



THE DEPARTMENT OF STATE BULLETIN

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Interdependence, the Pacific Basin, and the Future

Address by Deputy Secretary Charles W. Robinson¹

This is my first visit to Australia as an officer of the U.S. Government. But I'm no stranger to this part of the world. In a previous incarnation as a businessman I had the great privilege, and the great challenge, of participating in the development of the natural resources of Western Australia.

My experience here reinforced the special feeling I had always had for this country. I recall that in the 1850's there was significant migration from my part of California, the San Francisco area, to this continent. California was one of the last frontiers of America; and Californians today still have the frontier perception of limitless possibilities, a perception I found myself sharing with the Australians with whom I worked here.

I am not the first American public official to note the similarity of American and Australian history—our common ethnic background; our expansion over continent-sized areas; our parallel development of constitutional, democratic, representative, and libertarian political systems; our societies characterized by informality, rapid upward mobility, self-reliance, and respect for individual merit.

Our natural relationship is symbolized by Australia's celebration of our Bicentennial—here in Australia, in sending your exquisite Australian Ballet to the United States, and in the endowment of a chair in

Australian studies at Harvard University. When Australia celebrates the bicentennial of the arrival of the First Fleet in 1988, I am sure that the United States will reciprocate. If I am still in public life—and it is difficult for me to look more than a few months ahead—I will certainly try to get in on the celebration.

But when Americans get together with Australians it is not merely a time to note the similarities of our background and history or reminisce about the wars we have fought side by side. It is in recognition of the depth and breadth of our ties that we have for the past 25 years been allied as partners in ANZUS [Australia, New Zealand, United States Security Treaty].

Formed in a previous era of uncertainty, the ANZUS Pact remains today of prime importance to all its signatories. It provides the framework in which we can collaborate to insure adequate defensive capabilities in Southeast Asia, in the Pacific, and in the Indian Ocean. Of course it is not the only vehicle for regional defense cooperation. The United States continues its defense commitments to certain countries in the region, while Australia and New Zealand have their own defense cooperation with other countries of the region, such as Malaysia and Singapore.

The ANZUS Pact manifests, in the area of military security, the realization of its partners that we have a common interest in the peaceful development of the Pacific Basin. Perhaps more important, the ANZUS Pact is symbolic not of the past but of the

¹ Made before the National Press Club at Canberra, Australia, on Aug. 4 (text from press release 362).

future—the interdependent future—that will be so important to all of us.

Interdependence and the Pacific Era

Until after World War II the expression "Pacific Basin" meant more to geologists than to politicians or economists. During that previous era of continental development, ocean transportation had advanced little, and the United States and other industrializing nations concentrated on the movement of goods and people by rail and highway.

But the technological revolution which accelerated so rapidly following World War II fundamentally changed both air and sea transportation and transformed the Pacific from a barrier into a bridge. The peoples of the Pacific Basin have been brought together in an increasingly complex web of economic, social, cultural, and security relationships. A significant factor in that progress has been the fantastic growth of the Japanese industrialized society, the strong pull of the U.S. and Japanese economies on each other, and the impact of that relationship on others in the region.

Trade within the Pacific Basin has risen 30 percent annually since 1970, reaching \$92 billion in 1974. Since 1972 U.S. trade with Pacific Basin nations has exceeded that with the European Community, and the expansion of the economies of the Pacific has helped Australia and New Zealand to adjust to Britain's entry into the European Community. The emergence of the northern-tier economies such as Korea, Taiwan, and Hong Kong as major manufacturing exporters and higher earnings for raw material exporters in the southern tier—Australia, Indonesia, Malaysia, for example—have helped to swell the trade flows.

The flow of investment within the Pacific Basin region has also increased rapidly since 1970. Much of it has come from the United States and Japan, and much of the increase in capital flows has gone to

raw material development projects in Australia as well as other nations of the southern tier—Indonesia, Malaysia, and the Philippines. Almost half of the increase in American investment has been in Australia, much of it in the mining industry. Australia is the world's fourth largest recipient of American investment. We are the leading foreign investor here.

Japan's exports to Pacific Basin countries rose from \$12 billion in 1970 to \$29 billion in 1974, representing half its total global exports.

The increased importance of Australia and Japan to each other has been recognized by the signing of the treaty between your two countries by Prime Minister Fraser in Tokyo in June of this year.

That agreement represents an important step forward because it establishes a firm basis for Australian-Japanese cooperation in trade and commerce and should assure greater long-range stability for both partners in their economic relations. The treaty also serves U.S. interests in the growth and stability of the Pacific Basin.

Moreover, the agreement further strengthens what can be regarded as a triangular axis of the United States and Canada in the Northeast Pacific, Japan in the Northwest, and Australia and New Zealand in the South Pacific.

These five countries, the industrialized and developed democracies of the Pacific Basin, have a special role to play in the development of this area. A number of private businessmen, including myself, recognized this in 1967 when we organized the Pacific Basin Economic Council, or PBEC. PBEC was designed to recognize our increasing interdependence and to foster development in that light. While its aims were modest, at one time it did make the Europeans nervous; it seems they felt that only they should be permitted to form supranational bodies and they feared PBEC as a potential rival to the Common Market. Among other things, we developed a voluntary code of conduct for multinational corporations, an idea recently picked up by

the countries of the Third World and by the Organization for Economic Cooperation and Development (OECD).

PBEC continues as a unique regional grouping of businessmen from the Pacific Basin who, in recognition of basin interdependence, are working together to deal with the region's growing number of important trade and investment issues.

As one nurtured in the world of private business, I am of course a supporter of the international market system and the international application of the principle of comparative advantage, which I believe to be largely responsible for the enormous expansion achieved in the global economy since World War II and the spread of the benefits of economic prosperity. As I have indicated, this has been particularly true in the Pacific Basin.

Nevertheless, today one must recognize that the reality of interdependence introduces new variables into the law of comparative advantage. We must be sensitive to the challenge this poses for Adam Smith's invisible hand and be prepared to adopt measures to insure more effective functioning of the market system to serve national, regional, and global interests.

Just as the Japanese economic miracle and the general increase in the world gross product has helped countries like Australia, so the effects of the 1974-75 world recession and inflation spread to all parts of the world. And even when the world economy is stable and growing, all countries want to maintain a degree of control over their own economic destiny. They want to insure that foreign investment does not dominate crucial sectors of the economy and that the trade balance does not depend too heavily on any single export, or the domestic economy on supplies from a single foreign source. They want to insure that other countries do not follow "beggar thy neighbor" policies aimed at solving their own economic problems at the expense of others—a game in which all end up as losers.

Development and the Pacific Basin

Despite the problems of the industrialized democracies, we still collectively dominate the world economy and hold in trust the values of democracy and individual freedom and dignity. While we make mistakes, for which we criticize ourselves passionately and bitterly, we remain a magnet for people in the Communist countries as well as in the developing nations of the Third World. And the increased coordination and cooperation of the industrialized democracies, particularly through the OECD, is essential to turning international economic interdependence to our common benefit.

