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# THE DEPARTMENT OF STATE BULLETIN

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# THE DEPARTMENT OF STATE BULLETIN

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## The United States and Latin America: The New Opportunity

*Address by Secretary Kissinger*<sup>1</sup>

The foreign policy of the United States has one overriding goal: to help shape a new structure of international relations which promotes cooperation rather than force; negotiation rather than confrontation; and the positive aspirations of peoples rather than the accumulation of arms by nations.

Our relations with the Western Hemisphere are central to this enterprise. The United States and Latin America were born out of the struggle against tyranny. Our peoples are bound not only by geography but by the common heritage of Western civilization. We share a history of mutual support in times of trouble and the promise of a new world of justice, peace, freedom, and prosperity. With courage and imagination we now have the opportunity to make inter-American cooperation a pillar of the global community which our era demands.

The discovery of America, more than any other single event, ended the Middle Ages and revolutionized the thought of mankind. It drew man beyond what had come to seem unchangeable to a new beginning, an escape from the burdens of the past and from history itself.

A Brazilian epic poem of the 17th century described the lure that beckoned the Americas onward:

To open new paths never trod, never known

To push on despite obstacles through every zone

With the shield of one ocean at our backs  
and the dream of another one before us,

<sup>1</sup> Made at Houston, Tex., on Mar. 1 before a luncheon sponsored by service clubs and civic organizations (text from press release 108).

hope was always just a little farther along the river, over the mountains, across the plains and jungles. In the Old World a frontier was a limit; in the New World it was an opportunity.

Today's frontiers are not geographical, but frontiers of human need and creativity. To conquer them is even more important than the adventures that shaped our past.

At the heart of our contemporary challenge is a new interdependence, both hemispheric and global. Until recently, Western Hemisphere economic relationships were largely based on the exchange of raw materials from Latin America for finished goods from the United States. Today's interdependence reflects a different balance. The internationalization of production combines technology, labor, and capital across national boundaries.

As a result, the Latin American countries now need access to the U.S. market to sell their manufactured goods as well as their traditional exports. And Latin America's markets are becoming as important to our own continued growth as its raw materials—as indicated by our trade surplus last year of \$1.2 billion.

As interdependence has grown within the hemisphere, so have the hemisphere's links to other parts of the world. Latin America has developed important trading relationships with other industrial nations and has come to share certain political perspectives with the Third World. The United States prizes its traditional alliances with the industrialized democracies and maintains important political and economic relationships with many less developed nations around the

world. Our generation has had to learn that peace is indivisible; that our national well-being is intimately tied to the well-being of the rest of the globe.

The awareness of past achievement and faith in common purposes led the United States in 1973 to begin a new dialogue with Latin America. We had three objectives:

—To promote with our friends a new spirit of communication tempered by realism, elevated by hope, and free of distrust, despair, or resentment;

—To find new ways to combine our efforts in the political, economic, and social development of the hemisphere; and

—To recognize that the global dialogue between the developed and less developed nations requires answers that will be difficult to find anywhere if we do not find them in the Western Hemisphere.

For this hemisphere to which men fled to escape from injustice has a special obligation to demonstrate that progress can go hand in hand with respect for human dignity, that cooperation among nations is consistent with respect for national sovereignty, that the most powerful political force on earth is the voluntary collaboration of free peoples.

Any relationship as long and complex as ours inevitably is haunted by the bitterness and suspicions of old disputes. We must put these legacies of our past behind us, for a dialogue dominated by the endless refrain of old grievances cannot prosper.

Despite temporary interruptions, the United States is prepared to continue the dialogue in a spirit of friendship and conciliation. Next month I will make my first visit to South America as Secretary of State. Next week Assistant Secretary [for Inter-American Affairs William D.] Rogers will visit six countries in the region for preliminary talks.

Let me now outline some of the issues that will face us in these discussions. They include, first, what the United States is

prepared to contribute to Western Hemisphere cooperation; second, what we ask of Latin America; and finally, what we can do together.

### What We Must Ask of Ourselves

President Ford has asked me to reaffirm our commitment to a new relationship between the United States and Latin America based on the principles of nonintervention, the sovereign equality of nations, and mutual respect among partners. Success will require a similar desire and attitude on the part of the other countries of the hemisphere.

These principles will guide the U.S. approach to major issues that have risen between us—the status of the Panama Canal; the place of Cuba in the hemisphere; and the various strands of our economic relations.

*The Panama Canal.* Since its opening, the peoples of the world have looked on the Panama Canal as an important lifeline of commerce and international security. It is essential that the canal remain open to the ships of all nations on fair terms.

In acquiring the rights to build the canal, the United States was granted exclusive control—the rights which it would possess and exercise “if it were the sovereign”—over a 10-mile-wide strip of Panamanian territory from the Atlantic to the Pacific. In the Canal Zone, we enforce U.S. laws, operate commercial enterprises, and control most of the deepwater port facilities that serve Panama.

Over time, the nature of the U.S. presence has come to be viewed by the people of Panama—and, indeed, by most of the rest of the hemisphere—as an infringement upon their national sovereignty and their principal resource: their country’s strategic location.

Clearly, both Panama and the United States have vital interests in the canal. The challenge is to reconcile the security needs of the United States with Panama’s national honor and sovereignty. Negotiations on this

problem have gone on intermittently for 11 years; in the last year and a half they have moved forward rapidly. We now believe that an agreement on terms fair to all is possible.

We have made progress because each side has recognized the essential needs and constraints of the other. The United States understands that a treaty negotiated in 1903 does not meet the requirements of 1975. We are ready to acknowledge that it is reasonable for Panama to exercise jurisdiction over its territory and to participate in the operation and defense of the canal. We are prepared to modify arrangements which conflict with Panamanian dignity and self-respect.

In turn we will expect Panama to understand our perspective—that the efficient, fair, and secure operation of the canal is a vital economic and security interest of the United States, that a new treaty must provide for the operation and defense of the canal by the United States for an extended period of time, and that a new treaty must protect the legitimate interests of our citizens and property in Panama.

A new treaty based on these principles will make the United States and Panama partners in the operation of the canal, protect the essential national interests of both, and provide a secure arrangement for the long term.

Serious problems remain to be resolved in the negotiation. But we are confident that they will be overcome if both parties continue to display the seriousness and mutual understanding they have shown so far.

The Administration has been consulting with the Congress as our negotiations have proceeded. We will intensify these consultations and discuss in detail the arrangements which we envisage. A new treaty which reflects the advice and consent of the Senate and the full support of the American people will be a concrete and significant demonstration that with good will on both sides cooperative solutions to the problems of the Western Hemisphere are possible.

*Cuba.* In January 1962 the Organization of American States determined that Cuba had excluded itself from participation in the inter-American community by its military ties to the Soviet Union and its export of revolution in the hemisphere. A year later the United States imposed its own sanctions. In 1964 the member nations of the OAS agreed collectively under the Rio Treaty of Reciprocal Assistance to sever diplomatic and trade relations with Cuba.

More than a decade has passed. The countries of Latin America have successfully resisted pressure and subversion; nations that in the early sixties felt most threatened by Cuban revolutionary violence no longer feel the menace so acutely. This situation has generated a reconsideration of the OAS sanctions and raised questions about the future of our own bilateral relations with Cuba.

Last September several Latin American countries proposed a meeting to consider lifting the collective sanctions. We agreed that a consideration of the Cuban issue at a meeting in Quito of the Foreign Ministers of the Americas was appropriate. We determined to remain completely neutral in the debate and abstained in the vote. Our guiding principle then, as now, was to prevent the Cuba issue from dividing us from our hemispheric neighbors.

A majority voted to lift the collective sanctions. But the Rio Treaty requires a two-thirds vote, and the sanctions thus remain formally in force. The United States considers itself bound by the collective will as a matter of international law, and so there can be no change in our bilateral relations with Cuba as long as the OAS mandate remains in force.

Since the Quito meeting, however, several Latin American countries have announced that they are prepared to resume trade with Cuba. Also since the meeting at Quito, all the OAS nations have tentatively agreed that the Rio Treaty should be amended to permit the lifting of sanctions by a majority

vote. Several of my Latin American colleagues have suggested that this agreement in principle might be applied to the existing Cuba sanctions. I will be consulting with them with respect to this initiative during my trip to South America with the attitude of finding a generally acceptable solution.

If the OAS sanctions are eventually repealed, the United States will consider changes in its bilateral relations with Cuba and in its regulations. Our decision will be based on what we consider to be in our own best interests and will be heavily influenced by the external policies of the Cuban Government.

We see no virtue in perpetual antagonism between the United States and Cuba. Our concerns relate above all to Cuba's external policies and military relationships with countries outside the hemisphere. We have taken some symbolic steps to indicate that we are prepared to move in a new direction if Cuba will. Fundamental change cannot come, however, unless Cuba demonstrates a readiness to assume the mutuality of obligation and regard upon which a new relationship must be founded.

*Economic Relations.* Old political disputes must not distract us from the long-term challenge of the hemisphere—the common effort to improve the lives of our peoples.

The expansion of trade and the establishment of a new trading equilibrium are vital to economic progress and development in the hemisphere. As Latin American economies grow, so will opportunities for mutual trade. As our own economy grows, we will be able to buy more semiprocessed and manufactured goods from Latin America.

In the next few days the President will take the first step to implement the preference system established by the 1974 Trade Act. We will announce the list of products on which the Administration proposes to eliminate all import tariffs for developing countries for 10 years. Latin America, as the most advanced developing region and the one nearest the U.S. market, will be in the best position to take advantage of these preferences. The list will benefit nearly \$1

billion worth of Latin American exports.

Among the economic issues affecting Western Hemisphere relations none looms larger than the transnational corporation. The transnational corporation has a demonstrated record of achievement as an efficient—and indeed indispensable—source of technology, management skill, and capital for development. At the same time, the transnational character of these corporations raises complex problems of governmental regulation and has aroused concern in Latin America over the relation of their activities to domestic political and economic priorities.

Most Latin American nations take the position that the laws of the host country are conclusive and that a foreign investor cannot appeal to his own government for protection. The United States, on the other hand, has insisted on espousing the cause of U.S. investors when they are treated in a way which violates international legal standards. And the Congress has reflected this view in such acts as the Hickenlooper and Gonzalez amendments which cut off aid in the event of nationalization without adequate and timely compensation.

The two legal positions are not easily reconciled. But the United States is prepared to make a serious effort to find a mutually acceptable solution which does not prejudice the principles of either side. A year ago in Mexico City, at our initiative an inter-American working group was set up to examine the problem.

The United States is prepared in the context of this endeavor:

—To work out a new declaration of principles to govern the treatment of transnational enterprises and the transfer of technology;

—To develop intergovernmental mechanisms to prevent and resolve investment disputes and the problems between governments that arise from them;

—To fashion new modes of cooperation to deal with conflicts of laws and jurisdiction relating to transnational corporations; and

—To encourage private enterprise to make

its vital contributions to Latin America in forms congenial to the economic and political needs of the host countries.

We have in the past made significant progress in these areas on a pragmatic case-by-case basis. We should now seek more general agreement as part of the new dialogue. The working group, which was interrupted by the postponement of the Buenos Aires meeting, should resume its important work. A mutually acceptable solution would go a long way toward removing trade and investment conflicts from U.S. decisions respecting aid relationships with the host countries.

This is important because Latin American sensitivity to the exercise of economic leverage has been finely honed by history. Experience has also demonstrated that automatic sanctions—including the 1974 Trade Act's denial of preferences to such OPEC [Organization of Petroleum Exporting Countries] countries as Ecuador and Venezuela, which did not join the oil embargo—are almost always harmful. Automatic sanctions allow no tactical flexibility. They present other governments with a public ultimatum; by seeming to challenge the recipient's sovereignty, they harden positions, encumber diplomacy, and poison the entire relationship.

