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

The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements, addresses and news conferences of the President and the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and on treaties of general international interest.

Publications of the Department of State, United Nations documents, and legislative material in the field of international relations are also listed

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America's Role in the World: A City Upon a Hill

Address by Winston Lord
Director, Policy Planning Staff [1]

It is a privilege to speak in this lecture series honoring a distinguished American and Secretary of State. Christian Herter is remembered in this nation and abroad for the integrity he brought to his office and the quiet courage he displayed in the face of a crippling illness. In my early apprenticeship in diplomacy, in the Kennedy round of trade negotiations, I saw a demonstration of those qualities, an experience for which I count myself fortunate.

Christian Herter oversaw foreign affairs in a period which some now recall with nostalgia. It was a simpler era. It was a time of apprehension and of heavy international burdens for America, but we were united in our approach to adversaries and friends and our foreign policy goals.

Today the landmarks of the postwar era are gone. We see an unfamiliar landscape.

This evening I want to take note of some of the new elements in foreign policy and draw some general conclusions.

Statesmanship involves a perception of where the deep forces of history are tending. There is always an irreducible element of conjecture. But today, as the pace of history accelerates, the factor of uncertainty is magnified. In our time diplomacy inspires the humility of Tennyson, who once safely predicted that:

> Far away beyond her myriad coming changes
> earth will be
> Something other than the wildest modern guess
> of you and me.

(As a prominent Georgian said recently, "You can depend on it.")

For most of the generation past, we lived within a well-established structure of international power, dominated by the antagonism of the two blocs which emerged in the wake of the last great global conflict. During the last decade we have moved beyond the old structure, but a new one has yet to be fully formed. We are in the midst of redefining America's world role. To do so, we have to come to terms with our past; for our historical sense as a people inevitably shapes our outlook on the future.

The Paths of the Past

In 1630, at the founding of the Massachusetts Bay Colony, John Winthrop spoke of America's peculiar relationship to the world. "The eyes of all people are upon us . . . we shall be made a story and a by-word through the world," he said. ". . . we shall be a City upon a Hill."

It is a striking image, and prophetic of America's later attitudes toward the world:

—It expresses confidence that isolation need not diminish our influence.

[1] The 1976 Christian Herter Lecture given at the Johns Hopkins School of Advanced International Studies at Washington, D.C., on Nov. 11 (text as delivered).

—It reveals a conviction that separation from, or involvement in, the world is a matter of choice rather than necessity.

—It suggests a unique American destiny, yet a sense of being in the vanguard of a universal destiny.

Layers of subsequent experience hardened these patterns of thought as America's relationship with the world evolved through three historical phases.

The first period, from the Treaty of Paris to the war with Spain, provided ample evidence for Bismarck's maxim that a "special Providence" looked after "fools, drunks, and Americans." Our security was a product of fortuitous conditions: a balance of power on the Continent, our geographic remoteness, the interposition of the British Fleet, the primitive state of military technology, a vast open territory to the west, unhostile neighbors to the north and south.

The safety of the nation seemed a natural condition. Our energies were released to populate and develop the North American territory and to perfect domestic institutions. And we did so without major foreign wars, a large military, or an activist diplomacy.

Lincoln expressed it best:

> Shall we expect some trans-Atlantic military giant to step the ocean and crush us at a blow? Never—all the armies of Europe, Asia and Africa combined, with all the treasure of the earth in their military chest, with a Bonaparte for a commander, could not by force take a drink from the Ohio or make a track on the Blue Ridge in a trial of a thousand years.

A tide of immigrants fleeing tyranny and privation deepened the national conviction that we were beyond the reach of corrupt and oppressive powers. Other nations' preoccupations with security—or imperialistic ambitions—only confirmed our sense of rectitude and uniqueness.

In the second period, from Manila Bay to V–J Day, we discovered that we had become too powerful, or could be too seriously menaced, to remain aloof from great-power politics. We responded to challenge, but maintained an aversion to permanent involvement. We extended our sway to the Philippines, yet failed to take the steps needed to defend them. We fought two World Wars as though they were temporary rescue operations. Defeat of the enemy was an end in itself. We failed to think through our continuing relationship with friends or foes. We harbored the illusion of choice between detachment and involvement. We became a creditor nation, yet erected tariff barriers which impeded our debtors from earning the foreign exchange necessary to repay us. We chose to withdraw when our ideals appeared defiled or when developments, like the depression, drew our energies inward.

If prior to World War II we refused to assume our due rank in the world, the third phase of our history thrust primacy upon us—from the Truman doctrine to the Vietnam war. Our enemies were defeated, our allies exhausted; colonial empires were crumbling. The Soviet Union appeared bent on exploiting these conditions to create a new Eurasian empire.

Our military potential was unmatched, as was our industrial prowess. We possessed a nuclear monopoly and the lion's share of the world's financial assets. We had the votes in the newly created United Nations. Our prestige and moral authority were at a peak.

And our responsibilities seemed clear: to mobilize and lead a coalition of nations sharing a stake in containing Soviet power, to reconstruct the European economy, to reform the world's trade and monetary system, and to promote economic development in the new nations. It was an effort that tapped wellsprings of American statesmanship and creativity.

We achieved success because our strategic interests complemented our moral concerns. It seemed clear that our domestic tranquillity and prosperity were reinforced by our endeavors overseas. Assistance to our friends and resistance to freedom's enemies were seen not as a burden, but as a responsibility for international peace and stability.

Our extraordinary exertions confirmed

and perpetuated our ascendancy. But by the end of the 1960's American predominance was ending. Our allies' growth in strength and confidence required a devolution of responsibilities and new patterns of partnership. The Soviets acquired essential equivalence in the strategic balance even as the Communist world splintered, presenting us with opportunities as well as complexities. With the dismantling of colonial empires, a host of newly independent nations were making themselves heard. And technology was creating new possibilities for international cooperation even as it generated new competition.

At home, the consensus underpinning our active foreign policy faded. Our financial and psychological resources were strained by two decades of exertion and the war in Indochina. It was apparent that the world would not be shaped to an American design. And many urgent problems defied immediate solution.

The formulas of the past offered no remedy:

—Neither our security nor our prosperity could be pursued in splendid isolation from the world.

—Nor could our external involvement be sporadic. We were permanently engaged in international affairs.

—And we could no longer overwhelm problems with sheer resources. Influence required a clearer sense of purpose, a more subtle and dextrous diplomacy, and an ability to evoke the assent and contribution of others.

Thus the times called for fresh departures in American foreign policy. For the past several years we have been in transition to a new era in our historical experience. Any Administration would have had to adjust our role in the world.

The goal of the United States is to help shape a global environment which will promote our interests and foster our ideals.

Many of the building blocks are now in place, due to vigorous efforts over the past several years. But much work remains:

—Working in close concert with our friends;

—Pursuing without respite the design of peace;

—Shaping new and wider contours of international cooperation.

Shared Strength and Purpose

America's purposes cannot be realized in isolation. The industrial democracies of Western Europe, North America, and Asia most closely share our concerns and our values.

By the late 1960's certain patterns were emerging:

—While mutual defense would remain fundamental, we faced new issues beyond security. And if we did not collaborate on these, our security itself could be endangered.

—World peace would have to rest on more than a balance of power. Important East-West negotiations required the allies to harmonize our approaches.

—The cohesion of the industrial democracies would be central to shaping a more equitable world economy and a more cooperative world community.

—In all endeavors it was time to move from American tutelage to more equal sharing of initiative and responsibility.

—We needed to give fresh meaning to our alliances for a generation that was not "present at the creation."

In the early 1970's progress was uneven. The United States looked to the bettering of our alliances. But our disengagement from Southeast Asia and new relations with the Communist powers seemed to overshadow ties with Europe and Japan. And a series of economic problems caused strains.

To reaffirm our solidarity the United States proposed in 1973 that our collaboration be given new impetus and definition. This was read erroneously by some as a challenge to European identity. But the air began to clear; our consultations deepened; concrete cooperation went forward.

—We are working to enhance our collective strength: improving our military posture, designing new institutions of energy cooperation, and using mechanisms such as the OECD [Organization for Economic Cooperation and Development] and summit meetings to spur economic recovery and chart our future.

—We are harmonizing our approaches to Communist nations: in our bilateral dealings with Moscow and Peking, in the strategic arms talks, and in joint positions on MBFR [mutual and balanced force reductions] and CSCE [Conference on Security and Cooperation in Europe].

—And we have begun to coordinate our approaches to the developing nations: through OECD consultations and working in parallel at major international meetings, albeit with mixed success.

