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The Department of State BULLETI a weekly publication issued by t Office of Media Services, Bureau Public Affairs, provides the public a interested agencies of the governme with information on developments the field of U.S. foreign relations a on the work of the Department a the Foreign Service.

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Secretary Kissinger Visits Copenhagen, Moscow, Brussels, and Madrid

Secretary Kissinger left Washington January 19 for a visit to Europe and returned January 25. Following are his remarks at Andrews Air Force Base upon his departure, his press conference with Danish Prime Minister Anker Jorgensen at Copenhagen on January 20, his toast at a luncheon given by Soviet Foreign Minister Andrei A. Gromyko at Moscow on January 21, the text of a joint communique issued at Moscow on January 23, the Secretary's news conference at NATO Headquarters at Brussels on January 23, his exchange of remarks with Spanish Foreign Minister Jose Maria de Areilza upon arrival at Madrid on January 24, his news conference with the Spanish Foreign Minister that day, and his toast at a dinner given by the Foreign Minister that evening.

DEPARTURE, ANDREWS AIR FORCE BASE, JANUARY 19

Press release 18 dated January 20

The President has asked me to go to Moscow to see whether any progress can be made in limiting the nuclear arms race. Limiting the nuclear arms race and ending it is in the interest of all Americans and in the interest of the world.

But I am also going to Moscow to make clear to my hosts that the United States will not accept Soviet intervention in other parts of the world and that the continuation of such measures must lead to a deterioration in U.S.-Soviet relations.

Thank you.

NEWS CONFERENCE, COPENHAGEN, JANUARY 20

Press release 19 dated January 20

Prime Minister Jorgensen: I will start this little press briefing to say it has been a pleasure for us to have Mr. Kissinger here in a too-short stay but we are well satisfied because Mr. Kissinger has time for it. I think the best we can do is to give the word to Mr. Kissinger, and he can tell you something about the problems we have discussed.

Secretary Kissinger: Mr. Prime Minister and Mr. Foreign Minister: First of all I would like to express my appreciation, and also on behalf of all my colleagues, for the very warm and friendly reception we have had here. I have read some of the speculations in the Danish press about the reason for my visit here, and I wish I were as complicated and profound as the newspapers give me credit for.

This meeting came about because the Prime Minister visited us in Washington in November. He suggested that on my next visit through Copenhagen on the way somewhere, I should spend some time, come into town, and continue the very good exchange that he and I had and he and the President have had on the occasion of his visit. It is pure coincidence that I am here the day after the conclusion of the meeting of the European Socialist parties.

The Prime Minister, the Foreign Minister, and our government have had the closest consultations on a whole range of the subjects of common interest. And it is in the nature

now of international politics that there are no longer purely bilateral issues. The peace of the world is of great consequence for a country like Denmark. This is why today we discussed the following issues: We discussed East-West relations and what we expect to achieve on the trip to Moscow; we discussed the situation in Africa, with particular emphasis on the problem of Angola; we discussed the future evolution of the European Community, and I think we agree that the relations between Europe and the United States are extremely good at this moment. Consultations between Europe and the United States are close.

I expressed the American position that we favor European unity, we will do everything we can to encourage it, but ultimately it is for the Europeans to achieve. I expressed my appreciation to the Prime Minister and the Foreign Minister for the very constructive role that Denmark has played both in achieving European unity and in encouraging the dialogue between Europe and the United States.

Finally, and it is the last topic and the one that did not take most of the time, the Prime Minister gave me an account of the meeting of the European Socialist parties, and we exchanged ideas on some of the problems that emerged out of this meeting. And I want to make clear that if the meeting had not taken place, I would still have visited here and that the subjects we had to discuss had nothing to do with meetings of European political parties, but with world peace, Atlantic cooperation, European evolution. And with this perhaps, Mr. Prime Minister, we should answer some questions.

Q. Mr. Secretary, are you satisfied with the Socialist parties' decision to leave it to each NATO country whether or not they want Communists in their government?

Secretary Kissinger: The domestic evolution of European countries has to be for each European country itself to determine. On the other hand, when we are asked for our opinion, we give our views, and we will not falsify our views. Our view is that the participation of Communist parties in European governments will have consequences for NATO, will have consequences for international politics in general. Having said that I agree that it is up to each government to decide for itself how to proceed.

Q. Can you see a reason that the first steps for peace you made in the Middle East can be damaged by the war now in Lebanon?

Secretary Kissinger: The question is whether I believe that the steps toward peace that have been taken in the Middle East could be jeopardized by the war, the conflict in Lebanon. Of course the conflict in Lebanon is a tragedy for the country and for the community that lives in Lebanon. Secondly, it has the potential of drawing in outside powers and therefore it could jeopardize all that has been achieved in recent years.

The United States has warned all the interested parties—and I want to repeat it here—against any unilateral act that could lead to an expansion of the conflict in Lebanon to wider areas, and the United States will oppose any unilateral act by any country that would lead to an expansion of hostilities.

Further than this, we believe that the international community has an obligation to end the killing that is going on in Lebanon and to use its mediating efforts to permit both communities to coexist in peace as they have for so many decades and to put an end to the civil strife that now goes on.

Q. Dr. Kissinger, there are rumors that you are contemplating taking up the step-by-step diplomacy in the Middle East again.

Secretary Kissinger: Well, not before I have restored my sanity from the last. [Laughter.]

Q. Are you going to discuss the Mideast situation with the Russian—with the Soviet leaders as for the Security Council meeting in those days?

Secretary Kissinger: No doubt the question of the Middle East will come up, but the possibility of cooperation in political fields between the United States and the Soviet

Union is complicated by the situation in Angola.

Q. In the latest issue of Foreign Affairs quarterly, Mr. Paul Nitze is writing the United States is moving toward the posture of the minimum deterrent in which we—that is, the United States—would be conceding to the Soviet Union the potential for military and political victory if deterrence fails. Have you any comments on that statement?

Secretary Kissinger: I totally disagree with this. The United States has maintained very large strategic forces and will never concede to the Soviet Union the possibilities of military victory. But what has to be accepted is the fact that, with the multiplication of strategic forces on both sides, the limit of what can be strategically significant will inevitably be reached. This does not mean that you cannot do additional damage, but it means that at a certain level of casualties that you have hundreds of millions of casualties on both sides. Additional increments will not make a significant political difference, and therefore it is our belief that we must maintain the strategic balance.

We will never concede strategic superiority to the Soviet Union. But we must also attempt to limit the arms race in strategic nuclear weapons, and this is a necessity not only for the United States and the Soviet Union but for the world at large. This is the reason I am going to Moscow. It is all the more important because we have to strengthen other forces within the strategic nuclear context.

Q. [*Deals with trade liberalization policies and protectionist measures or pressures in the United States.*]

Secretary Kissinger: The U.S. Government is not always unanimous before it takes decisions, but the policies that I have outlined on behalf of the U.S. Administration in September remain valid.

Secondly, in trade negotiations we will pursue what we hope will be considered liberal and progressive policies based on our convictions that the global economy has become interdependent; that no nation can survive by pursuing its own narrow national interests.

Q. Mr. Secretary, when you said that your visit to Moscow will be complicated by the situation in Angola, what cards do you have to play?

Secretary Kissinger: I pointed out before I left that both superpowers have their responsibilities to conduct themselves with restraint in other parts of the world. The gains they can make in one place will surely be offset by gains the other country makes some other place, but a policy of offsetting gains will lead to the traditional conflicts that have always led to the risk of wars, and this is what all farsighted statesmen now have an obligation to avoid. It is in this spirit that we will attempt to conduct our discussions in Moscow.

Q. Mr. Secretary, with Angola and with complaints about continuous Soviet military buildup, which optimistic signs bring you to Moscow now?

Secretary Kissinger: I am going to Moscow because the necessities of world peace are not affected by our electoral process or by the day-to-day changes in politics. The Soviet military buildup is partly a result of the growth of Soviet industry and the growth of Soviet technology, and it is well within our capabilities to match it. We have an obligation to make sure that the Soviet Union does not gain a military advantage, and we will do our utmost to prevent it. I am going to Moscow in an attempt to keep open the options for a more peaceful future, and that is an obligation any national leader has at this moment.

TOAST BY SECRETARY KISSINGER, MOSCOW, JANUARY 21

Press release 20 dated January 21

Mr. Foreign Minister, ladies and gentlemen: I have not counted it precisely, but

there must now have been more than 15 occasions, during less than four years, when we have visited each other in our respective countries or met in third countries to discuss the serious issues of our times. As in the past, my associates and I appreciate your hospitality and the thoughtful arrangements you have made for our stay here.

Our meetings, though not without their relaxing moments, have always concentrated on the hard tasks we face together. The discussions I am having on this occasion with your General Secretary, you, and your colleagues are no exception.

Since the beginning of our new relationship, our two countries have recognized the enormous and fateful special responsibility resting upon us as the most powerful nations of the world to manage our affairs so that a secure peace can be built. Three years ago, at the summit meeting of 1972, we concluded significant first agreements to limit defensive and offensive strategic weapons; we enunciated principles to govern our relations so that not only we ourselves would benefit from them but that security and peace everywhere would be strengthened; we signed several bilateral cooperative agreements. Since then, President Ford has carried our relationship forward, building on those first accomplishments; our frequent contacts at the highest levels are a part of that process.

Today, we are faced with the challenge of giving fresh momentum to our dialogue, on issues that are much more complex. For we have learned already that the evolution we have mapped out is not automatic; it requires persevering effort, imagination, and courage, and above all, that scrupulous respect for the interests of all concerned to which we have so often referred in our joint documents and in our meetings.

Our discussions here on this occasion are focused once again on the limitation of strategic arms. We must give substance and binding force to the accords agreed upon by the President and the General Secretary in Vladivostok 14 months ago. On the success of this effort depends the fulfillment of the commitment we have both made before the whole world that we will achieve not onl the limitation but the actual reduction the levels of strategic offensive arms.

Each of us, Mr. Foreign Minister, mus if we fail, answer—to his own people, to th world at large, and to history—the que tion: Did this or that specific, possibly qui technical issue, justify the failure or pr longed delay of the total effort—did we everything in our power to spare mankir the burdens and risks of a nuclear arm race?

I can assure you that this question ha been asked many times in the deliberatio of my government; and in answering it ourselves, honestly and with the full respo sibility inherent in our positions, we hav strengthened our resolve to seek an equitab and mutually acceptable outcome. We b lieve we have a right to ask a similar a proach from you. Our task is a common on just as success in its accomplishment w be to our common advantage and failu will leave us both losers.

Strategic arms limitation is perhaps th most concrete task we face together, but is far from the only one. In recent weeks v have found ourselves with differing or o posing views on important issues bearing international peace and security. We belie that the restraint, and respect for eac other's interests, and the understandin concerning the avoidance of crisis situatio and the acquisition of unilateral advanta remain at the core of the search for a stab world order.

These principles are part of our speci responsibility. They must be applied to sp cific situations wherever they arise, for th must be the norm of international conduct peace is to be secure and lasting.

We know from history that great powe will not long accept a diminution of the security or inroads into their interests ar that sooner or later they will seek—and fir —compensation in some other place or ma ner. But it is precisely this chain of actio and reaction that has led to catastrophe i the past and which must be broken if th disasters of history are not to be repeate

We have said to each other and the world that we understand these stark realities. So we must act in accordance with them.

If we do so, the vistas before us and mankind are filled with the most promising prospects. The choice, Mr. Minister, is ours. We have the capacity to translate our words and our expressed sentiments into deeds and living long-term policies. That is the historic challenge before us, and that is how we see these meetings this week.

So it is in this spirit—of accomplishment but of greater tasks yet to be accomplished, of determination to fulfill the obligations placed before us by history to contribute to a just and secure peace—that I ask you to join me in raising your glasses. To your health, Mr. Minister, and that of your colleagues; the wisdom and statesmanship that we owe it to ourselves and future generations to display.

JOINT U.S.-SOVIET COMMUNIQUE, MOSCOW, JANUARY 23

Press release 24A dated January 23

On 20–23 January in Moscow discussions took place between General Secretary of the CPSU Central Committee L.I. Brezhnev, Politburo Member and Minister of Foreign Affairs of the USSR A.A. Gromyko and the United States Secretary of State Henry A. Kissinger.

The talks touched upon a broad range of questions of mutual interest to the United States of America and the Soviet Union. Taking part in the discussions were, on the American side, Walter J. Stoessel, Jr., Ambassador of the U.S.A. to the USSR; Helmut Sonnenfeldt, Counselor of the Department of State; Arthur A. Hartman, Assistant Secretary of State for European Affairs; William Hyland, Deputy Assistant to the President for National Security Affairs; James P. Wade, Deputy Assistant Secretary of Defense and others; and on the Soviet side, V.V. Kuznetsov, First Deputy Minister of Foreign Affairs; G.M. Korniyenko, Deputy Minister of Foreign Affairs; A.F. Dobrynin, Ambassador of the USSR to the U.S.A.; A.M. Alexandrov, Assistant to the General Secretary of the Central Committee of the CPSU, and others.

Both sides are in agreement that the course of further strengthening and development of relations between the U.S.A. and the USSR would serve the interests of the peoples of both countries and is an essential factor in the cause of relaxation of international tension and the strengthening of peace. In the course of the negotiations special attention was devoted to examination of concrete questions relating to the working-out of a new long-term agreement between the U.S.A. and the USSR on limitation of strategic offensive weapons, on the basis of the agreement reached during the negotiations between the President of the U.S.A. and the General Secretary of the CPSU Central Committee in Vladivostok in November 1974. Progress was attained on a number of these questions, and it was agreed that negotiations will be continued with the aim of finding mutually acceptable solutions to the remaining problems.

During examination of the status of negotiations on reduction of armed forces and armaments in Central Europe, both sides had in mind the task of facilitating progress in these negotiations. There was also an exchange of views on a number of other urgent international problems.

The negotiations took place in a businesslike and constructive atmosphere. Both sides consider the exchange of views to have been useful.

NEWS CONFERENCE AT NATO HEADQUARTERS, BRUSSELS, JANUARY 23

Press release 25 dated January 23

Secretary Kissinger: Before we start, I would like to say that this is the last time I will be here while Ambassador [David K. E.] Bruce is representing the United States. He is one of the great men in American diplomacy. We will miss him enormously here, but even though he periodically threatens

to retire, we will press him into service for something or other when we can catch him unaware.

Now we will go to your questions.

Q. Mr. Secretary, there are reports that you have come back from Moscow with a Russian suggestion for lowering the Vladivostok ceiling by some amount, and I wonder if you could confirm that and expand on it?