The Administration supports the purpose of the various bills which have been introduced into the Congress, including one by your own Senator [Lloyd M.] Bentsen, to modify the provisions of the Trade Act which involve Venezuela and Ecuador. And it is prepared to seek the modification of legislation requiring the automatic cutoff of aid. But as a matter of political reality, a great deal will depend on our ability to work with the nations of Latin America on new approaches which give practical assurance of fair treatment. They must recognize that congressional sanctions stem from perceived injuries to legitimate interests.

As part of the new dialogue, the Administration is prepared to develop new principles and practices which may commend themselves to Congress as a better remedy than automatic sanctions.

## What Latin America Can Do

What do we have a right to expect from Latin America?

In the past decade, progress in science, industry, agriculture, and education has done much to transform the continent. Economic growth has been steady and sometimes spectacular. Political institutions have adapted to new social conditions and national traditions. A new sense of Latin American unity has promoted an awareness of common problems and opportunities.

We welcome the strength and self-confidence that this evolution implies. We have seen new leadership in Latin America and new Latin American leadership in the international arena. Panamanian and Peruvian soldiers serve with the U.N. peacekeeping forces in the Middle East. Last December the Andean countries, following a Peruvian initiative, pledged themselves to limit the acquisition of offensive weapons—an initiative we support and encourage. Venezuela has taken the lead in stimulating regional cooperation by offering oil revenues to the Inter-American Development Bank (IDB) and the Central American Bank for Economic Integration. Working with Bolivia, Paraguay, and Uruguay, Argentina and Brazil are pooling their technology and resources to harness the vast potential of the River Plate Basin.

However, with these welcome initiatives have come other less hopeful trends. The United States is concerned by the growing tendency of some Latin American countries to participate in tactics of confrontation between the developing and developed worlds. We accept nonalignment as a necessary, largely positive force. We believe that the developed nations—and particularly the United States as the most powerful industrial country—have a special obligation to be sensitive both to the legacy of history and to the imperatives of change.

It is therefore ironic that some nations seek to exact by confrontation what can only be gained through cooperation and that countries which once chose nonalignment to

protect themselves from blocs are now tending to form a rigid bloc of their own. In doing so they obstruct the association with the industrialized nations on which their own economic and social progress ultimately depends. Such tactics are particularly inappropriate for the Western Hemisphere where they threaten to repudiate a long tradition of cooperative relations with the United States at the very moment when the United States has dedicated itself to common progress.

As the most developed part of the Third World, Latin American nations will increasingly play roles in both the industrialized and developing sectors of the globe. They have a unique opportunity to foster the mutual accommodation of these groups globally.

To do so there is no better guidepost than the declaration signed by all Western Hemisphere nations in Mexico City last year:<sup>2</sup>

... peace and progress, in order to be solid and enduring, must always be based on respect for the rights of others, and the recognition of reciprocal responsibilities and obligations among developed and developing countries.

The temptation to blame disappointments on the intrigues and excesses of foreigners is as old as nations themselves. Latin America is perennially tempted to define its independence and unity through opposition to the United States.

The Latin American postponement of the Buenos Aires meeting of Foreign Ministers, ostensibly in reaction to the recent U.S. Trade Act, is a case in point. Some Latin American nations chose to read into this legislation a coercive intent which did not exist and asked for immediate remedies beyond the capacity of our constitutional processes to provide. As a result, the next step in the new dialogue was delayed just when it was most needed. The nations of America face too many challenges to permit their energies to be expended in such fruitless and artificial confrontations.

<sup>2</sup> For a statement by Secretary Kissinger made at the Conference of Tlatelolco at Mexico City on Feb. 21, 1974, and text of the Declaration of Tlatelolco issued on Feb. 24, 1974, see BULLETIN of Mar. 18, 1974, p. 257.

We do not expect agreement with all our views but neither can we accept a new version of paternalism in which those with obligations have no rights and those who claim rights accept no obligations. The choice for the United States is not between domination and indifference. The choice for Latin America is not between submission and confrontation.

Instead, we should steer between those extremes toward a new equilibrium. After decades of oscillating between moods of euphoria and disillusionment, between charges of hegemony and neglect, it is time for the United States and Latin America to learn to work together, calmly and without confrontation, on the challenges to our common civilization.

The United States does not seek precise reciprocity. We recognize our special obligations as the richest and most powerful nation in the hemisphere. But experience teaches that international problems cannot be resolved by any one country acting alone, or by any group of nations acting as an exclusive bloc.

### What We Must Do Together

With a new attitude, the nations of the Western Hemisphere can dedicate themselves to an agenda for the future. In the coming months, the United States will make proposals for such an agenda and present it to its partners in various forums including the meeting of the OAS General Assembly this spring.

Today I shall confine myself to two critical areas: hemispheric development and food.

*Hemispheric Development.* In the past decade, Latin America's overall growth rate has exceeded the economic targets of the Alliance for Progress. The region has also made greater progress than any other developing area toward economic integration. The Central American Common Market, the Caribbean Common Market, the Andean Pact, and the Latin American Free Trade Association have begun to translate abstract hopes into realities. Nevertheless, Latin America's relative share of global trade has fallen. And



economic progress has been unevenly distributed, both within and among countries.

Some Latin American countries have only recently begun the process of development. As with poor countries everywhere, they require large amounts of concessional assistance. The United States will continue to contribute its share.

The Administration will ask Congress to replenish the U.S. contribution to the Inter-American Development Bank, both concessional funds and ordinary capital. Assuming other nations in the hemisphere are willing to do their share, we will seek a U.S. contribution as large as the last replenishment, or \$1.8 billion.

The proposal will be considered by the House of Representatives subcommittee whose chairman is the distinguished Henry B. Gonzalez from San Antonio. Coupled with the contribution of \$755 million from 12 new members—European countries, Japan, and Israel—and a \$500 million trust fund established by Venezuela, these fresh resources to the IDB will give a major new impetus to Western Hemisphere development.

But because the poorest countries must have first priority, concessional assistance is available only in limited quantities to a new and growing group of Latin American countries that have reached an intermediate stage of development. They have a diversified industrial sector, a significant consumer class, and an increasing capacity to compete in world markets. Their need for foreign exchange is growing.

Therefore they require greater access to the markets of the developed countries; for exports are the chief source of their external funds. To this end, the Trade Act and the multilateral trade negotiations in Geneva are of great significance. As we have pledged in our new dialogue, we will, in these negotiations, work in close collaboration with the countries of the Western Hemisphere.

But these countries also need investment capital. Significant amounts of capital continue to flow to the intermediate countries from the U.S. private sector through investment and from commercial bank lending.

But these countries could also benefit substantially from improved access to capital markets.

While the U.S. long-term bond capital market is the world's largest, few developing countries have been able to borrow successfully in it. To ease this problem, the United States has taken the initiative for a study by the IMF [International Monetary Fund] and World Bank Development Committee of ways to promote the increased use of capital markets by developing countries. These will be neither aid programs nor recycling devices but will facilitate independent access to such markets. The United States is prepared to explore ways in which it can be helpful to those Latin American countries with higher levels of income and credit standing to move toward self-reliance.

The countries of Latin America, regardless of their stage of development, are vulnerable to violent swings in the prices of their exports of raw materials. There is no more critical issue of economic relations in the hemisphere today than commodities policy.

This issue has been extremely divisive in the hemisphere, partly because our attitude has been ambiguous. So let there be no doubt about our views any longer. We strongly favor a world trading system which meets the economic needs of both consumers and producers. Unilateral producer or unilateral consumer actions must not determine the equilibrium. A dialogue between them on commodity issues is therefore essential. A range of rich possibilities exists that can make our new interdependence a vehicle for more rapid and more equitable global development.

The time has come for the countries of the Western Hemisphere to consider together how commodity issues should be resolved. The United States pledges a serious effort to find a constructive solution which does justice to the concerns of all parties.

*Food.* Let me turn now to a subject which must command our cooperative efforts—food, man's most basic need.

Latin America matches the United States as a potential food-surplus region. Yet over

the past 15 years, Latin American agricultural production has barely kept pace with population. In an area rich in productive land, malnutrition is rife. Most Latin American countries are net food importers. We believe that with a concerted new effort, agricultural production can exceed population growth, adequate nutrition for all can be achieved in this century, and Latin America can become a major food exporter.

The immediate need is to improve food production. The United States proposes the establishment of a hemisphere agricultural consultative group under the Inter-American Development Bank. Its goal should be to generate annual production increases in the range of 3½ to 4 percent, to be achieved through:

- New investment in regional and national agricultural programs;
- Integration of agricultural research efforts throughout the hemisphere; and
- Adoption of improved national food and nutrition programs.

The consultative group should also recommend urgent steps to reduce the waste and spoilage now consuming between 20 and 40 percent of total Latin American food output.

Agricultural research is a central element in attaining adequate nutrition for all. But too often research is unrelated to local needs and efforts elsewhere.

To make research more adequately serve local needs, we will assist the international research centers in Mexico, Colombia, and Peru to extend their projects and programs to other countries in the hemisphere through closer collaboration with national research institutions.

To foster better exchange of agricultural research information, we propose that a new center be established for Latin America under the auspices of the hemisphere consultative group and linked to the science information exchange center of the Smithsonian Institution in the United States.

The United States is prepared to join with other countries and institutions to finance the local extension efforts of the interna-

tional research centers and the information exchange center.

Finally, we propose that the United States and Latin America jointly establish and finance research centers in nutrition and food technology; that a new generation of Latin American agriculturalists be trained through internships and research in these centers as well as in government and private laboratories and institutions in both continents.

### The Human Dimension

Our immediate economic, political, and technological imperatives must not lead us to neglect the human foundations of our common progress, including the free exchange of ideas and the priceless cultural heritage we share.

The discovery of America rekindled a belief in mankind's perfectibility. Our struggles for independence were among the first modern assertions of the fundamental rights of man. No part of the globe has shown a greater commitment to democratic principles. The free flow of ideas is one of the most powerful forces for both liberty and progress. Drawing on this resource, can we now fashion a common vision of the future? What will life in the Americas be like in the next century? The scientists, scholars, and professionals of our countries should be exchanging ideas on the implications of current trends in such areas as education, health, and social change. Our governments should stimulate the OAS to mobilize the best minds and institutions of the hemisphere in new programs to define our common future.

Last year in Mexico City, I described our objectives in this hemisphere as follows:

Our common impulse . . . is to fulfill the promise of America as the continent which beckoned men to fulfill what was best in them. Our common reality is the recognition of our diversity. . . . Our common task is to forge our historical and geographical links into shared purpose and endeavor.

The United States continues to seek a genuine dialogue with its neighbors on all

levels—multilaterally and bilaterally, within or outside the OAS, with subregional groups or individual states.

The dream of hope that has lifted the Americas for almost five centuries must be revitalized by our generation. We are entering another new world as strange and challenging as that found by the first settlers on America's shores. With imagination, we can build in this hemisphere the model of that larger world community which must be our ultimate goal.

As Victor Hugo once wrote, "The main highway lies open. May America travel it, and the world will follow."

## **U.S.-Saudi Arabian Joint Economic Commission Meets at Washington**

### *Joint Communique*<sup>1</sup>

The U.S.-Saudi Arabian Joint Commission on Economic Cooperation, established in accordance with the Joint Statement issued by Secretary of State Kissinger and Prince Fahd on June 8, 1974, concluded its first session. The Joint Commission meetings, held in Washington February 26-27, 1975, were chaired by Secretary of the Treasury William E. Simon, Chairman of the U.S. side of the Commission. The Saudi Arabian Delegation was led by Minister Muhammad Ibn Ali Aba al-Khail, Minister of State for Financial Affairs and National Economy.