In the Tokyo round of the multilateral trade negotiations at Geneva, the industrialized countries are hoping to move toward the further reduction of tariffs, as well as to attack seriously, for the first time in such an international forum, nontariff barriers to trade.

In the future we must also cooperate closely among ourselves in our relations with the Communist countries to make sure that our drive for exports does not compromise our strategic interests, that their centrally controlled economies do not exploit our market systems, and that the potential expansion of our economic relations with those countries develops in a way that encourages moderation in Communist behavior, strengthens the vested interests in peaceful coexistence, and enhances the prospects for individual freedom for their people.

And, of transcending importance, our industrialized democracies will have to continue and expand our cooperation in developing new approaches to the problem of world poverty. We cannot expect our own relative prosperity, stability, and security to continue indefinitely—in the Pacific Basin or in the world as a whole—if billions of people in the developing countries feel a sense of injustice, deprivation, frustration, and resentment at their inability to better their own lot.

Fortunately, nowhere in the world are the possibilities and benefits of economic cooperation among the developed and developing nations greater than in the Pacific Basin.

Most developing countries in the region grew at annual rates of 6-7 percent for the entire decade prior to the 1973 oil embargo; many have continued to flourish despite the global recession. Among the developing countries of the Pacific region few are massively overpopulated; most have talented entrepreneurs and capable administrators; most governments of the region reject the dogmatic straitjacket of Marxist economics. Of course there are wide variations among them. Some, particularly countries like South Korea, Taiwan, Hong Kong, and Singapore, have developed highly labor-intensive economies and are rapidly approaching the ranks of the industrialized; others, like Indonesia, Thailand, Malaysia, and the Philippines, are rich in natural resources but still poor in terms of per capita income.

The overall economic success of these countries has no doubt made them more moderate than some in their attitudes toward the present international economic order, but the post-1973 world economic recession has stimulated a desire among the developing countries to diversify their economic links and reduce their dependence on their industrialized partners.

All countries of this region—developed and developing alike—share an interest in an economic system which insures steady, noninflationary growth and expands the opportunities for our peoples. And we must recognize that if economic development is to strengthen stability, it must enhance national self-reliance, with emphasis on equal opportunity for the economies of the developing countries of the region.

Finally, we must all deal with each other on the basis of parity and dignity, seeking responsible progress on issues such as the

liberalization of trade and the reduction of trade barriers; the expansion of investment opportunities, combined with fair relations between foreign investors and host governments; and the transfer of technology. We must all cooperate to improve the effectiveness of established regional institutions such as the Asian Development Bank and the U.N. Economic and Social Commission for Asia and the Pacific and encourage—but not interfere in—the economic cooperative efforts of the Association of Southeast Asian Nations. We should support the creation of new institutions such as the International Fund for Agricultural Development and the International Resources Bank, which Secretary Kissinger proposed last May at the Fourth U.N. Conference on Trade and Development in Nairobi. The Resources Bank would encourage the international flow of capital, management, and technology required for a rational development of global resources with equitable sharing of the benefits.

Contributions of United States and Australia

The nations of the Pacific Basin—Northwest, Northeast, and South; industrialized democracies and Third World societies; raw material producers and industrial centers—have before them the opportunity to expand cooperation in ways which will enhance prosperity and security and demonstrate to the world how diverse peoples may work together to the mutual benefit of all.

We Americans know we must play an important role in this effort. We realize that the postwar era is over; the United States can no longer seek to overwhelm international problems through application of its power—economically or militarily.

Yet we know that we cannot return to the earlier and simpler era of American isolationism. Despite our setbacks and dis-

appointments in Southeast Asia and the passionate dissension they created for us at home, Americans recognize that our own prosperity and security are inextricably related to that of the world. And Americans know that the Pacific Basin is an increasingly important part of that world. We have adjusted to the changes in the security map of the region; but where we are wanted and committed, we will stay.

Australia plays a vital role in the continuing stability and development of the Pacific Basin. Australia is a country of the South, with much in common with the industrialized North; a country located in the Orient which shares the heritage and values of the West; an industrialized country which shares with many developing countries the role of producer and exporter of commodities and wishes to avoid excessive dependence on the economy of any other country. You can make a fundamental contribution to enhancing the understanding among the industrialized and the developing countries of the Pacific Basin and thereby contribute to peace, prosperity, and progress for the entire region.

Australia and the United States recognize that the advanced countries of the world can ignore the needs of the less advanced only at the risk of losing what we wish to keep and defend. Recognition of his reality confronts us not with insurmountable obstacles but with the fundamental challenge of our era.

We of the advanced countries have earned to extend life through improved nutrition and the prevention of contagious disease, to harness the atom and go to the Moon and Mars. From all these things the people of our nations have benefited. The challenge of our time is to extend these benefits to all mankind and to build a world in which none suffer from want and opportunity is there for all who will grasp it.

This can and must be our goal as we move forward in this era of the Pacific.

ANZUS Council Meeting Held at Canberra

Following is the text of a communique issued at Canberra on August 4 at the conclusion of the 25th meeting of the ANZUS Council.

Press release 365 dated August 5

The ANZUS Council held its twenty-fifth meeting in Canberra on 3 and 4 August 1976. Attending were the Honourable B. E. Talboys, Deputy Prime Minister and Minister for Foreign Affairs of New Zealand; the Honourable Charles W. Robinson, Deputy Secretary of State of the United States; and the Honourable Andrew Peacock, Minister for Foreign Affairs, and the Honourable D. J. Killen, Minister for Defence, of Australia.

The Council members exchanged views on a wide range of issues. They noted that consultation and cooperation had characterized the work of the Council during the quarter century of change since the ANZUS Treaty [Australia, New Zealand, United States Security Treaty] was concluded; and expressed their confidence that the close relationship among the three countries, based as it is on a shared community of interests, would endure and be further developed.

The Council members expressed support for the fabric of negotiations which had been developed between the United States and the Soviet Union and noted that the attempt to stabilize the balance between the most powerful nations is an important precondition of an enduring structure of peace.

The Council reviewed the situation in Korea and North East Asia and emphasized its interest in the maintenance of peace and stability in the area. In particular, the Council noted the close relations between each of the ANZUS partners and Japan and welcomed the signature of the basic Treaty of Friendship and Cooperation

between Australia and Japan concluded on 16 June 1976.

The Council noted the potentially important contribution of the People's Republic of China in the affairs of the Asian/Pacific region and, generally, in world affairs.