Secretary Kissinger: I cannot go into the details of the negotiations here. The possibility in certain contexts together with other arrangements of lowering the ceiling was discussed, but I would like to stress that this is in the context of agreement on several other issues, and I cannot go any further into it.

Q. Mr. Secretary, what are the major unresolved issues now holding up agreement?

Secretary Kissinger: First of all, as I said at the Moscow airport, a number of issues were resolved and were passed on to Geneva for technical implementation. Progress of some significance was made on other issues, and some other issues still remain to be resolved. The general category of problems connected with "Backfire" and certain aspects of cruise missiles still requires further study, though progress has been made with respect to some aspects of it.

Q. Mr. Secretary, did you discuss the Middle East this time also—as a whole or in particular because of the Lebanese problem?

Secretary Kissinger: There was a general discussion of the Middle East primarily as it relates to the peace process in the Middle East. I hope you realize that these discussions are supposed to be confidential. [Laughter.]

Q. [*Inaudible.*]

Secretary Kissinger: To ask NATO to intervene in Lebanon? That suggestion was not made in Moscow. [Laughter.]

Q. On the question of a visit by Mr. Brezhnev [*Leonid I. Brezhnev, General Secretary of the Central Committee of the Communist Party of the Soviet Union*] *to Washington or to the United States—in your opinion, if there is a satisfactory agreement on SALT matters and also if Angola is in a very unsatisfactory condition from the U.S. point of view, do you still envisage a Brezhnev visit?*

Secretary Kissinger: This is a doubly hypothetical question.

We do not assume that Angola must remain in an unsatisfactory state as far as the United States is concerned in a general sense. We have always made clear that our relationship with the Soviet Union depends on restraint in other areas; and I have stated publicly on a number of occasions that if any country does not exercise restraint in one area it could set off a process of action and reaction that can only undermine international stability and the prospects of a U.S.-Soviet rapprochement.

As of now, we are planning, if a satisfactory agreement is reached, to invite the General Secretary to the United States. This is the plan on which we have been operating.

Q. Mr. Secretary, I would like to ask you two questions. Are you going to sign or conclude tomorrow in Madrid the Hispano-American agreement concerning American bases in Spain, and how much money is involved? The second question is this one—in the Presidential election in the United States, if the Republicans win do you plan to resign as Secretary of State?

Secretary Kissinger: What do you think I am going to do if the Democrats win? [Laughter.]

With respect to the first question, we have been negotiating with Spain an agreement of cooperation which includes the bases but extends to other areas as well, and I am hopeful that we may be able to sign it on the occasion of my visit to Spain to-

morrow. The exact amount that is involved I think we should leave for the occasion of my visit to Spain, since some details still have to be worked out.

With respect to your second question, I am grateful that you give me so much time —until the end of this year. The usual question I am asked in the United States is what I intend to do next month. [Laughter.]

Q. Mr. Secretary, to follow up on the first part of that question, this agreement with Spain has been described as a defense treaty. Is that an accurate description?

Secretary Kissinger: No, it is not an accurate description. It is not a defense treaty; it is a treaty of cooperation. We will probably submit it to the Senate in treaty form, but it is not a mutual defense treaty.

Q. Would you give us your appraisal of the current state of U.S. détente relationships—what you have learned as a result of your meeting and your current assessment?

Secretary Kissinger: Our impression is that the Soviet leaders are interested in continuing the détente relationship and to strengthen it. We believe that the negotiations with respect to strategic arms limitations made a positive contribution to that end. At the same time we have repeatedly expressed our view that Soviet and Cuban actions in Angola are not helpful to the détente relationship.

So I would have to call attention to both the pluses and the minuses.

Q. Mr. Secretary, during the course of the meeting this afternoon, sir, did you ask the allies to make any approaches—diplomatic steps or any other actions—to affect the course of events in Angola?

Secretary Kissinger: No. Most of the time this afternoon was spent on my giving my evaluation to my colleagues and the Ambassadors here of my meetings in Moscow. I also gave them the American evaluation of the situation in Angola. We made no request for any particular step, and the meeting was not in that context.

While we are talking about this afternoon's meeting, I would like to express my appreciation that all but two of my colleagues came here and thereby gave us an opportunity to underscore the great importance we attach to political cooperation within the NATO alliance and the close relationship that in fact exists.

Q. Mr. Secretary, is it your expectation that a SALT agreement could be reached with the Soviet Union this year?

Secretary Kissinger: I believe that a SALT agreement with the Soviet Union this year is possible.

Q. Mr. Secretary, is it possible that the new Soviet proposal to reduce the Vladivostok ceiling might serve as a way of breaking the deadlock over the cruise-Backfire-bomber dilemma?

Secretary Kissinger: I would like to make clear that the prospect of reduction is in the context of several other elements of the agreement, and it may or may not be included in the final agreement. We will now study carefully the specific Soviet proposals to see whether they lend themselves to adaptation or a response that can bridge the remaining differences.

Q. Mr. Secretary, did you get a forewarning of the possible Soviet answer to NATO's proposal tabled in Vienna last December for the troop reductions in the center of Europe?

Secretary Kissinger: I think I got some indication of what the answer is likely to be; and I conveyed it to my colleagues, who of course never reveal what goes on inside the NATO Council meeting room.

Q. A positive answer or a negative one?

Secretary Kissinger: Well, I don't think I should discuss it. At any rate, it will be given to us in a few days.

Q. Mr. Secretary General, did you have the impression in Moscow—

Secretary Kissinger: You are giving me too high a title. [Laughter.]

Q. Did you have the impression in Moscow that the countries of the Warsaw Pact are aware of having taken a lead in the field of armaments? If they are aware of this, why do you think that they continue to arm themselves so rapidly? [Question asked in French.]

Secretary Kissinger: This is not a subject that was discussed, but it is my impression that in the Communist world the level of sophistication has not yet been reached where people believe that an accretion of power is not politically useful and therefore they continue to increase their arms. And we have an obligation to match it.

Q. Mr. Secretary, what is your opinion about the meeting which is going to take place in Paris tomorrow and the day after tomorrow among Socialists in the Mediterranean area and which is going probably to close the links between Communists and Socialists in the Mediterranean area of Europe?

Secretary Kissinger: Well, I do not want to be offensive, but I did not realize there was such a meeting going on. They did not ask my opinion before they called the meeting, which wounds me deeply. [Laughter.] Therefore, I do not know exactly what is planned for the discussion. I have trouble enough dealing with states without getting involved with political parties.

Q. Mr. Secretary, did you have the occasion today to have any separate talks with the Turkish Foreign Minister?

Secretary Kissinger: I had a brief talk with the Turkish Foreign Minister, and I emphasized to him again the strong American interest in a rapid and equitable solution of the Cyprus problem, and he expressed his own views on the subject. Of course, we shall meet again in Washington on February 11.

Q. What are you planning to do this evening, please? [Laughter.]

Secretary Kissinger: That subject is still under discussion. [Laughter.]

ARRIVAL, MADRID, JANUARY 24

Press release 28 dated January 26

Secretary Kissinger

Mr. Foreign Minister: It is a particular pleasure for me to visit Spain on this occasion. And we can underline the community of interests that exists between Spain and the United States, and then we can take an important step toward bringing Spain closer to the Atlantic community and to the European Community.

Spain, which has contributed so much to the Western civilization, must in our view, be an integral part of all Western relationships. And the United States is happy that on this occasion today, we can participate in this process. I look forward to my conversations with His Majesty, with the Prime Minister, and of course, with the Foreign Minister, where we will be discussing the hopeful evolution that we all expect for Spain and in the relationship between Spain and its traditional friends.

Foreign Minister Areilza

Mr. Secretary: It is a great pleasure for me to meet you at the Madrid airport, where you have been a number of times during the last two years.

Your presence here has a particular meaning because it underlines the profound friendship and the feelings of fair cooperation existing between our two countries.

The Spanish Government and the whole of Spain are happy to have you among us. And they expect that this afternoon, in an act that I venture to describe as historic, we shall sign our names at the bottom of a document that underlines the essential friendship and cooperation between our two countries.

That is all, Mr. Secretary.

NEWS CONFERENCE, MADRID, JANUARY 24

Press release 29 dated January 26

Foreign Minister Areilza: Only a few moments ago, Mr. Kissinger, Secretary of State of the United States of America, and myself signed a Treaty of Friendship and Cooperation Between the United States and Spain.

I think it is very important for us to consider this treaty as a capital step along the way of a new formal cooperation between our two countries. Then, I believe that this is capital not only because it inaugurates the coming of a new era to our relations but also because, in the 200 years since its independence, the United States has only signed six treaties. This is now the seventh; and, I believe, this is the most significant of all.

I believe also that this treaty is significant in the sense that the time of isolation is over. I believe that it has become necessary for all countries to become linked with the remaining members of the international community, and I think that it has become necessary to strengthen the ties that link countries to the utmost both in the formal aspects and as regards contacts. This, I think, has been the object which we have finally achieved after so many months of negotiations.

I think this treaty is also important because it underlines the true main characteristics which, in my mind, are prevalent in the relation between our two countries. Alongside, I think it underlines the will of the joint pursuit of cooperation, and in order to obtain the defense of the values which are common to us, and also because it reflects the balance which has finally been achieved.

Now ladies and gentlemen, I would finally like to thank you for your presence in this historical palace of Santa Cruz and to welcome Mr. Kissinger to this house once again.

Mr. Kissinger, after this short statement on my part, will make another statement, after which there will be time for all of you to pose as many questions as you want, both to Mr. Kissinger and to myself. I must, however, underline one thing. Due to the very tight schedule of the Secretary of State, it will become necessary at a given moment to put an end to this press conference, and I will indicate when the end is near, so you can see that the questions are finally going to be the last ones.

Thank you.

Secretary Kissinger: Mr. Minister, ladies and gentlemen: The United States is very pleased by the completion of these important negotiations today through the signatures which the Minister of Foreign Affairs and I have just placed on the Treaty of Friendship and Cooperation Between Spain and the United States.

I regard the completion of this treaty as an event of great importance. The treaty covers a wide range of relations between our two countries. It does not relate to defense matters only but, rather, to the totality of our relations in many diverse fields. It reflects the strong desire of both countries for a closer friendship and a wider and more enriched cooperation. For its part, the United States will pursue the objectives of the treaty with great earnestness.

Today's event comes at a moment when Spain is undergoing the excitement, the inspiration, and the challenge of a new era. It is my hope that this treaty will be seen as a clear sign of our moral support for Spain at this particular time. This country faces the delicate task of striking a balance between evolution and stability as it moves forward on the new course which is being charted. I have the greatest confidence that the proud and dynamic people of Spain will successfully meet the tasks which lie ahead and that Spain will increasingly enter the mainstream of those values which link the Western world in a common cause.

It is my conviction that this Treaty of Friendship and Cooperation will give added strength to our historic bilateral ties and we will also contribute to the deepening of Spain's role in Western Europe.

Spain can be sure that in the United

States she has a close friend and confident supporter.

Q. Mr. Secretary, when do you expect NATO will be ready to accept Spain as a member?

Secretary Kissinger: Before I answer any questions, I would like to tell the Foreign Minister that in the splendid Spanish hospitality that we have experienced here, I must only deplore that our correspondents that travel with me must now insist that press conferences in Washington be held in a hall of similar dignity and of similar artistic value. After 400 years more of history we may find such a hall, that the privilege of towering over our correspondents is one that is well worth waiting for.

The United States has supported and will of course increasingly support the participation of Spain in NATO. The rapidity with which this objective can be achieved depends in part upon the evolution that I have described in my statement and in which the United States will give sympathetic encouragement.

Q. Why is this agreement, which always has been an executive agreement in the past, now in a treaty form?

Secretary Kissinger: This treaty in terms of subject matter is of wider scope and greater formality than the previous executive agreements and it therefore symbolizes the firmness with which we consider these ties. And we believe, also, that the legislative branch should be given an opportunity to reflect this formality in a more solemn form of treaty ratification which our Constitution provides.

Q. Will the United States have the right to use the bases here in the event of hostilities in the Middle East?

Secretary Kissinger: We have not, in negotiating this treaty, spelled out particular contingencies in which these bases can be used, nor have we negotiated particular restrictions. Therefore this is not a matter which is ripe for discussion today.

Q. Mr. Secretary, during your stay in Brussels, have you had an opportunity to discuss with your colleagues in the Atlantic Council the content of this treaty, and if so, what has been the reaction of your allies regarding possible Spanish participation in their efforts?

Secretary Kissinger: On this occasion the purpose of my visit to Brussels was to brief my colleagues about my visit to Moscow and not primarily to discuss the subject of Spain's participation in NATO. We have informed our allies at various stages of our negotiations, and we have also informed them of the final conclusion of the treaty. But we have not had a formal discussion about Spain's participation since the conclusion of this treaty.

Q. Once the treaty is ratified, what will be the difference in practice between the U.S. response to an attack on Spain and the U.S. response to an attack on a NATO ally?

Secretary Kissinger: The American reaction to an attack on a friendly country always has two components: a legal component and a moral and political component. That is to say, it depends on what our legal obligation is and also on the importance we attach to the relationship and to the country.

It is clear that the legal obligation inherent in this treaty is not of the same order as the legal obligation in the NATO treaty. But it is also clear that the political importance that we attach to our relationship with Spain is reflected in this treaty and would be a major factor in our decisions, whatever the legal obligations.

Q. In view of the situation at present in Angola and of the black reaction about it, is NATO still to be considered interesting for newcomers such as Spain, or can we view the fisheries agreement with the Soviet Union as a kind of balance?

Foreign Minister Arcilza: I must say that we have never asked for entrance into NATO; but whatever the decision is, when it comes it will be a question to be decided by the government at that time, according to the best interests of Spain. But I must also add that before this treaty, with other executive agreements that we have had so far, we have been linked to the largest and most important member of NATO; and therefore this can be interpreted as a counterpart to the strategic interest and as our contribution to the strategic interest of the whole Western defense system.

Now if you are asking me about whether we are interested in joining NATO or not, I must answer you that we are interested, because I understand that NATO is equivalent to the strategic and military infrastructure which underlies the European Economic Community, of which we would like to become members. And to finish, I would only like to add that I don't believe that fish, even though it is fresh fish, should constitute a counterbalance of military strategy.

Q. I would like to address a question to Secretary Kissinger, and that is: what are the reasons that have led you to change the reaching of an executive agreement in the sense of making it a treaty and also to ask both governments what are the reasons that provide an increased significance and importance and enrichment to what just a few months ago appeared to be at variance?