High-level officials from the U.S. Departments of Treasury, State, Agriculture, Commerce, Health, Education and Welfare, Interior, and Labor, and from the National Science Foundation also participated in the talks. Members of the visiting Saudi Arabian Delegation participating in the discussion included officials from the Ministries of Foreign Affairs, Commerce and Industry, Labor and Social Affairs, Agriculture and Water, and the Central Planning Organization, as well as high-level Saudi representatives from

the Supreme Council of Higher Education, the Faculty of Sciences, and the Institute of Public Administration.

The members of the Commission exchanged views on the development of U.S.-Saudi Arabian economic cooperation since the visit of Secretary Simon last July to Saudi Arabia for preliminary discussions on economic cooperation. At that time, the Commission initiated the activities of its four working groups on Manpower and Education, Science and Technology, Agriculture, and Industrialization. Each of the joint working groups has met several times to define areas of potential economic cooperation and a number of U.S. technical experts and advisors have visited Saudi Arabia and submitted reports to the Saudi Arabian side of the Commission. The Joint Commission discussed further means of facilitating such continued cooperation through the Joint Commission framework.

In this regard the Commission was pleased to note the signing on February 13, 1975, of a Technical Cooperation Agreement (TCA) which establishes procedures for the furnishing of mutually-agreed technical and advisory services from the United States to Saudi Arabia on a reimbursable basis. The TCA should contribute significantly to the efficient channeling of American technical know-how to the Saudi Arabian national economy.

The Commission expressed its intention to expand the Joint Commission Office in Riyadh. This office serves as the principal point of coordination in Saudi Arabia for the development and implementation of mutually-agreed projects under the U.S.-Saudi Arabian Technical Cooperation Agreement. The U.S. component of this office, to be known as the United States Representation to the Joint Economic Cooperation Commission Office, plans to begin operating by the middle of May 1975. The Saudi delegation announced that it would also be adding to the staff of its component of the Riyadh Joint Commission Office in the near future. Arrangements for accommodating these two staffs are to be discussed in Riyadh in the coming weeks.

<sup>1</sup> Issued at Washington Feb. 27.

The Commission noted with satisfaction the signing by the Co-Chairmen of an OPIC [Overseas Private Investment Corporation] Investment Guaranty Agreement between the two governments. The Agreement should increase and broaden the interest of U.S. private enterprise in participating in Saudi Arabian economic development.

#### INDUSTRIALIZATION AND TRADE

The Saudi delegation reaffirmed its interest in acquiring U.S. technology through U.S. business participation for the development of major industrial projects in both the hydrocarbon and non-hydrocarbon areas.

The Commission agreed on the desirability of a broadly-based business council designed to increase business cooperation between the two countries and enhance the contribution of U.S. business to Saudi Arabia's industrial development. In view of the important role of government in Saudi Arabia's development, concerned Saudi Arabian Government elements would join with private sector interests in Saudi Arabia and the United States as members of the Council. The Council would identify for study projects which appear feasible for joint ventures, note and make recommendations on financial, fiscal, or legal considerations bearing on cooperative efforts, arrange business symposia and visits in both countries, and be a center for disseminating information on business opportunities in both countries.

The Saudi Arabian Government will consider the possibility of organizing a group of Saudi businessmen to visit the United States within the next two months to meet with United States business firms and groups. The general purpose would be to increase the communications between the two private sectors. More specifically, the group would discuss various industrial proposals and projects.

The Commission noted with interest that trade relations between the Kingdom of Saudi Arabia and the United States have been developing at an accelerated rate. U.S. exports to Saudi Arabia nearly doubled in 1971, increased by 40% in 1973, and nearly doubled again in 1974, to \$835 million. Ex-

pectations are that U.S. exports will continue to grow progressively. It is anticipated that U.S. exporters will play a significant role in supplying equipment, machinery, technology and services.

The Governments of the United States and Saudi Arabia agreed that participation in productive ventures in each other's economies should be mutually beneficial. They recognize that activities of this type in both countries would require close consultation to assure consistency with their national policies and objectives. Consequently, they agreed that each government would consult with the other regarding significant undertakings of this type.

The Commission agreed on the desirability of United States Government technical assistance in developing a statistical base for development in Saudi Arabia. The American side stated its readiness to send out teams of experts in a number of principal statistical disciplines to assist the Saudi Arabian Government in developing an effective statistical capability.

The Commission heard reports and exchanged views on the current status of a number of technical cooperation projects in the fields of vocational training, higher education, agriculture, water utilization and land use, science and technology and statistics. A summary of these follows:

#### VOCATIONAL TRAINING

The Commission noted the series of recommendations by the American vocational training team which visited Saudi Arabia last fall. These recommendations, in support of the implementation of Saudi Arabia's five-year plan vocational training goals, include United States Government advisory services in various fields of manpower development.

#### HIGHER EDUCATION

It was agreed at the Commission meeting to send an American team to evaluate the academic and administrative structures of the Saudi Arabian University system, as well as the relationship of universities to high-level professional and technical education.

A second action area to be explored will involve U.S.-Saudi Arabian cooperation in the following areas: broadened student and faculty exchanges between the two countries; joint research projects, joint degree programs; the establishment of junior colleges in Saudi Arabia; and the training of academic, administrative, and technical personnel in Saudi universities.

#### AGRICULTURE, WATER RESOURCES AND LAND USE

The Commission discussed United States Government technical services for joint agricultural, water and land projects. Priority was given to feasibility studies of major agricultural areas in Saudi Arabia, a study of the Central Research Laboratory and Agriculture Training Center of the Ministry of Agriculture and Water, and the establishment of a desalination center and laboratory.

It was agreed that a four-man U.S. Government team would go to Saudi Arabia for a two-month period to discuss and reach agreement with Saudi Arabian counterparts on a detailed program for implementing a feasibility study for large agricultural areas, such as Wadi Dawasir.

The Commission also approved the immediate departure to Saudi Arabia of a research management team to plan a research program and determine organizational and management requirements for the Central Research Laboratory and Agricultural Training Center.

A U.S. Government proposal for the establishment of the desalination center will be sent to the Saudi Arabian Government in response to their request.

Projects in the areas of land management, water utilization and a national data bank would be implemented under the Technical Cooperation Agreement. Further discussions will be held immediately to decide on the implementation of these proposals.

#### SCIENCE AND TECHNOLOGY

It was agreed that a Saudi Arabian National Center for Science and Technology would be established to coordinate the

growth of science and technology in Saudi Arabia and to support and fund mutually-agreed upon program areas of interest to Saudi Arabia. It was further agreed that an initial United States Government team would be sent to Saudi Arabia as soon as possible to advise on the objectives and functions of the Saudi National Center. Additional U.S. expert teams to follow will work with Saudi Arabian experts to define the precise programs for the other agreed project areas.

#### OTHER AREAS

The Saudi delegation requested technical assistance over a limited period of time to its Government's Department of Public Works.

The U.S. agreed to review the requirements of the Saudi Arabian Public Works Department to determine the nature and extent of technical services desired.

#### OVERALL ASSESSMENT

The Commission expressed satisfaction with the progress to date and considered the discussions at its first meeting a major step forward in the constructive development of mutually advantageous economic relations. With a view to keeping close track of the Commission's efforts, the U.S. side decided to establish an Action Group. The U.S. coordinator will be Gerald L. Parsky, Assistant Secretary of the Treasury, the Department which is the U.S. coordinating agency for the work of the Commission. The Saudi side will consider a similar arrangement.

The action group and its Saudi counterpart will be charged with monitoring progress being made on a regular basis so as to insure that program goals are being met and to review and implement new proposals that may be agreed upon. The Action Group on the U.S. side will consist of representatives from the Departments of Treasury and State, and the following U.S. action agencies: Agriculture, Commerce, Health, Education and Welfare, Interior, Labor and the National Science Foundation and other U.S. Government agencies as may become appropriate. Both sides agreed to consider holding the next Joint Commission meeting in Riyadh, Saudi Arabia, in October 1975.

## Humanism and Pragmatism in Refugee Problems Today

*Address by Frank L. Kellogg*

*Special Assistant to the Secretary of State for Refugee and Migration Affairs*<sup>1</sup>

The tragedy is that positions like mine have to exist at all. We've gone in this century from "pax Britannica" through a war to save the world for democracy, the League of Nations, a second world war and its Atlantic Charter, establishment of the United Nations, adoption of the Universal Declaration of Human Rights. We ought to be seeing the spread of just and humane societies. What we have is oppression, or at least denial of freedom, in the totalitarian countries of right and left, conflict in Asia, tribal violence in Africa, Israelis and Arabs in long dispute in the Middle East, and—just to come full circle—Catholics and Protestants hard at it in Ireland, and Turks and Greeks once again contentious in the Mediterranean.

Our J. William Fulbright—a Rhodes Scholar by the way—has just retired after 30 years of statesmanship in the U.S. Senate. He has described the situation as well as I've heard it—incidentally, at Westminster College in Missouri, where Winston Churchill made his famous Iron Curtain speech:

It is one of the perversities of human nature (Bill Fulbright said) that people have a far greater capacity for enduring disasters than for preventing them, even when the danger is plain and imminent.

Our perversities, then, have created in our time what some already have begun to call the century of the refugee—not a 20th century of human rights but the century of the homeless and the persecuted. I've been in my present post more than four years now, and

during that period—despite large resettlement programs—we've never counted around the world fewer than 5 to 6 million refugees at any one time; it has gone all the way up to 18 million. My colleagues who have given their full careers to this work, and my reading, tell me it has been the same since World War II and before.

Dr. Kissinger, in his first speech as Secretary of State, identified as the ultimate goal of American foreign policy a world which will protect the right of every man to freedom and dignity. Philosophers have begun to talk about not four but five basic human rights—life, justice, political freedom, religious freedom, and now the right to food. One wonders whether there may not soon be a sixth, the right to fossil fuel or at least to energy. The point is that as life on our planet becomes more complicated and our resources less plentiful, instead of allowing old animosities to continue to erupt and new ones to flare, we are going to have either to set the course of history again toward the cause of human rights or ultimately we are going to face the inevitability of really catastrophic wars.

Even when mankind turns in this right direction, it will be a long road. For the foreseeable future and beyond, as I view it, we are going to have masses of refugees in any case.

Considering the state of the world, one of the most unrealistic assessments at the United Nations is that refugee problems are temporary and that the mandate of the U.N. High Commissioner for Refugees (UNHCR) need be extended only five years at a time.

<sup>1</sup> Made at Sidney Sussex College, Cambridge University, Cambridge, England, on Feb. 25.

Positions like mine, institutions like the UNHCR and the Intergovernmental Committee for European Migration (ICEM), in my opinion are going to have to be continued in one form or another for years to come; they are going to require more, not less, support from such agencies as the World Health Organization (WHO), the World Food Program (WFP), the U.N. Children's Fund (UNICEF), the U.N. Development Program (UNDP), the International Committee of the Red Cross (ICRC), and the others. And if their programs are to succeed, they are going to demand continued support not only from countries like yours and mine with humanitarian traditions but from those of the new-rich nations not hitherto noted for compassionate interest in the dispossessed in foreign lands. There is a work of persuasion to be accomplished here.

### **Tradition of Humanitarianism**

We are having our economic problems in the United States as are you over here. Some in my country are beginning to ask questions about admission of refugees in a time of unemployment and about the amounts of expenditures overseas. Let me say at the outset I am entirely confident that, come what may, we Americans are going to continue to contribute our share in commodities and money, to defend the right of freedom of movement, to exert our share of leadership in international humanitarian affairs. From what I know of my country, majority public opinion will have it no other way.

Let me talk about this for a minute—at the risk of seeming to belabor the obvious. We have been a nation of refugees from the beginning. When the British took New Amsterdam from the Dutch in our early colonial times, they found refugees there speaking 14 different languages. Not long after establishment of this college, when religious persecution on this side of the Atlantic brought our first settlers to New England—the fact that they promptly began to persecute each other is incidental—they established a legend which is taught to every American child: that the refugee Pilgrims

and the Puritans crossed the ocean in search of the freedom they could find only in America.