The Council reviewed recent developments in the South Pacific and noted the general increase in external awareness of the region. The Council reaffirmed the importance which it attached to the security of the region and in this connection emphasized the contribution to be made by steady and sustained economic progress. The Council noted the intention of Australia and New Zealand to give greater priority to the South Pacific in their development assistance programs. It also welcomed the growing sense of regionalism among the countries of the South Pacific, as exemplified by the South Pacific Forum and the South Pacific Commission. It underlined the need for these and other institutions for regional cooperation active in the South Pacific to respond effectively and promptly in key development areas. The Council welcomed the Joint Declaration on the Law of the Sea issued by the South Pacific Forum at its recent meeting in Nauru, in which the member governments recognized the value of a coordinated approach.

The Council noted the importance of peaceful and cooperative relations among all the states of South East Asia. It welcomed the progress of the individual South East Asian nations in developing their countries and in strengthening their self-reliance. It also welcomed the continued progress of the Association of South East Asian Nations (ASEAN) in developing broad-based regional cooperation. It expressed support for efforts among all countries of the region.

The Council noted with concern the increased Soviet military presence and capacity in the Indian Ocean. In this connection, it welcomed the actions taken by the Government of the United States to establish a modest facility at Diego Garcia to

support United States forces in the region. The Council believed that a broad balance of military capability, coupled with a general forbearance from provocative actions, was an essential prerequisite for stability and for the restraint that was needed in the Indian Ocean.

The Council reviewed the efforts being made towards achieving satisfactory measures of arms limitation, which it considered were essential to the establishment of a peaceful and stable world order. In particular, the Council reaffirmed the dangers posed by the proliferation of nuclear explosives and weapons capabilities and the need to move against these dangers. It endorsed the various measures being taken to strengthen the nuclear non-proliferation regime including strengthened safeguards of and controls on the export of nuclear equipment, materials and technology. Concern was voiced that there remained important exceptions in all regions of the world to the general trend towards universal acceptance of the Nuclear Non-Proliferation Treaty and the hope was expressed that countries not yet party to it would accede.

The Council further supported the continuing negotiations between the United States and Soviet Union over strategic arms limitation as important to the maintenance of a stable world balance and hoped that these would lead to further curbs of the increase of strategic nuclear weapon levels. It also welcomed the signature of the agreement between the United States and the Soviet Union governing the conduct of and limiting the yield of peaceful nuclear explosions to supplement the Threshold Test Ban Treaty of 1974. The Ministers reaffirmed the hope that it would be possible at an early date to transform the present agreements limiting nuclear testing into a comprehensive test ban treaty.

The Council members expressed satisfaction at the degree of cooperation which existed between their respective armed forces. In this connection the members wel-

comed the decision by the Australian and New Zealand Governments to permit the resumption of visits to their ports by United States nuclear-powered warships. It was agreed that this was a natural part of the cooperation under the ANZUS Treaty. The Council also welcomed the Australian Government's decisions to accelerate the construction of a naval facility at Cockburn Sound in Western Australia.

In conclusion, the ANZUS partners confirmed the great importance that each attached to the alliance and stressed their desire to strengthen further their cooperation to meet changing circumstances. They emphasized that the Asian/Pacific region should continue to develop in peace and prosperity and agreed to maintain close consultation on matters of common concern.

Prime Minister Fraser of Australia Visits Washington

Prime Minister J. Malcolm Fraser of Australia made an official visit to Washington July 27-29. Following is a joint statement by President Ford and Prime Minister Fraser issued July 28.¹

At the invitation of President Gerald R. Ford of the United States of America, the Right Honorable Malcolm Fraser, M.P., Prime Minister of Australia, made an official visit to Washington on 27, 28, and 29 July. This was Prime Minister Fraser's first visit to the United States since assuming office. During his visit the Prime Minister held talks with the President, the Vice President, and cabinet secretaries, and met

senior members of Congress. The Prime Minister and the President agreed that the visit reemphasized and strengthened the cordiality of the relationships between the Australian and American people, and reinforced the close ties between the two governments.

The President and the Prime Minister recognized that all nations should treat each other as equals despite differences in power, size and circumstances. The President expressed the view that there was a significant role for countries of Australia's material wealth and power in influencing opinion in the world. The President said that the United States intended to work closely with her friends and allies, with those of common philosophical commitment, to achieve a greater unity of purpose and understanding between such nations, large and small. In this respect the President and the Prime Minister agreed that relations between nations reflected more than factors of power. National interests, common principles, frankness of expression and mutual trust were also very significant in determining relations between nations. The President reaffirmed the determination of the United States to pursue a policy of peace through strength, to relax tensions where it was possible without sacrifice of interests or principles and to build a stable world order. The President and the Prime Minister agreed that shared democratic values and the goal of peace linked the international aims of Australia and the United States.

The Prime Minister expressed the belief that the United States had a unique leadership role and mission as the world's most powerful democracy. The President and Prime Minister agreed that the steady pursuit of that mission was essential for the stability and peaceful development of the nations of the world. The President noted the need for continuing close collaboration with friends and allies including Australia. The President and Prime Minister noted the importance of maintaining the cohe-

¹ For an exchange of remarks by President Ford and Prime Minister Fraser at a welcoming ceremony on the South Lawn of the White House on July 27 and their exchange of toasts at a White House dinner that evening, see Weekly Compilation of Presidential Documents dated Aug. 2, 1976, pp. 1211 and 1215.

sion and constancy of alliances in present international circumstances, and the importance of conventional forces in conditions of nuclear parity. In this connection they agreed on the desirability of maintaining the excellent record of consultation and cooperation that has characterized the ANZUS [Australia, New Zealand, United States Security Treaty] relationship. The President and the Prime Minister agreed on the political and strategic importance of the Indian Ocean to many countries including Australia and the United States. Noting the importance of achieving and maintaining an adequate balance, Australia supported United States efforts to upgrade the facilities at Diego Garcia. Both leaders expressed the hope that all parties concerned would exercise restraint in this key area.

The President and Prime Minister agreed that the sustained growth in the military capability of the Warsaw Pact countries beyond levels apparently justified for defensive purposes, to which the NATO countries had drawn attention, was a matter of concern not only in Europe but throughout the world. The Prime Minister gave the President an account of his recent visits to the People's Republic of China and Japan. He explained the great importance to Australia of its relationship with Japan and the steps taken during his visit to enhance the political and economic relationship and to forge closer links of understanding between the two peoples. The President and Prime Minister agreed that the close and cordial relationships Australia and the United States enjoy with Japan are essential to the continued stability, progress, and prosperity of the international community. They each pledged to maintain and strengthen those ties. The Prime Minister emphasized that widening communication between Australia and China and between China and many other countries, was of great importance. The President agreed that effective communication with and the

involvement of the People's Republic of China are important to the promotion of peace and progress, and reaffirmed that the United States is determined to complete the process of normalizing its relations with the People's Republic of China on the basis of the Shanghai Communiqué.

The Prime Minister and the President reiterated the fundamental importance which their countries attach to their relations with Southeast Asian nations and noted the significance of ASEAN, the Association of Southeast Asian Nations, as a stabilizing influence in the region. They reaffirmed an interest they share with ASEAN that no one power should dominate Southeast Asia.