Secretary Kissinger: I have already explained our reason for submitting it to the Senate as a treaty, which is to reflect the increased formality and range of the relationship which has been designed in the background. The reason on the American side why we have proceeded in this fashion, after extended negotiations, is that in the new period that Spain is entering and in the evolution that we are encouraging, we want to reflect the sympathy and moral support of the United States.

Q. Mr. Secretary, doesn't this treaty indirectly link Spain with NATO via the United States even though Spain is obviously not a member of NATO?

Secretary Kissinger: The treaty provides a mechanism through the Council that is being formed to promote the coordination between the U.S.-Spanish effort and the NATO effort. It therefore provides a means of coordination which, of course, each individual NATO country will have to decide for itself as far as the organization as a whole is concerned. But it does reflect the importance that the United States attaches to the role of Spain in the defense of the Atlantic area.

Q. Mr. Secretary, is the treaty somehow related to the [*garbled*]*?*

Secretary Kissinger: The treaty was signed today, and it is completed, and it stands on its own feet. As far as the United States is concerned, I have indicated our support for the political evolution that is beginning to take place here that will, we hope, increasingly link Spain to those human and political values on which the unity of the West has relied; and we are attempting with this treaty to indicate our moral support for these efforts.

Q. [*Garbled.*]

Secretary Kissinger: The talks with the Spanish leaders are still in progress. The U.S. view as to the direction of this evolution is clear. The pace of the evolution depends on conditions which the Spanish Government, in which we have confidence, is in a better position to judge than we are.

Q. Mr. Minister, recently the President of the Spanish Government, Mr. Arias Navarro, has revealed to both Americans and Spaniards that the bases in Spain are considered a part of the infrastructure of NATO, the deterrent power of NATO, and he qualified the situation as both illogical and unjust. How long do you think this situation is going to continue?

Foreign Minister Areilza: I believe that the situation has finished today. And I say this because in the treaty that we have signed there is for the first time a clause which makes a reference to the organic link between both countries, which is one of the primary objectives to be reached by both the United States and Spain. Therefore I think that for the first time the existence of such a link is recognized along with the logical necessity to end a situation that President Arias qualified as unjust and illogical.

Q. Mr. Secretary, has the possible trip of President Ford to Spain during this year been discussed today? And if not, do you think it will be interesting?

Secretary Kissinger: The close ties between Spain and the United States always make it interesting for an American President to visit Spain. Of course, President Ford this year is engaged in many preoccupying domestic activities. But I am sure he would sympathetically consider an invitation for 1977. And in the meantime, we look forward to welcoming His Majesty the King to the United States during this year.

Q. What would be the meaning both for the United States and Spain on the fact that Rota would no longer be a base for nuclear submarines in 1979?

Foreign Minister Areilza: It has the meaning that it has been a Spanish petition, specifically made to the United States, which has been accepted by the United States even with the risk that involves its strategic mechanism. I believe that this is now specified in the treaty; it is a petition that was made beforehand and has finally been granted.

Seeretary Kissinger: If I could dare say that the United States accepted the Spanish request because also by 1979 the range of the missiles carried on American submarines will be of a nature that the significance of the forward base will become much less.

TOAST BY SECRETARY KISSINGER, MADRID, JANUARY 24

Press release 30 dated January 26

Mr. Foreign Minister, Excellencies, and distinguished guests: The delights of Spanish hospitality as well as the needs of policy drew me to come to Spain. It is a great personal pleasure to be here.

The treaty we have negotiated and signed today is, I believe, a milestone in the relationship of both our countries.

The tenacity that made Spain great was made vividly evident to us, Mr. Foreign Minister, in the negotiation of this treaty. Your predecessor, Señor Cortina, was a tough negotiator, and it was fitting and gracious of you to pay tribute to him. You carried on the negotiation with equal skill and, I must add, with equal tenacity, and the successful outcome owes much to your dedication.

With your warm hospitality, Mr. Foreign Minister, have come warm words of welcome, spoken with a clarity and grace rare in our day. I greatly appreciate these words. I know they represent the sincere aspirations of both countries to deepen and strengthen a relationship that is rooted both in mutual national interest and in the human ties to which my own nation, celebrating its Bicentennial, owes so much of its heritage.

I must say to our Spanish friends that your Foreign Minister is a remarkable asset. He explains Spain's aspirations and foreign policy with equal eloquence in French, German, and English. Our colleagues tell me something even more notable about your Foreign Minister—no matter what language he is speaking, his foreign policy is the same. This is truly remarkable.

The Foreign Minister has before him a great task; he has set out to level the Pyrenees. In demolishing the myth that Europe begins at the Pyrenees, making them a simple, though magnificent, mountain range, the Spanish will have done the rest of Europe, as well as Spain, a signal service.

His Majesty King Juan Carlos I, in his inaugural message from the throne, made clear the philosophical necessity of this effort. It is true, as he said, that the idea of Europe would be incomplete without Spain, that the Spanish are Europeans, and that the Spanish and the other Europeans should draw the necessary conclusions from this fact. My government recognizes this and supports Spain's efforts to make it a reality, for indeed the Spanish share with the rest of Western civilization the common heritage of respect for human dignity.

Benjamin Franklin once said:

> . . . God grant that not only the love of liberty, but a thorough knowledge of the rights of men, may pervade all nations of the earth, so that a philosopher may set his foot anywhere on its surface and say "This is my country."

Therefore the United States supports Spain's progress, out of the simple understanding that we are all part of a wider Atlantic community, one based on a community of interests and shared ideals that must be preserved and protected lest the chaos that is abroad in the world engulf our own societies.

The diversity of Western culture—and the Spanish heritage is one of the principal founts of culture in the Western world—enriches our lives. But historical truths and present challenges require us to enhance the commonality of our aspirations and institutions. In so doing we preserve for those who come after us the values and the achievements of Western civilization, under which our singular national identities can flourish.

Mr. Foreign Minister, I congratulate you on the clarity and consistency of the vision of Spain's interests which you have set forth in public and in private. It takes a great effort of will and compassion to bind up the wounds, in Abraham Lincoln's phrase, and in time reunite a people in prosperity and political consensus so that they may pursue in tranquillity their private and public interests.

That spirit, looking toward "an effective consensus of national concord," in the words of His Majesty, is much in evidence, and it has called forth hope and praise in the other nations of Europe as well as in my own country.

What Spain does is up to Spain. Others should not interfere. The United States—and I speak for President Ford, the American Government, and the American people—supports your King, his government, and his people in the endeavor to lead Spain on a path of political and social development, with new ties to the rest of Europe and the Atlantic community that give full sweep to the talents and the aspirations of the Spanish people.

I know these tasks will not be easy. We are confident that you will have the wisdom —and will be given the understanding—to find a Spanish road to full integration with Europe and the Atlantic community for the benefit of Spain and the Western world.

In this context, the work that we are completing this weekend takes on a wider meaning. It fortifies and enriches a bilateral relationship that takes on its greatest importance as a major linkage among two nations of the Atlantic community. I think that it will be quite obvious to all that through this treaty the interests of Spain have been enhanced in the forging of a balanced relationship of benefit to both nations. This treaty is an earnest of my country's support for the path upon which Spain has embarked.

Therefore, Mr. Foreign Minister, I am extremely grateful to you this evening. I would like now to propose a toast to His Majesty King Juan Carlos I, to the success of the course that he set forth so eloquently, and to the close friendship between our peoples.

Implications of Angola for Future U.S. Foreign Policy

Statement by Secretary Kissinger[1]

I appear before you not to score debating points in an abstract contest over executive-legislative prerogative. What faces us is a congressional decision of potentially grave magnitude taken after the executive branch had complied with all legal requirements for the kind of operation involved in Angola and after eight congressional committees had been briefed over 20 times without foreshadowing any opposition in principle. The issue is not "victory" of one branch over another. The issue is what constitutes a victory for the national interest.

I welcome this opportunity to explain the global significance of what is now happening in Angola, the events that have brought us to this point, the U.S. objectives, and the major consequences which can result if we fail to pursue those objectives.

The Soviet Union's massive and unprecedented intervention in the internal affairs of Africa—with nearly 200 million dollars' worth of arms and its military technicians and advisers, with 11,000 Cuban combat troops, and with substantial sea and airlift and naval cover in adjacent waters—is a matter of urgent concern. Not only are the interests of the countries directly affected at stake but also the interests of all nations in preserving global stability—which is the precondition for all else mankind aspires to accomplish.

In recent years the United States has sought to help build a new international order less tied to the traditional patterns of power balances. It was the United States which took the initiative in seeking to resolve the most dangerous problems of our time by negotiation and cooperation rather than by force of arms. It was we who saw that the historical necessity of this period required a more stable relationship between the two nations that possess the capacity to destroy civilization.

We have sought—and with some successes—to build more constructive relations with the U.S.S.R. across a broad range: to contain strategic arms; to institutionalize cooperation in economic, scientific, and cultural fields; to reduce tensions in areas where our vital interests impinge on one another; and to avoid destabilizing confrontations in peripheral areas of the globe—such as Angola. The classical pattern of accumulating marginal advantages must be overcome and mankind must build more constructive patterns if catastrophe is to be avoided. No one has been more dedicated than the President and I to working for these principles.

But our efforts have been founded upon one fundamental reality: peace requires a sense of security, and security depends upon some form of equilibrium between the great powers. And that equilibrium is impossible unless the United States remains both strong

[1] Made before the Subcommittee on African Affairs of the Senate Committee on Foreign Relations on Jan. 29 (text from press release 40). The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

and determined to use its strength when required. This is our historic responsibility, for no other nation has the capacity to act in this way. While constantly seeking opportunities for conciliation, we need to demonstrate to potential adversaries that cooperation is the only rational alternative. Any other course will encourage the trends it seeks to accommodate; a challenge not met today will tempt far more dangerous crises tomorrow.

If a continent such as Africa, only recently freed from external oppression, can be made the arena for great-power ambitions, if immense quantities of arms can affect far-off events, if large expeditionary forces can be transported at will to dominate virtually helpless peoples—then all we have hoped for in building a more stable and rational international order is in jeopardy.

The effort of the Soviet Union and Cuba to take unilateral advantage of a turbulent local situation where they have never had any historic interests is a willful, direct assault upon the recent constructive trends in U.S.-Soviet relations and our efforts to improve relations with Cuba. It is an attempt to take advantage of our continuing domestic division and self-torment. Those who have acted so recklessly must be made to see that their conduct is unacceptable.

The history of the postwar period should give us pause. Military aggression, direct or indirect, has frequently been successfully dealt with, but never in the absence of a local balance of forces. U.S. policy in Angola has sought to help friends achieve this balance. Angola represents the first time since the aftermath of World War II that the Soviets have moved militarily at long distances to impose a regime of their choice. It is the first time that the United States has failed to respond to Soviet military moves outside their immediate orbit. And it is the first time that Congress has halted the executive's action while it was in the process of meeting this kind of threat.

Thus to claim that Angola is not an important country or that the United States has no important interests there begs the principal question. The objectives which the United States has sought in Angola have not been aimed at defending, or acquiring, intrinsic interests in that country. We are not opposing any particular faction. We could develop constructive relations with any Angolan government that derives from the will of the people. We have never been involved militarily in Angola. We are not so involved now. We do not seek to be so involved in the future.

Our objective is clear and simple: to help those African countries and those groups within Angola that would resist external aggression by providing them with needed *financial* support. Those whom we seek to assist are our friends; they share our hopes for negotiated solutions and for African self-determination. They played a larger role than the MPLA [Popular Movement for the Liberation of Angola] in striving toward Angolan independence.

But our deeper concern is for global stability. If the United States is seen to emasculate itself in the face of massive, unprecedented Soviet and Cuban intervention, what will be the perception of leaders around the world as they make decisions concerning their future security?

Will they feel they can proceed to develop their nations in an international climate which fosters cooperation and self-determination? How will they adjust their conduct in the context of such events? And what conclusion will an unopposed superpower draw when the next opportunity for intervention beckons?

America's modest direct strategic and economic interests in Angola are not the central issue. The question is whether America still maintains the resolve to act responsibly as a great power—prepared to face a challenge when it arises, knowing that preventive action now may make unnecessary a more costly response later.

Let there be no mistake about it—the culprits in the tragedy that is now unfolding in Angola are the Soviet Union and its client state Cuba. But I must note with some sadness that by its actions the Congress has de-

prived the President of indispensable flexibility in formulating a foreign policy which we believe to be in our national interest. And Congress has ignored the crucial truth that a stable relationship with the Soviet Union based on mutual restraint will be achieved only if Soviet lack of restraint carries the risk of counteraction.

The consequences may well be far-reaching and substantially more painful than the course we have recommended. When one great power attempts to obtain special positions of influence based on military interventions, the other power is sooner or later bound to act to offset this advantage in some other place or manner. This will inevitably lead to a chain of action and reaction typical of other historic eras in which great powers maneuvered for advantage, only to find themselves sooner or later embroiled in a major crisis and often in open conflict.

It is precisely this pattern that must be broken—and that we wanted to break until stopped—if a lasting easing of tensions is to be achieved. And if it is not broken now, we will face harder choices and higher costs in the future.

It is in this context that we have framed our goals in Angola. Simply put, we wish to see:

—A cease-fire, ending the tragic bloodshed in that country;

—Withdrawal of outside forces—Soviet, Cuban, and South African;

—Cessation of foreign military involvement; and

—Negotiations among the Angolan factions.

We are prepared to accept any solution that emerges from African efforts. And we are ready to offer economic assistance to the people of Angola when a legitimate government is established there.

We have consistently advocated such a government representing all three factions in Angola. We have never opposed participation by the Soviet-backed Popular Movement for the Liberation of Angola, the MPLA. What we do oppose is the massive Soviet and Cuban intervention and their expressed aim of denying the other two groups any part in governing the country. Our overriding goal has been to assure that Africans shape their own destiny and that traditional colonialism not be replaced by a more modern version.

For the United States to be found wanting as a credible friend, precisely at a time when moderate African states have clearly and repeatedly expressed their hope that America provide the necessary balance to the Soviet Union and Cuba, will have a major impact on those countries on the continent of Africa which resisted all pressures and stuck by their position even after the Senate cut off aid; on our allies in other parts of the world who look to us for security; on other countries that seek ties with us primarily because they see us as the guardian of international equilibrium.

The Record of Events in Angola

Let me briefly recount the course of events that has led us to this point.

In 1961, the United States declared its support for self-determination in Portugal's African territories. At the time, the National Front for the Liberation of Angola, FNLA, was a leading force in the struggle for Angolan independence. Looking to the future, we sought to develop a relationship with the FNLA through providing it some financial, nonmilitary assistance. The U.S.S.R. had already established links with the Popular Movement for the Liberation of Angola, MPLA, through the Portuguese Communist Party.