Consider our Revolution. I have heard the suggestion that, what with all the trouble-makers you British got rid of, you might well celebrate our July 4 Independence Day on this island as your Thanksgiving Day. Those renegades of yours—our Founding Fathers—had practical reasons for cutting the umbilical cord to King George's England, but they were fired also by ideology, the ideas which found expression in our Declaration of Independence of 199 years ago and our Bill of Rights. Their ideology had its roots, of course, in the history of this island and the philosophies of enlightened thinkers of that era over here, especially in England, France, Germany. So they were in great part your doing, these American notions of man's right to life, liberty, and the pursuit of happiness. From the beginning we have insisted on them not just as the rights of Americans but of all men. Presidents have made this point repeatedly, from Jefferson through Lincoln, Wilson, Franklin Roosevelt, and John Kennedy, into the present. Our churches teach it, most of them. Humanitarian leaders espouse the cause. Members of the American Congress continue to insist on it, sometimes, as you may note currently, to the jeopardy of our diplomatic objectives and concepts of national security—a broad problem to which President Ford is giving serious attention.

There are other factors in this public opinion equation which should not be overlooked. There are our immigrants—nearly 50 million refugees and others over the years—who, with their children and grandchildren, form ethnic blocs alive to American tradition and very prompt and forceful to remind the government of its humanitarian duty. There is among us, I sometimes feel, a little of a sense of guilt at our affluence in the face of human suffering abroad. There seems to be in our ethos a special compassion for the overseas dispossessed, to the point that some Americans complain we do not apply it equally to our underprivileged at home.

Whatever the motivation of the individual, Americans do open their purses when the voluntary organizations make their appeals for refugee assistance funds, and they do exert pressure for government intervention, financial or diplomatic, when refugee situations arise. A measure of magnitude of the result is that our Congress, during the four years of my own service alone, has provided well over \$1.2 billion for refugee programs—programs which have helped support, repatriate, or resettle about 4 million persons a year, plus nearly 10 million Bengalis in the great subcontinent crisis of 1971–72.

I hope I do not give the impression I overlook the materialism or other faults of our modern society nor that I claim for my country any monopoly of virtue in humanitarian matters. I am well aware that the fires burn as bright or brighter elsewhere. I recognize there are compassionate people, especially in Western and Northern Europe, who with their governments are regularly more generous than we to refugees, in terms of population and resources. During conferences at Geneva and elsewhere, I am privileged to meet international leaders in humanitarian affairs, and I note they come from diverse societies in many parts of the world.

If I dwell on my country's role it is because of my conviction that the national tradition I have discussed is of overriding strength and, combined with our wealth, size, and power, will keep thrusting us into the forefront in humanitarian affairs. I dwell on this also because, as I construe your invitation, it is what you want me to talk about.

### **Policies and Concepts in Refugee Affairs**

What, then, of U.S. policies and concepts in refugee affairs—what of today's problems?

Given a more perfect world order, the United States would prefer to leave refugee assistance to the multinational organizations and the voluntary organizations, paying our fair share of the cost along the way and providing leadership as opportunity occurs. But

realism compels me to predict you will continue to see, for the foreseeable future, a mix of U.S. support for UNHCR, ICEM, and ICRC with unilateral operations such as our U.S. Refugee Program, established in 1952 to assist escapees from Eastern Europe.

As I see it today, it would be politically impossible for us to phase out the U.S. Refugee Program. We are watching with interest signs of modification of travel restrictions in that area, notably in Poland, Romania, Czechoslovakia. But until there is recognition in the Communist countries of something at least approaching the full right of freedom of movement, I doubt U.S. domestic public opinion will stand for withdrawal of our support of their refugees. Nor will the aims of our foreign policy permit it; for as Secretary Kissinger has made clear, in seeking détente we have no intention of abandoning our dedication to the cause of human rights. The U.S. Refugee Program annually is helping support 7,000 to 8,000 persons in countries of first asylum and assisting their resettlement in third countries; it is also involved in the Soviet Jewish program I'll be discussing in a minute. It has been with us for 23 years and will be with us, I expect, for quite a long time to come.

Those of you familiar with the American political scene recognize that we are in the midst of a mini-revolution in our national legislature and in relations between the legislative and executive branches of our government. This isn't exactly new to me, for it has been nearly three years since the Congress took the bit in its teeth and instructed the Department of State—specifically my office—to undertake a program to assist Israel in its resettlement of Jews from the Soviet Union. This was a political act reflecting public opinion, expressing a defense of the right of freedom of movement but, more basically, humanitarian support for Israel itself. We've spent more than \$85 million since 1973 helping Israel develop its infrastructure for reception of Soviet immigrants—absorption centers, housing, medical training facilities—and in assistance, scholar-



ships, vocational training, care and maintenance, and the like for individual immigrants. And I expect we'll be spending many millions more as time passes.

It is a program which has seen an interesting development presenting a challenge to the full international humanitarian community. Some Soviet Jews have sought emigration to countries other than Israel, notably my own, and some, having reached Israel, have decided to move from there to the West. This has resulted in concentrations of these migrants in Rome, Brussels, Paris, West Berlin. It has provoked efforts of the receiving countries to restrict the flow. There are humanitarian problems here, problems of principle as well as the logistics of assistance, which have us and others deeply concerned and which are going to have to be solved.

A cardinal conviction of U.S. refugee policy supports the thesis that although assistance to refugees is necessary in emergency situations, these dole-type programs are in fact secondary. It is central in these situations, beyond shelter and simple sustenance, to secure the civil rights of refugees and, above all, to work toward their rapid repatriation or resettlement. Prince Sadruddin Aga Khan, the U.N. High Commissioner for Refugees, has stressed these points on many occasions. They are not especially new. Whether instinctively or not, the Western nations recognized them in the wake of World War II. Had it not been for the successful large-scale efforts in those years to repatriate or resettle literally millions of displaced persons, we would today have irredentist problems all over the place, in Asia as well as in Europe. The lesson has been applied repeatedly since then—Hungary, Algeria, Czechoslovakia, the Sudan. India only three years ago wisely insisted there could be no thought of a permanent relief program for her flood of refugees from what had been East Pakistan; we witnessed their dramatic return to Bangladesh.

Contrast this with what has happened elsewhere. Where you have longstanding institutionalized welfare programs without re-

patriation or resettlement, what you get is a spinoff from the camps of hijacking and terror—perpetuation of an intolerable threat to peace.

It is a matter of great concern to us that something of the kind may today be developing in Cyprus. For I repeat, it is basic that continuing refugee situations, if allowed to fester, put peace in jeopardy. Unless diplomacy, unless world opinion, can be brought to focus on the proposition that humanitarianism and human rights should be central in politics, that no matter how deeply their plight is involved in the particular strife, dispossessed masses of refugees must not be allowed to become pawns in disputes—unless we can bring this about, we are not going to be able to turn the course of history around.

To accomplish it will be uphill work. It is a matter of attitudes of nations and peoples, of the marshaling of world public opinion. It may take another cataclysm or two to set us firmly on the track. Meanwhile men of good will can chip away at the challenge.

#### **Accession to Refugee Convention**

Let me conclude by discussing briefly an American initiative in this area, an effort to bring about wider acceptance of an important human rights treaty—the Convention and Protocol on the Status of Refugees.

The sad fact is that 24 years after the convention was adopted at Geneva, eight years after its 1967 protocol was opened for signature, there still are more than 70 member states of the United Nations which have not acceded. This is a subject I had the opportunity to bring to the attention of jurists and lawyers from 128 countries at the World Peace Through Law Conference held at Abidjan, Ivory Coast, in August of 1973. The matter has been one of great concern to the High Commissioner for Refugees; Prince Sadruddin last summer appealed directly to 73 nonsignatory countries to start moving toward accession.

In Washington, as a beginning, we have begun to approach these countries through their Chiefs of Mission, urging them to bring the matter to the attention of their governments. I have talked thus far with the Ambassadors of Japan, Iran, Venezuela, Spain, India, Sri Lanka, Nicaragua, Guatemala, and the Dominican Republic and will be talking with others; Mexico, Indonesia, Panama, are on my initial list with more to come. It is not a shotgun plan. We are concentrating first on nations we believe will be most receptive and on Asia and Central America because accessions are spottiest in these areas.

The private sector World Peace Through Law movement, which is centered in Washington and has influential members in most of the nonsignatory nations, is working along similar lines, not only to urge governments to accede to the treaty but also to devise even greater legal protection of refugees and their rights. For example, World Peace Through Law has established a select joint committee with the International Law Association, headquartered in London; the committee is in the course of a two-year study of what needs to be done.

We thus have three separate but cooperative efforts directed toward the common objective—our own, that of the UNHCR in the multilateral context, and the jurist and lawyer approach on the local scene. We look to governments and public opinion in those nations which have long since acceded—including the United Kingdom and all of Western Europe—to support this effort as opportunities arise.

The convention, with its protocol, establishes the legal rights of refugees which are necessary to them if they are to cease being refugees. It defines their protection, provides for their asylum in the signatory countries. It has been called the Refugee Magna Carta. Extending its authority will take time. But the strategy of the effort, considering all factors, has to be long range. The goal, stated in simplest terms, is to work toward entrenchment of civil liberties in interna-

tional law as deeply as they are entrenched in the laws of our countries, yours and mine. It is to gain such wide adherence and enforcement of the treaty that the hard-core nations which do not accept concepts of freedom and dignity, or pay them only lipservice, will be isolated and thus exposed to the pressures of world public opinion until they, too, begin to mend their ways, to the advancement of the rights of man and the cause of peace.

## **Secretary Regrets OAU Resolution on Nominee for African Affairs Post**

*Following is the text of a letter dated February 23 from Secretary Kissinger to William A. Eteki Mboumoua, Secretary General of the Organization of African Unity (OAU).*

Press release 98 dated February 24

FEBRUARY 23, 1975.

DEAR MR. SECRETARY GENERAL: The text of the "Consensus Resolution" of the OAU Council of Ministers commenting upon the nomination by the President of the United States of Nathaniel Davis to the important position of Assistant Secretary of State for African Affairs has been brought to my attention by press accounts.

The selection of senior officials for posts in the United States Government is a function of American sovereignty. Unlike the established procedures for accrediting Ambassadors for whom agrément is sought, the selection of Assistant Secretaries of State remains a purely internal, domestic concern. The United States Government would never comment publicly upon the choices of other sovereign governments in filling any of their public offices. Under commonly accepted principles of international decency it has the right to expect the same of other governments, particularly of those whom it has regarded as friends. You will understand, Mr. Secretary General, the depth of my dismay in learning from the press of

this unprecedented and harmful act of the Council.

Ambassador Davis, as you know, is a brilliant career officer in our Foreign Service. President Ford and I repose particular trust and confidence in him. Indeed, he has served with great distinction in high posts in our public service under Presidents Kennedy, Johnson and Nixon as Deputy Associate Director of the Peace Corps, Minister to Bulgaria, Ambassador to Guatemala, Ambassador to Chile and as Director General of the Foreign Service. He is not yet fifty years old. The post to which he has been nominated by the President is one to which we attach very great importance. Mr. Davis was selected in order to give new impetus and inspiration to our African policy. I have full confidence in his ability to fill this vital position with distinction. I am certain that the African statesmen with whom he will be dealing will learn to respect him as I do.

I cannot believe, Mr. Secretary General, that the members of the Council were aware that Ambassador Davis, while serving in the Peace Corps under President Kennedy, traveled widely in Africa, that he was a marshal in the great 1963 Civil Rights March in Washington led by Dr. Martin Luther King, that he has served for periods totaling five years as an Assistant Professor at Washington's leading black institution, Howard University, and that he has devoted many years of his spare time as a volunteer worker among the disadvantaged black citizens of Washington. I am truly saddened to learn of the manner in which the Council has besmirched the reputation of this outstanding man who was selected precisely because we believed that he possessed the breadth of view and the compassionate understanding for a new approach to this vital position. To suggest that such a man has a mission to "destabilize" Africa, a continent

with which we have enjoyed excellent relations and in whose development it is our policy to assist is unacceptable and offensive. (I might also add that the word "destabilize" is one coined by a newspaper reporter, not one ever used by any U.S. official to describe our activities in any country.)