The President and the Prime Minister discussed the current situation in the Middle East and Southern Africa. They expressed concern about the continuing instability in Lebanon. The Prime Minister commended the continued efforts of the United States in its search for a settlement in the Middle East. Both deplored the continuation of racial injustices in the minority-ruled countries of Africa, and condemned any practices which did not accord true dignity to all people as equals regardless of race.

In reviewing the world economic situation the President gave the Prime Minister an outline of discussions at the recent economic summit in Puerto Rico. They agreed that the United States and Australia, together with other industrialized democracies, must continue to pursue an economic strategy directed at achieving sustained economic expansion and a reduction in unemployment while not jeopardizing the common aim of reducing, and avoiding a new wave of, inflation. This strategy would require the continued application of disciplined measures in the field of fiscal and monetary policies.

They recognized that a period of sustained non-inflationary growth in the major industrialized nations will make a major

contribution to the economic progress of the developing countries. The President and the Prime Minister reviewed developments in the dialogue between the industrialized and developing nations and agreed on the need for a continued effort in the various international fora for a constructive long-term relationship of common benefit.

The President and the Prime Minister agreed that a more open international trading system was in the interest of both developed and developing nations, and stressed the need for increasing momentum in the Multilateral Trade Negotiations now being held in Geneva. They agreed that increases in trade opportunities, particularly in processed goods and agricultural products, would help to lift the standard of living in the developing countries.

The President and the Prime Minister had discussions about Australia's commercial relations with the United States. It was agreed that further progress in the trading relationship would be to the advantage of each country.

The Prime Minister gave the President an outline of recent changes in Australia's foreign investment policy. He indicated an increased need for foreign investment in Australia in partnership with Australian investors. He therefore welcomed such investment to help develop Australia's great national resources to the advantage of Australia and of Australia's trading partners.

The Prime Minister conveyed to the President the good wishes of the Australian people on the occasion of the American Bicentenary. The Australian Government was participating in a range of activities to celebrate the occasion. The Prime Minister said he was looking forward to his visit to Harvard University to inaugurate the Chair of Australian studies. He expressed the hope that this Chair would be used to advance understanding not merely between the United States and Australia but between both countries and other nations

with different history, traditions and culture.

The President and the Prime Minister considered that their discussions had shown a very close similarity of views on a wide range of important international and bilateral matters and had further strengthened ties between Australia and the United States. The Prime Minister thanked the President and Mrs. Ford for the warmth of the welcome and the hospitality extended to him and to Mrs. Fraser and to members of his party.

U.S. Condemns Terrorist Attack at Istanbul Airport

Following is a statement read to news correspondents on August 12 by Frederick Z. Brown, Director, Office of Press Relations.

I have a brief statement on the tragic terrorist attack in Istanbul yesterday.

Many innocent persons were injured, and four persons were senselessly killed in this attack. One of the four was Mr. Harold Rosenthal, an assistant to Senator Jacob Javits, who was on his way to Tel Aviv. We profoundly lament the death of Mr. Rosenthal and extend our deep sympathy to his family.

It is fortunate indeed that the aircraft was not seized and that a still greater tragedy did not take place.

We condemn this savage attack. The U.S. Government has long held that the nations of the world should join together to eliminate the scourge of international terrorism. We hope that the Istanbul attack, along with the recent Air France hijacking to Uganda, will prod the leaders of the world into taking positive action on the question of terrorism.

This is an issue that must be addressed in the United Nations, and it is a matter of the greatest urgency.

Sharing the World's Natural Resources: Prospects for International Cooperation

Address by Joseph A. Greenwald

Assistant Secretary for Economic and Business Affairs¹

As the organizers of this program have recognized, natural resource issues are now at the top of the public policy agenda—both national and international. In the industrialized as well as the developing countries, attention is focused on energy, raw materials, and food. The perception of global interdependence has been sharpened by the oil embargo which accompanied the war in the Middle East.

More than ever before, the specific and practical natural resource problems with which you deal are related to the international political and economic situation. Although resource development in Communist countries obviously has its own peculiar features, I propose today to talk about relations with the developing countries—what has come to be called the North-South dialogue. This dialogue occupies the center of the stage because:

—A large part of the world's raw materials are found in the developing countries.

—Sovereignty and control over natural resources has become a major political issue for the developing countries.

—Developing-country markets will provide, over the long run, a key element in world economic growth.

—Improvement in the economic situation of the developing countries is crucial to stability and peace in the world.

Thus the course of the dialogue with the Third World will affect your professional activities, our future well-being, and the shape of the world in which we live over the next decade.

Will this world be one of antagonistic and hostile camps—the rich versus the poor? Will it be marked by political instability? By shortages, high prices, cartels? Or will it, on the contrary, be the kind of world where developed and developing countries can reach mutually satisfactory understandings that will insure continued growth and an equitable sharing of the benefits?

I cannot give you definitive answers to these questions, but I will describe our progress to date and our hopes for the future.

In the period immediately following World War II, we concentrated on the reconstruction of the war-torn countries of Europe and Asia. We succeeded very well, as the recovery of Western Europe and Japan attests.

The postwar strategy for countries which needed to develop stressed financial aid and technical assistance. This was believed to be the answer to problems of illiteracy, undernourishment, overpopulation, ill health, low living standards, and the lack of infrastructure.

While our attention was focused on military-political objectives, alliance politics, and the cold war during the 1950's and early 1960's, the world around us changed

¹ Made before the Natural Resources Law Section of the American Bar Association at Atlanta, Ga., on Aug. 10.

fundamentally. Over 80 countries achieved their independence. And these new countries soon found that political independence did not solve all their problems, nor did aid from the rich countries provide the answer.

If financial assistance was not the magic formula for development, what was it? The slogan became "Trade not aid." At the same time, the developing countries turned to the institutional issue. They felt that the international organizations established after the war were designed to favor the developed countries. These themes dominated the North-South discussions in the 1960's. The main results were the setting up of a new organization in 1964—the United Nations Conference on Trade and Development (UNCTAD), dominated by the developing countries—and agreement in 1968 on a worldwide system of tariff preferences in favor of these countries.

Not surprisingly, since economic development is at best a gradual process and the gap between rich and poor countries was bound to widen in absolute terms, the feeling persisted among the developing countries that the cards were stacked against them. Even though the rate of growth of developing countries taken as a group was faster than that of the industrial countries, the decade was marked by increasing frustration and bitterness on the part of the developing countries.

The next phase of the dialogue began with the OPEC [Organization of Petroleum Exporting Countries] decision to raise oil prices fourfold at the end of 1973. This achievement resulting from the solidarity of the petroleum producers has brought the commodity issue to the fore in international discussions. The application of the "petro-power" principle to other products became the new panacea.