The recent record therefore belies the view that our alliances are in disrepair. Indeed, they are generally flourishing. But there is hardly room for complacency. Differing geopolitical or commercial positions could strain our cohesion in dealing with the Communist powers. This could weaken our own ties—and set back the cause of peace itself. Our unequal economic strengths and vulnerabilities could fragment our response to the regional conflicts and the needs of the developing world. This could generate new frictions—and set back the cause of development itself.

Our ability to meet external challenges together rests on the vitality of our own economies and political systems. Our peoples' well-being, our common defense, and our relations with the nations of both East and South depend on the health of our economies. The industrial democracies generally have emerged from recession, but still seek a formula for steady growth with high employment. (I myself have a deep interest in the problem of unemployment right now!) The energy crisis exposed longstanding structural problems in some European countries, and other economies remain troubled. On the southern flank new democracy remains fragile, and allies are at loggerheads. In Japan established political patterns are under stress.

Ultimately the future of democratic institutions and processes is at stake. If social and political tensions continue to be exacerbated by economic stagnation or failure of leadership, the impression could gain that the forces of democracy are not equal to modern challenges.

This tests the rhetoric of interdependence. Are structural problems—social and political—really susceptible to outside assistance? If prosperous friends lend money to buy time for those in trouble, do they also define how that time should be spent? Will parliaments and publics sustain defense efforts when threats are less stark? Can the young find purpose in alliances created a generation ago? Can the leaders of democracies recover the trust of their citizens and restore confidence in their societies?

Our collaboration will never, of course, bring unanimity in perspective or practice. Indeed, our diversity can be a source of strength. And whatever our differences, there are profound bonds in our common values and aspirations in the world at large.

Therefore I believe the industrial democracies have every reason for confidence. Democracy has taken hold in some nations that had been deprived of it. We have surmounted many economic difficulties, and we have begun to act in the awareness that the problems of some Western nations are the problems of all. The sterility of Communist societies is increasingly evident. The demands which the poorer nations place on us testify to our strength. And there is the special resiliency of peoples who are free.

The Unending Process of Peace

E. B. White said, "Peace is not simply nothing bad happening; it is something good happening." In other words, peace is a process, not a natural state; it must open positive avenues of human endeavor, and not just deter war.

That is a lesson that has come hard to Americans. For the first time in our history, we are learning that no final state of tranquillity is possible, that the pursuit of peace is unending.

By the end of the 1960's America's military predominance had given way to a rough equivalence of strategic power and greater Soviet ability to project its influence. The once-solid Communist bloc had long since dissolved in Asia and Eastern Europe, thus expanding the scope for diplomacy. And regional conflicts posed new threats of global dislocation.

In such circumstances, there is no substitute for maintaining the elements of stability. But a durable peace also requires long-term efforts to build positive relations with potential adversaries and to ease regional tensions.

Major progress—much of it now taken for granted—has been made:

—In curbing the spiral of strategic arms;

—In reducing the danger of conflict in such flashpoints as Berlin;

—In developing some habits of East-West cooperation and incentives for peace through bilateral agreements;

—In seeking—with uneven results—to resist adventurism in local disputes;

—In ending a generation of hostility with the People's Republic of China; and

—In defusing tensions in certain regional conflicts.

In the early 1970's there were great strides forward with both Moscow and Peking. More recently, momentum has slowed. Our interests—and the world's—require better relations with both. Whether the hostility between them will diminish is a matter of conjecture. But it is not a factor we can control—nor one on which our policies should rest. We have our own reasons for making progress with Moscow and Peking. At the same time we must make clear that we are neither colluding with, nor accommodating, one at the expense of the other. The record suggests that improvement in our ties with one does not harm our ties with the other. Indeed, our relations with both were at their peak in the same period, 1972–73.

With the Soviet Union, both firmness and conciliation will be required.

Moscow has relentlessly built up its industrial and military power, giving it capabilities that we can neither remove nor ignore. Together with our allies, we must maintain defenses that cannot be challenged. And we will need to resist a pattern of exploiting unstable local situations that could, over time, unhinge the global balance. It is precisely in these areas that mutual cooperation and restraint are least developed.

But the Russians are not towering giants. Nor can all our disappointments in the world be traced to their machinations. They face serious long-term problems on their Asian and European fronts; they have major structural problems in their economy, agriculture, and technology; their influence as an ideology and model of development has atrophied; they face incipient nationalities problems; and their diplomacy is not infallible (in contrast to ours!). Thus the West clearly has the capacity to preserve a global balance.

But equilibrium is a prerequisite, not a guarantee, for lasting peace. In the nuclear age there is an obligation to reach beyond a delicately poised truce.

Opportunities exist to negotiate ceilings on strategic arms and then to reduce nuclear arsenals. We should continue to develop other areas of mutual benefit—in arms control, in bilateral cooperation, and on those multilateral issues, such as nuclear nonproliferation and law of the sea, where our interests substantially converge.

For Americans, the most fundamental challenge is to pursue a steady, long-term course with the Soviet Union. It is time we left behind our traditional fluctuation between euphoria and gloom, between good will and indignation.

Basic questions arise. Can we turn our debates on Soviet intentions into efforts to influence Soviet actions? Will we distin-

guish between firmness and bluster? Between conciliation and gullibility? And will we understand that we cannot achieve all our goals at once, that compromise and incremental progress are often essential, that the best can be the enemy of the good?

I believe that with confidence in our own strengths, with resolve and patience, we can over time shape relations which should give peace a more hopeful dimension.

The new relationship between the United States and the People's Republic of China is a momentous development in world affairs. We came together out of necessity and a mutual belief that the world should remain free of hegemony or military pressure. And we and the Chinese have derived reciprocal benefits—better prospects for international stability, reduced tensions in Asia, more constructive bilateral ties, and increased opportunities for parallel action on international issues.

Three main factors will affect future U.S.-China relations:

—First, and most important, China's perception of America's reliability as a force in the world. An active, purposeful American role is an essential inducement to Peking for a strengthened relationship.

—Second, the state of our bilateral relations. In the process of normalization delicate issues will arise, some of which must be settled by all the Chinese themselves. But the direction of our course should be clear.

—And third, the domestic situation in the two countries. This is a time of transition for both of us, but the factors that brought us together should deepen our ties in the future.

Peace is hardly the province of the major powers alone. The world today is witness to continuing regional crises which, in an era of nuclear proliferation and economic interdependence, can gravely affect global stability and progress.

The United States will continue to have a role in resolving those conflicts where we have commitments or historic obligations or where we alone hold the trust of all parties.

In the Middle East since 1973 the United States has helped bring about three agreements that have lessened the danger of war. In so doing we have stood by Israel, improved relations with the Arabs, and launched a hopeful process toward peace among them. Step-by-step efforts have laid the foundations for more comprehensive solutions. The negotiating process, interrupted by the tragedy in Lebanon, must be resumed. Another outbreak of fighting in the Middle East could bring big-power confrontation, worldwide economic disruption, and fresh strains among the industrial democracies.

In southern Africa events were heading inexorably toward a conflict that could shatter African cohesion and independence, set back development, and poison race relations not only in Africa but among Americans as well. As a result of diplomatic efforts of the United States and other nations, an opportunity now exists to pull back from the brink. The decisions rest with the parties directly concerned. If America and other responsible countries support moderate solutions, if all powers exhibit restraint, Africa can pursue its difficult path toward peace, freedom, unity, and human dignity.

These are the two most urgent regional crises, but others could flare up—in Korea, on Cyprus, between Vietnam and its neighbors. To defuse such mercurial situations will require insulation from great-power rivalry, genuine efforts by the parties themselves, and in some cases, the good offices of the United States.

We should avoid false analogies with the past. Our real choices lie not at the extremes of total abstention or direct military intervention. A measured American participation in the processes of peace will continue to be imperative in many corners of the globe.

The United States has sought world peace for a generation, but we are embarked on a road without end. And we are

learning that peace must rest on justice as well as stability, that to endure, it must fulfill aspirations around the globe.

The New Dimensions of Cooperation

Technology is shrinking the physical and psychological distances between nations. As vital issues, both traditional and unprecedented, assume global dimensions, our national interest is increasingly bound up with the world interest. America's role will be pivotal in two great tasks before us:

—To strengthen a world economy under the strains of interdependence.

—To resolve global problems that transcend boundaries and ideologies.