I would ask you to communicate to the African heads of State at the earliest possible moment the text of this message in order that the regret felt in the United States over this unfortunate and unfair action is well understood.

## **Secretary Deplores Terrorist Murder of Consular Agent John Egan**

*Statement by Secretary Kissinger*<sup>1</sup>

It is with the utmost regret that we have learned of the murder of Consular Agent John Patrick Egan at Cordoba in Argentina. Mr. Egan met violent death at the hands of a group of terrorists, a senseless and despicable crime which shocks the sensibilities of all civilized men. We are sure those responsible will be found and brought to justice.

Mr. Egan was a loyal, dedicated citizen who served his country quietly and effectively. He joins the ranks of loyal Americans who have laid down their lives in the line of duty. This murder should again signal to the community of civilized nations the necessity of concerted and firm action to combat the continuing menace of terrorism.

On behalf of my colleagues in the Department of State and the Foreign Service, Mrs. Kissinger and I extend deepest sympathy to Mrs. Egan and other members of the family on this loss to them and to ourselves.

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<sup>1</sup> Issued on Feb. 28.

## Department Discusses Foreign Policy Aspects of Foreign Investment Act of 1975

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

I welcome this opportunity to testify before you on S. 425, the Foreign Investment Act of 1975, which provides for notification by foreign investors of purchases of equity shares in U.S. firms and gives the President authority to screen and, at his discretion, block investments which would result in a foreigner acquiring beneficial ownership of more than 5 percent of the equity securities of a U.S. company.

Since other witnesses, including representatives of Treasury, Commerce, and SEC [Securities and Exchange Commission], are speaking to the technical aspects of the bill and its implications for financial markets, I will confine my remarks principally to the foreign policy issues which it raises.

The traditional policy of the United States has been to minimize the barriers to investment as well as to trade flows. Our own actions have reflected this, and we have taken a leadership role in seeking broad acceptance of the benefits of the relatively unrestrained movement internationally of goods and capital. We were, for example, instrumental in the development of the Code of

Liberalization of Capital Movements by the members of the Organization for Economic Cooperation and Development (OECD). The United States is currently working to formulate within the OECD agreements to consult regarding departures from national treatment of foreign investors or the institution of incentives or disincentives for foreign investment. Further, our commitment to generally nonrestrictive treatment of foreign investment is embodied in an extensive network of friendship, commerce, and navigation (FCN) treaties.

Our policy of encouraging generally unrestricted capital flows is soundly based in economic theory and has in fact served us and the world well. As a former Treasury official expressed it, foreign capital "instead of being viewed as a rival . . . ought to be considered as a most valuable auxiliary, conducing to put in motion a greater quantity of productive labor and a greater portion of useful enterprise than could exist without it." That is as true now as when Alexander Hamilton said it in 1791.

The Congress and we in the Administration are, however, quite properly concerned regarding whether our information-gathering capability and safeguards against abuses are adequate in view of the potential that has been created for greatly increased investment in U.S. industry in the years im-

<sup>1</sup> Made before the Subcommittee on Securities of the Senate Committee on Banking, Housing, and Urban Affairs on Mar. 4. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

mediately ahead. We are indeed faced with a new situation created by the accumulation of massive investable reserves in the hands of a relatively few oil-producing countries. To what extent and in what way those governments invest those reserves in the United States is clearly a matter of urgent concern both to the Congress and to the executive branch.

We have, then, a need to move quickly and decisively in three areas: (1) develop an improved system for monitoring, on a current basis, foreign investment flows into U.S. industry; (2) design a system of oversight which gives the executive branch the capability to assure that existing authority to deal with abuses by particular foreign investors is vigorously enforced and that any gaps in such authority are promptly recognized and steps taken to close them; and (3) reach agreements with those foreign governments that are capable of making very substantial investments in U.S. industry that they will consult with us before making major investments in U.S. firms. The recently completed Administration review of inward-investment policy calls for effective action in each of these areas.

Our policy review concluded that there already exists extensive authority to require reporting and to deal with abuses but that it is scattered in various departments and agencies and is not being efficiently used as a base for a cohesive inward-investment policy. We now intend to establish a new centralized office and an interagency investment board to assure the effective, coordinated use of existing authority and, in the course of providing continuous oversight, to determine when and if new laws or regulations are needed and initiate appropriate action. (A benchmark survey of foreign investment in the United States is currently being undertaken by the Treasury and Commerce Departments under the authority of the Foreign Investment Review Act of 1974, which the Administration strongly supported; and that study will provide a necessary and valuable updating of our informa-

tion on existing foreign investment.)

An essential feature of our proposed policy is to seek agreement promptly from the governments of major oil-exporting countries that they will undertake to consult with us in advance of any major investments in the United States. We already have had clear indications that those countries recognize our legitimate concerns regarding the potential for investments of a controlling nature in U.S. firms by countries that are accumulating large investable reserves. In certain instances, such as the recent Iranian negotiations with Pan Am, they have already informally sought advance concurrence of the U.S. Government.

Once it is in place, the interagency investment board would be an appropriate vehicle for developing the U.S. Government position with regard to proposed investments on which we had entered into prior consultations with foreign governments. The agreement to consult would be reached bilaterally between the United States and each of the foreign governments concerned. While this could be accomplished in various ways, the Joint Commissions which have been formed with a number of the oil-producing countries would be one suitable forum for reaching such agreements. The Joint Commissions could then be used as a channel for information regarding particular major investments which are being contemplated.

I am confident that the steps that the Administration now intends to take will adequately safeguard the United States from investments of an undesirable nature, while at the same time not denying us the very real and substantial benefits of relatively unrestricted investment flows.

The Department of State is opposed to S. 425 on the basis that it goes beyond what is necessary to safeguard our national interests from any undesirable foreign investments and might well have the effect of discouraging investments which we would find desirable. Moreover, it would call into question our longstanding commitment to an international system which provides for a high degree of freedom in the movement of

trade and investment flows and would tend to undermine our world leadership in this area.

It must also be pointed out that the "screening" provisions of this bill—that is, those provisions which permit the President to prohibit the acquisition by foreigners or by U.S. companies controlled by foreigners of more than 5 percent of most American companies—violate approximately 15 of our treaties of friendship, commerce, and navigation.

These FCN treaties are designed to establish an agreed framework within which mutually beneficial economic relations between two countries can take place. The executive branch has long regarded these treaties as an important element in promoting our national interest and building a strong world economy, and the Senate, by ratification of our FCN treaties, has supported this view.

To our benefit, the treaties establish a comprehensive basis for the protection of American commerce and citizens and their business and other interests abroad, including the right to prompt, adequate, and effective compensation in the event of nationalization. However, the FCN treaties are not one-sided. Rights assured to Americans in foreign countries are also assured in equivalent measure to foreigners in this country.

From the viewpoint of foreign economic policy, the incentive for the FCN's was the desire to establish agreed legal conditions favorable to private investment. The heart of "modern" (i.e., post-World War II) FCN treaties—and those with our OECD partners are generally of this type—is the provision relating to the establishment and operation of companies.

This provision may be divided into two parts: (1) the right to establish and acquire majority interests in enterprises in the territory of the other party is governed by the national-treatment standard, (2) the foreign-controlled domestic company, once established, is assured national treatment, and discrimination against it in any way by reason of its control by nationals of the foreign cosignatory to the FCN treaty is not per-

missible. ("National treatment" means the same treatment a country gives its own citizens in like circumstances.) It is these two aspects of many of the treaties which are infringed upon by the bill before us.

It is important to note that the FCN treaties do exempt certain areas from the national-treatment standard in order to conform with laws and policies in existence when the treaties were negotiated and in order not to infringe upon other treaty obligations of the United States or our national security interests. Thus, specific exclusions from national treatment, while varying somewhat from treaty to treaty, include communications, air and water transport, banking, and exploitation of natural resources. Also, the modern FCN provides that its terms do not preclude the application of measures to fissionable materials, regulating the production of or traffic in implements of war or traffic in other materials carried on directly or indirectly for the purpose of supplying a military establishment, or measures necessary to protect essential security interests. The provisions of S. 425, however, go far beyond the necessary exceptions already permitted to national treatment.

In summary, we are sympathetic with the purposes of S. 425 and agree that safeguards are needed to assure that the potential for large-scale foreign investment, particularly from the major oil-exporting countries, does not pose a threat to U.S. national interests. We are convinced, however, that many of the safeguards already exist and that the steps the executive branch is now planning to take are a means of dealing effectively with this issue while at the same time maintaining our longstanding commitment to generally unrestrained investment flows. We are confident that we can obtain agreement from those governments accumulating massive investable reserves to consult prior to undertaking major investments in the United States, and we see no need for a general screening requirement on foreign investment. Thus, we oppose such a screening system, which would mark a turn toward restriction in U.S. investment policy.

## Department Reiterates Need To Cut Dependence on Imported Oil

*Following is a statement by Thomas O. Enders, Assistant Secretary for Economic and Business Affairs, submitted to the House Committee on Ways and Means on March 3.<sup>1</sup>*

Press release 109 dated March 3

You asked me to discuss the international aspects of the President's energy program.

It is now more than 16 months since the October embargo demonstrated that our excessive dependence on imported oil carried with it unacceptable vulnerability to manipulation of our oil supply and oil prices.

Our international energy effort since the Washington Conference of last February has concentrated on the creation of a framework of close consumer country cooperation. Through this effort we seek to reduce and eventually eliminate our vulnerability and to establish a basis from which we can proceed to a productive dialogue with the oil-producing countries.

Our first objective was to obtain an immediate reduction in our vulnerability to supply interruptions. We have done this through negotiation of the International Energy Program, which commits the 18 countries in the new International Energy Agency (IEA) to build up emergency stocks and to take coordinated demand restraint and oil-sharing measures in the event of a new embargo. This agreement provides for participants to assist countries singled out for a selective embargo, as we were in 1973; it provides special protection for our east coast, which is particularly dependent on imports and thus vulnerable to an embargo.

We have also agreed in principle with the main industrial countries on a financial safety net to protect us against the eventual exercise of the new power OPEC [Organiza-

tion of Petroleum Exporting Countries] is acquiring over us—the power to make massive, destabilizing withdrawals of petrodollars. This safety net—the \$25 billion solidarity fund in which the Administration will shortly seek congressional authorization to participate—is not an aid fund, but a lender of last resort.

These efforts are, however, essentially short-term insurance policies. The only long-term solution to our problem of vulnerability is to reduce, both individually and in cooperation with the other major industrialized countries, our dependence on imported oil. In this second phase of our effort, we seek to reduce our consumption of imported oil and to accelerate the development of alternative sources, shifting the world supply-demand balance for oil in our favor and thereby bringing the price of oil down.

In February, the Governing Board of the International Energy Agency reached agreement on an IEA target of a reduction in oil imports for the group as a whole of 2 million barrels a day by the end of this year. On the basis of the President's energy program, the United States committed to save a million barrels a day. This corresponds to our share in group oil consumption, which is almost exactly one-half. We have also agreed to fix similar conservation objectives for 1976-77, 1980, and 1985.

There has been a great deal of question in this country, Mr. Chairman, as to whether we shouldn't give priority to getting our economies going and look to conservation only later.

It is true that a badly conceived program of conservation could hurt employment. For example, last year's embargo fell almost entirely on the auto industry and its suppliers; and this concentration, combined with the lack of offsetting expenditures in other fields, caused up to half a million people to lose their jobs. But a well-designed conservation program spreading the burden over the range of our oil and gas consumption and rebating the taxes raised need not have such employment effects. Indeed, some of the conservation measures that we can take, such

<sup>1</sup> The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

as house retrofits to improve heating efficiency and oil-to-coal conversion of utility plants, will have a stimulative effect.