The 1970's also saw the emergence of the idea of using voting power in the United Nations to impose a "new international economic order" on the world. At the recent UNCTAD meeting in Nairobi the principal outcome was an integrated commodity program calling for the negotiation

of commodity agreements for an array of products and a common fund for buffer stock financing.

Over the past year, the developed countries have carried out their commitment to provide more liberal financial facilities for the developing countries through the International Monetary Fund. But these improvements have been lost in the excitement over the exercise of commodity and voting power.

I have taken the time to review the history of the North-South dialogue because I believe it has to be seen in perspective to understand the current situation and the prospects for the future.

Another element which is usually brought into a discussion of the North-South dialogue is the fact of growing interdependence: we live in a global economy to a far greater extent than we did even 10 years ago. For this audience, however, it is not necessary to document the case. You are directly involved in the consequences of worldwide interdependence. Dependence on imports varies from one material to another; and new developments in technology and resources, for instance, development of the deep seabeds, may change the picture. But, in the long run, dependence on world trade, both for supplies and for markets, is a fact of life.

The reactions to this inevitable interdependence are, of course, at the bottom of some of the North-South issues. We have sought to meet the challenge through an open system. We believe that the most efficient use of the world's resources can be achieved by removing obstacles to the free flow of products, investment, and technology.

Most developing countries, on the other hand, consider that they are at a disadvantage in such a system. They believe that in a world of unequal economic strength, laissez-faire is a weapon of the strong. They seek preferential treatment for their products, agreements which result in the transfer of resources, indexation of commodity prices, access to technology without full payment, control over foreign invest-

ment, and nationalization without adequate compensation.

This, then, is a short history and summary of the North-South dialogue. It is currently being carried on at two levels: the political level in the U.N. framework and the pragmatic level at the Conference on International Economic Cooperation in Paris. The UNCTAD, which had its conference at Nairobi last May, is somewhere between these two levels—it produces a lot of rhetoric but also some concrete results.

The Energy Problem

Let me now turn to three subjects which are likely to figure prominently in the dialogue over the next year or two—energy, commodities, and food.

Energy has been the priority natural resource issue both internationally and domestically since late 1973. The Arab oil embargo of 1973 and massive price hike that followed had pervasive and far-reaching effects on the world economy, more so than any other single event since World War II. Coming as it did at the crest of the boom in world economic activity in 1973-74, the oil price increase greatly accelerated existing inflation in the developed countries and severely aggravated the cyclical downturn in world economic activity that took place in 1974-75.

The energy crisis made clear the need for a coordinated approach by major oil-consuming countries to reduce their political and economic vulnerability resulting from growing dependence on imported oil. The crisis demonstrated that no single country, including the United States, could alone create a new balance in the world oil market. It further demonstrated that no one country could defend itself against a new embargo nor could any one country alone undertake all the research and development or provide the capital required to develop new energy sources when fossil fuels are exhausted.

Our efforts to develop a comprehensive and coordinated approach to the energy

problem were initially directed toward cooperation among consuming countries. In the 21 months since the establishment of the International Energy Agency, we have:

- Developed and tested an emergency program to deal with future embargoes.

- Reached agreement on a comprehensive program of joint efforts in conservation, accelerated production of international energy sources, and energy research and development.

- Launched a discussion with oil-producing and oil-consuming countries to seek better understanding of their mutual interests.

Commodities

In contrast to energy, where a small number of countries control the bulk of the world's easily accessible oil, commodities are a far more diffuse issue.

As I explained earlier, the developing countries now look upon commodity agreements as the key to the improvement of their situation. They take this position despite the fact that many of the poorer countries do not have many commodities to export and industrialized countries are also substantial exporters of primary products.

Developing countries explained their commodity concerns and proposed remedy at UNCTAD. It is called an "integrated" program and calls for a series of commodity arrangements for 18 agricultural and industrial raw materials, which account for about 75 percent of their commodity trade. For many of these commodities, UNCTAD proposes the establishment of international commodity agreements based on buffer stocks, augmented by export controls and production controls. The stocks would be financed by a "common fund." The theory behind the common fund is that fluctuations in commodity prices will not be synchronized; that is, the prices of some will be rising while the prices of others will be falling. Thus a common fund supporting all of them will

need less money than a series of individual and uncoordinated buffer stock funds. UNCTAD estimates that such a fund could begin operation with \$3 billion, of which \$1 billion would be paid in initially.

As you know, the U.S. approach has been to look at commodity problems on a case-by-case basis. We believe there may be situations in which intergovernmental arrangements can help smooth out wide price fluctuations and thus improve the working of the market. Accordingly, we have participated in commodity conferences and have signed the coffee and tin agreements. We also see merit in buffer stocks for stabilization purposes. But the problem is not financing; it is whether the particular commodity lends itself to the buffer stock technique.

At Nairobi, Secretary Kissinger put forward a comprehensive approach to commodities which contained the following features:

- Insuring sufficient financing for resource development and the equitable sharing of benefits by the host nation.

- Improving the conditions of trade and investment in individual commodities and moderating excessive price fluctuations.

- Stabilizing the overall export earnings of developing countries.

- Improving access to markets for the products of developing countries.

- International arrangements to assure reliability of supply.

In our view, a key missing element of the UNCTAD program is the encouragement of investment in resource development. In the coming decades, the problem will be adequate supplies of raw materials, particularly metals and minerals. With this prospect in mind, we launched at Nairobi the idea of an International Resources Bank (IRB). This initiative grew out of the recognition that the cost of resource development has grown substantially and that it takes much longer to get a reasonable return on investment. At the same time, the risks associated with natural re-

source projects in developing countries has increased. The flow of investment into developing countries is adversely affected. We felt that what was needed to turn the situation around was a mechanism to deal with the political risks.

The main functions of the IRB would be to:

- Act as guarantor of performance by investor and host country through a tri-lateral agreement, tailored to each project, in which the foreign investor, the host country government, and the IRB would participate.

- Guarantee the investment against loss as a result of noncommercial factors through a loss reserve fund, initially \$1 billion contributed by the member governments of the IRB.

- Facilitate financing of projects by acting as an agent for project bonds.

Looking further ahead, the natural resource question is likely to be affected in a significant way by the results of the lengthy Conference on the Law of the Sea.

The effort to devise rules to govern human activities on, over, and beneath the seas that cover 70 percent of the globe has been described by Secretary Kissinger as "one of the most significant negotiations in diplomatic history."² We will have made a great stride toward our objectives of peace and international cooperation if we are able to reach an agreement that assures the avoidance of conflict and protects our vital interests in the myriad activities involving the seas.

One of the most difficult and intractable problems at the current session is the question of an appropriate legal regime to govern exploitation of minerals from the deep seabeds. We have known for more than a decade that vast potential resources of copper, nickel, manganese, and cobalt are present in nodules on the seabeds, often as deep as 15,000 feet below sea level.