Events in recent years dramatically brought home the link between every nation's prosperity and the international economy: the end of the Bretton Woods monetary system, an uncertain climate for trade and investment, the 1973 oil embargo, volatile food prices, and simultaneous inflation and recession. These shocks and shifts have spurred us to seek long-term solutions to deep structural problems.

(To those who have been concerned about Secretary Kissinger's alleged lack of economic knowledge, I can tonight reassure you by revealing that I have been a close adviser to him on these matters. I am not an economist myself, but I get the general drift of it. As John Maynard Keynes once said when asked for his telephone number: "I'm not quite sure, but I know it's up there in the *high* numbers.")

A beginning has been made. The United States took the lead in creating a flexible exchange rate system and urging wider monetary reforms, promoting comprehensive multilateral trade negotiations, fashioning OECD investment guidelines for firms and governments, organizing a comprehensive international approach to the food problem, and launching new forms of energy cooperation with both consumer and producer countries.

Some major policy blueprints have been drawn. We must continue to flesh them out

We need to work out techniques for monitoring a flexible exchange rate regime. The tough bargains have yet to be struck in the multilateral trade negotiations. It remains to be seen whether voluntary guidelines for transnational investment will be honored and whether similar rules can be extended beyond the OECD area. While we have expanded food aid, the hard work of increasing global food production, distribution, and security still lies ahead. The failure of Congress and the President to agree on a comprehensive American energy policy has undercut our international efforts; today we are more vulnerable to OPEC [Organization of Petroleum Exporting Countries] price and supply policies than ever.

Finally, we need to build a long-term relationship between the developed and the developing countries. We have begun to move from polemics to serious negotiations. But clearly many of the key problems, such as commodities and debt relief, will not yield to quick and easy fixes.

Devising the right approach to the North-South problem is as challenging intellectually as it is important for the planet. First, while the developing countries continue to show solidarity in multilateral forums, they are becoming more and more heterogeneous in economic strengths and political aspirations. Second, the varying economic vulnerabilities and perspectives of the OECD partners make difficult a coordinated approach to the South. Third, the demands of the developing countries impinge directly on an often discordant array of interests and agencies here at home.

We will need perhaps the wisdom of Solomon, the patience of Job, and the self-confidence of Muhammad Ali. But we can only persevere. For our economic stake in the developing areas is growing. Our values impel us to alleviate the plight of those living in misery around the world. And a planet of stark contrasts will be one of mounting despair and insecurity for all.

We will need a long-term strategy. Some of its components seem clear:

—Our policy should reflect the diversity of the Third World. With the "middle-income" countries, our basic tools will be trade liberalization and easier access to our capital markets, technology, and management services. Other instruments will be needed for assisting the poorer countries, including concessional assistance and food aid.

—We must continue to deepen our bilateral ties with key developing countries.

—We must encourage regional efforts which promise to enhance the collective self-reliance of developing countries.

—International institutions should be used in a pragmatic way, suited to particular tasks. Mass rallies are not conducive to solving complex issues. Forums generally should include those countries with a stake in a problem, a capacity to assist in its resolution, and a willingness to assume obligations.

—And in the North-South dialogue the developed countries should be less defensive and more precise in defining their own interests.

At the heart of these international economic issues lie questions that are basically political. Governments in the industrial countries are pressed by powerful domestic constituencies and are assuming wider responsibilities for managing national economies. Can we resist the temptation to export economic problems to others?

Difficult domestic policies—such as increasing energy conservation, removing trade barriers, and controlling inflation—must be carried out, or we lose credibility in our international initiatives. Can we muster the political will necessary?

The developing countries demand more equitable distribution of the world's wealth. Can we respond in ways which jeopardize neither our own growth nor the continued expansion of the global product—on both of which the development of others importantly depends?

A new international structure requires more than reform of the economic system. Technology spawns a fresh agenda of problems which defy unilateral, bilateral, or even regional solutions. The two most urgent are the law of the sea and nuclear nonproliferation.

In a world of dwindling resources, the oceans contain vast, untapped wealth. In a world of restrictions and contention, freedom of navigation remains essential. In a world of scarcity, the seas are a rich storehouse of protein. And the very life of our planet depends upon the health of the oceans.

The current negotiations on the law of the sea are therefore among the most complex and important ever. Significant progress has been made in defining the territorial seas, new economic zones, and a new straits regime. But unresolved issues persist: the balance between coastal state and international rights in the economic zone, the freedom of marine scientific research, arrangements for settlement of disputes, and most difficult of all, a new regime for exploiting the deep seabeds.

Unless positions are soon reconciled, there is danger of spiraling conflict. Unilateral claims already proliferate. A scramble for gain in the oceans could echo the consequences of imperialist ambitions on land. The current negotiations may be the last chance to design a peaceful community for two-thirds of the world's surface.

Of all the global problems, none is more ominous than the spread of nuclear weapons. Rising oil prices have led more and more countries to look to nuclear energy to meet their development needs. But such technology carries with it the danger of diversion of fissionable materials for weapons purposes.

Our own security, and the world's, may well hinge upon success in sealing this Pandora's box. As a major exporter of nu-

clear power the United States has a dual responsibility: to assist countries to obtain this new source of energy and to work with other suppliers to check the diversion of sensitive materials. Throughout, commercial competition should not undercut nonproliferation efforts.

In the last two years there have been important, not always publicized, advances. With others, the United States has taken promising steps to enhance international safeguards, to prevent sensitive reprocessing and enrichment facilities from being used to make explosives, and to insure reliable and economical supplies of fuel for peaceful uses.

But such measures, however crucial, address only the technical dimensions. The deeper impetus for proliferation lies in motives of security, political advantage, and prestige—intangibles not easily controlled or safeguarded. There is no more awesome challenge than to curb the growing menace of nuclear conflict, blackmail, accident, or theft. And this will only be done in an environment where the pressures for nuclear arms are relieved by a growing sense of stability and progress.

An era of economic interdependence and technological revolution offers both promise and peril. It will bring us face to face with new issues, in new settings, requiring us to break free from past habits. Already in policy meetings with the Japanese, at the top of the agenda is fish. Today whole communities abroad are greatly affected by social security remittances from the United States. Our future relations with Mexico may well focus not on the issues of Alliance for Progress days, or even on oil—although Mexico's deposits are greater than Alaska's—but on the fact that Spanish-speaking Americans may be this country's largest ethnic minority by the year 2000. And water development may well be the key if some areas, such as part of the Indian Subcontinent, are to be spared mass starvation on a scale that could dwarf the recent tragedies in the Sahel.

Clearly, then, there is uncharted territory ahead.

Conclusion

America has traversed many frontiers—independence, continental expansion, global involvement. The next frontier is within ourselves.

During the past decade and a half Americans felt the sting of discord between races and generations, the turmoil of great social and cultural change, and the cynicism and divisions aroused by a foreign war. Serious abuses of power occurred in government, business, and other institutions. We lost three successive Presidents—through assassination, Vietnam, and scandal. We have had to recover our balance under a President who had not been elected. And perhaps most crucial for our role abroad, there has been struggle between two branches of government.

Our nation has endured enough to have earned a respite. But instead we are continually challenged to define our place in the world. We must work with other nations to reach our objectives; we must reconcile ourselves to permanent exertion; we must learn to live with both our limits and our possibilities. And all that we do abroad will require a fresh union of purpose at home.

It is a challenge we can meet. The travails of recent years and a tendency toward self-criticism should not blind us to our profound strengths. The rest of the world has never lost sight of America's power and potential, even as many Americans have once again recalled them during this Bicentennial year.

Our military, economic, and technological strength; our creativity in diplomacy; the enduring trust of other nations; the vigor and optimism of our people—these are tremendous assets, unmatched by any other nation.

Material strengths are of little avail unless guided by vision. Here, too, we have reason for confidence.

We are the world's most vital democracy. People everywhere still look to us as the champion of human dignity and human freedom.

Our institutions have shown a remarkable resiliency through domestic turbulence and constitutional crisis.

And the American people are beginning to heal the wounds of recent years and recover a sense of pride and purpose.

It is only fitting that I leave you with the thoughts of Chairman Kissinger. Two years ago, at a less hopeful time, he sensed the national spirit when he said: [2]

> This country is summoned once again to leadership, to helping the world find its way from a time of fear into a new era of hope. With our old idealism and our new maturity, let us disprove the impression that men and nations are losing control over their destinies. Americans still believe that problems are soluble if we try. We still believe it is right to seek to undo what is wrong with the world. And we still seek the excitement of new frontiers rather than shrinking from their uncertainty.

