vessels will, during the period of the agreement, begin to switch from bottom trawling to pelagic trawling, thereby minimizing the chances of catching bottom species which U.S. fishermen primarily seek. In addition, Poland has agreed to abide by the conservation provisions of the agreements concluded between the United States and other countries fishing in the North Pacific. Furthermore, Poland agreed to refrain from fishing in a new closed area off northern California where U.S. fishermen fish with fixed gear so as to prevent damaging the U.S. gear.

Both governments agreed to expand their research on species of interest to both sides and to exchange biostatistical data on a timely basis. Both governments also agreed to initiate a program whereby fisheries experts from one side could board vessels of the other side to observe their operations and collect data. In this regard, the Polish side also agreed to permit duly authorized U.S.

Federal and state officials to board and conduct inspections of their vessels.

The new agreement also spells out measures which the Polish fishermen will take to avoid taking U.S. continental shelf resources, such as king and tanner crabs. In return for the cooperation extended by the Polish side in agreeing to observe existing conservation arrangements in the North Pacific, the United States will permit Polish vessels to conduct loading operations in two localities in the U.S. contiguous fishery zone (3-12 miles).

The negotiations between the two delegations were conducted in a cordial and friendly atmosphere. The U.S. delegation, which included representatives from the Departments of State and Commerce, state agencies, and the fishing industry, was headed by William L. Sullivan, Jr., Coordinator of Oceans and Fisheries in the Department of State. The Polish delegation was led by Deputy Minister of Foreign Trade and Maritime Affairs Romuald Pietraszek.

## Current Actions

### MULTILATERAL

#### Health

Amendments to articles 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. Entered into force May 21, 1975.

*Acceptances deposited:* Bahrain, June 25, 1975; Union of Soviet Socialist Republics, June 10, 1975.

Amendments to articles 35 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>1</sup>

*Acceptances deposited:* Bahrain, June 25, 1975; Cyprus, June 20, 1975; Syrian Arab Republic, June 18, 1975.

#### Telecommunications

Radio regulations, with appendices. Done at Geneva December 21, 1959. Entered into force May 1,

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

1961; for the United States October 23, 1961. TIAS 4893.

*Notification of approval:* Mauritius, April 24, 1975.

Partial revision of the radio regulations, Geneva, 1959, as amended (TIAS 4893, 5603, 6332, 6590, 7435), to establish a new frequency allotment plan for high-frequency radiotelephone coast stations, with annexes and final protocol. Done at Geneva June 8, 1974.<sup>1</sup>

*Notification of approval:* Mauritius, April 24, 1975.

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

*Ratifications deposited:* Jamaica,<sup>3</sup> Tunisia, April 25, 1975.

*Accession deposited:* Jordan, May 28, 1975.

## **Wheat**

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement) 1971 (TIAS 7144, 7988). Done at Washington March 25, 1975. Entered into force June 19, 1975, with respect to certain provisions and July 1, 1975, with respect to other provisions. *Declaration of provisional application deposited:* Iraq, June 27, 1975.

## **BILATERAL**

### **Republic of China**

Agreement relating to trade in cotton textiles, with annex, as amended. Effected by exchange of notes at Washington December 30, 1971. Entered into force December 30, 1971; effective January 1, 1971. TIAS 7249, 7468, 7590.

*Terminated:* January 1, 1975.

Agreement concerning trade in wool and manmade fiber textile products, with annexes, as amended. Effected by exchange of notes at Washington December 30, 1971. Entered into force December 30, 1971; effective October 1, 1971. TIAS 7498, 7591.

*Terminated:* January 1, 1975.

### **Colombia**

Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Bogotá May 28, 1975. Entered into force May 28, 1975; effective July 1, 1975.

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

<sup>2</sup> Not in force for the United States.

<sup>3</sup> With reservations contained in final protocol.

## **Jamaica**

Agreement amending the agreement for sales of agricultural commodities of April 16, 1975. Effected by exchange of notes at Kingston June 9, 1975. Entered into force June 9, 1975.

## **Mexico**

Agreement concerning trade in cotton textiles with related exchange of notes, as amended. Effected by exchange of notes at Washington June 29, 1971. Entered into force June 29, 1971; effective May 1, 1971. TIAS 7152, 7732.

*Terminated:* May 1, 1975.

## **PUBLICATIONS**

### **First 1949 "Foreign Relations" Volume on Far East and Australasia Released**

Press release 324 dated June 10 (for release June 17)

The Department of State released on June 17 volume VII, part 1, in the series "Foreign Relations of the United States" for the year 1949. This volume is entitled "The Far East and Australasia."

One of the two volumes on China for the year 1949 (volume IX) was released in January. The companion volume on China (volume VIII) and part 2 of volume VII, containing documentation on Japan, Korea, and regional matters, will be released subsequently to complete the issuance in the series of material on the Far East for 1949.

Volume VII, part 1, contains 600 pages of previously unpublished documentation on many important topics, with principal emphasis on U.S. interest in nationalist opposition to the restoration of French rule in Indochina and Netherlands rule in the East Indies (Indonesia).

This volume was prepared by the Historical Office, Bureau of Public Affairs. Copies of volume VII, part 1 (Department of State publication 8797, GPO cat. no. S1.1:949/v. VII, 1), may be obtained for \$8.75 (domestic postpaid). Checks or money orders should be made out to the Superintendent of Documents and sent to the U.S. Government Book Store, Department of State, Washington, D.C. 20520.



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No.	Date	Subject
351	6/30	Joint Committee on U.S.-Japan Cultural and Educational Co-operation, Hawaii, June 21-23; communique.
*352	7/1	U.S. and Republic of Korea sign textile agreement.
†353	7/1	New U.S.-Finland extradition treaty.
†354	7/2	U.S. and U.K. establish fellowships in creative and performing arts to mark Bicentennial.
355	7/5	Kissinger: interview with Ted Koppel, ABC Saturday News.

\* Not printed.

† Held for a later issue of the BULLETIN.