² For Secretary Kissinger's address at New York, N.Y., on Apr. 8, see BULLETIN of Apr. 26, 1976, p. 533.

American industry has been in the forefront of the research and development into processes for recovering and extracting these mineral-rich nodules, and we expect that seabed mineral production can begin within the next five to seven years.

The eventual regime governing deep seabed mining operations is beginning to take shape. An International Seabed Resource Authority is to be established to supervise exploration and development of deep seabed resources. We seek an Authority with carefully defined powers that will reflect the producer and consumer interests of member states directly concerned with deep seabed mining. An essential U.S. objective is to establish guaranteed non-discriminatory and quota-free access to mining sites for states and their nationals.

Both the powers of the Authority and the questions of nondiscriminatory access are vital issues for the United States. Let there be no misunderstanding of this. We want a law of the sea treaty, and we have sought—and continue to seek—this objective in a spirit of cooperation and compromise. We are not prepared, however, to acquiesce in a treaty that does not adequately reflect these paramount interests of the United States.

World Food Supply

The final sector, agriculture, is one where for many products, like grains and oilseeds, the shoe is on the other foot—we are a major supplier.

Developing countries, particularly in South Asia and parts of Africa, have begun to import increased amounts of food, especially grains. In many of these countries, the shift to imports results not from economic growth so much as from the failure of their agricultural sectors to produce the food their people require. Since the economic performance of many of these countries has not been adequate, the foreign exchange cost of these imports has been a serious burden. In addition, the agricultural growth rate of these countries

has been so low that many observers foresee their increasing dependence on food imports.

The basic problem is one of inefficient production and distribution. More than two-thirds of the world's population produces only about one-third of the world's food. Developing countries devote twice as much land as developed countries to grain production but produce about 20 percent less grain. The consequences are enormous—also 500 million people suffer from malnutrition; hundreds of millions more are ill fed. The wastage of human resources is great.

What are we doing about it?

We are moving to meet the world's food problem on four major fronts.

First, we are giving higher priority in our foreign assistance programs to agriculture, nutrition, and rural development. The World Bank is doing the same. We are actively working for establishment of an International Fund for Agricultural Development that would provide concessional aid to help poor countries feed their people and have pledged to contribute \$200 million to it once total contributions reach \$1 billion. We are hopeful that this fund will be established this year.

Second, until developing countries can make the necessary advances in food production, we and other food-surplus countries must cooperate to insure adequate food aid. For this fiscal year, the U.S. food aid budget provides for approximately 6 million tons of food grains, 60 percent of the global target set by the World Food Conference in 1974 and a 20 percent increase over the U.S. contribution in 1975.

Third, we have taken the lead in proposing the establishment of an international system of nationally held grain reserves as a means of providing sufficient supplies to offset future shortfalls in global production. Our proposal provides that these reserves would be spread among the major grain exporters and importers so that we would not return to the situation of the 1950's and 1960's, when the United States

carried international grain reserves virtually singlehandedly.

Fourth, we are increasing our food production in the short run and encouraging other exporters to do the same. We have returned 37 million acres to crops in the last two years. We expect record harvests of grain, including rice, of over 260 million metric tons this year.

I'm sure I don't have to tell you that there are no quick answers to the natural resource issues and the political considerations surrounding them. The challenge from the developing world that finds expression in this issue is a fundamental one: The desire for economic progress, for a greater participation in international decisions that affect them, for a more equitable share of the benefits.

We accept this challenge. We have presented realistic and comprehensive proposals in international discussions. We believe our basic long-term interests and those of the developing countries are not incompatible.

But as Secretary Kissinger said last June,³ recognition of the complementary nature of our interests is not automatic. Effective cooperation requires that both sides face certain realities without illusion. One of these realities is the long-term nature of economic development. A second is that the developing countries themselves must follow sensible policies. Finally, any effective action requires the full cooperation of the industrial countries if it is to be successful. This cooperation will not be forthcoming if the North-South dialogue becomes one marked by extortion and pres-

sure, by the presentation of sweeping, unworkable proposals, or by sterile parliamentary maneuvers.

If both sides proceed in a positive way, I believe we can find constructive and creative solutions.

Agreement Signed on Polish Fishing in U.S. Fishery Conservation Zone

Press release 361 dated August 2

Representatives of the Governments of Poland and the United States on August 2 signed a new agreement relating to Polish fishing activities off the coasts of the United States, which will come into force after the completion of internal procedures by both governments.

The agreement sets out the arrangements between the countries which will govern Polish fishing within the fisheries conservation zone of the United States beginning March 1, 1977.

Vice Minister Edwin Wisniewski of the Ministry of Foreign Trade and Shipping signed for Poland. Ambassador Rozanne L. Ridgway, Deputy Assistant Secretary of State for Oceans and Fisheries Affairs, signed for the United States.

The Vice Minister and the Ambassador headed delegations which began negotiating the new agreement in Montreal in June. The negotiations were completed in Warsaw on July 31.

Both delegations expressed their satisfaction with the new accord. The agreement signed by Poland and the United States is the first fisheries agreement since passage by the United States of legislation creating a 200-mile fishery conservation zone, effective March 1, 1977.

³ For Secretary Kissinger's statement at the ministerial meeting of the Council of the Organization for Economic Cooperation and Development at Paris on June 21, see BULLETIN of July 19, 1976, p. 73.

Department Discusses U.S. Policy Toward Countries of the Horn of Africa

*Statement by William E. Schaufele, Jr.
Assistant Secretary for African Affairs¹*

The strategic importance of the Horn of Africa has gradually increased over the years. Located on the Strait of Bab el Mandeb, it has always controlled access to the Indian Ocean by the coastal states of the Red Sea. Since the completion of the Suez Canal in 1869, it has enjoyed a dominant position on one of the world's leading East-West maritime routes. In recent years the importance of the area has been further increased by its proximity to the Middle East oilfields and the Indian Ocean oil routes.

Regional Relations

The Horn of Africa is characterized by the strained relations which have existed for a long time between the Somalis and the Ethiopians. Since attaining independence in 1960, Somalia has maintained a claim on large areas of Ethiopia populated by ethnic Somalis, as well as areas of Kenya and of the French Territory of the Afars and Issas (F.T.A.I.). This ancient hostility has been further exacerbated by Somalia's decision to turn to the Communist states, and particularly the Soviet Union, for economic and military assistance, as against Ethiopia's traditional ties with the West.

The Ethiopian-Somali rivalry has been most recently fueled by the French decision to grant independence to the F.T.A.I., whose capital and deep water port of Djibouti dominate the Strait of Bab el Mandeb. The new revolutionary regime of Ethiopia, already beset by an insurgency in the coastal province of Eritrea, and going through the travails of internal radicalization, greatly fears a Somali attempt to dominate or take over the post-independence F.T.A.I., thus further impeding Ethiopian access to the sea.