I believe that is the growing mood of this nation. Americans have learned that if we are not innocent in our relations with the world, neither are we corrupt; if we are not young, neither are we old; if we are not paramount, neither are we pawns of destiny.

America remains "a City upon a Hill": unique, endowed, an example to others. Now we are also part of a wider human community, engaged in creating a better world—a peaceful commonwealth for all peoples.

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[2] For Secretary Kissinger's address before the annual dinner of the Alfred E. Smith Memorial Foundation at New York, N.Y., on Oct. 16, 1974, see BULLETIN of Nov. 11, 1974, p. 643.

United States Assists Relief Efforts of the ICRC in Lebanon

AID press release 76-105 dated November 5

The United States, through the Agency for International Development, has authorized a $3 million grant to the International Committee of the Red Cross (ICRC) in support of emergency relief activities in Lebanon. This grant brings to $7 million the total U.S. contribution to ICRC since its relief program started in Lebanon a year ago. During the past year, ICRC has issued international appeals totaling $31 million to support these activities. The latest of these appeals—for $18.4 million—was issued on October 8 and prompted the present U.S response.

Since October 1975, ICRC has managed under extremely difficult conditions to expand its relief efforts from the provision of medical treatment to a few hundred patients to thousands of war victims today in many areas of Lebanon. ICRC provides its services to patients through a large number of dispensaries and hospitals, including its own small hospital near Beirut that handles over a thousand patients a week. Funds from ICRC's latest appeal will continue these medical services as well as provide food, blankets, and basic household items through the coming winter months to hundreds of thousands of persons displaced by the war.

In addition to the total of $7 million contributed to ICRC, the United States also has provided over $6 million to the American University Hospital in Beirut to support the hospital's efforts to provide medical services to a number of Lebanon's war victims and $1 million to the United Nations in support of its planned Lebanon relief programs.

U.S. Nuclear Cooperation Policies

Address by Frederick Irving [1]

Every fourth year, the joint annual conferences of the Atomic Industrial Forum (AIF) and the American Nuclear Society (ANS) are designated as international conferences and devote special emphasis to the interests of nuclear communities abroad and to nuclear issues of international significance. This year the European Nuclear Society is also serving as a sponsoring organization, and we offer our particular thanks to that society for the cooperation which it has extended to help make this event of such value to the international nuclear community.

No comparable period in the history of the nuclear industry has been marked by such dramatic events and fundamental changes as have the four years which have passed since the last AIF–ANS international conference. In 1972, while such problems as increasing capital costs and public acceptance were a source of deep concern, few doubted the important role of nuclear power as a major contributor to the world's energy requirements.

Since then, to cite only a few principal developments:

—The energy crisis sparked by the Middle East hostilities of 1973 has brought the era of low-priced oil to an unexpectedly sudden end, with profound repercussions not only for nuclear energy but for the entire world economic structure.

—In 1974, a sixth country joined the ranks of those which have conducted nuclear explosions, marking the first occasion on which nuclear assistance supplied for peaceful purposes had been applied to such a development and sparking renewed worldwide concern over proliferation of nuclear weapons.

—Also in 1974, the uranium enrichment capacity of the United States, which has served as a major building stone of nuclear power development both in the United States and abroad, became fully committed, raising uncertainties as to the future availability of enrichment services from the United States.

—Throughout the period, and especially since the energy emergency of 1974, escalating costs for nuclear plants, uranium, and enrichment services have pushed projected generation costs to levels previously unthinkable for nuclear power.

—Public acceptance has become an increasingly serious problem in a number of countries. In some cases this has probably limited nuclear power development below the level which might otherwise be achieved on the basis of economic considerations.

—Declining growth in electric power demand, high interest rates, and other factors have led to plant cancellations or deferrals and sharply reduced nuclear power forecasts in the United States and most other major markets.

However, other developments, favorable to the application of nuclear power, have also occurred. Nuclear initiatives to re-

[1] Made before the Atomic Industrial Forum at Washington, D.C., on Nov. 15. Ambassador Irving is Assistant Secretary for Oceans and International Environmental and Scientific Affairs.

strict the use of nuclear energy in several states of the United States have been defeated, demonstrating public recognition of the usefulness of nuclear power for meeting this nation's energy needs. The outstanding safety record of nuclear power remains intact. Despite some uncertainties, the availability of fuel material and enrichment services has not limited the expansion of nuclear power, and no serious observer doubts that sufficient enrichment capacity will be constructed in the United States and abroad to meet requirements.

Meeting the Proliferation Threat

These, however, are topics which will be discussed in other sessions of your conference on a far more authoritative basis than I can treat them. Today, I want to concentrate on one particular problem area—the threat that inadequately controlled growth of nuclear power can contribute to the spread of nuclear weapons. I am convinced that our collective response to this threat will be one of the principal determinants in the future worldwide growth of nuclear power. And I am equally convinced that, by adopting wise policies and taking resolute actions now, we can not only meet the proliferation challenge but help generate the renewed confidence in nuclear energy which is so badly needed if we are to reduce our unacceptably high dependence on imported fossil fuels.

I obviously cannot speak for the new Administration which will take office on January 20. I will therefore address my remarks to present American policy. I should stress in this regard that since the original legislation establishing the Atomic Energy Commission in 1946, there has been consistent bipartisan support for our efforts to prevent the spread of nuclear weapons, and I believe our policy has been distinguished by much continuity. Although I am a newcomer to the field, my long diplomatic career has made me aware of the broad consensus among informed Americans on the need for a cooperative, multilateral approach to these problems, on the unique role of the International Atomic Energy Agency (IAEA), and on the importance we attach to the nonproliferation treaty.

The threat of proliferation was the central issue dealt with in a major nuclear energy policy statement by President Ford on October 28.[2] Unlike some of the issues which the nuclear industry faces, where the immutable laws of nature must be obeyed, the problem of proliferation is one within the control of people and their institutions. The world community has it within its power to avoid further proliferation or, by ignoring or undervaluing the risk, to allow it to grow. In the President's words:

> The problem can be handled as long as we understand it clearly and act wisely in concert with other nations. But we are faced with a threat of tragedy if we fail to comprehend it or to take effective measures.

To deal with the threat of proliferation, concerted action is necessary by the world community. The United States no longer possesses, if it ever did, the ability to control worldwide nuclear developments. Neither is the task for governments alone, although they must play the leading roles. Industry can, by acting judiciously and with restraint, greatly reinforce the effectiveness of government policies in the field of nonproliferation. By doing so, industry will also be acting in its own interests by helping to create the conditions which must attend the widespread use of nuclear power.

Decisions on Reprocessing

Let me turn now to the policies proposed by President Ford, concentrating on those which are of particular significance to the nuclear industrial community. In doing so, I am assuming that most, if not all, of this audience has read the statement. I will therefore make no effort to describe it in

[2] For text, see BULLETIN of Nov. 22, 1976, p. 629.

detail but instead will seek to explain its basis from the foreign policy point of view.

Underlying the entire recommended program is a major new policy determination:

> . . . that the reprocessing and recycling of plutonium should not proceed unless there is sound reason to conclude that the world community can effectively overcome the associated risks of proliferation.

From this fundamental premise, a number of specific policy initiatives, in both the domestic and international spheres, logically flow.

It is of the utmost importance that the international nuclear community, and its industrial sector in particular, understand this fundamental decision clearly and evaluate it objectively. If this is done, I am confident that industry can give this determination, and the policies which rest upon it, the support which will help insure success in our struggle against proliferation. In concluding that reprocessing and recycling of plutonium should not proceed unless proliferation risks are found to be manageable, we need in no sense condemn nuclear power itself or take exception to its increasing use, which is critical to our energy development.

On the contrary, there is convincing evidence that at this time the economic value and the environmental effects of spent fuel reprocessing and plutonium recycle, far from being essential to the utilization of nuclear power, may be doubtful. Indeed, in the present status of the nuclear industry, the unnecessary or premature allocation of scarce resources to these fuel cycle steps could easily represent a setback rather than a gain to the growing use of nuclear power. The presumption of the inevitability—and I stress this word—of reprocessing for light water reactors is a heritage which must be discarded not only by governments but by industry and the public as well if we are to overcome the specter of proliferation.

But there is, however, no need to substitute one unsubstantiated presumption for another. It is essential that we acquire objective information on all facets of reprocessing and recycle—economic, environmental, and above all, on the ability to subject these operations to effective controls—so that the necessary decisions can be made on an informed basis. Recognizing the importance of reprocessing decisions being made on a worldwide basis if they are to be meaningful in nonproliferation terms, the President specifically invited the participation of other nations in designing and carrying out an evaluation program on a basis which is consistent with nonproliferation objectives. This evaluation program therefore is one of several important phases of the Administration's program in which domestic and international policies are closely linked.