The MPLA began military action against the Portuguese in the midsixties. The National Union for the Total Independence of Angola, UNITA, an offshoot of the FNLA, also began to fight on a small scale in the late 1960's. Although these various uncoordinated insurgency efforts caused considerable difficulties for Portugal, they posed no serious military threat to the dominance of Portuguese military forces in Angola.

However, the overthrow of the Portuguese Government in April 1974 and the

growing strength of the Portuguese Communist Party apparently convinced Moscow that a "revolutionary situation" was developing in Angola. The Soviet Union began to exploit this situation in the fall of 1974 through shipments of some arms and equipment to the MPLA. The United States received requests for support from other Angolan elements at that same time, but turned them down.

The prospect of an independent Angola was clouded by the intense rivalry of the FNLA, MPLA, and UNITA which had developed over the years. Concerned about the three factions' failure to end their bitter quarrel, leaders of other African countries prevailed upon them to come together with Portugal and seek agreement. This effort led to the Alvor Accord of January 1975. Under its terms a transitional coalition government was to be established and charged with preparing for a peaceful turnover of power by integrating the military forces of the three movements, writing a constitution, and organizing an election to take place before independence, scheduled for November 11, 1975.

This was the moment, when Portugal was trying to organize a peaceful transition to independence, for the exercise of restraint by all outside parties. But the U.S.S.R. and Portuguese Communists decided to put the MPLA in power in Angola through stepped-up shipments of arms. With this kind of encouragement, the MPLA had little incentive to fulfill the terms of the Alvor Accord, which would have prevented it from dominating any future coalition government.

It is no coincidence that major violence broke out in March 1975 when large shipments of Soviet arms began to arrive—thousands of infantry weapons, machineguns, bazookas, and rockets. On March 23 the first of repeated military clashes between the MPLA and FNLA occurred. They increased in frequency in April, May, and June, when deliveries of Communist arms and equipment, including mortars and armored vehicles, escalated by air and sea. In May the MPLA forced the FNLA out of the areas north and east of Luanda and in June took effective control of Cabinda. On July 9 all-out civil war began when the MPLA attacked the FNLA and UNITA, driving both organizations out of Luanda, thereby ending the short-lived coalition government. By mid-July the military situation radically favored the MPLA.

As the military position of the FNLA and UNITA deteriorated, the Governments of Zaïre and Zambia grew more and more concerned about the implications for their own security. Those two countries turned to the United States for assistance in preventing the Soviet Union and Cuba from imposing a solution in Angola, becoming a dominant influence in south-central Africa, and threatening the stability of the area.

It was at this point that President Ford decided to respond to requests for help and to provide military assistance to the FNLA and UNITA forces through neighboring black African countries.

In August intelligence reports indicated the presence of Soviet and Cuban military advisers, trainers, and troops, including the first Cuban combat troops. If statements by Cuban leaders are to be believed, a large Cuban military training program began in Angola in June, and Cuban advisers were probably there before then. By September the MPLA offensive had forced UNITA out of several major central and southern Angolan cities. It controlled most of the coastline except for a strip in the far north, much of the south, and a wide belt running from Luanda to the Zaïre border in the east.

In early September the poorly equipped UNITA forces turned in desperation to South Africa for assistance against the MPLA, which was overrunning UNITA's ethnic areas in the south. South Africa responded by sending in military equipment, and some military personnel, without consultation with the United States.

The UNITA forces launched a successful counteroffensive which swept the MPLA out of the southern and most of the central part of Angola. In the north the FNLA also made significant advances. By Independence Day—

November 11—the MPLA controlled only the former colonial capital of Luanda and a narrow belt across north-central Angola.

In October massive increases in Soviet and Cuban military assistance began to arrive. More Cuban troops were ferried to Angola. Cuba inaugurated its own airlift of troops in late October. And the MPLA declared itself the Government of Angola, in violation of the Alvor Accord.

In the hope of halting a dangerously escalating situation, the United States—using the leverage provided by our financial support—undertook a wide range of diplomatic activity pointing toward a summit of the Organization of African Unity (OAU) scheduled for January 1976. Starting in October we made several overtures to the Soviet Union, expressing our concern over the scale and purpose of their intervention. We offered to use our influence to bring about the cessation of foreign military assistance and to encourage an African solution if they would do the same. Their responses were evasive but not totally negative.

We began to voice our concerns and our limited objectives publicly. Beginning with a speech in Detroit on November 24 we pointed out that Soviet continuation of an interventionist policy must inevitably threaten our other relationships and that our sole objective was an African resolution of an African problem.[2]

The Administration undertook a new series of congressional consultations on the extent of our help to the Angolan factions resisting Soviet and Cuban aggression. I briefed the NATO Foreign Ministers and obtained significant understanding and support. Our diplomatic efforts with foreign governments, especially African governments, culminated with a mission by Assistant Secretary [for African Affairs William E.] Schaufele to five African countries and the dispatch of letters from President Ford to 32 African heads of state, as well as the Secretary General of the OAU, stating America's policy.

Throughout this period the U.S. principles for a solution to the Angolan tragedy were unambiguous and straightforward:

—Angola is an African problem and should be left to Africans to solve.

—Foreign military involvement only escalates and prolongs the warfare there and should be ended.

—OAU efforts to promote a cease-fire should be supported.

—The United States pursues no unilateral interests in Angola and is exclusively concerned with seeing the people of that country live in peace, independence, and well-being.

—Angola should be insulated from great-power conflict.

Our diplomacy was effective so long as we maintained the leverage of a possible military balance. African determination to oppose Soviet and Cuban intervention was becoming more and more evident. On December 9 President Ford made a formal proposal to the Soviet Government through their Ambassador. Indeed, it appeared as if the Soviet Union had begun to take stock. They halted their airlift from December 9 until December 24.

By mid-December we were hopeful that the OAU would provide a framework for eliminating the interference of outside powers by calling for an end to their intervention. At that point, the impact of our domestic debate overwhelmed the possibilities of diplomacy. After the Senate vote to block any further aid to Angola, the Cubans more than doubled their forces and Soviet military aid was resumed on an even larger scale. The scope of Soviet-Cuban intervention increased drastically; the cooperativeness of Soviet diplomacy declined.

The weight of Soviet aid and advisers and the massive Cuban expeditionary force began to tip the scales of battle in December. By this point, most of the effective fighting for the MPLA was being done by Cubans. It was clear that the U.S.S.R., Cuba, and the MPLA hoped to achieve a

[2] For Secretary Kissinger's address at Detroit, Mich., on Nov. 24, 1974, see BULLETIN of Dec. 15, 1975, p. 841.

decisive military victory on the eve of the Organization of African Unity's extraordinary summit conference in Addis Ababa a few weeks ago. Yet notwithstanding their reverses, the FNLA–UNITA forces still controlled about 70 percent of the territory and 70 percent of the population of Angola at the time of the conference. An OAU Reconciliation Commission, which had met earlier in 1975, took the position that none of the movements should be recognized as the government of Angola. The Commission called for a cease-fire and the formation of a government of national unity. Thus, those governments who recognized the MPLA were in violation of a decision of the OAU.

At the January OAU summit, 22 members of the OAU advocated recognition of the MPLA and condemnation of South Africa. But they were opposed, in an unusual demonstration of solidarity, by 22 other members who held out for a more balanced resolution, one that would include the following points:

1. An immediate cease-fire;
2. Condemnation of South Africa and immediate withdrawal of all South African forces;
3. Withdrawal of all foreign forces;
4. An end to the supply of arms to all factions; and
5. Reconciliation of all factions, with the aim of establishing a government of national unity.

The United States regarded this program as reasonable and responsive to the facts of the situation. But the Soviet Union and Cuba urged MPLA supporters to refuse to accept this solution. The summit ended in impasse.

The United States Position

This, then, is the significance of Angola and the record to date. In elaborating further the U.S. position, I want to respond directly to some of the issues raised in the current debate.

Our principal objective has been to respond to an unprecedented application of Soviet power achieved in part through the expeditionary force of a client state.

During 1975 the Soviet Union is estimated to have contributed nearly 200 million dollars' worth of military assistance to Angola. This equals the entire amount of all military aid from all sources to sub-Saharan Africa in 1974.

Soviet arms have included infantry weapons—machineguns, bazookas, mortars, and recoilless rifles—armored personnel carriers, heavy artillery, light and medium tanks, truck-mounted multitube rocket launchers, helicopters, and light aircraft. There are unconfirmed reports that the Soviet Union will provide the MPLA with MIG–21 aircraft to be piloted by Cubans.

A total of at least 46 flights of Soviet heavy and medium military transports have ferried Soviet military equipment from the U.S.S.R. to Luanda and Congo (Brazzaville), while a steady stream of Soviet and Cuban aircraft has continued to bring Cuban troops across the Atlantic. Soviet naval involvements clearly related to the Angolan event have continued in west African waters for several weeks.

The implications of Cuba's unprecedented and massive intervention cannot be ignored. It is a geopolitical event of considerable significance. For the first time, Cuba has sent an expeditionary force to another nation on another continent. About 11,000 Cuban military personnel have been sent to Angola.

If allowed to proceed unchecked, this blatant power play cannot but carry with it far-reaching implications—including the impact it will have on the attitudes and future conduct of the nations of this hemisphere. Indeed, friend and foe alike cannot fail to contrast the sending of a large Cuban expeditionary force with our apparent inability to provide even indirect financial assistance. The failure of the United States to respond effectively will be regarded in many parts of the world as an indication of our future determination to counter similar Communist interventions.

We have been asked why we do not respond with other pressures on the Soviet Union.

The first answer is that many of the links the Administration has tried to forge—such as trade and credit, which would have provided incentives for restraint and levers for penalties—have been precluded by earlier congressional actions. But two other instruments have been suggested: wheat sales and the Strategic Arms Limitation Talks.

A moratorium was placed on wheat sales for four months in 1975. To use this device every three months is to blunt it permanently. Above all, economic measures take too much time to affect a fast-moving situation like Angola; any longer term impact would be of little use to those immediately threatened. We should also ponder whether we want to return to the situation, now prevented by the grain agreement, in which the U.S.S.R. can capriciously enter and leave the U.S. grain trade.

As for the Strategic Arms Limitation Talks, we have never considered these to be a favor which we grant to the Soviet Union to be turned on and off according to the ebb and flow of our relations. The fact is that limiting the growth of nuclear arsenals is an overriding global problem that must be dealt with urgently for our own sake and for the sake of world peace.

Still, we have made clear that a continuation of actions like those in Angola must threaten the entire web of Soviet-U.S. relations. In this sense, both negotiations and the overall relationship are in long-term jeopardy unless restraint is exercised. But there is no substitute for a local balance; indirect pressures can succeed only if rapid local victories are foreclosed.

Have we really thought through the implications of our decisions? Do we really want the world to conclude that if the Soviet Union chooses to intervene in a massive way, and if Cuban or other troops are used as an expeditionary force, the United States will not be able to muster the unity or resolve to provide even financial assistance to those who are threatened? Can those faced with such a threat without hope of assistance from us be expected to resist? Do we want our potential adversaries to conclude that, in the event of future challenges, America's internal divisions are likely to deprive us of even minimal leverage over developments of global significance?

Our second objective is to help our friends in black Africa who oppose Soviet and Cuban intervention.

Only in recent years has Africa become free of great-power rivalry; it must not once again become an arena in which the ambitions of outside forces are pursued. We have sought with our African friends to maintain a local balance of power so there can be no imposed solution that would deprive the Angolan people of the right to determine their own destiny.

We are told that we need not concern ourselves, because in the final analysis and at some indefinite date in the future, African nationalism will reassert itself and drive out foreign influence. Even were this to prove true, it still ignores the fact that governments under pressure will be forced to yield whenever a threat develops. Those who are threatened cannot afford to wait; they must decide whether to resist or to adjust. Advice which counsels patience and confidence in the verdict of history is a mockery to those who are concerned for the fate of their country today. History rarely helps those who do not help themselves.

Some charge that we have acted in collusion with South Africa. This is untrue. We had no foreknowledge of South Africa's intentions and in no way cooperated with it militarily. Nor do we view South African intervention more benevolently than we do the intervention of other outside powers. Indeed, we have formally proposed that the removal of outside forces begin with those of South Africa and have asked—in vain—for an indication of how soon thereafter Soviet and Cuban forces would be withdrawn.

It is also claimed that because of our support for the side which later felt itself compelled to seek the aid of South Africa, we have lost influence in black Africa. One cannot generalize so easily about the perceptions of the African people, as the firm stand at Addis Ababa of 22 OAU members against

AU recognition of the MPLA should demnstrate. Behind this stand, which coincided ith the U.S. position, was awareness that e MPLA represented only a minority of ngolans, and also a genuine apprehension ver Soviet and Cuban, as well as South frican, intervention. Indeed, it is our inbility to support our African friends that ill cost us influence in Africa.

We are firmly convinced that, had there een no outside interference initiated by the oviet Union, the Africans would have found heir own solution. No single movement ould have been strong enough to take over. he resulting solution would have been more epresentative of the people of Angola than government imposed by an outside power nd representing only a minority faction.

The outcome in Angola will have repercusions throughout Africa. The confidence of ountries neighboring Angola—Zambia and aïre—as well as other African countries, in he will and power of the United States will e severely shaken if they see that the Soviet Jnion and Cuba are unopposed in their atempt to impose a regime of their choice on ngola. They and others elsewhere may well djust their policies to what they consider o be the forces of the future.

The means we have chosen have been limted, and explained to Congress.

Our immediate objective was to provide everage for diplomatic efforts to bring about just and peaceful solution. They were not onceived unilaterally by the United States; hey represented support to friends who requested our financial assistance.

We chose covert means because we wanted o keep our visibility to a minimum; we vanted the greatest possible opportunity for n African solution. We felt that overt assistnce would elaborate a formal doctrine ustifying great-power intervention—aside rom the technical issues such as in what udgetary category this aid should be given nd how it could be reconciled with legislative restrictions against the transfer of U.S. arms by recipients.

The Angola situation is of a type in which diplomacy without leverage is impotent, yet direct military confrontation would involve unnecessary risks. Thus it is precisely one of those gray areas where covert methods are crucial if we are to have any prospect of influencing certain events of potentially global importance.

We chose a covert form of response with the greatest reluctance. But in doing so, we were determined to adhere to the highest standard of executive-legislative consultation. Eight congressional committees were briefed on 24 separate occasions. We sought in these briefings to determine the wishes of Congress. While we do not claim that every member approved our actions, we had no indication of basic opposition.