The rivalry over Djibouti and the outcome of the Eritrean secession and of Ethiopia's internal turmoil are also of importance to the coastal states of the Red Sea in view of their interest in continued and unimpeded access to the Indian Ocean.

Finally, other states in the region, such as Sudan, Saudi Arabia, Egypt, Israel, and Kenya, are concerned by the threat that political instability and increasing Soviet influence pose to the region.

U.S. Interests and Relations

The strategic importance of the Horn has led the United States to place high value on good relations with the countries of the area, access to ports and airfields, and regional stability. U.S. acquisition of a communications facility at Kagnew in Asmara in 1942, which was subsequently greatly expanded, also contributed to our interests in the area. At the present time our access to the area has been restricted

¹ Made before the Subcommittee on Africa of the Senate Committee on Foreign Relations on Aug. 6. 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.

essentially to Ethiopia and Djibouti, while major Soviet military facilities such as we enjoy nowhere in Africa have been constructed in Somalia.

Ethiopia

Our interests in the Horn of Africa were in the past concentrated on Ethiopia. As one of the few independent black African countries throughout the colonial period and as an ancient Christian kingdom, it has long held a special fascination for Americans, strengthened during the 1930's as a result of its victimization by Fascist colonialism.

During the early post-World War II period our interests in Ethiopia were primarily continental and bilateral. We hoped that our longstanding relationship with Ethiopia would assist us in establishing good relations with the newly independent states of Africa; we developed our important communications facility at Kagnev in Asmara; and we benefited from access to Ethiopian ports and airfields.

In the past few years the relationship with Ethiopia has also acquired increased regional and strategic importance. Although we have, over the past five years, reduced the number of employees from 3,000 to 35, the Kagnev Naval Communications Unit remains important to us, as does access to Ethiopia's airfields and ports, at a time when our interests and operations in this increasingly important area have grown. For these reasons, among others, although we remain concerned by the present disunity of the country, we have taken particular care to demonstrate by the constancy of our relationship that the ties between the United States and Ethiopia need not be disrupted by a change in its form of government.

We believe that our present policy toward Ethiopia will not only contribute to the stability of this second most populous country in black Africa but also assist black African states in maintaining the principle of territorial integrity, a cardinal principle of the Organization of African Unity. We

believe we would incur much criticism from our friends in Africa and elsewhere were we to withdraw support from the Ethiopian Government during this time of difficulty; such a move would also be attributed to distaste for Ethiopia's brand of socialism.

We are well aware that our military aid is a two-edged sword and that it is a major support of the present government, with whose actions we do not always agree, particularly in the field of human rights. However, for the reasons given above, although we have conscientiously refrained from any advisory effort in the Ethiopian counterinsurgency operations, we have continued to supply Ethiopia with arms in accordance with our military assistance agreement with Ethiopia, which dates from May 1953.

The extent of our relationship with this nation of 28 million can be measured by the amount of aid we have provided. This has amounted to over \$350 million in economic aid since 1952 and over \$275 million in military assistance to the country's 40,000-man defense force.

Whether we can continue this degree of cooperation with Ethiopia will depend largely on the course finally taken by the new revolutionary military regime, which assumed power in 1974. It has deliberately decided to alter Ethiopia's previous reliance on the West and has consequently strengthened its relations with the Socialist countries. To the extent that this does not lead to systematic opposition to the United States, it still leaves ample opportunity for continued cooperation, particularly as we are sympathetic to many of the new regime's ambitions to improve the living conditions of its people. But the situation is sufficiently volatile to bear close watching.

Somalia

Somalia is a country of 3.2 million people with an army of approximately 20,000. Composed of former British and Italian Somaliland, it gained its independence in

1960. Somali nationalists continue to claim the Somali-inhabited portions of northeast Kenya, eastern Ethiopia, and the French Territory of the Afars and Issas.

Following independence, Somalia and the United States enjoyed a close and friendly relationship, and the United States extended almost \$80 million in aid between 1954 and 1970. However, following the overthrow of the civilian government in 1968, the Government of the Somali Democratic Republic turned increasingly to the Soviet Union both for military equipment and for economic and ideological support. In the process, our own relations with the Mogadiscio government deteriorated, and in 1970 the U.S. Government was obliged to terminate its aid program because of continued Somali-flag trade with North Viet-Nam.

Nevertheless, we have sought to improve relations with the Government of the Somali Democratic Republic and to find grounds for mutual respect and cooperation. We have assured the Somali Government that their proclaimed policy of non-alignment is one with which, if impartially conducted, we have no quarrel.

We also recently renewed economic assistance to the country and have aided Somalia in its attempts to recover from the recent drought. This summer Somalia is receiving 10,000 metric tons of relief grain. I must admit in all candor, as I have informed the Somali Ambassador in Washington, that we have not recently seen any reciprocal Somali gestures.

French Territory of the Afars and Issas

The French Territory of the Afars and Issas has a population of approximately 180,000, divided between the Afar, or Danakil, people, whose primary home is in Ethiopia, and the Issas and other Somali tribesmen.

The French decision to grant independence to Djibouti has increased the tension

between Somalia and Ethiopia. The railroad and port of Djibouti are vital communication links for Ethiopia. On the other hand, it is clear that some Somali nationalists are using the occasion to work for conditions which could lead to the eventual incorporation of the territory into Somalia. The common distrust of the Ethiopian and Somali Governments, and the traditional Somali claims on much of eastern Ethiopia, make cooperation between these two governments in support of the independence of Djibouti a difficult undertaking.

Political developments leading to independence have included the kidnaping of the French Ambassador to Mogadiscio by Somali nationalists, the capture of a schoolbus of French schoolchildren [in Djibouti] by another group of nationalists in February, and extensive political agitation against the former President of the F.T.A.I. Government, Ali Aref. He was finally forced to resign on July 17, and a replacement was elected by the F.T.A.I. Chamber of Deputies on July 29. Although an Afar, the new President, Abdallah Khamil, is thought to enjoy greater support among the Somali population than did his predecessor and stands a better chance of leading a government of national unity to independence, which will probably be granted within the next year.

For our part, we support the peaceful transition to independence, and we encourage the states of the area to create the conditions necessary to maintain the long-term independence of Djibouti. In doing so, we join our aspirations with those of the international regional organizations and a number of states in the area, as well as with the governments most directly concerned.

Kenya

Because of the territorial dispute between Somalia and Kenya over the northeastern region of the latter, relations be-

between Nairobi and Mogadiscio were not established until 1968.

We have recently been led to agree to military sales to Nairobi, in part because of the discrepancy between the size and level of equipment of the armed forces of the two countries and in part because of the Uganda threat to western Kenya. The addition of military sales fits in well with our previous relationship to Kenya. We have always found a cooperative reception in this stable country which has one of the few free economies in that region and is the only country on that part of the Indian Ocean which permits U.S. naval visits.