Export Restraints and Supply Assurances

The decision to defer commercial reprocessing is linked to other key proposals in the program. First and foremost is the call for maximum restraint on the part of all nations in avoiding exports or commitments for the export of reprocessing and enrichment facilities for a period of at least three years.

Second, new cooperative steps have been proposed to insure adequate supplies of nuclear fuel, with special emphasis on the needs of countries willing to forgo the acquisition of national reprocessing and enrichment facilities and to accept other effective proliferation controls. The concept that restraints should be balanced by incentives for those who extend their cooperation is one of the most important features of the new program, and we hope to develop new incentives in close collaboration with the other major suppliers. While the form which these arrangements may take has been left to future definition, we would expect in appropriate cases, and as one option, that consumers could return spent fuel to a supplier or dispose of it in other agreed ways and receive in return fresh enriched fuel of equivalent energy value.

The statement also contemplates that these new arrangements would meet two extremely important criteria:

—First, that they avoid economic disadvantage to any cooperating consuming country; and

—Second, that they avoid commercial advantage or disadvantage to any cooperating supplier country.

The United States has long counseled and followed a policy of placing nonproliferation objectives ahead of commercial gain. U.S. enriched uranium and enrichment services have been made available without regard to whether they were to be used in reactors of U.S. manufacture or that of other nations. The statement follows longstanding policy in calling for application of the same principle of seeking no commercial advantage for U.S. exports in elaborating multinational arrangements for assuring reliable fuel supplies to cooperating countries.

Our continued determination to provide appropriate enriched uranium assurances to responsible partners should provide a continued incentive to the use of nuclear power under carefully controlled conditions. The recycling of plutonium as fuel for light water reactors, in addition to its proliferation problems, involves major economic uncertainties. Thus, in view of these uncertainties, reliance on plutonium recycle for a portion of a nation's nuclear fuel supply may in fact be unrealistic, and the potential value of plutonium recycle to energy independence may have been overstated in the past.

The Presidential statement proposes measures to maintain the traditional U.S. role as a major and reliable supplier of reactors and fuel for peaceful purposes—a role which has been a key factor enabling the United States to exercise leadership in the field of nonproliferation. The President has underscored his conviction that the United States remain a reliable supplier of enrichment services.

Storage and Waste Management

A theme which runs throughout the President's program is the necessity for multilateral, in contrast to unilateral, efforts to prevent proliferation. The United States is acutely aware of its responsibilities as a pioneer and leader in nuclear matters. However, we cannot dictate the course of events and must look for cooperative efforts by the world community to create an environment where we can safely proceed with the enormous promise of nuclear energy and bring its inherent risks fully under control.

I have already mentioned our decision to invite international participation in our proposed evaluation of reprocessing and recycling. We also are exploring a multilateral approach to the problem of the accumulation of plutonium under national control, perhaps the greatest single proliferation risk.

Study has already begun on a new regime to provide storage under the auspices of the International Atomic Energy Agency of plutonium—whether in spent fuel elements or separated form—produced in civil power reactors. This proposal takes advantage of the statutory authority of the IAEA to establish depositories and thus builds upon a longstanding international understanding on the appropriateness of this function.

In one of the most dramatic aspects of this proposal, the President has pledged that once a broadly representative IAEA storage regime is in operation, the United States will place its own excess civil plutonium and spent fuel under its control. This step is analogous to the U.S. offer, made in connection with the Nonproliferation Treaty, to place its own civil nuclear facilities under IAEA safeguards—a step which contributed significantly to securing the adherence to the Nonproliferation Treaty of the principal industrial nonnuclear-weapon nations. With U.S. civil facilities under IAEA safeguards and U.S. civil plutonium deposited in an IAEA stor-

age regime, concerns expressed by other nations over possible discrimination in the application of effective nonproliferation controls should be overcome.

Another new initiative, also with multilateral dimensions, relates to the problem of waste management. Implicit in the President's decision that reprocessing and recycle should not be regarded as inevitable is the conclusion that the planned demonstration depository for high-level wastes should be able to accommodate spent fuel elements as well as any products of reprocessing. The statement also indicates that other countries will be invited to participate in the U.S. waste management program.

There has been a widespread presumption both in the United States and abroad—understandable in light of the assumption that reprocessing would be generally and soon undertaken—that long-term storage of high-level waste depended on the reduction of fission products to separated form. This is one of the several presumptions which we must, on a cooperative basis, assist each other in overcoming if the proposals favoring a cautious approach to reprocessing are to gain the necessary widespread support. In fact, fuel elements, which have been designed to withstand severe reactor conditions, generally constitute an acceptable and easily retrievable form of packaging fission product wastes for extended storage. Storage requirements for spent fuel elements—both in terms of capital investment and space—are modest. The primary problem which has deterred adoption of this form of storage is the presumption that it would not be needed. The United States is prepared and anxious to work with other nations and the IAEA to develop the storage technology and depositories which are necessary to give effect to a policy of deferral of commercial reprocessing.

Another important international proposal advanced by the President is that the United States should strengthen its own criteria for entering into nuclear cooperation agreements and should advocate the adoption of similarly strengthened criteria by other suppliers. In particular, greatly increased emphasis would be given to the following criteria in negotiating any new cooperative arrangements:

—Adherence, in the case of a nonnuclear-weapon state, to the Nonproliferation Treaty or the acceptance of IAEA safeguards on all its nuclear activities.

—The other party's willingness to forgo national reprocessing or enrichment or to use any such facilities to foster nonproliferation objectives.

—The other party's willingness to participate in the international storage regime which I have just described.

Recognizing the desirability of placing existing cooperation agreements on the same basis, the statement contemplates that this be accomplished through negotiations which offer, where appropriate, suitable fuel supply incentives to compensate for any additional restraints which are proposed.

Finally, while the focus of the Presidential statement was on nuclear policy, it recognizes that the application of nuclear energy may be neither desirable nor feasible in some countries. The statement thus proposes expanded cooperative efforts with other countries in developing indigenous nonnuclear energy resources. There is also growing emphasis in our own research and development programs on alternative technologies in the energy field.

The necessity for avoiding the proliferation of nuclear weapons while preserving the benefits of peaceful nuclear energy has challenged the ingenuity of governments and policymakers for three decades. The record to date in achieving this goal is not a perfect one, but it provides a basis for optimism that the task can be accomplished. Its achievement requires the full cooperation of all parties—governments, industry, and the public. By working together, we can assure the accomplishment of one of the most urgent tasks of our time.

U.S. Joins Security Council Consensus on Occupied Arab Territories

Following is a statement made in the U.N. Security Council by U.S. Representative Albert W. Sherer, Jr., on November 11, together with the text of a Security Council consensus statement read that day by Jorge Enrique Illueca, Representative of Panama and President of the Council for the month of November.

STATEMENT BY AMBASSADOR SHERER

USUN press release 147 dated November 11

Mr. President, the United States has joined the other members of the Security Council in the consensus statement which you have read because we believe this statement affirms several important principles in regard to the occupied territories.

First is the principle that the Fourth Geneva Convention applies to the present situation in the occupied territories. Under this convention and under international law the occupying power has rights as well as responsibilities. Secondly, we have supported and continue to support the principle that persons displaced in the 1967 war should be permitted to return to their places of habitation at the time of that war. Finally, we welcome the concern in this statement for the sanctity of the holy places, which we consider to be a particularly sensitive and important matter.

While my government has associated itself with the results of this debate, I must in candor observe that the criticism of Israel which dominated these proceedings has been largely one-sided and excessive. This was particularly true as regards the question of access to the holy sites, specifically the burial sites of the Patriarch Abraham.

We agree with the other members of the Security Council that the Fourth Geneva Convention, specifically article 27, provides the standard for measuring Israeli conduct in this matter. We are also fully aware that in recent weeks there have occurred deplorable acts of desecration and violence in and around this site which is holy to Moslems, Jews, and Christians alike.

However, it is only fair and proper to point out that the Israeli Government has condemned and opposed these activities and has, most recently, brought charges in a military court against a rather prominent Israeli citizen for his role in them.

The question of access to and worship within this site is a particularly complex and difficult matter, but we believe that the occupying authorities have acted in good faith to protect and preserve the religious rights set forth in the Fourth Geneva Convention.