Between July and December 1975 we discussed the Angolan situation on numerous occasions with members of the foreign relations comittees and the appropriations committees of both Houses and the committees of both Houses that have CIA oversight responsibilities. The two committees investigating CIA activities—the Church Committee and the Pike Committee—were also briefed. Altogether more than two dozen Senators, about 150 Congressmen, and over 100 staff members of both Houses were informed. I am attaching to my statement a list of all the briefings carried out.[3]

Mr. Chairman, where are we now?

We are told that by providing money and arms in Angola we are duplicating the mistakes we made in Viet-Nam. Such an argument confuses the expenditure of tens of millions of dollars with the commitment of U.S. troops. If we accept such a gross distortion of history—if we accept the claim that we can no longer do anything to aid our friends abroad because we will inevitably do too much—then the tragedy of Viet-Nam will indeed be monumental.

We will have lost all ability to respond to anything less than direct and substantial challenge. And having lost that ability, we will eventually discover that by failing to respond at an early stage, our ultimate response will have to be greater and the stakes

[3] Not printed here; for text, see press release 40.

will be higher. If we do not exercise our responsibilities to maintain the international balance, if Congress and the executive are unable to act in concert when vital national interests are affected, then world security may well be seriously undermined.

Many of the members of this committee have expressed their general support for our policy of easing tensions with the Soviet Union. We in the executive branch are grateful for that support. But this process cannot be divided into those segments which the Soviets will honor and those which we will allow them to ignore. What the United States does when confronted with a challenge like Angola can be of great significance in shaping our future relationship with the Soviet Union. A demonstration of a lack of resolve could lead the Soviets to a great miscalculation thereby plunging us into a major confrontation which neither of us wants. Credibility determines, to a great degree, what a nation can accomplish without a resort to force. And as credibility is reduced, the eventual need to resort to force increases. And in the end, we are all the losers.

The United States must make it clear that Angola sets no precedent; this type of action will not be tolerated elsewhere. This must be demonstrated by both the executive and the Congress—in our national interest and in the interest of world peace.

To the Soviet Union and to Cuba, the Administration says: We will continue to make our case to the American public. We will not tolerate wanton disregard for the interests of others and for the cause of world peace.

To the American people, the Administration says: The time has come to put aside self-accusation, division, and guilt. Our own country's safety and the progress of mankind depend crucially upon a united and determined America. Today, as throughout our 200 years, the world looks to us to stand up for what is right. By virtue of our strength and values we are leaders in the defense of freedom; without us there can be neither security nor progress.

To the Congress, the Administration says: Whatever our past disagreements, let th Congress and the executive now resolve t shape a cooperative relationship that wi enable the United States to play a respor sible international role. Both branches wi have to do their share in restoring the kin of nonpartisan support that has served ou foreign policy so well in the past.

On the issue of Angola, the Administra tion is now seriously considering overt finar cial aid, and we will soon be consulting wit the Congress on this possibility. But what ever that decision, let us work together wit an appreciation of the larger interests ir volved and with a sense of national respor sibility. A united America cannot be ignore by our adversaries. Together we will pre serve the independence of those who fac the prospect of oppression. Together we wi hearten the friends of liberty and peac everywhere.

President Ford Reiterates U.S. Objective in Angola

Following is the text of a letter date January 27 from President Ford to Speake of the House Carl Albert.

White House press release dated January 27

JANUARY 27, 1976.

DEAR MR. SPEAKER: I want to expres to you and to your colleagues in the Hous my grave concern over the internationa consequences of the situation in Angola. I the absence of effective Western assistanc the two largest political movements in th country will be destroyed by Soviet arma ments and a Cuban expeditionary force.

This imposition of a military solution i Angola will have the most profound lon range significance for the United State The US cannot accept as a principle of ir ternational conduct that Cuban troops an Soviet arms can be used for a blatant inter vention in local conflicts, in areas thousand of miles from Cuba and the Soviet Unio and where neither can claim an historic na

ional interest. If we do so, we will send a message of irresolution not only to the leaders of African nations but to United States allies and friends throughout the world.

The facts are clear. In the fall of 1974, the USSR began to increase its military assistance in Angola. During the period from March to December 1975, the Soviet Union and Cuba provided almost $200 million in weapons and other military assistance to a minority faction in Angola. The Cubans have dispatched more than 10,000 combat troops, which are right now actively engaged in the effort to destroy opposing factions—factions which command the loyalties of more than 60% of the population and occupy a major part of Angola's territory. For the United States to turn its back on requests for help from these people would be an abdication of our responsibility to play a positive role in international affairs.

The United States has no intention of interfering in internal African affairs. The United States' objective in Angola is to enable the people of that land to determine for themselves their political future. Until the late summer of 1975 the US provided no military assistance to any group. Since then the United States has provided modest amounts of assistance to forces opposing the Soviet/Cuban-backed effort, solely to enable the indigenous majority to stabilize the military situation and to create conditions for a negotiated solution. As was demonstrated at the recent meeting of the Organization of African Unity, a clear majority of the sub-Saharan African countries clearly supported this effort to offset Soviet-Cuban intervention. The US assistance, small as it was, began to reverse the tide and block the Soviet-backed effort to take over the country by force. However, in September and October, the Soviet Union, with the help of a Cuban expeditionary force, massively escalated the conflict. In response the Administration sought, through consultation with the appropriate Congressional Committees, to gain approval for the reprogramming of $28 million to continue our assistance. (The matter of our assistance in Angola was the subject of 25 separate contacts with eight Congressional Committees.) In concert with this proposal, the Administration launched a determined diplomatic effort to bring an end to the fighting and to find a means to bring about a negotiated settlement acceptable to all of the Angolan parties. Unfortunately, this effort was substantially undermined by the vote of the Senate in December 1975 to cut off US assistance to Angola.

As I have stated on a number of occasions, the US seeks no special advantage in Angola, nor are we opposed to the MPLA faction per se. Our sole objective has been to preserve the opportunity for this Angolan problem to be resolved by Angolans, and not through the application of brute military force by the Soviet Union and Cuba. I believe that resistance to Soviet expansion by military means must be a fundamental element of US foreign policy. There must be no question in Angola or elsewhere in the world, of American resolve in this regard. The response of the United States is a matter of fundamental concern to our friends and allies everywhere. The failure of the US to take a stand will inevitably lead our friends and supporters to conclusions about our steadfastness and resolve. It could lead to a future Soviet miscalculation based upon its perception of that resolve. It would make Cuba the mercenaries of upheavals everywhere.

I bring my most serious concerns over the course of events in Angola and the significance of a Soviet victory there to your attention. I strongly urge the House of Representatives to take them into account in its deliberations on Angola today and vote to disagree with the Senate amendment to the Defense Appropriations Act.

Sincerely,

GERALD R. FORD.

Department Discusses Global Inflation and National Policy

Statement by Charles W. Robinson
Under Secretary for Economic Affairs [1]

Thank you for inviting me to discuss today the problem of global inflation and its implications for national policy. This is an immense subject with many implications for policy. I will focus on some of the principal issues, particularly those related to our foreign policy concerns.

Improvements in international economic arrangements, important though they may be, cannot substitute for the sound management of our own affairs. The primary battle against inflation must be fought and won at home.

Yet the recent inflation has been a truly international phenomenon. The forces of inflation were felt worldwide and very rapidly transmitted across international borders; they had important repercussions on our international relations; and they provide important lessons for future economic cooperation.

We all appreciate that inflation has done major damage to our economy, our standard of living, and our social institutions. It has also been a significant source of international discord. For just as domestic groups and individuals often see inflation as the damage other people are doing to them, creating social conflict and resentment, so nations react similarly to inflationary forces coming from abroad. During inflationary times, countrie tend to lose sight of the mutual benefit gained from trade with others and concen trate on their complaints against foreigners International cooperation can, I believe, pla a significant role in controlling inflatior Equally, our efforts to control inflation ca also provide an environment in which cooper ation can thrive.

Let us review the record on inflation. Th gradual tendency toward acceleration i price increases which had been developing i the late 1960's picked up speed as we en tered the 1970's. For a while we seemed t be doing better. But then a convergence o several factors led to the inflationary explo sion of 1973, and especially 1974. One facto was the broad and excessive expansion in th industrial countries. Another was the larg increase in prices of energy and food.

The large increase in energy prices, o course, reflected the impact of the OPE [Organization of Petroleum Exportin Countries] cartel, which I will discuss late

The sharp rise in food prices, on the othe hand, reflected fundamental changes in th underlying world supply-and-demand balanc of agricultural products, particularly grains World production failed to keep pace witl rising world demand for grain. Poor crop in 1973 and 1974 actually resulted in a de cline in world production. Meanwhile, de mand for food, especially grains, continue to grow, spurred by increased population rising incomes in most countries, and deci sions by other nations, particularly the U.S.S.R. and Eastern European states, t

[1] Made before the Subcommittee on African Affairs of the Finance and Resources of the Senate Committee on Finance on Jan. 26. 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.

stress improvement in the diets of their populations. In the United States, consumers competed with other buyers for world supplies and shared in the worldwide increase in food prices.

In addition to the general increase in world demand, exchange rate changes in the 1970's resulted in additional foreign demand for U.S. grain, one of America's most competitive exports. Farm incomes during the period increased appreciably, and the United States obtained substantial foreign exchange earnings which were used to pay for other needed imports.

Although the pattern of inflation in the OECD [Organization for Economic Cooperation and Development] area as a whole was very similar, in comparison with the United States the record of the other OECD countries has been somewhat worse—and in the case of a few countries, considerably worse. The striking thing has been the similarity of the experience. This clearly has reflected the operation of important common causes—particularly those mentioned above—and their interaction through a closely linked international transmission mechanism.

I will not try to provide a complete description of the causes and the international transmission mechanism which spread the impact among countries. I will instead focus on two topics:

—The role of international cartels in the recent inflation and their role in the future. What policies are called for?

—The role of interdependence and the need for better coordination of demand management policies.

Inflation and the OPEC Cartel

It is well known that the recent large oil price increases instituted by the OPEC cartel have been a major factor in recent inflation. They came, of course, very rapidly, on top of an inflation rate that was already high, and in a period where overall demand was strong. It is clear, however, that the strength of demand did not account for the fourfold increase in oil prices in the latter part of 1973; it is even more obvious that it did not account for the smaller increases put into effect since then in the face of sharply weakening demand.

These price increases therefore were basically autonomous events, with a major impact on the rate of inflation. We cannot pretend to know precisely the full extent of this impact. One can, however, arrive at a reasonable estimate of the direct impact of the 1973–74 oil price increase. One expert estimate puts the impact of the oil price increases themselves, and the associated increases in prices of domestically produced energy, on OECD consumer prices at 3½ percent—about half the acceleration in OECD prices between 1973 and 1974. The indirect impact, however, is much more difficult to estimate. New impetus was clearly given to the wage-price spiral and to inflationary expectations. This impact, which we are still feeling, may well have been as large or larger than the direct effect.

Can we expect cartel action to produce similar inflationary shocks in the future? Probably not of this magnitude. It seems unlikely that the OPEC countries will try to repeat their 1973–74 increase. They may nevertheless attempt to institute smaller increases, perhaps tied to some index of import prices.

Other raw materials producers may try to emulate the OPEC success. However, we do not believe that producers of other commodities possess anything like the degree of market power which the OPEC countries have wielded. Their actions therefore are unlikely to provide a significant one-time impact on the rate of inflation like that of the oil price increase.

Although, in the foreseeable future, cartels are not likely to provide another major force accelerating the rate of inflation, the efforts to form cartels and push raw materials prices upward might be troublesome for our attempts to control inflation or to build broad structures of international cooperation generally. Even if their only goal were to maintain raw materials

prices constant in real terms with respect to an index of prices of imported goods and they were to succeed, this, like any indexation arrangement, would increase the problems of bringing inflation under control. In effect, a vicious circle between increases in industrial prices and prices of raw materials would be established, leading to a perpetuation of inflation well after the initial causes had been dealt with.

This, of course, is far from the only argument against indexation of raw materials prices. Indexation of the price of any commodity, which has the effect of freezing its price relative to prices of other goods, will almost certainly lead to harmful distortions in resource allocation. In fact, given dynamic changes in supply-and-demand conditions and large-scale substitution possibilities, it would be extremely difficult, probably impossible, and certainly very expensive to maintain a fixed relative price over any extended period.

The policy implications of this discussion of cartel action seem to be clear. First, a strong, cooperative energy policy is required in the OECD area to reduce the scope for further unilateral exercise of OPEC market power. Second, to make clear that cartels are not the answer, we must pursue the dialogue with the oil producers and with non-oil-exporting less developed countries, responding in a constructive way to their legitimate requirements.

The industrial nations have collectively designed a program to meet the challenge of the oil crisis. We are cooperating through the Paris-based International Energy Agency on an energy strategy with three major components:

—Measures to stockpile oil and share oil supplies in emergencies such as another oil embargo;

—Conservation of energy; and

—The development of new energy sources.

In addition, within the OECD we have agreed to establish a Financial Support Fund to provide contingency financing to countries experiencing severe balance-of-payments problems in the wake of the c crisis.

Over time, this integrated program shou greatly reduce our vulnerability to actio by the cartel of oil-exporting countries. does not represent, however, a stance confrontation with OPEC. Rather, we en phasize constructive dialogue between c consumers, including both developed and d veloping nations, and oil producers. ministerial conference in December launche this dialogue on firm footing. It will proce through the parallel work of four commi sions dealing with energy, raw material development, and finance.

The leaders who met at Rambouill agreed that a cooperative relationship an improved understanding between developin nations and the industrial world is fund mental to the welfare of both. The economi of developing nations depend vitally on our while their growth in turn contributes t our own prosperity.

The oil crisis had a particularly severe im pact on developing nations. Higher oil price dealt them a staggering blow. In additio their exports were dampened by the depre sive effect more expensive oil had on th economies of developed countries.

In his speech at the seventh special se sion of the U.N. General Assembly, Secr tary of State Kissinger underscored our co cern for the economic security and growt of the developing countries. He outlined practical program to achieve these joi objectives. Some required increased contr butions from the United States, other i dustrial countries, and oil producers. But th thrust of our program is to provide the d veloping countries greater opportunities t earn their own way through increased trad investment, and capital market opportu nities.

If the developing nations themselves pur sue sound policies, this program will go long way toward putting their developmen efforts on a sound footing. It should als entail moving from an atmosphere of tensio to one of concrete cooperation to improve th welfare of the developing countries and t

integrate them more fully in an international economy which serves the interests of all participants and thereby supports international cooperation generally.