But the important thing to realize is that we really have no choice. We must get the economy going and launch conservation at the same time. Consider what happens if we don't. We are now importing 6½ million barrels a day of petroleum and products—not really down from before the embargo—in spite of high prices, the recession, and two warm winters in a row. With our stagnant oil production and falling natural gas production, the demand for imports will increase as the economy gets moving again, and with a more normal or even a hard winter, that increase will accelerate. We could be importing as much as 9 million barrels a day by the end of 1977. A new embargo then could cost us 2 million jobs and some \$40–\$80 billion in GNP.

It probably will take us until late 1977 to get unemployment down from the current 8 million to 6 million. With our increasing dependency on imported oil, Arab oil producers will have the power to move us back to 8 again in a few weeks' time. I do not believe that Congress or the American people will wish to see such power remain in the hands of the oil producers.

The second main task in the IEA is the development of a coordinated system of cooperation in the accelerated development of alternative energy supplies.

Why is it important to bring on alternative sources, and why must we coordinate with other consuming countries? In the case of the United States, it will be impossible to achieve our goal of substantial self-sufficiency without a major development of alternative supplies. In the first instance, this means that we must remove the constraints which now make their development uneconomic or impossible. That means that we must start leasing the outer continental shelf, change the status of Naval Petroleum Reserve No. 4 in Alaska, improve the rate structure of utilities so that new nuclear plants again become economic, provide greater incentives for gas and oil production, deregulate oil and gas prices.

But we must also be concerned about future price risks. All of the sources to be developed in the United States will come in at costs far above the 25 cents a barrel at which oil can be produced in the Persian Gulf. Investors can thus be exposed to the risk of predatory pricing by OPEC. If, for example, the price were to fall to \$4 a barrel, domestic U.S. production is estimated to fall sharply from its 11 million barrels a day. Consumption would be strongly stimulated, and in 1985 the import requirement at such a price level is estimated to exceed 20 million barrels a day. At that level of dependence a new embargo would cost us over 10 million jobs.

We have the same interest in seeing other consumers develop their alternative sources rapidly as we do in developing our own; both shift the balance of demand and supply in the market and help to bring current exorbitant prices of oil down. We also want to be sure that other countries do not nullify our own efforts to bring on alternative sources and cause the international price to drop by restimulating their consumption when prices begin to fall. Finally, no country has an interest in investing heavily in high-cost energy if others are wholly free to consume low-cost energy when the price breaks, thus acquiring a major advantage in international trade.

For these reasons, we believe that the United States and all the consuming countries have an interest in a common policy to protect and stimulate alternative supplies. The specific elements of this policy are still subject to negotiation, but the main elements are:

—A general commitment to insure that investment in conventional nuclear and fossil fuel sources in our countries is protected against possible future competition from cheap imported oil. We would agree, in effect, not to allow imported oil to be sold domestically at less than a common minimum price. This could be implemented through a common price floor or a common external tariff. In the case of the United States, this commitment would be implemented by authorities which the President is seeking under



title IX of the Energy Independence Act of 1975.

—Creation of an international energy consortium under which IEA countries willing to contribute capital and technology could participate in each other's efforts to stimulate production of energy, especially synthetics and other high-cost fuels.

—A comprehensive energy research and development program under which two or more IEA countries would pool national efforts on a project-by-project basis.

—Systematic and regular review of national energy programs against a set of common criteria which would permit an exchange of information and provide incentives for vigorous efforts by all participating countries to meet our common objectives.

Mr. Chairman, there have been lots of opportunities for false comfort since the oil crisis began. Last summer a surplus of oil emerged in the international market because of seasonal factors and price resistance. We got some undercover price cutting; a lot of people told us that it was only a matter of weeks before OPEC was finished. When the market firmed in the winter and OPEC raised the prices again, we found out that wasn't the case.

With the recession, an easy winter, dis-inventorying, and more price resistance, the market is again soft and will be through much of the summer. The heat will be on OPEC to distribute the production cuts, and we can hope for some more or less disguised price cutting. But with the chances of a hard winter after two warm ones, with our determination to get the economy moving again, with the decay in our natural gas position, our oil import requirements will move up very sharply in the future.

Now and again, some analysts say that OPEC accumulations of surplus funds are not going to be as big as we had originally feared. Whatever the quality of these estimates, and it is uneven, it is no real comfort to know that OPEC is getting less investment assets because we are shipping more goods to them thereby aggravating our inflation. Nor is it a comfort to know that by

1980 OPEC might have accumulated only \$300 billion rather than \$500 billion in investments, since the possibilities of disruptive movements of these funds are essentially as great at the lower as at the higher level.

The oil crisis will not simply go away, Mr. Chairman. We must act to make it go away by bringing our consumption of oil under control at last, by developing our own energy, and by working with other consuming countries so that they may do the same. Only this way can we achieve our two essential objectives, a substantial decrease in the international price of oil and substantial U.S. self-sufficiency in energy.

## Department Discusses Developments in Ethiopia

*Following is a statement by Edward W. Mulcahy, Acting Assistant Secretary for African Affairs, made before the Subcommittee on International Political and Military Affairs of the House Committee on Foreign Affairs on March 5.<sup>1</sup>*

I am pleased at this opportunity to meet with this subcommittee and to give an account of recent developments in Ethiopia. As Acting Assistant Secretary for African Affairs I have been deeply engrossed in the subject for the past month, ever since heavy fighting broke out in the Ethiopian Province of Eritrea on January 31. I also have a very personal interest in this subject since I served at one time as consul in Asmara; indeed, 25 years ago last month I opened our consular post there.

The Province of Eritrea is distinguished from the rest of Ethiopia primarily by the foreign influences to which it has been subjected. Although once at the heart of the Ethiopian kingdom of Axum, from which the present Ethiopian state is descended, its

<sup>1</sup>The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

location on the Red Sea has made it more subject than the rest of Ethiopia to intrusion by non-Africans. Thus, Arabs, Turks, Egyptians, Italians, and British have at various times occupied and ruled it. The Italians were the first to name the province Eritrea, after the Greek appellation for the Red (Erythrean) Sea.

The Italians occupied what is now Eritrea as a colony for nearly 50 years, and parts of it even longer. They were evicted from all of East Africa in 1941 by the British during the course of World War II. The British administered the area until 1952, when the United Nations established a federal relationship between Eritrea and Ethiopia. This federal relationship was dissolved in 1962 when Eritrea became a province of Ethiopia.

The ethnic makeup of the province is important for an understanding of the present situation. The population is divided, roughly half and half, between Moslems and Christians, about 1 million each. The Christians, belonging chiefly to the Ethiopian Orthodox—sometimes called Coptic—Church, live mainly on the high plateau in the center, ranging up to nearly 8,000-foot altitudes. The Moslems in the main inhabit the lower slopes of the highlands and the desert-like northern and coastal areas, and consist of some six or seven major ethnic and linguistic groups.

Following Eritrea's integration with Ethiopia and the end of the federal arrangement in late 1962, the Eritrean Liberation Front (ELF) launched an armed resistance against the central government. It was—and still is—a predominantly, but not exclusively, Moslem movement. Later, in 1966, a new movement, the Popular Liberation Forces (PLF), was formed. It is less heavily Moslem, smaller than the ELF, and appears to espouse a Marxist philosophy. Until a few months ago when they agreed to cooperate, the two movements remained at loggerheads and sometimes have fought each other. At any rate, the insurgency began in late 1962 and has been going on ever since, although rather sporadically until the past few weeks. In spite of a once-large

official American presence in Eritrea—up to 3,500 only a few years ago—Americans were never molested, except for the accidental killing of one serviceman and the kidnapping of several oil exploration personnel and a missionary nurse last year.

In 1974, when a group of young officers and enlisted men gradually took over control of Ethiopia, there seemed to be a good chance that a political settlement could be reached to the Eritrean problem. An Eritrean, Gen. Aman Michael Andom, became Prime Minister and his government seemed disposed to take steps to ease Eritrean grievances against the central government. However, Aman, who had gained the confidence of the Eritrean people, was killed in November; and therefore what opportunity existed at that time for improved relations was lost. Subsequently efforts were made by the new leadership in Addis Ababa to get the negotiations started. The ELF-PLF insisted on acceptance of independence as a precondition to agreeing to sit down at the negotiating table. This was unacceptable to Ethiopia. Fighting broke out on January 31. The two sides seem quite far apart now, with the Eritrean movements insisting in their public statements on full independence and the central government refusing in its public statements to countenance any breach of the country's territorial integrity.

The United States has traditionally had friendly, mutually beneficial relations with Ethiopia and important interests there, including the Kagnew communications station established at Asmara since 1942, access to Ethiopia's airfields and ports, and a potential market of 26 million people. We believe that this longtime relationship is worth preserving.

In recent years the strategic location of Ethiopia, close to the Middle East oil supplies and the Indian Ocean oil routes, has become increasingly important. Protracted instability in this second most populous country in black Africa could have adverse repercussions.

Moreover, the black African states do not

want to see the disintegration of Ethiopia. It has always been one of their most respected principles that the territorial integrity of members of the Organization of African Unity be respected, and not changed by force of arms. They would be very critical of us if we were to withdraw our support from the Ethiopian Government at this crucial time. Some African states have, in fact, already expressed to us in confidence their deep concern for the present situation.

Pursuant to our military assistance agreement with Ethiopia, which dates from May 1953, the Ethiopian army and air force have been trained and equipped almost entirely on American lines. In spite of this, the United States has, ever since the outbreak of the insurgency in 1962, consciously refrained from becoming directly involved in this internal difficulty by precluding any advisory effort in the operations. We do not intend to become directly involved in the present conflict.

Our security assistance to Ethiopia over 22 years has totaled approximately \$200 million. In fiscal year 1974 the figure was \$22.3 million, of which \$11.3 million was grant assistance and \$11 million in FMS [foreign military sales] credits. Because of congressionally imposed ceilings on MAP [military assistance program] funds for Africa and the competing requests of other African friends, we have never been able to be as responsive to Ethiopia's requests for as high a level of military support as that government would have liked.

For many years the Ethiopian Government has agreed to our locating the important Kagnew communications facility in Asmara. Over the past two years, because of improved communications technology, the use of satellites, et cetera, we were able gradually to phase down our once-large radio facilities at Asmara and to reduce our personnel and dependents there to less than 200 at the start of this year. When serious conflict flared up a month ago we evacuated all dependents and nonessential personnel. Currently, in addition to 44 uniformed and civilian contract personnel remaining at

Kagnew, there are nine people at the Consulate General in Asmara. In spite of the greatly reduced staff, Kagnew is still being maintained as a link in the worldwide naval communications network. Except for minor damage due to stray small-arms fire, American property has not been harmed; nor has any American citizen suffered injury. Outside Asmara, chiefly at mission stations away from the combat areas, another 30-40 Americans can be found elsewhere in Eritrea.

Just a few days after the serious fighting erupted, President Nimeri of the neighboring Sudan extended his good offices to both sides in the conflict, offering to mediate a peaceful solution. While his efforts have not met with any reported success because the public positions of the two sides remain far apart, the peacemaking effort is still going forward. We would like to see a peaceful settlement of the Eritrean problem, for we believe that this is the only way to achieve a lasting solution.

A little over two weeks ago the Ethiopian Government, for whom we are the sole source of ammunition and spare parts, requested an emergency resupply of ammunition plus some nonlethal equipment and offered to pay in cash for it. The request is under active review. Since we received it we have been studying it and refining it in constant exchanges with the Ethiopian Government and our military mission in that country.