The Council's statement of consensus speaks of the danger to peace of *any* act of profanation of the holy places. This we take to mean any act by the population, the local authorities, or the occupying power.

In closing, I would like to observe that in this debate we have been dealing with the symptoms of the problem rather than with the problem itself. The conditions we have been discussing will be satisfactorily resolved only in the context of the negotiation of a just and lasting peace in accordance with Security Council Resolutions 242 and 338, with respect to which we stand by all of our previous positions.

There is good reason to hope that conditions in the Middle East have improved to the point that renewed efforts toward such a settlement will be possible. The recent meetings of Arab leaders in Riyadh and Cairo promise to contribute to an end to the fighting in Lebanon and to the preservation of its independence, territorial integrity, and national unity, to which we attach the highest importance. More broadly, the statesmanship displayed by the governments principally involved promises to establish the constructive atmosphere and

the conditions necessary if there is to be progress toward resolving the problems which continue to beset the Middle East.

SECURITY COUNCIL CONSENSUS STATEMENT

As a result of consultations over which I presided with all members of the Council, I am authorized as President to make the following statement on behalf of the Council.

Following the request submitted by Egypt on 20 October 1976, the Security Council held four meetings between 1 November and 11 November 1976 to consider the situation in the occupied Arab territories, with the participation of the representative of the Palestine Liberation Organization.[1] After consulting all the members, the President of the Council states that the Council has agreed on the following:

(1) To express its grave anxiety and concern over the present serious situation in the occupied Arab territories as a result of continued Israeli occupation;

(2) Reaffirmation of its call upon the Government of Israel to ensure the safety, welfare and security of the inhabitants of the territories and to facilitate the return of those inhabitants who have fled the areas since the outbreak of hostilities;

(3) Its reaffirmation that the Fourth Geneva Convention relative to the Protection of Civilian Persons in Time of War is applicable to the Arab territories occupied by Israel since 1967. Therefore, the occupying Power is called upon once again to comply strictly with the provisions of that Convention and to refrain from any measure that violates them. In this regard the measures taken by Israel in the occupied Arab territories that alter their demographic composition or geographical nature and particularly the establishment of settlements are accordingly strongly deplored. Such measures which have no legal validity and cannot prejudice the outcome of the search for the establishment of peace constitute an obstacle to peace;

(4) It considers once more that all legislative and administrative measures and actions taken by Israel, including expropriation of land and properties thereon and the transfer of populations which tend to change the legal status of Jerusalem, are invalid and cannot change that status, and urgently calls upon Israel once more to rescind all such measures already taken and to desist forthwith from taking any further action which tends to change the status of Jerusalem. In this connexion the Council deplores the failure of Israel to show any regard for Security Council resolutions 237 (1967) of 14 June 1967, 252 (1968) of 21 May 1968 and 298 (1971) of 25 September 1971 and General Assembly resolutions 2253 (ES–V) and 2254 (ES–V) of 4 and 14 July 1967;

(5) Its recognition that any act of profanation of the Holy Places, religious buildings and sites or any encouragement of, or connivance at, any such act may seriously endanger international peace and security.

The Council decides to keep the situation under constant attention with a view to meeting again should circumstances require.

[1] For a U.S. statement on participation of the PLO in the debate, see USUN press release 136 dated Nov. 1.

Secretary Discusses U.S. Action on Security Council Consensus

Following is the text of a letter dated November 16 from Secretary Kissinger to Senator Jacob K. Javits, of New York, together with the text of a summary attached to the letter.

TEXT OF LETTER FROM SECRETARY KISSINGER

NOVEMBER 16, 1976.

DEAR SENATOR JAVITS: I have received your letter of November 15 concerning the United States' action in associating itself with the consensus statement in the recent Security Council meeting on the Israeli occupied territories. I welcome the opportunity to discuss our reasons for adopting this position.

I want to make clear at the outset, in response to your specific question, that this action of the United States does not represent in any way a change in U.S. policy towards Israel, its security, or its relations to its neighbors and the United States. Our commitment to the security of Israel remains a fundamental element in American foreign policy. Our friendship towards Israel tested over the years remains fundamental.

Our decision in the Security Council was a reflection of the policy we have followed

for years toward Israel's rights and responsibilities in the occupied territories.

It is important to regard our action in New York against the background of our handling of Middle East issues in the Security Council over the past year and to take into account as well the problems that we know lie before us. We were facing a situation in New York in which, after having vetoed or blocked at least six Security Council actions critical of Israel in the last year alone, we now had a proposed statement that eliminated the very elements that had led us to oppose earlier actions, specifically a Council statement in May. The statement, moreover, drew on language we had ourselves used with respect to Israeli policies in the occupied territories. It is hard to see how we could have failed to associate ourselves with a statement incorporating language we had ourselves used and deleting clauses to which we had previously objected.

At the same time, looking ahead, we recognized that we would be facing a series of Middle East issues in the UN in the weeks ahead, in the first instance the renewal of the UNDOF [U.N. Disengagement Observer Force] Mandate at the end of November. Our capacity to be effective in opposing measures that are clearly objectionable requires us to maintain the credibility of our position by not opposing measures that are basically consistent with our policy. We had not chosen to have this Security Council meeting but had nonetheless to respond to the situation with which it confronted us.

The consensus statement as it was finally put forward in the Council reflected long and publicly-stated United States policy on the occupied territories. This policy was most recently enunciated by Ambassador Scranton in the Security Council on May 26 of this year, but it had been the subject of other public statements going back several years. The U.S. Permanent Representative stated in the Council (in 1969) that "The occupier must maintain the occupied area as intact and unaltered as possible without interfering with the customary life of the area, and any changes must be necessitated by immediate needs of the occupation. . . My Government regrets and deplores this pattern of activity and it has so informed the Government of Israel on numerous occasions since June 1967." In the following year, on March 20, 1970, the U.S. Representative to the UN Commission on Human Rights, stated in the debate on the Question of Human Rights in the Territories Occupied as a Result of Hostilities in the Middle East: "Article 46 of this [Geneva] Convention prohibits the occupying power from transferring parts of its civilian population into the territories it occupies. It also prohibits individual or mass transfers or deportations of people from occupied areas . . . With respect to transfer of civilians into those areas, my Government has stated time and time again that it has strong reservations about these or any other steps which might prejudice an ultimate political settlement of the Arab-Israeli dispute." Essentially the same point was made by the spokesman of the Department of State of June 9 of the following year.

During the consultations in New York that led up to the consensus statement, we reviewed with Israeli representatives our position on the proposed statement and informed them of the efforts we were making to soften the language. We made clear to them that we would not be able to act inconsistently with our past positions should we succeed in these efforts. We had no reason to expect the intensity of the present Israeli reaction.

I would like to emphasize that our position on the question of Israeli conduct in the occupied territories has had also positive elements. We believe, in particular, that Israel has carried out its obligations to safeguard the holy places in an exemplary manner, and we have made this point firmly in discussing the question of the occupied territories. In his statement in the Security Council following the reading of the consensus statement on Novem-

ber 11, U.S. Ambassador Sherer stated, "We believe that the occupying authorities have acted in good faith to protect and preserve the religious rights set forth in the Fourth Geneva Convention." He also made a point that we felt needed to be stressed when he said, "Under this [Geneva] Convention and under international law, the occupying power has rights as well as responsibilities."

In situations where we have felt United Nations resolutions to be unjustly critical of Israel, or where they have contained language that we considered harmful to goals that we and Israel share in the Middle East, we have not hesitated to oppose them even if this required, as it frequently has done, standing alone. We voted against numerous General Assembly Middle East resolutions that we considered unbalanced, and in the United Nations specialized agencies we have led the opposition against efforts to limit Israel's full participation. We have also consistently defended Israel's interests against unjust criticism in the Security Council and have insisted on balance in the Council's actions. I am attaching a brief summary of the occasions during this past year when we have blocked what we considered to be unacceptable Council measures.

I want to emphasize in conclusion that our policy toward Israel has not changed and that a measured consistency on our part in responding to such a situation as that which faced us this month in the Security Council is important not only in the context of the Council itself but also in respect to our broader responsibilities in the Middle East, in particular our efforts to help achieve a Middle East peace settlement. If we are to continue to play the important role that we have played in this respect in recent years, we must above all maintain the conviction among the parties involved that we stand by statements we have made over the years. Just as Israel has been able and will be able to count on it, so must the other parties. Israel has always understood that our policy in support of a peaceful settlement requires us also to take the views of other parties to the peace process into account. As is evident from views we have reiterated throughout the period since 1967, had we been presented with this consensus statement at any time, we would have supported it. We all want to see peace in the Middle East, and we all recognize that only through peace will we finally resolve the issues such as those that have led to this recent meeting of the Security Council.