Interdependence and Policy Coordination

Growing economic interdependence among countries—as indicated by the trend toward increasing importance of international trade and investment flows, more rapid transportation and communication among countries, and more integrated capital markets—has strengthened the links through which inflationary impulses are transmitted between countries. The major links generally recognized are:

1. Increased demand for imports, which may lead to excess demand in the exporting countries.
2. The prices of internationally traded goods affecting costs, consumer prices directly, and prices of competing goods.
3. Monetary or liquidity effects of international capital flows and the overall balance of payments.

It should be noted that the factors under point 3 tend to be much more important under a system of relatively fixed rates than under floating rates. Frequently, direct price effects tend to be dampened by depreciation of the currency of the exporting country, and it is well recognized that floating exchange rates give nations a good deal more control over domestic monetary and liquidity conditions.

The international transmission of inflation, however, does not necessarily mean that world inflation is greater as a result of interdependence. During most of the postwar years, in fact, quite the opposite was true; interdependence was a factor for stability. This was true broadly for two basic reasons:

First, fluctuations in demand conditions were not closely synchronized. Therefore the excess demand from one country tended to spill over and be met out of the excess productive capacity of another country—thus dampening inflation.

Secondly, the United States was generally a force for price stability in those years. Our relatively stable internal prices, our dominant influence on world markets, and our reasonably stable monetary conditions all tended to exert a powerful stabilizing force in the rest of the industrialized world.

Unfortunately both these factors changed during the past 10 years. Beginning in the mid-1960's with the excessive and inflationary expansion in 1965–66, 1968, and 1972–73, U.S. prices rose more rapidly, and we ceased to be an anchor of price stability.

In the latest expansion, during 1972–73, another relatively new phenomenon became critical. This was the virtually simultaneous strong expansion of all the major industrialized countries. There was therefore no place for excess demand to be siphoned off; price acceleration in one country was propagated through international trade, accelerating the price-wage spiral in other countries.

This simultaneous expansion created a particularly rapid rise in the prices of industrial materials. Existing capacities in this sector were just not geared to the simultaneous rapid expansion of output in North America, Europe, and Japan. In previous years this underlying shortage of capacity in the basic materials sector had been obscured by the fact that not many economies had been operating at high levels at the same time. But in 1972–73 this was changed, and spot prices for industrial materials (in dollar terms) tripled between the end of 1971 and mid-1974.

Thus the interdependence of the international economy was of critical importance in the recent inflation. It is not clear whether or not the simultaneous rapid expansion was a one-time annual occurrence or whether it is a sign of increasing synchronization in the future. What is clear is that, in designing their stabilization policies, countries have need of a great deal more coordination of policy measures than in the past. In particular, it will be necessary to take into account not just *domestic* capacity

limitations but worldwide capacity limitations.

The machinery for greater coordination, of course, already exists. In one important forum, policymaking officials of the industrial countries have, for some time, met regularly in the OECD to compare notes on policies and prospects. They have been assisted in this by a high-quality professional secretariat. But the will to coordinate has not always been sufficient. The lessons of the recent past, however, are having their impact: the Rambouillet summit, I think, deepened our appreciation of interdependence and resulted in a commitment to strengthen efforts for closer international cooperation.

Mr. Chairman, I have only given a brief treatment to some international aspects of the problem of controlling inflation. As I said at the outset, sound domestic policy, particularly monetary and fiscal policies, must be at the heart of any long-term solution to the problem of global inflation. But there is also an increasing need for us to take the international dimensions of this problem into account. I have tried to contribute to your consideration of this vital question by pointing out some of these international factors.

Annual Food for Peace Report Transmitted to Congress

Message From President Ford [1]

To the Congress of the United States:

I am pleased to transmit to the Congress the 1974 annual report on agricultural export activities carried out under Public Law 480 (Food for Peace). This program has supported the foreign policy and humanitarian objectives of the United States, providing assistance to alleviate hunger and promoting economic progress in the developing nations.

Throughout the year, the Food for Peace program demonstrated its flexibility in changing agricultural situation. Because the continuing tightness of commodity su plies in the United States, shipments duri the year were somewhat restricted. Th was especially true of wheat and whe product shipments. However, our food don tions to the drought-stricken African cou tries remained substantial. In both East a West Africa, U.S. food aid represent about 40 percent of the total supplied by t international community. The level of U. contributions to the World Food Progra and the U.S. voluntary agencies was mai tained. Title I concessional sales progran were continued in such countries as Bangl desh, Israel, and Pakistan, and in Indochin New Title I programs were started in Egyp Syria, and Chile.

The Food for Peace program continues be a major portion of the overall U.S. fo eign aid effort. Concessional sales progran encourage recipient countries to establi self-help objectives, and provide valuab support to economic development. Most these programs contain provisions for ag cultural market development activitie which are being used as conditions warran although the need for such activities h lessened because of strong commercial d mand. The Title II donation program co tinues its emphasis on improving the nut tion of pregnant and nursing mothe babies, and preschool children.

As this report indicates, the Public La 480 program completed its 20th year operation continuing to perform its vit role in rendering humanitarian assistance the disaster-stricken, promoting econom development in the poor nations, contribu ing to the development and expansion foreign markets for U.S. agricultural con modities, and supporting our foreign polic objectives around the world. It remains key element of our foreign assistance pr gram and a vital link in the improving ec nomic relations between this country an the developing world.

GERALD R. FORD.

THE WHITE HOUSE, *January 28, 1976.*

[1] Transmitted on Jan. 28 (text from White House press release); also printed as H. Doc. 94–352, 94th Cong., 2d sess., includes the text of the report.

nited States Vetoes Change in Framework r Middle East Negotiations

Following are statements made in the .N. Security Council by U.S. Representative Daniel P. Moynihan on January 12, 19, nd 26 and a statement issued by the Department on January 26, together with the xt of a draft resolution which was vetoed y the United States on January 26.

'ATEMENTS BY AMBASSADOR MOYNIHAN I THE SECURITY COUNCIL

atement of January 12

SUN press release 3 dated January 12

I would like, Mr. President, to thank you r the opportunity to state the view of the nited States with respect to the motion hich you, sir, have presented.[1]

As will be recalled, Mr. President, on ecember 4, 1975, the last occasion on hich the Council dealt with Middle East ffairs, it was proposed to invite the Palesne Liberation Organization (PLO) to parcipate in that debate with "the same ights of participation as are conferred hen a Member State is invited to particiate under rule 37." The same proposal, Mr. resident, has been made today.

The proposal of December 4, 1975, elicited strong objections from some members of the Council, including the United States. Our position today is unchanged from that of four weeks ago.

What is at issue today in significant measure is the integrity of the processes of the Security Council. We have already seen a startling decline in the confidence with which the processes of the General Assembly are viewed. Seeking to create precedents, while at the same time not adhering to the rules, can erode the Council's influence and authority as has occurred in the Assembly. It is in nobody's interest for this same process to take hold in the Security Council.

Rule 37 of our provisional rules states that:

> Any Member of the United Nations which is not a member of the Security Council may be invited, as a result of a decision of the Security Council, to participate, without vote, in the discussion of any question brought before the Security Council when the Security Council considers that the interests of that Member are specially affected or when a Member brings a matter to the attention of the Security Council in accordance with Article 35 (1) of the Charter.

Mr. President, it goes without saying that a member of the United Nations is a state. We do not have members, and the charter does not provide for members, which are not states. The Palestine Liberation Organization is not a state. It does not administer a defined territory. It does not have the attributes of a government of a state. It does not claim to be a state. This is the basic relevant fact we have here with respect to the proposal before us.

When we were faced with the similar pro-

[1] The President of the Council proposed on Jan. 12 hat the representative of the Palestine Liberation)rganization be invited to participate in the debate. Ie stated that "This proposal is not being put forvard under rule 37 or rule 39 . . . , but, if it is .dopted by the Council, the invitation to the Palesine Liberation Organization . . . will confer on it he same rights of participation as are conferred vhen a member state is invited to participate under ule 37."

posal on December 4, it elicited, as I have said, the strongest protest from several members of the Council, including the United States. I described it as a "concerted attempt to disregard the rules of procedure and to accord to the Palestine Liberation Organization a role greater even than that which over the years the Council has granted to observer governments and a role greater by far than has in more recent times been granted to the spokesmen of legitimate national liberation movements invited here under rule 39." [2]

I said then and I repeat that the United States is not prepared to agree and we do not believe this Council should agree to an ad hoc departure from the rules of procedure which ignores the needs of this institution. Unfortunately, despite our opposition and authoritative statements by other permanent members and elected members of the Council, rule and precedent were ignored on December 4 to extend the invitation as proposed.

I wish to emphasize at this point that I am not addressing the question of whether our proceedings are of interest to the Palestinian people. The U.S. view that the legitimate interests of the Palestinian people are an intrinsic part of the problem of lasting peace in the Middle East is well known and is unchanged. This is not the matter I am addressing. It is not my intention to deal with this matter today at all.

The specific issue before us, Mr. President, is our responsibility to the integrity of Security Council procedures and to the future effectiveness of this body. If we take liberties with those procedures and, under the influence of immediate political positions with respect to a given question before this Council, establish or reaffirm unwise precedents, this will come back to haunt us. I want to stress that a decision to invite the PLO to participate in our deliberations, not under existing Council rules, but as if it were a member state with the same righ as a member state of the United Natio would open a veritable Pandora's box future difficulties.

Were that box to be opened, there a groups in all parts of the world that cou seek to participate in our proceedings as they were member states. No nation repr sented at this table, including my own, wou necessarily be immune from the pernicio consequences.

Mr. President, I repeat: The Palesti Liberation Organization is not a state; does not *claim* to be a state. For the mo elemental of reasons, only member states c participate in our proceedings as memb states—unless, of course, we change t rules, whereupon we shall look forward welcoming the dissident factions and natio alities of half the world, for in point of fac roughly half of the nations in the world fa serious to extreme problems of internal c hesion, owing to internal ethnic conflict. Th is true of more than half the present me bers of the Security Council.

Moreover, the PLO, which is not a stat much less a member state, suffers from a additional disability in seeking to participa in the work of this Council. It does n recognize the right to exist of the State Israel, which is a member state, and who right to exist is guaranteed by the chart which this Council is pledged to uphold.

Finally, the PLO, which is not a state, ar which does not recognize the right to exi of Israel, which is a member state, furth refuses to acknowledge the authority of th Council, which in Resolutions 242 and 33 has undertaken to uphold the rights of th states of the Middle East.

My government is not prepared to go alon with an action which will undermine th negotiation process, which is the only pro ess that can lead to peace. The represent tives of the Palestine Liberation Organiz tion have repeatedly told the General As sembly of their hostility for systemati negotiations and their hostility for the wor of this Council. They categorically rejecte Security Council Resolution 242, which fo

[2] For statements by Ambassador Moynihan made in the Security Council on Dec. 4, 1975, see BULLETIN of Jan. 5, 1976, p. 21.

rs has served and continues to serve as only agreed basis for serious negotiations.

Mr. President, the Security Council is the stone of the United Nations. It can act d has done so with distinction in ways ich have been essential to peace, especially the Middle East. The preservation of its egrity and effectiveness deserves our care d attention.

The Council should not repeat its mistaken hoc decision of December 4. The United States asks that a vote be taken on your otion, Mr. President. The United States ll vote against the motion.[3]

Statement of January 19

UN press release 7 dated January 19

I have followed with great interest the course of the debate and have noted attentively the statements and positions laid before us by both concerned and interested parties. It is certain, Mr. President, that the issue before us—the issue of peace in the Middle East—remains one of the most complex and difficult issues that can be imagined. Some of the statements presented to this Council have taken us back to the origins of the problem, and we have considered it from many dimensions.

If there are two main things we can learn from the events which have been reviewed during the past week in this Council, one is surely that war, violence, terrorism, and resort to force have seriously aggravated this problem over the last several decades and we are now dealing with the consequences of this violence. Another lesson is that the relatively rare but very significant steps which have been made toward interim arrangements to avoid war and toward long-range peaceful solutions have been possible only when parties to this problem could operate within an agreed framework.

The basic truths before us are that, to avoid conflict, there must be contact and negotiations and that to maintain a negotiating process there must be a framework within which the parties have agreed to negotiate.

One of the greatest contributions this Council has made in its notable history was to establish that framework. In 1967, after months of negotiation and effort, Security Council Resolution 242 was adopted. In 1973 it was reaffirmed and augmented by Resolution 338. These two resolutions, and the will to apply them, have been the foundation for the progress that has been made, and they continue to provide hope for the future.

Our discussions over these last days have offered many possibilities of changes to or augmentation of these resolutions and variations for the basic framework. We have listened to the ideas put forward; we understand the sentiments and concerns behind many of them.

But in spite of these interests and concerns, we cannot escape the reality of the situation that when all parties have agreed to a framework, all of them must agree to changes in that framework. Changes imposed on the parties and unacceptable to any one of them, however great the good will, will not work.

That framework reflects the enormous complexities and interrelationships of the issues involved in a settlement; and to modify one part of it risks destroying it entirely. We believe it would be a setback for the chances of achieving true peace in the Middle East for this Council to conclude its current debate by adopting resolutions which would have the effect of leaving no commonly accepted basis for further negotiation.

Where would we go from there? With the increasing complexity of each step and each year, the process of building a new foundation for peace, of establishing a new process, becomes a more difficult task. It is for this reason that the United States feels that endangering this agreed framework in order to achieve results here in this Council which

[3] The Council on Jan. 12 adopted by a vote of 11 to 1 (U.S.), with 3 abstentions (France, Italy, U.K.), the proposal to invite the representative of the PLO to participate in the debate. Under article 27 of the U.N. Charter, "Decisions of the Council on procedural matters shall be made by an affirmative vote of nine members" and are not subject to the veto.

would in themselves not guarantee a solution or even progress toward that solution is not worth the risk.

We believe that there is enough leeway in the present arrangements to achieve progress if there is the will to use them, that all the problems before us can be dealt with most effectively by the negotiating process, and that such changes as may be required in our approach must be worked out in the Geneva process.

It is at Geneva or at a preparatory conference that matters of procedure, such as the question of additional participants, and of substance can and should be addressed. Having succeeded in establishing an agreed framework of procedures and principles for a settlement and in creating conditions for the establishment of the Geneva Conference as a forum in which the implementation of those principles can be negotiated, the Council should not now seek to prejudge the work of that conference.