Any abrupt cessation or reduction of aid at this critical period could have a highly unfavorable effect on our longstanding relations with the government of this strategically located country. As Secretary Kissinger said [in a news conference on February 25], it would involve cutting off military support to a country whose military establishment is based on American arms at the precise moment when it needs it.

In our deliberations we have constantly before us the larger political and moral implications of our decision. If we say "yes," will it be seen in certain quarters as involvement in the current internal situation? If

we say "no," will it be seen by others as failure to help a traditional friend in an hour of need?

The Ethiopian request is receiving thorough high-level consideration by the agencies concerned. As the Secretary mentioned recently, no final decision has yet been taken.

Here in a few words, Mr. Chairman, ladies, and gentlemen, I have tried to sketch for you in only the broadest terms some of the main elements we see in the present difficult situation. I have tried also to underline for you the extent to which these current events are tending to strike close to home for us in the United States because of our long association with Ethiopia and our long presence in Eritrea. We are seeking to pursue a prudent policy that protects our overall interests.

I would hope, Mr. Chairman, that in the committee's questioning we could defer any discussion of delicate matters to an executive session.

## **Fourteenth Report of ACDA Transmitted to the Congress**

*Message From President Ford*<sup>1</sup>

*To the Congress of the United States:*

America's traditional optimism about the manageability of human affairs is being challenged, as never before, by a host of problems. In the field of national security, arms control offers a potential solution to many of the problems we currently face. The genius of the American people may be said to lie in their ability to search for and find practical solutions, even to the most difficult of problems; and it is no accident that this country has helped lead the world in the quest for international arms control agreements.

<sup>1</sup> Transmitted on Mar. 3 (White House press release); also printed as H. Doc. 94-64, 94th Cong., 1st sess., which includes the complete text of the report.

Safeguarding our national security requires a dual effort. On the one hand, we must maintain an adequate defense against potential great-power adversaries; for although we are pursuing a positive policy of détente with the Communist world, ideological differences and conflicting interests can be expected to continue. On the other hand, we share with them, as with the rest of the world, a common interest in a stable international community.

Over the past year, we have made considerable progress in our arms control negotiations with the Soviet Union. The Vladivostok accord which I reached with Chairman Brezhnev will enable our two countries to establish significant limits on the strategic arms race and will set the stage for negotiations on reductions at a later phase. The U.S. and U.S.S.R. have, over the past year, also reached agreement on the Threshold Test Ban Treaty and on a limitation on ABM deployments to one complex for each country.

The negotiations being held at Vienna on mutual and balanced force reductions in Europe (MBFR), while they have not yet produced conclusive results, are also an important endeavor to limit and reduce armaments safely through mutual agreement. For our part, we shall make every effort to achieve such an outcome.

Even as we see some encouraging progress in our relations with the Soviet Union, we still face a growing danger in the potential proliferation of nuclear weapons to more countries. The U.S. will continue to seek practical steps to avert this danger, while providing the benefits of nuclear energy for peaceful purposes.

The fourteenth annual report of the U.S. Arms Control and Disarmament Agency, which I herewith transmit to the Congress, sets forth the steps which have been taken over the past year to meet these and other national security problems through arms control.

GERALD R. FORD.

THE WHITE HOUSE, *March 3, 1975.*

## Department Urges Passage of Bill Reimposing Full Sanctions Against Southern Rhodesia

*Following are statements presented to the Subcommittee on International Organizations and Movements of the House Committee on Foreign Affairs on February 26 by Julius L. Katz, Deputy Assistant Secretary for Economic and Business Affairs, and James J. Blake, Deputy Assistant Secretary for African Affairs.<sup>1</sup>*

### STATEMENT BY MR. KATZ

Thank you for this opportunity to appear before your committee to discuss H.R. 1287, a bill to halt the importation of Rhodesian chrome. In my statement I propose to address the question of the economic impact of H.R. 1287, leaving to my colleague the political aspects of the Rhodesian chrome issue. My intention is to outline the economic effects of the Byrd amendment during the three years it has been in force and to discuss the possible economic impact of the reimposition of full sanctions against Rhodesia as proposed in H.R. 1287.

The Byrd amendment, which was enacted at the end of 1971, had as a major objective the lessening of U.S. dependence on the Soviet Union as a source of chromium ore imports. During the period before 1972, the United States had depended on the Soviet Union for about one-half of its metallurgical-grade chromite. We imported virtually no chrome ore from Rhodesia from 1968 through 1971 inclusive, and no ferrochrome

before 1972. In 1971 the Soviet Union supplied 41 percent of U.S. metallurgical chrome ore imports.

Our imports of metallurgical-grade chromite from the Soviet Union rose one-third from 1971 to 1972; and the Soviet import share increased to 58 percent in 1972, as opposed to 9.3 percent for Rhodesia. Last year, estimated chromite imports from the Soviet Union were only slightly below the level of 1971, and the Soviet import share was 56 percent, up 15 percentage points from 1971. Since 1972, our metallurgical-grade chromite imports from Rhodesia have remained steady at about 10 percent of total U.S. imports of this material.

Meanwhile, total U.S. imports of metallurgical-grade chromite have decreased by almost 30 percent. Imports of Rhodesian chromite seem to have replaced declining purchases from third countries rather than displacing imports from the Soviet Union. Since 1971, metallurgical-grade chromite imports from Turkey and South Africa have in fact fallen, and imports from Iran and Pakistan have disappeared.

As this data indicates, Rhodesia has not returned as a major source of metallurgical-grade chromite for the United States during the years following the passage of the Byrd amendment. The level of Rhodesian chromite exports to the United States in 1974 reached only one-sixth of the level of the mid-1960's, before sanctions were imposed. On the other hand, Rhodesia has become a significant import factor for ferrochrome. Rhodesian exports of high-carbon ferrochrome to the United States rose from zero before the enactment of the Byrd amendment to about

<sup>1</sup>The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402.

20 percent of U.S. imports in 1974 and about 8 percent of total U.S. consumption. Rhodesian exports of low-carbon ferrochrome have also increased, although they are considerably lower relative to total U.S. consumption.

One reason for the failure of Rhodesian exports of metallurgical-grade chromite to take a larger share of the U.S. market can be found in the decision of the Rhodesian government to reinvest mine profits in the construction of a 350,000-ton ferrochrome industry, with the intention of thereafter exporting processed ferrochrome rather than chrome ore. Ferrochrome, which is produced by a number of companies in the United States, is also listed as a strategic material for purposes of the U.S. stockpiling program and is thus eligible for import from Rhodesia under the Byrd amendment. When the Byrd provision lifted sanctions against strategic materials from Rhodesia, Rhodesia concentrated on exporting ferrochrome rather than chrome ore to the United States.

The Soviet Union has exported virtually no ferrochrome to the United States, either before or since the enactment of the Byrd amendment. The tariff on Soviet ferrochrome is four to seven times the tariff applied to non-Communist countries, a situation which—given the non-MFN [most-favored-nation] status of the Soviet Union—will continue to make Soviet ferrochrome prohibitively expensive for American buyers. The major import source of ferrochrome for the United States last year was South Africa. Brazil, Yugoslavia, Japan, and Sweden were also major suppliers.

In terms of prices, the data would appear to indicate that the market forces of supply and demand have been the determining price factors for metallurgical chrome ore, rather than the absence or presence of Rhodesian ore. The average value of all U.S. metallurgical chrome ore imports in 1971 was \$68 per content ton. Soviet ore, which is generally a higher grade ore, averaged \$76.93 per ton; and Rhodesian ore, \$71.14. In 1972, all U.S. metallurgical chrome ore imports

averaged \$65 per content ton, with Soviet ore averaging \$73 and Rhodesian ore, \$68. The first half of 1973 saw a drop in chrome ore prices. Since that time they have risen, responding to the very high demand in stainless steel production. We understand that in recent contract negotiations both Turkish and Soviet ore prices have risen sharply again, although there appears to be some doubt in the face of presently declining demand as to whether the prices will be met.

The economic effects of the Byrd amendment thus can be summarized as follows:

1. The amendment has not stimulated a revival of Rhodesian chromite exports in the quantities required by the U.S. ferrochrome industry.

2. Rhodesian chromite, to the extent that it has come into the United States, has replaced ore shipments from third countries—i.e., Turkey, Iran, South Africa, and Pakistan—rather than the Soviet Union.

3. The amendment has had the effect of increasing our overall dependence for chrome materials on fewer and less dependable sources.

It is thus apparent that the Byrd amendment has brought little or no real economic benefit or advantage to the United States. Similarly, we estimate that the economic cost which might be attributed to the reimposition of a general embargo on imports from Rhodesia would be quite small, when compared with the impact of the macroeconomic currents which in fact determine the climate and direction of the chrome and ferrochrome markets. These currents have never shifted as drastically as they have recently, with the decline in world steel demand and the sharp rise in energy costs.

It would be difficult to regard Rhodesia as an indispensable supplier of chrome under any circumstances. Rhodesia accounted for about 10 percent of U.S. imports of metallurgical-grade chromite in 1974 and only 5 percent of U.S. imports of all grades of chromite. Rhodesian high-carbon ferrochrome represented about 20 percent of U.S. imports (8 percent of U.S. consumption);

low-carbon ferrochrome imports from Rhodesia accounted for 8 percent of total imports (and 2 percent of U.S. consumption). Alternate sources exist for chrome ore, apart from the Soviet Union; Turkey, Pakistan, the Philippines, Iran, South Africa, and others are capable of supplying chrome ores to the United States.

In a tight market situation, of course, even a relatively small volume of supply can be an important price determinant. A cutoff of Rhodesian chrome thus could contribute to higher prices. How much higher depends on two factors: (1) The degree to which Rhodesian supplies are not replaced by supplies from alternative sources, and (2) the extent to which higher costs are passed through in the per-unit costs of consumer goods, primarily stainless steel products.

It has been estimated that a doubling of the price of chromite and ferrochrome would raise the price of stainless steel by 6 percent and 10 percent respectively. It is doubtful, however, that a cutback in chromite and ferrochrome deliveries from Rhodesia, amounting to about 12 percent of our imported chromium content, will translate into a doubling of chrome prices, especially in the present softening economic situation.

There are substantial quantities of both chromite and ferrochrome in the national strategic stockpile which are excess to our defense requirements and which could be called on to cushion the impact of full trade sanctions against Rhodesia. It is doubtful whether such stocks will be required in the near future. But they are available if Congress should choose to authorize their disposal to assist U.S. industry during the transition period while it reestablishes its alternative supply lines.

The general weakening of world steel demand has taken considerable pressure off the world chrome market. A 25 percent cutback in Japanese stainless steel production, initiated at the end of last year, will reportedly continue into the second half of 1975. This situation has created an exportable surplus of Japanese ferrochrome which will be available to relieve shortages which

might develop during a short transition period after full trade sanctions are imposed on Rhodesia.

In the present economic situation, U.S. industry should thus face a somewhat easier task of adjusting to a cutoff of Rhodesian supplies than would have been the case a year ago. At the same time I should note that, by failing now to repeal the Byrd amendment, we will leave U.S. industry vulnerable to a possible later cutoff of Rhodesian supplies whether by internal changes in Rhodesia, international action, or a later reversal of congressional policy.

A final economic factor should be noted. That is the good will that we risk of the African states to the north of Rhodesia with which we currently have some \$5.9 billion worth of trade. Furthermore, we have substantial investments in these same African countries. They are also important sources of supply for us for a whole range of strategic goods such as petroleum, uranium, manganese, tin, rubber, tungsten, and diamonds, as well as foodstuffs such as coffee and cocoa. Our open contraventions of the U.N. sanctions have placed American businessmen at a disadvantage in their negotiations with African countries in such matters as resource development, investment, and export opportunities.