Best regards,

HENRY A. KISSINGER.

ATTACHMENT: Summary

TEXT OF SUMMARY

Summary of Occasions During Past Year when the United States Has Blocked Unacceptable Security Council Measures

—On December 8, 1975, the U.S. vetoed a resolution "strongly condemn[ing] the Government of Israel for its premeditated air attacks against Lebanon . . ."

—On January 26, 1976, the U.S. vetoed a resolution affirming "that the Palestinian people should be enabled to exercise its inalienable national right of self-determination including the right to establish an independent state in Palestine . . ."

—On March 25, 1976, the U.S. vetoed a resolution on the occupied territories, which, *inter alia*, expressed deep concern "at the measures taken by the Israeli authorities . . . aimed at changing the physical, cultural, demographic, and religious character of the occupied territories . . ."

—On May 26, 1976, the U.S. refused to join a Security Council consensus statement on the occupied territories because it called upon Israel "to rescind" any measure that would violate the Fourth Geneva Convention. (This phrase, among others, was deleted from last week's consensus statement because of U.S. insistence.)

—On June 29, 1976, the U.S. vetoed a resolution affirming "the inalienable rights of the Palestinian people to self-determination, including the right of return and the right to national independence and sovereignty in Palestine . . ."

—On July 14, 1976, the U.S. prevented the adoption of a resolution, following the Entebbe raid, that condemned Israel's "flagrant violation of Uganda's sovereignty and territorial integrity" by introducing a counter-resolution with the U.K. which condemned hijacking.

U.S. Proposes System of Disclosure in Treaty on Illicit Payments

The United Nations Economic and Social Council's Intergovernmental Working Group on Corrupt Practices held its first meeting at New York on November 15. Following is a statement made at that meeting by U.S. Representative Mark B. Feldman, who is Deputy Legal Adviser of the Department of State.

USUN press release 148 dated November 15

I consider it a privilege to join with you in this meeting which initiates the first serious effort of the international community to control corruption that preys upon international commerce. During the past 18 months we have seen disclosures of bribery, extortion, and other questionable payments involving approximately 200 business enterprises and public officials in a large number of countries on every continent. While only a small percentage of business enterprises and of public officials may be involved, these disclosures have had very serious consequences in many countries.

In one case a head of government has been removed from office following allegations of bribery. In other cases prominent political leaders and personalities have been indicted or come under censure. A number of corporate executives have lost their positions, and criminal investigations are being pressed forward in several countries. Although corruption in one form or another is as old as organized society, the disclosures of recent months have revealed a pattern of corrupt practices that has shocked international public opinion.

There can be no doubt that these corrupt practices—bribery, extortion, and influence peddling—undermine the integrity and stability of governments and distort international trade and investment. They raise the cost of goods and services in all countries, particularly in the developing countries, which can least afford this additional burden on their balance of payments. Moreover, corrupt practices involving major corporate enterprises and public officials undermine public confidence in the basic institutions of our society.

The United Nations General Assembly recognized the seriousness of this problem when it adopted Resolution 3514 by consensus last December. That resolution condemned all corrupt practices, including bribery by transnational and other corporations, intermediaries, and others involved, and called upon both home and host governments to take all necessary and appropriate measures to prevent such practices.

In August the Economic and Social Council took the decision to establish this working group to examine the problem of corrupt practices, in particular bribery, in international commercial transactions and to elaborate in detail the scope and contents of an international agreement to prevent and eliminate illicit payments, in whatever form, in connection with international commercial transactions as defined by the working group.

It is evident that no legal measures can quickly or completely eradicate corrupt practices which are widespread and deep-rooted in human society. On the other hand it is equally clear that the events of the last year have disclosed a problem that can no longer be ignored. Public opinion demands that our governments act, and a process has begun that will compel change. Recognizing that the problem is complex and touches upon delicate questions of social organization and economic interest, the U.S. delegation believes that if this working group focuses its attention on the most urgent problems and addresses them with serious purpose, it can devise legal measures that will eventually gain broad acceptance and produce significant results.

At this stage of our discussion, I should like to review with you the actions the U.S. Government is taking to control illicit foreign payments by American enterprises and to consider briefly some aspects of this complex problem. We would welcome similar information and perspectives from other delegations. At a later stage on our

agenda, the U.S. delegation will be prepared to indicate some preliminary views on the possible scope and content of an international agreement. We will want to hear the views of other delegations before making any formal proposals to the working group.

Over the past year the U.S. Government has developed a substantial program to deal with questionable foreign payments by U.S. enterprises. That program includes more vigorous enforcement of existing laws, enactment of new legislation, and cooperation with other governments in the investigation of criminal offenses and in other measures to deter illicit payments.

Under U.S. law, the Securities and Exchange Commission, an independent regulatory agency, has responsibility for administering the securities laws which require regulated companies to make public disclosure of information that is relevant and material to investors. When the Commission discovered that companies were not making disclosure of foreign payments, which it deemed material to the financial condition of the enterprise or to the integrity of management, it initiated a program, both by judicial enforcement and voluntary disclosure, that has uncovered questionable foreign payments involving nearly 200 different firms. A number of these firms have publicly declared their intention, or have been ordered by courts, to terminate these practices. The Commission has also issued general guidance on the disclosure it will expect from all regulated companies in the future; these requirements can be expected to act as a significant deterrent as far as U.S. firms are concerned.

The Internal Revenue Service is also concerned with foreign payments, as U.S. tax law prohibits the deduction as a business expense of any foreign payment that would have been illegal if it had been made in the United States. Accordingly, the Service has recently issued a questionnaire to 2,000 large enterprises requiring a full report of foreign and domestic payments. We understand that serious questions have been raised in a number of cases and that indictments can be anticipated. Obviously this action will have a strong influence on U.S. enterprises.

In the field of new legislation, the U.S. Congress included provisions in the Arms Export Control Act of 1976 requiring reports of payments—including political contributions and agents' fees—that are made or offered to secure the sale of defense articles or defense services for the armed forces of a foreign country or an international organization. The Department of State has issued detailed regulations implementing this statute.[1]

The Congress has also enacted new tax legislation which provides a further deterrent to illicit foreign payments by U.S. firms. Under the new law, a foreign payment that would have been illegal if made in the United States is treated as taxable income to the U.S. taxpayer.

Last March, President Ford established a Cabinet-level task force to review U.S. policy concerning questionable foreign payments. That task force has recommended legislation which would require U.S. enterprises to report for public disclosure a broad class of payments made by or on behalf of U.S. enterprises or their foreign affiliates in connection with transactions with foreign government agencies or other official acts of foreign officials for the commercial benefit of these enterprises. The Administration bill would establish criminal penalties for failure to make the required reports or for false reporting. The Congress is also considering several other bills which provide either for criminal penalties for the bribery of foreign officials or for disclosure of a class of foreign payments that could be used as a conduit for such bribes. It is likely that the Congress will enact general legislation in 1977 including one or both of these approaches.

While the actions being taken by the U.S. Government will contribute to a solution of

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[1] 22 CFR Part 130; 41 *Fed. Reg.* 40608, Sept. 20, 1976.

this problem, they cannot be effective unless they are matched by comparable actions of other developed and developing countries. The problems of corrupt practices are not limited to any one country or group of countries or to any one type of enterprise or form of government. All of our countries are affected by this problem, and we must all cooperate to solve it.

Thus, from the outset the United States determined that it must cooperate with other governments who wish to eradicate corrupt practices in their countries. Accordingly, the United States has concluded bilateral agreements for the exchange of information with the law enforcement authorities of 12 countries. In addition, we have cooperated with other governments who have established new requirements for the disclosure or regulation of agents' fees paid in connection with sales to or contracts with government agencies.

Our experience has brought the conviction that the illicit payments problem can only be solved by collective international action based on a multilateral treaty to be implemented by national legislation. We have also come to believe that the traditional criminal laws cannot solve the problem by themselves. A survey of national legislation shows that nearly every country of the world has legislation prohibiting bribery of its officials. However, this legislation can be difficult to enforce and has not proved to be a meaningful deterrent. Thus, a new approach is required.

The basic concept of a new approach, as outlined by the U.S. delegation to the Lima meeting of the United Nations Commission on Transnational Corporations last March, would be a comprehensive system of disclosure of a defined class of payments to be agreed upon in a treaty and to be enforced by all the contracting parties. The theory of disclosure, which has been demonstrated by long experience in the United States, is that public scrutiny is an effective deterrent to improper activities by private enterprise or by public officials.