As we have stated before, the United States is prepared to cooperate with all the states involved on all the issues. We are aware that there can be no durable solution unless we make every effort to promote a solution of the key issues of a just and lasting peace in that area on the basis of Security Council Resolutions 242 and 338, taking into account the legitimate interests of all the peoples of the area including the Palestinian people and respect for the rights to independent existence of all states in the area.

We are committed to a peace settlement which resolves all of the issues in the conflict—withdrawal from occupied territories, the right of all states in the area to live within secure and recognized borders, reciprocal obligations of the parties to live in peace with each other, and all the other questions which must be dealt with in the negotiating process. We are also aware that all of these elements are inextricably tied together by Resolutions 242 and 338 in what the distinguished former Representative of the U.K. Lord Caradon described as "a balanced whole."

My government is dedicated to make ev effort to achieve progress toward peace the Middle East in this year. We have lear and profited from the deliberations of t Council and the ideas that have been forth here. We believe our strongest du however, is to preserve the process for pe that we have all worked so hard to constr and to use it so that the problems before can be met and overcome.

We are confident that progress can made, and we are committed to achieve The peace and safety of the world dema nothing less. Our actions both in the Cou and afterward will be guided by our b judgment of what is necessary to adva toward and avoid impeding achievement this objective.

Statement on U.K. Amendment, January 26

USUN press release 11 dated January 26

The United States has made clear that responsibility to the Middle East is s that we are required, even if we stand alo to preserve the framework for negotiati established in Security Council Resoluti 242 and 338.

Far from preserving that framework, t resolution before us would commence destruction. It proposes a fundamental a irremediable diminishment of the circu stances of one of the parties. Fundamen rights are elided, equitable entitlements impaired, and fundamental expectations of a sudden enshrouded in doubt. Th rights, these entitlements, and these expec tions were incorporated in Resolutions 2 and 338.

However unintentionally, Mr. President, is our feeling that this case is so clear t it would be inappropriate, would be inco patible, for the same documents to al these rights, entitlements, and expectatio and at the same time seek to reaffirm the In that circumstance, Mr. President, t United States will abstain on the amen ment of the United Kingdom.[4]

[4] The amendment submitted by the Representati

ement in Explanation of Vote Draft Resolution, January 26

N press release 10 dated January 26

The United States has not lightly cast a gative vote against the resolution that was ore us. We voted "no" only after long and scientious consideration and with the lization that we must keep foremost in nd a greater goal beyond this Council amber. I want to make clear our reasons voting as we did—and the seriousness h which my government first weighed the ws expressed in this debate.

As witness to our intent and purpose, the partment of State of the United States this moment is releasing a statement that re completely sets out U.S. views on where s debate has left us in our search for a ddle East peace.

To briefly state that position, we con- ded that our responsibility to seek further ogress toward an overall peace settlement the Middle East required us, even if we od alone, to preserve the framework for gotiations established in Security Council solutions 242 and 338. The provisions that re before us were such that we considered e negotiating framework would have been ered in ways that would have been seri- sly harmful to the future of the peace- aking process.

We understand the reasons behind many the ideas that have been presented here, nd we are not closing the door to the intro- uction into the negotiating process of con- derations that have not yet been addressed. ather, we wish to emphasize that it is bet- r to go forward with the agreed basis that oes exist, to utilize it to the best of our ility, and to see it evolve in a manner that will make it more useful rather than running the risk of destroying it.

On January 19, Mr. President, I made before this Council a short statement of the U.S. position on changes to the agreed framework for negotiation. I said then that changes imposed—whatever the intentions and with whatever justification, but nevertheless imposed—would not work. That is a point that I would like to make again today. The U.S. negative vote on the resolution was not based on antipathy to the aspirations of Palestinians but, rather, on the conviction that the passage of that resolution would not ameliorate their condition nor be the most effective way of addressing the long-neglected problem of their future in the context of an overall settlement.

It is not a question of whether but how to make progress toward the goal we all profess.

On behalf of the United States, sir, I wish to thank the President of the Council for his statesmanship and leadership that has piloted us all through important and far-ranging deliberations. I wish to congratulate all members who have spoken here for the thoughtfulness and measured tones of their positions. Surely this approach is constructive and helpful to the parties that must soon proceed to negotiation of all the issues before them—to matters of procedure, the question of additional participation, and the matters of substance such as withdrawal from occupied territories, the right of all states in the area to live within secure and recognized borders, and reciprocal obligations of the parties to live in peace with each other.

When we first began our deliberations, the United States made it clear that we wished to avoid confrontation and to produce positive results to aid in the search for peace. Many, we know, will be disappointed that we do not have a resolution to use and to refer to, but for our part let me say that we have nonetheless profited from the various views that have been expressed and we have increased our understanding of the enormous complexities before us all.

Armed with the positive suggestions that have been made, fortified by the seriousness

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the United Kingdom provided for the addition of new operative paragraph to read as follows:

"3. *Reaffirms* the principles and provisions of its esolutions 242 (1967) and 338 (1973) and declares hat nothing in the foregoing provisions of this res- lution supersedes them."

The amendment was not adopted by the Council, he vote being 4 in favor (France, Italy, Sweden, J.K.) and 2 against (People's Republic of China, ibya), with 9 abstentions (U.S.).

and concern of all who have participated, the United States pledges to you—to you all and to the United Nations—that we will persevere in the search for peace, that we will make use of the framework for negotiation that has been preserved, and that we will do our best. We need the cooperation of all of you to make these efforts succeed. I hope you will join us and help us in this quest; and as it recommences, for the United States it is a matter of special import to know that we have the unfailing and determined efforts of the Secretary General with us in this matter.

DEPARTMENT STATEMENT ISSUED JANUARY 26

Press release 32 dated January 26

At the conclusion of the Security Council's consideration of the Middle East problem, it is important to turn from the debates that have taken place in New York and look to the year ahead. In doing so we must ask ourselves, Where has this debate left us in our search for a Middle East peace? The United States has perhaps a particular responsibility to do this because, in being faithful to its concept of the search for peace, it has felt obliged to veto a resolution that others believed mapped out a preferable route. We did not do so lightly, nor in a spirit of negation. We believed that with this resolution the Council would have blocked the surer and the tested way to a settlement in favor of one that would not have worked. It is important that it be understood why we believed this to be the case and, more especially, how we see the process continuing within the framework that we have, with our vote, preserved.

There is surely no other problem of our time that has seen so much effort devoted to a solution and where the successes and the failures are so evident as guides for our future endeavors. There has been no lack of resolutions, no lack of plans; but looking back over the years, we can discern those few developments that have gradually constructed a basis, a framework, for whatever progress has been made in all this time.

In 1967 the Security Council devised Resolution 242, which contained the fundame
principles that should be applied in orde
establish a just and lasting peace in
Middle East, including withdrawal from
cupied territories; termination of all cla
or states of belligerency; acknowledgmen
the sovereignty, territorial integrity,
political independence of every state in
area; and respect for the right of every s
to live in peace within secure and recogn
boundaries free from threats or acts of fo
The comprehensiveness, fairness, and
ance of Resolution 242 have won it acc
ance by all the Middle East states dire
involved in the conflict in addition to
proval by the outside world. One of the g
values of the resolution is its wide acc
ance, despite the differences each side
over its meaning.

In 1973, the Security Council approve
resolution that complemented Resolution
by establishing a negotiating process
tween the parties as the means of implem
ing the principles set forth in the ea
resolution. This was, of course, Resolu
338, which also won wide acceptance
with Resolution 242, formed a negotia
basis and framework that had been lack
since the early years of the Middle E
problem.

The decision was then taken to provi
specific forum—a concrete context—for
negotiating process. The parties agreed
participate in a conference at Geneva ur
the cochairmanship of the United States
the Soviet Union. The nature of the con
ence reflected recognition of the fact t
the negotiating process, if it was to h
any chance of success, had to be based on
consent and voluntary participation of
the parties. The composition of the con
ence, accordingly, was itself a matter
agreement among all the parties.

Finally, as the parties confronted
substance of the problem, they decided
approach it in stages rather than all at o
The United States was pleased that, at
request of the parties, it could play a help
role in this step-by-step negotiating proc
keeping always in mind that each step
taken within the Geneva framework

with a view to insuring the ultimate success of the Geneva Conference. It was always recognized that moving directly to an overall approach was an alternative to which the parties could turn at any time, and there was no doubt that an overall settlement, whatever the approach, was the end goal of all concerned, including the United States.

And what was the result? For the first time in 25 or more years, genuine progress was made toward a resolution of the immensely deep and complex problems that constitute the Middle East question. Through the courage and statesmanship of the Governments of Egypt, Israel, and Syria—and working within this common framework—agreements were reached, concessions made in return for other concessions; land was returned on the basis of binding agreements.

Less tangible, but perhaps more important, was the progress in the attitudes of the countries of the Middle East. In the long history of the Arab–Israeli conflict, it is a new and relatively recent development that opinion in the Arab world has begun to think in terms of recognizing a sovereign Israel and that Israel has begun to see peace as a tangible goal rather than a distant hope. We are fully aware that only a start has been made, that many problems remain to be dealt with and resolved. It was the nature of the process that the easier issues would be dealt with first and the more difficult and complex left until later, when the momentum of the process itself would be working for us. The U.S. Government is committed to devote itself to the resolution of these remaining issues as it has to the issues that have already been resolved.

There would be no chance of further progress, however, if this negotiating framework, painfully erected over years of trial and error, were not left intact. Whatever its imperfections, however great the temptation to tamper with the resolutions and the Geneva formula that constitute it, if it were pulled apart now it could not be put back together and the clock would have been turned back to the years of futility in which no basis existed for negotiation to take place.

The negotiating framework is sufficiently flexible that it can provide the basis for negotiating fair and durable solutions to all the issues involved. The issues of withdrawal, of borders, of the termination of states or claims of belligerency, of reciprocal obligations to peace, of the right to live in peace within secure and recognized boundaries—all these and more—must be carefully considered. Reciprocity is a fundamental concept in this process. All of the principles must be clothed with substance and given practical form. The nature of peace must be defined for all the peoples involved.

If there are limitations in the present framework, they result from the attitudes of the parties. What is needed is that all the parties go on from here to work out the substance of the solutions and that if any party feels there is a need to reconsider the framework in order to proceed further, that this emerge from negotiations among the parties in the Geneva context.

It is evident from the debate that led to the convening of the Security Council that there is concern on the part of some of the parties to the dispute, shared by members of the Council, regarding those aspects of the Middle East problem that relate particularly to the Palestinian people and their future. It is important that we work to develop a common understanding of this particularly complex issue. The Palestinian question was for many years considered primarily a refugee problem. It is widely accepted today that this is only one aspect of a larger question. The United States has repeatedly affirmed its recognition that there will be no permanent peace unless it includes arrangements that take into account the legitimate interests of the Palestinian people. The United States is prepared to work with all the parties toward a solution of all the issues yet remaining, including the issue of the future of the Palestinian people. We have no preconceptions as to the nature of such a solution as it involves them, which can only be worked out as part of the negotiating process. But we recognize that a solution must take into account their aspirations within the framework of principles laid down in Resolutions 242 and 338.

This issue, as is the case with the other issues, can be successfully dealt with, however, only by maintaining the momentum of practical progress in the negotiating process. We look to this process to clarify issues and to help develop a reasonable and accepted definition of Palestinian interests, without which negotiation on this aspect of the overall problem cannot be successfully addressed. However, it is not realistic to expect one party to the dispute to agree to the participation of another in the negotiations if the latter's policy is to seek the disappearance of the former as a state. As far as the United States is concerned, no negotiating framework is viable that calls the existence of the State of Israel into question.

We appreciate that, at this stage, the particular negotiating means that have been used so successfully to date present difficulties to one or another of the parties. We have therefore suggested an informal preparatory conference of the present Geneva parties looking toward a convening of the Geneva Conference, in which the parties can discuss questions relating to the agenda, procedures, and participants of the formal conference without prejudice to their positions on the conference itself. What is important is to continue the process. The goals all want to achieve cannot be achieved without movement, but at the same time there is no shortcut. They require the cooperation of both sides at every stage.

We understand also that the process appears at times to be unduly slow. When one looks at the issues that lie ahead one is tempted, indeed, to question whether we shall ever deal with them all. But when one looks back over the years and sees how much more has been accomplished in the last two years than in the quarter of a century that came before, he is encouraged to hope that the process we are engaged in will in fact lead us where we all want to go. The years 1974 and 1975 were years of signal accomplishment. The United States is firmly and irrevocably committed to progress in the negotiation of a settlement. In keeping with this commitment, it will do all it can to press ahead this year to consolidate what has b achieved and lay the groundwork for ra progress. We believe that we have an obli tion to keep open and intact the negotiat framework and to assist in developing common understanding of the problems th remain before us. We are confident th progress leading to an eventual solution all the issues is possible, utilizing—and, fact, only by utilizing—the present frar work; and we are committed to assist every way we can to facilitate such progre We will be active in the months ahe and our efforts will be seen to speak themselves.

TEXT OF DRAFT RESOLUTION [5]

The Security Council,

Having considered the item entitled "The Mid East problem including the Palestinian questio in accordance with its resolution 381 (1975) 30 November 1975,

Having heard the representatives of parties c cerned, including the Palestinian Liberation Orga zation, representative of the Palestinian people,

Convinced that the question of Palestine is core of the conflict in the Middle East,

Expressing its concern over the continuing dete oration of the situation in the Middle East, a deeply deploring Israel's persistence in its occu tion of Arab territories and its refusal to implem the relevant United Nations resolutions,

Reaffirming the principle of inadmissibility of quisition of territories by the threat or use of for

Reaffirming further the necessity of the establi ment of a just and lasting peace in the region ba on full respect for the Charter of the United N tions as well as for its resolutions concerning problem of the Middle East including the quest of Palestine,

1. *Affirms:*

(a) That the Palestinian people should be enabl to exercise its inalienable national right of se determination, including the right to establish independent state in Palestine in accordance wi the Charter of the United Nations;

[5] U.N. doc. S/11940; the draft resolution was r adopted owing to the negative vote of a permane member of the Council, the vote being 9 in favor, against (U.S.), with 3 abstentions (Italy, Swede U.K.). The People's Republic of China and Lib did not participate in the vote.

b) The right of Palestinian refugees wishing to return to their homes and live at peace with their neighbours to do so and the right of those choosing not to return to receive compensation for their property;

c) That Israel should withdraw from all the Arab territories occupied since June 1967;

d) That appropriate arrangements should be established to guarantee, in accordance with the Charter of the United Nations, the sovereignty, territorial integrity and political independence of all States in the area and their right to live in peace within secure and recognized boundaries;

2. *Decides* that the provisions contained in paragraph 1 should be taken fully into account in all international efforts and conferences organized within the framework of the United Nations for the establishment of a just and lasting peace in the Middle East;

3. *Requests* the Secretary-General to take all the necessary steps as soon as possible for the implementation of the provisions of this resolution and to report to the Security Council on the progress achieved;

4. *Decides* to convene within a period of six months to consider the report by the Secretary-General regarding the implementation of this resolution, and in order to pursue its responsibilities regarding such implementation.