Sudan

Our relations with the Sudan took a turn for the worse in June 1974 when the Sudanese Government turned over to Egypt the eight Palestinian terrorists whom Sudanese courts had convicted of killing, in 1973, our Ambassador and Deputy Chief of Mission in Khartoum.

After nearly two years during which we suspended most of our bilateral programs with the Sudan, we have now embarked on a course of normalizing our relations, on the grounds that the deliberate cooling of our relationship had lasted long enough and in recognition of the considerable assistance brought to us by the Sudanese Government in obtaining the release of American prisoners held by the Eritrean insurgent movement, which is in rebellion against the Ethiopian Government. We considered that further prolongation of the standdown in our relations risked permanently jeopardizing our ability to build a cooperative relationship with this country which is of importance to us in both the African and Middle East contexts and which has considerable economic potential. The convicted killers are still in Egyptian custody.

Gentlemen, I will now be happy to reply to your questions.

Congressional Documents Relating to Foreign Policy

94th Congress, 2d Session

United Nations. Hearings before the Senate Committee on Foreign Relations on the nomination of William W. Scranton to be U.S. Representative to the United Nations and on the future of U.S. participation in the United Nations. March 2-25, 1976. 260 pp.

Psychiatric Abuse of Political Prisoners in the Soviet Union—Testimony by Leonid Plyushch. Hearing before the Subcommittee on International Organizations of the House Committee on International Relations. March 30, 1976. 82 pp.

Chile: The Status of Human Rights and Its Relationship to U.S. Economic Assistance Programs. Hearings before the Subcommittee on International Organizations of the House Committee on International Relations. April 29-May 5, 1976. 198 pp.

United States-Japan Cooperative Medical Science Program. Message from the President of the United States transmitting the ninth annual report of the program, pursuant to the International Health Research Act of 1960. H. Doc. 94-485. May 4, 1976. 21 pp.

TREATY INFORMATION

Current Actions

MULTILATERAL

Aviation

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

Ratification deposited: Belgium, August 13, 1976.

Accession deposited: France, June 30, 1976.¹

Coffee

International coffee agreement 1976, with annexes. Done at London December 3, 1975.²

¹ With a reservation.

² Not in force.

Signatures: Sweden, June 22, 1976; Central African Republic, European Economic Community, Ethiopia, Italy, Japan, Netherlands, Panama, July 27, 1976; Ecuador, Israel, New Zealand, July 28, 1976; Ivory Coast, Uganda, July 29, 1976; Australia, Belgium, Canada, Finland, Gabon, Ghana, Guinea, Luxembourg, Nigeria, Venezuela, Zaïre, July 30, 1976; Burundi, Yugoslavia, July 31, 1976.

Ratification deposited: Norway, July 1, 1976.

Finance

Articles of agreement establishing the Asian Development Bank, with annexes. Done at Manila December 4, 1965. Entered into force August 22, 1966. TIAS 6103.

Admission to membership: Cook Islands, April 20, 1976.

Intergovernmental Maritime Consultative Organization

Amendments to the convention of March 6, 1948, as amended, on the Intergovernmental Maritime Consultative Organization. Adopted at London October 17, 1974, at the fifth extraordinary session of the Assembly of IMCO.²

Accessances deposited: Brazil, Libya, July 30, 1976.

Postal

Second additional protocol to the constitution of the Universal Postal Union of July 10, 1964 (TIAS 5881, 7150), general regulations with final protocol and annex, and the universal postal convention with final protocol and detailed regulations. Done at Lausanne July 5, 1974. Entered into force January 1, 1976. TIAS 8231.

Ratification deposited: Ghana, June 9, 1976.

Accession deposited: Italy, May 7, 1976.

Money orders and postal travellers' checks agreement, with detailed regulations. Done at Lausanne July 5, 1974. Entered into force January 1, 1976. TIAS 8232.

Accession deposited: Italy, May 7, 1976.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow March 29, 1972. Entered into force September 1, 1972; for the United States October 9, 1973. TIAS 7762.

Ratification deposited: Belgium, August 13, 1976.

Tin

Fifth international tin agreement, with annexes. Done at Geneva June 21, 1975. Entered into force provisionally July 1, 1976.

² Not in force.

Notifications of intention to ratify deposited: Turkey, June 9, 1976; Yugoslavia, June 22, 1976; Australia, France, June 23, 1976; Poland, June 24, 1976; Netherlands,² Nigeria, June 28, 1976; Bulgaria, Czechoslovakia, Federal Republic of Germany, Indonesia, Ireland, June 29, 1976; Belgium, Bolivia, Council of European Communities, Denmark, Luxembourg, June 30, 1976.

BILATERAL

Belgium

Agreement amending annex B of the mutual defense assistance agreement of January 27, 1950 (TIA; 2010). Effected by exchange of notes at Brussel July 19 and 29, 1976. Entered into force July 29, 1976.

Egypt

Grant agreement relating to a program to develop and apply advanced water management practice in selected regions of Egypt, with annex. Signed at Cairo June 30, 1976. Entered into force June 30, 1976.

Iran

Agreed minutes of the third session of the United States-Iran Joint Commission for Economic Cooperation, with annexes. Signed at Tehran August 7, 1976. Entered into force August 7, 1976.

Philippines

Loan agreement relating to construction, improvement and rehabilitation of secondary and tertiary (feeder) roads and bridges and strengthening of road maintenance capability in the Philippines. Signed at Manila April 28, 1976. Entered into force April 28, 1976.

Spain

Supplementary treaty on extradition. Signed at Madrid January 25, 1975. Enters into force upon exchange of instruments of ratification. *Instrument of ratification signed by the President* August 10, 1976.

Switzerland

Treaty on mutual assistance in criminal matters with related notes. Signed at Bern May 25, 1973. Entered into force January 23, 1977. *Proclaimed by the President:* August 9, 1976.

United Nations

Basic agreement governing grants by the United States to the United Nations Trust Fund for Africa. Signed at Washington June 17, 1976. Entered into force June 17, 1976.

² For the Kingdom in Europe.

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Press Releases: August 9-15**

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

No.	Date	Subject
†368A	8/9	U.S.-Iran Joint Commission communique.
†372	8/9	Kissinger: news conference, Lahore, Pakistan.
*373	8/10	Kissinger: remarks to press, Deauville, France.
*374	8/11	Kissinger: remarks to press upon departure, Deauville.
†375	8/11	Kissinger, van der Stoep: news conference, The Hague.
*376	8/13	Ignacio E. Lozano, Jr., sworn in as Ambassador to El Salvador (biographic data).
†377	8/13	Kissinger: remarks to U.S. delegation to Law of the Sea Conference, New York, N.Y.
†378	8/13	Kissinger: toast at luncheon in honor of Law of the Sea Conference leadership.

* Not printed.

† Held for a later issue of the BULLETIN.