Obviously a disclosure approach raises many technical questions of definition as well as potential problems of administration. To be practicable it needs to be carefully focused. Therefore it is important to recognize that the problem of illicit, or questionable, payments consists of a number of separate but related problems that may require differentiation if we are to take effective action:

—There are cases of simple bribery in which an individual or an enterprise pays or offers a large sum of money to a public official to obtain a benefit which the official has the discretion to authorize. These bribes might be paid to obtain what the briber cannot win through fair competition, but they might also be made to match the bribes offered by competitors. Sometimes these competitors are of the same nationality as the briber. In other cases the competitors are nationals of the host country or of third countries.

—There are also cases of extortion in which public officials demand illicit payments from enterprises subject to their jurisdiction. These demands are frequently made in connection with particular contracts or other matters under bid or negotiation, but demands are also made of established investors by officials whose continuing good will is essential. Extortion can take the crude form of demands for personal benefits or the subtler form of solicitation of contributions for political or even charitable purposes.

—There is the related problem of agents' fees. In many fields of commerce, sales agents and intermediaries perform a useful function in facilitating commerce for which they earn a legitimate and reasonable compensation. However, large agents' fees can be a conduit for the payment of bribes to public officials and other influential persons, particularly where slush funds and questionable accounting practices are used to obscure the flow of payments. Inflated agents' fees also can be used for the embezzlement of corporate funds and for other illegal purposes.

—There is a fourth problem of petty corruption, of so-called "expediting" payments. It appears that in many countries payments to clerks and functionaries are necessary to obtain routine administrative action. These practices may be illegal, but they may be accepted in the community and very difficult to eradicate.

—There are other problems such as political contributions or commercial kickbacks. Each of these presents complex dimensions of its own.

This working group has the mandate to determine the scope and contents of an international agreement on illicit payments. It might be easier to agree on a treaty of broad scope and weak commitments, but the U.S. delegation believes our work will be more meaningful if we can focus the treaty on the most urgent problems and agree on effective measures to deal with them. We look forward to a full exchange of views on these issues.

U.S. Responds to U.N. Special Appeal for Relief Programs in Lebanon

Following is the text of a letter dated November 3 from William W. Scranton, U.S. Representative to the United Nations, to U.N. Secretary General Kurt Waldheim.

USUN press release 140 dated November 3

NOVEMBER 3, 1976.

DEAR MR. SECRETARY-GENERAL: The United States Government has followed with concern the tragic unfolding of events in Lebanon over the past eighteen months of fighting. We thus consider your Special Appeal for the creation of a $50 million fund to alleviate the consequences of the fighting to be most appropriate and worthy of support and are pleased that United Nations agencies are now prepared to initiate relief programs in that country.

The President of the United States, through his Special Coordinator for Humanitarian Assistance, has accorded me the honor to inform you that the United States will give $1 million immediately to the Special Fund. We hope that this donation will prompt similar humanitarian gestures from other countries in response to your appeal.

The United States will support your efforts in every way possible, and will continue, along with other United Nations members, to be responsive to further relief requirements of the Special Fund as you define them.

Sincerely yours,

WILLIAM W. SCRANTON.

TREATY INFORMATION

Current Actions

MULTILATERAL

Cotton

Articles of agreement of International Cotton Institute, as amended (TIAS 6184). Done at Washington January 17, 1966. Entered into force February 23, 1966. TIAS 5964.
Accession deposited: Iran, November 8, 1976.

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: Ghana, October 18, 1976; Malta, November 2, 1976.

Narcotic Drugs

Protocol amending the single convention on narcotic drugs, 1961. Done at Geneva March 25, 1972. Entered into force August 8, 1975. TIAS 8118.
Ratification deposited: Togo, November 10, 1976.

Oil Pollution

International convention for the prevention of pollution of the sea by oil, as amended. Done at London May 12, 1954. Entered into force July 26, 1958; for the United States December 8, 1961. TIAS 4900, 6109.

[1] Not in force.

Acceptances deposited: Argentina, September 30, 1976; Bulgaria (with a reservation), October 28, 1976.

Slave Trade

Protocol amending the slavery convention signed at Geneva on September 25, 1926, and annex. Done at New York December 7, 1953. Entered into force December 7, 1953; July 7, 1955, for annex to protocol. TIAS 3532.
Signature: Spain, November 10, 1976.

Wheat

Protocol modifying and further extending the wheat trade convention (part of the international wheat agreement) 1971. Done at Washington March 17, 1976. Entered into force June 19, 1976, with respect to certain provisions and July 1, 1976, with respect to other provisions.
Accession deposited: Lebanon, November 16, 1976.

BILATERAL

Philippines

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Effected by exchange of notes at Manila October 25, 1976. Entered into force October 25, 1976.

Agreement extending the agreement of November 3 and December 15, 1975 (TIAS 8204), concerning the continued operation of Loran-A stations in the Philippines. Effected by exchange of notes at Manila July 29 and October 28, 1975. Entered into force October 28, 1975, effective January 1, 1977.

PUBLICATIONS

Department Completes Publication of 1948 "Foreign Relations" Volumes

Press release 556 dated November 11 (for release November 20)

In releasing on November 20, "Foreign Relations of the United States," 1948, volume V, "The Near East, South Asia, and Africa," part 2, the Department of State has completed publication in nine volumes of the major documents of American diplomacy for the year 1948. The "Foreign Relations" series has been published continuously since 1861 as the official record of U.S. foreign policy.

Part 1 of this volume, published in August 1975, treats relations with countries of the Near East (except Israel) as well as South Asia and Africa. Publication of part 2 was deferred to permit inclusion of material that has only recently become available in the Harry S. Truman Library, Independence, Mo., and elsewhere.

Part 2 contains 1,197 pages and presents previously unpublished documentation on the interest and policies of the United States with respect to the Palestine question and the creation of the State of Israel in the year 1948.

The volume begins in the aftermath of the partition resolution adopted by the United Nations General Assembly on November 29, 1947, with documentation concerning U.S. exchanges with Arab and Jewish leaders and other interested powers at the United Nations and at world capitals, the reports of the United Nations Palestine Commission, the U.S. proposal for the establishment of a temporary trusteeship for Palestine, and the convening of the second special session of the General Assembly in April.

The volume continues with documents regarding the interest of the United States in achieving a cessation of hostilities in Palestine and support for the Security Council Truce Commission and for the appointment of a United Nations Mediator in Palestine. Of particular note is documentation concerning the events of May 14, 1948, and after: the expiration of the British mandate for Palestine, the proclamation of the independence of the State of Israel, the extension by the United States of de facto recognition to the Provisional Government of Israel, and the entry of Arab forces into Palestine. The volume records the strong interest in the Palestine question on the part of President Truman and such close advisers as Clark Clifford and the important roles played by Secretary of State George C. Marshall; Loy W. Henderson, then Director of the Office of Near Eastern and African Affairs; Dean Rusk, Director of the Office of Special Political Affairs; and Warren R. Austin, U.S. Representative at the United Nations.

"Foreign Relations," 1948, volume V, was prepared in the Office of the Historian, Bureau of Public Affairs. Copies of parts 1 and 2 (Department of State publications 8802 and 8840; GPO cat. no. S1.1:948/v. V, pts. 1 and 2) may be obtained for $8.25 and $15.00 (domestic postpaid), respectively. Checks or money orders should be made out to the Superintendent of Documents and should be sent to the U.S Government Book Store, Department of State, Washington, D.C. 20520.

Name Index

Checklist of Department of State Press Releases: November 15–21

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

No.	Date	Subject
*557	11/15	Shipping Coordinating Committee, Subcommittee on Safety of Life at Sea, working group on radiotelecommunications, Dec. 16.
*558	11/15	Study Groups 10 and 11, U.S. National Committee for the International Radio Consultative Committee, Dec. 9.
*559	11/16	ECOSOC Intergovernmental Working Group on illicit payments, New York, N.Y., Nov. 15.
†560	11/16	Kissinger: North Atlantic Assembly, Williamsburg.
†561	11/17	Kissinger: National Meeting on Science, Technology, and Development.
†562	11/18	Egyptian-American Joint Working Group on Education and Culture, Nov. 14–16.
*563	11/18	United States and El Salvador terminate textile agreement, July 15.
†564	11/18	"Foreign Relations," 1950, volume II, "The United Nations; the Western Hemisphere," released.

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