Meeting of IMF Interim Committee Held in Jamaica

Following is the text of a press communique issued at Kingston, Jamaica, and Washington on January 8 at the conclusion of the fifth meeting of the Interim Committee of the Board of Governors of the International Monetary Fund. Secretary of the Treasury William E. Simon headed the U.S. delegation to the meeting.

1. The Interim Committee of the Board of Governors of the International Monetary Fund held its fifth meeting in Kingston, Jamaica on January 7–8, 1976 under the chairmanship of Mr. Willy de Clercq, Minister of Finance of Belgium, who was selected by the Committee to succeed Mr. John Turner of Canada as Chairman. Mr. H. Johannes Witteveen, Managing Director of the Fund, participated in the meeting. The following observers attended during the Committee's discussions: Mr. Henri Konan Bédié, Chairman, Bank-Fund Development Committee, Mr. G. D. Arsenis representing the Secretary-General, UNCTAD, Mr. Wilhelm Haferkamp, Vice-President, EC Commission, Mr. Mahjoob A. Hassanain, Chief, Economics Department, OPEC, Mr. René Larre, General Manager, BIS, Mr. Emile Van Lennep, Secretary-General, OECD, Mr. F. Leutwiler, President, National Bank of Switzerland, Mr. Olivier Long, Director General, GATT, and Mr. Robert S. McNamara, President, IBRD.[1]

2. The Committee endorsed the recommendations contained in the report of the Executive Directors on the Sixth General Review of Quotas and the proposed resolution on increases in the quotas of individual members to be submitted to the Board of Governors for its approval. In this connection, the Committee reaffirmed its view that the Fund's holdings of each currency should be usable in the Fund's operations and transactions in accordance with its policies. Appropriate provisions for this purpose will be included in the draft amendments of the Fund's Articles. To give effect to the Committee's view in the period before the amendments become effective, it was agreed that, within six months after the date of the adoption of this resolution, each member shall make arrangements satisfactory to the Fund for the use of the member's currency in the operations and transactions of the Fund in accordance with its policies, provided that the Executive Directors may extend the period within which such arrangements shall be made.

3. The Committee considered the question of the implementation of the agreement reached at its fourth meeting regarding the disposition of a part of the Fund's holdings of gold. It was agreed that action should be taken to start without delay the simultaneous implementation of the arrangements referred to in paragraph 6 of the press communiqué issued by the Committee on August 31, 1975.[2] The sales of gold by the Fund should be made in public auctions according to an appropriate timetable over a four-year period. It is understood that the Bank for International Settlements would be able to bid in these auctions.

4. In its discussion of the world economic situation and outlook, the Committee noted that recovery from the severe international recession of 1974–75 was now under way in much of the industrial world. Nevertheless, current rates of both unemployment and inflation were still unacceptably high. The Committee called on the industrial countries, especially those in relatively strong balance of payments posi-

[1] Abbreviation guide: BIS, Bank for International Settlements; EC, European Community; GATT, General Agreement on Tariffs and Trade; IBRD, International Bank for Reconstruction and Development; OECD, Organization for Economic Cooperation and Development; OPEC, Organization of Petroleum Exporting Countries; UNCTAD, United Nations Conference on Trade and Development.

[2] For text, see BULLETIN of Sept. 22, 1975, p. 450.

tions, to conduct their policies so as to ensure a satisfactory and sustained rate of economic expansion in the period ahead while continuing to combat inflation.

A special source of concern to the Committee was the deterioration in the external position of the primary producing countries, especially the developing ones. The general picture for the developing countries in 1975 was again one of large balance of payments deficits on current account, financed through heavy external borrowing and through the use of reserves already eroded by the inflation in recent years. With large current account deficits still in prospect this year, the Committee felt that the ability of many developing countries to maintain an adequate flow of imports in 1976, and to follow appropriate adjustment policies, would also depend on the availability of adequate credit from the Fund.

5. The Committee welcomed the recent decision of the Executive Directors liberalizing the Compensatory Financing Facility. Under the new decision the Fund will be prepared to authorize drawings up to 75 per cent of a member's quota, as against 50 per cent under the 1966 decision. Maximum drawings in any one year are raised from 25 per cent to 50 per cent of quota. Moreover, the decision enables the Fund to render assistance under the facility at an earlier stage of the development of a shortfall.

6. The Committee noted the report of the Executive Directors on their review of the Fund's policies on the use of its resources, and also on the Trust Fund for the benefit of the low income members. After consideration of the issues involved, the Committee reached the following conclusions:

(a) It was agreed that the necessary steps should be taken to establish the Trust Fund without delay. Its resources would be derived from the profits of the sales of the Fund's gold, which should be augmented by voluntary national contributions. It was agreed that the amount of gold available for sale in accordance with the agreement reached by the Committee at its fourth meeting should be disposed of over a four-year period. The resources of the Trust Fund should be used to provide balance of payments assistance on concessionary terms to members with low per capita incomes. Initially, eligible members would be those with per capita incomes in 1973 not in excess of SDR [special drawing rights] 300.

(b) It was further agreed, that, until the effective date of the amendment of the Articles, the size of each credit tranche should be increased by 45 per cent, which would mean that total access under the credit tranches would be increased from 100 per cent to 145 per cent of quota, with the possibility of further assistance in exceptional circumstances. The present kinds of conditionality for the tranches would remain unchanged. The Fund will in due course consider again the question of access to the Fund's resources if it becomes evident that the needs of members make it advisable to re-examine this question.

7. The Committee noted the report of the Ex tive Directors on amendment, welcomed the pro made toward the solution of the outstanding is and commended them for the voluminous and cessful work that they had done in order to ac a major revision of the Articles. In particula welcomed the agreement that has been reache provisions concerning the important problem of change rates. In this respect, it has endorsed a Article IV of the Articles of Agreement which e lishes a system of exchange arrangements. The system recognizes an objective of stability anc lates it to achievement of greater underlying st ity in economic and financial factors. The Comm considered the remaining issues on which its g ance has been requested by the Executive Dire and agreed as follows:

(a) The amended Articles of Agreement sh include a provision by which the members of Fund would undertake to collaborate with the I and with other members in order to ensure their policies with respect to reserve assets w be consistent with the objectives of promoting b international surveillance of international liqu and making the special drawing right the prin reserve asset in the international monetary syste

(b) The amended Articles would contain an abling provision under which the Fund woul able to sell any part of the gold left after the di bution of 50 million ounces in accordance with arrangements referred to in paragraph 3 above, use the profits (1) to augment the general resou of the Fund for immediate use in its ordinary op tions and transactions, or (2) to make balanc payments assistance available on special term developing members in difficult circumstances the occasion of such sales the Fund would have power to distribute to developing members a po of the profits on the basis of their quotas or to a similar distribution by the direct sale of gol them at the present official price. Any decisio such a distribution should be taken by an 85 cent majority of the total voting power. T powers of the Fund would be in addition to the p that the Fund would have under another enal provision to restitute to all members, on the bas present quotas and at the present official price, part of the gold left after the disposition of th million ounces referred to above.

(c) Decisions of the Fund on the use of the pr from the sale of its gold in the regular operat and transactions of the Fund should be taken b 70 per cent majority of the total voting power on decisions on use of the profits in other operat and transactions by an 85 per cent majority of total voting power.

(d) The Executive Directors are urged to rev during the final stage of their work on the d amendments, the majorities for operational decis that do not reflect compromises of a political c acter with a view to considering the reduction

osble, of the number and size of the special major- that would be required under the amended les for such operational decisions. Such a review d be completed within the coming weeks and d not delay the completion of the comprehensive amendment.

) The majority required for the adoption of de- ns on the method of valuation of the SDR under amended Articles should be 70 per cent of the voting power, with the exception of decisions ving a change in the principle of valuation or a amental change in the application of the princi- in effect, which should be taken by an 85 per n majority of the total voting power.

) The Executive Directors should continue their ideration of the subject of a substitution ac- t without delaying completion of the compre- ive draft amendment.

) With respect to the obligation of participants e Special Drawing Account to reconstitute their ings of special drawing rights, it was agreed the amended Articles should authorize the Fund eview the rules for reconstitution at any time to adopt, modify, or abrogate these rules by a er cent majority of the total voting power.

The Committee requested the Executive Di- ors to complete their work on amendment in the t of the guidance given by the Committee, and cts that the Executive Directors will be able to nit a comprehensive draft amendment for the oval of the Board of Governors, together with port, within the coming weeks.

TREATY INFORMATION

Current Actions

MULTILATERAL

Coffee

International coffee agreement 1976, with annexes. Approved by the International Coffee Council December 3, 1975. Open for signature at U.N. Headquarters January 31 through July 31, 1976. Enters into force definitively on October 1, 1976, if, by that date, governments representing at least 50 exporting members holding at least 80 percent of the votes of the exporting members and at least 50 importing members holding at least 80 percent of the votes of the importing members have deposited their instruments of ratification, acceptance, or approval; provisionally, on October 1, 1976, if governments meeting the above requirements have deposited instruments of ratification, acceptance, or approval or notifications containing an undertaking to apply the agreement provisionally and to seek ratification, acceptance, or approval.

Maritime Matters

Amendments to the convention of March 6, 1948, as amended, on the Intergovernmental Maritime Consultative Organization (TIAS 4044, 6285, 6490). Adopted at London October 17, 1974.[1]
Acceptances deposited: India, Switzerland, January 16, 1976.

Phonograms

Convention for the protection of producers of phonograms against unauthorized duplication of their phonograms. Done at Geneva October 29, 1971. Entered into force April 18, 1973; for the United States March 10, 1974. TIAS 7808.
Notification from World Intellectual Property Organization that ratification deposited: Luxembourg, December 8, 1975.

Property—Intellectual

Convention establishing the World Intellectual Property Organization. Done at Stockholm July 14, 1967. Entered into force April 26, 1970; for the United States August 25, 1970. TIAS 6932.
Ratification deposited: Greece, December 4, 1975.

Publications

Agreement relating to the repression of the circulation of obscene publications, signed at Paris May 4, 1910, as amended by the protocol signed at Lake Success May 4, 1949. Entered into force September 15, 1911, and May 4, 1949. 37 Stat. 1511; TIAS 2164.
Notification of succession: Lesotho, November 28, 1975.

Sea, Exploration of

Protocol to the convention of September 12, 1964 (TIAS 7628), for the International Council for the Exploration of the Sea. Done at Copenhagen August 13, 1970. Entered into force November 12, 1975.
Proclaimed by the President: January 24, 1976.

Telecommunications

International telecommunication convention with annexes and protocols. Done at Malaga-Torremolinos October 25, 1973. Entered into force January 1, 1975.[2]
Accession deposited: Comoros, January 5, 1976.

Terrorism—Protection of Diplomats

Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Done at New York December 14, 1973.[1]
Ratification deposited: Ukrainian Soviet Socialist Republic, January 20, 1976.

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

Trade

Arrangement regarding international trade in textiles, with annexes. Done at Geneva December 20, 1973. Entered into force January 1, 1974, except for article 2, paragraphs 2, 3, and 4, which entered into force April 1, 1974. TIAS 7840.
Ratification deposited: Egypt, January 6, 1976.

Protocol amending the General Agreement on Tariffs and Trade to introduce a part IV on trade and development, and to amend annex I. Done at Geneva February 8, 1965. Entered into force June 27, 1966. TIAS 6139.
Acceptance deposited: Senegal, December 31, 1975.

Declaration on the provisional accession of Colombia to the General Agreement on Tariffs and Trade. Done at Geneva July 23, 1975. Entered into force January 22, 1976.[2]

Protocol for the accession of Paraguay to the protocol relating to trade negotiations among developing countries. Done at Geneva November 17, 1975. Enters into force on the 30th day following the day upon which it shall have been signed by Paraguay.

Procès-verbal extending the declaration on the provisional accession of the Philippines to the Genral Agreement on Tariffs and Trade. Done at Geneva November 21, 1975. Entered into force January 6, 1976; for the United States January 19, 1976.

Tenth procès-verbal extending the declaration on the provisional accession of Tunisia to the General Agreement on Tariffs and Trade. Done at Geneva November 21, 1975. Entered into force January 8, 1976; for the United States January 19, 1976.

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.
Proclaimed by the President: January 24, 1976.
Ratification deposited: Finland, January 23, 1976.

Protocol modifying and further extending the food aid 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.
Proclaimed by the President: January 24, 1976.
Ratification deposited: Finland, January 23, 1976.

BILATERAL

Spain

Treaty of friendship and cooperation, with supplementary agreements and related notes. Signed at Madrid January 24, 1976. Enters into force upon the exchange of instruments of ratification.

[2] Not in force for the United States.

PUBLICATIONS

GPO Sales Publications

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Checklist of Department of State Press Releases: Jan. 26–Feb. 1

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

No.	Date	Subject
24A	1/23	Joint U.S.-Soviet communique.
28	1/26	Kissinger, Areilza: arrival, Madrid, Jan. 24.
29	1/26	Kissinger, Areilza: news conference, Madrid, Jan. 24.
30	1/26	Kissinger: toast, Madrid, Jan. 24.
*31	1/26	U.S. and India sign cotton textile agreement, Jan. 22.
32	1/26	Department statement at conclusion of Security Council Middle East debate.
*33	1/22	U.S. and Hong Kong sign textile agreement, Dec. 22.
†34	1/27	Kissinger, Rabin: toasts.
*35	1/28	Secretary's Advisory Committee on Private International Law, Study Group on Arbitration, New York, Feb. 26.
*36	1/28	Shipping Coordinating Committee, Subcommittee on Safety of Life at Sea, working group on bulk chemicals, Feb. 24.
*37	1/28	Advisory Panel on Folk Music and Jazz, Mar. 3.
*38	1/28	Advisory Panel on Academic Music, Mar. 1.
*39	1/29	U.S. request to U.S.S.R. for war crimes evidence.
40	1/29	Kissinger: Subcommittee on Africa, Senate Committee on Foreign Relations.
†41	1/29	U.S.-Canada transit pipeline agreement.
†42	1/30	Kissinger: Senate Committee on Finance.

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