#### STATEMENT BY MR. BLAKE

I am very pleased to have this opportunity to appear before the subcommittee to discuss H.R. 1287, a bill to amend the United Nations Participation Act of 1945 to halt the importation of Rhodesian chrome. As you know, the Byrd amendment has long been a matter of concern to the United States in the conduct of its foreign relations in Africa, at the United Nations and in other international forums, and in the overall context of our record in observing international commitments. At this time retention of the amendment damages our country's efforts to keep pace with fundamental changes, in Africa and the world. Failure to keep pace

with these changes would not only invite potentially longstanding difficulties for the United States but also would be inconsistent with a fundamental principle that we have long respected and observed—the right of all peoples to self-determination.

In 1974, the wave of independence in Africa began to move again. In April, Portugal, weary of war and newly mindful of the value of freedom, made the decision to grant independence to its African colonial territories. The world welcomed the independence of Guinea-Bissau in September. Negotiations have since led to the setting of dates for the independence of Mozambique, in June, and Angola, in November of this year. The United States has welcomed these developments and is seeking means of cooperation with the new governments of these territories.

In Rhodesia, a minority consisting of 4 percent of the population decided in 1965 that it had the right to the vast preponderance of the country's political power and economic resources on the basis of race, with little or no regard for the rights and aspirations of the remaining 96 percent of the population. Since then Ian Smith's regime has persisted in its spurious, unrecognized so-called "independence." Today, however, there are signs that the ability of that regime to maintain itself has been seriously weakened as a result of changes in the area.

Mozambique, astraddle Rhodesia's links to the sea, will achieve independence in a few months' time under a government led by FRELIMO [Liberation Front of Mozambique], a successful African liberation movement allied for years with black Rhodesian liberation movements.

The leaders of white Rhodesia's principal, all-important, and only remaining political ally, the Republic of South Africa, are leading the way in urging the Smith regime in Rhodesia to reach an acceptable settlement with the majority of the Rhodesian people.

The African opposition to minority rule, divided among themselves for more than 10 years, on December 8 announced their unification under the banner of a single orga-

nization inside and outside of Rhodesia, the African National Council.

Interested and concerned nations on the borders of Rhodesia, as well as the British, whose sovereignty over Southern Rhodesia the United States has never ceased to recognize, have taken steps to encourage and facilitate a settlement, a peaceful accommodation for the sharing of power between blacks and whites in the country.

People of reason, even within the white Rhodesian establishment, have begun to perceive that a course set to try to preserve white rule forever in Rhodesia is unrealistic and can only result in violent tragedy. (White immigration and emigration figures continue to reflect that perception.)

There are also clear indications that the Smith regime itself is beginning to realize that the time for negotiations is at hand. Although white officials, including Ian Smith himself, continue to talk about not deviating from "our standards of civilization" (white Rhodesian shorthand for white rule), it is nonetheless clear that considerable efforts are underway within and without Rhodesia to convene a constitutional conference in the near future.

Our policy has in general kept pace with events in southern Africa. We welcome the coming independence of Mozambique and Angola and are keeping in close touch with the leaders of those countries. We have continued, in consultation with other interested nations, to encourage efforts to bring about a negotiated peaceful settlement in Rhodesia providing for majority rule and acceptable to the United Kingdom and to the rest of the international community.

Consistent with that policy, the United States supported the unanimous 1968 U.N. Security Council vote establishing economic sanctions against Rhodesia and subsequently issued Executive orders implementing those sanctions, which we enforce.

The sole exception to that policy, totally inconsistent with it, is the Byrd amendment, permitting the importation of Rhodesian chrome and other minerals in violation of sanctions. Secretary Kissinger has declared



in a letter to Representative John Buchanan dated February 8, 1974] that he is personally convinced that the Byrd amendment is "not essential to our national security, brings us no real economic advantages, and is costly to the national interest of the United States in our conduct of foreign relations." A few days after assuming the Presidency, President Ford, through his press spokesman, stated his full commitment to repeal of the Byrd amendment.

African and other nations perceive the Byrd amendment as clear and unequivocal U.S. support for a sinking, oppressive, racist minority regime. Support for the white Rhodesian regime is inconsistent with the historic American belief in the right of peaceful self-determination, a constant element in our policy throughout the long period of decolonization not only in Africa but also in the rest of the world. By retaining legislation sharply at variance with an international commitment that we made to other nations we undercut our credibility in advocating peaceful negotiated solutions to other international problems.

The appearance of support for Ian Smith's regime is also unrealistic in terms of long-term American interests in Africa. The liberation of southern Africa remains a principal foreign policy objective of African nations, in bilateral relations and in international forums. A country's position on southern African issues is coming to be the litmus test for African nations in determining the degree of their cooperation in international forums. It may come to be an element in determining trade relations. In that context, a little more Rhodesian chrome now does not equal in value other African resources that we might have to forgo at some future time if we do not pursue a policy that keeps pace with change. In the same sense, repeal of the Byrd amendment

now may be vital in assuring long-range access to Rhodesian chrome for American companies.

Mr. Chairman, committee members, finally, I want to comment on the timeliness of H.R. 1287, introduced on the first day of the 94th Congress. Some have argued that passage of a repeal bill at a time when negotiations in Rhodesia may be imminent is either unnecessary or unwise interference in progress toward a settlement. I believe the contrary to be the case.

The coming months, perhaps many months, of negotiations will be a time when Rhodesians of all colors will be called upon to make concessions, to yield ground in an effort to reach a settlement acceptable to all participants. A normal trading relationship with the rest of the world has always been a primary objective of Rhodesia. Economic sanctions have denied Rhodesia that relationship. In doing so, they have given Rhodesians a strong incentive to arrive at a settlement. For the United States to fail to pass the repeal bill at this time would be to reinforce the Smith regime in its recalcitrance. Retention of the amendment would encourage the minority Rhodesian regime to try to hold on to an unjust, unrealistic, and increasingly dangerous way of life. By repealing the amendment, the Congress would tell the minority regime that the American people do not support them in their intransigence and that we believe that the time for them to share power in their country with the majority of the population is long overdue.

Such a message from the Congress of the United States, speaking for the American people, would serve the U.S. national interest in our relations with Africa. It would also serve the cause of peace in southern Africa. I therefore strongly urge passage of H.R. 1287.

## The Link Between Population and Other Global Issues

*The 18th session of the U.N. Population Commission was held at New York February 18-28. Following is a statement made in the Commission on February 20 by John Scali, U.S. Representative to the United Nations, together with the text of a resolution adopted by the Commission on February 28.*

### STATEMENT BY AMBASSADOR SCALI

USUN press release 11 dated February 20

I am greatly honored to head the U.S. delegation to this year's meeting of the Population Commission and thus to occupy the position so recently filled with distinction by my friend and colleague, Gen. William H. Draper. General Draper was a true leader, in my country and throughout the world community, in the field of population. The death of this resolute pioneer is a tragedy for all mankind. I wish to express my government's deep appreciation for the moving statements of condolence from so many of those who worked with him as allies, and I promise these will be made available to his family.

I do not possess the expertise on population issues which so many of you have developed through years of participation in the work of this Commission. But I can assure you that I share General Draper's deep commitment to the imperative need for more and increasingly effective international action in this highly important field. I agree profoundly with the opening words in President Ford's message to the World Population Conference in Bucharest, in which he said:

You are meeting on a subject that in the true meaning of the word is vital to the future of man-

kind: How the world will cope with its burgeoning population.

I fully appreciate the immense scope of the problem with which you are dealing, and I am impressed by its direct relationship with the other global issues of our time. It is this relationship between your work and that of the rest of the U.N. system which I would like to discuss today.

Clearly, the most evident and compelling linkage today is that between food and population. Growing population is a principal cause of the ever-growing global demand for food. Whether millions face starvation in the coming decades will depend not only on our ability to raise food production to new heights but also on our success in limiting population growth to manageable levels. This fundamental fact is forcefully asserted in the Declaration on Food and Population which thousands of individuals, including myself, recently sent to the Secretary General of the United Nations.

The link between food and population issues also was dramatized in an important but little-publicized speech made at the Population Conference in Bucharest by the Deputy Director General of FAO [Food and Agriculture Organization], Mr. Roy Jackson.

He noted that there are now 1.3 billion more people to be fed today than in 1954 when the first Population Conference was held. He reminded us that over 400 million people are already suffering from protein-energy malnutrition and that rural underemployment and mounting urban unemployment—fed by despairing millions who migrate to the cities—have already reached alarming proportions. Mr. Jackson made two

major points that are worth repeating here. I will quote them:

First, that action must be initiated *now* to reduce the rate of population growth if we are to have any chance at all of meeting the world's food needs 25 years from now.

Second, while family planning and population policy are matters for individuals and governments, there is at the same time a clear need for international action.

The World Food Conference at Rome [November 5-16, 1974] acknowledged that only through cooperative international action can we effectively meet the world's food needs of the future. It is equally clear, however, that unless there is similar international cooperation in controlling population growth even our best efforts to raise food production will be insufficient.

The lives of tens, perhaps hundreds, of millions are involved. If the populations of developing countries continue to grow at rates reflected in the U.N. medium projection, and despite the largest likely increase in their food production, the cereal import requirements of these countries will mount from 24 million tons in 1970 to over 50 million tons in 1985 and to more than 100 million tons by the year 2000. Not only will the astronomical cost of such quantities of grain far exceed the ability of these developing countries to pay, but there are no practicable means now known to transport and deliver such a quantity of food.

I hope it will be possible for this Commission to consider population policies and programs by which those countries with severe food deficits and high rates of population growth can take the measures necessary to keep their populations and food resources in a favorable balance.

#### **Developmental and Environmental Effects**

Population issues also bear a direct relationship to the success or failure of the Third World's economic and social development. Since the late 1950's it has become increasingly clear that in a large number of countries population growth has outpaced their otherwise respectable levels of economic

growth. The imaginative development programs of Third World governments and the hard work of their citizens have in many cases not resulted in the improved standards of living these efforts justified and which the people had a right to expect.

For many countries the per capita increase in income remains less than 2 percent per year. In some nations, each year actually brings a lower standard of living. Most recently, the new and drastically higher price of oil has generated an additional annual balance-of-payments deficit for developing countries of some \$20 billion, significantly more than all the aid they receive from all sources.

By 1980, it is possible that the poorest 500 million people in developing countries may be living at levels of poverty even worse than those they live in today. The gap between the aspirations and achievements of these peoples may continue to widen, with incalculable consequences for their nations' social and political structures and for the peace of the entire world.

Arguments as to whether economic development or population control should be given priority by the international community seem to me to have all the relevance of the controversy over which came first, the chicken or the egg. We know that poverty often leads to excessive population growth, and we know just as certainly that excessive population growth insures continued poverty. Such a vicious cycle can be breached only by simultaneous efforts on all fronts. Reductions in excessive population growth can speed development, and more rapid development can slow population growth.

The position of the United States has always been that population programs are only a part of—but an essential part of—economic and social development efforts. After all, only 2 percent of global development assistance goes to population programs. That hardly indicates excessive emphasis on this aspect of development. It may, in fact, be too little.

The Plan of Action devised and agreed upon by the World Population Conference in Bucharest represents, in my view, one of

the U.N.'s most important achievements of recent years.<sup>1</sup> Today nations around the world are already engaged in considering what measures they should take to put this action plan into effect. In the United States, we are reviewing our own population policies and programs to see how we can best cooperate with others in implementing the Plan of Action. We are continuing to expand our own national family planning service programs, and our country's fertility rates continue to decline. We have, in fact, been below the replacement level of fertility for three years now.

Already countries with 75 percent of the peoples of the developing world have national population programs in effect. Others are moving toward the adoption of such programs. It is perfectly clear that as these programs succeed and expand, considerably increased support will be needed for them domestically, from the present donor countries, and from those which have more recently become potential donors by reason of their new wealth.

There is a tendency to think that the link between population and environment is of particular concern only to the industrialized countries. Certainly, in these countries population growth and increasing affluence have led to urban concentration and industrial expansion which can endanger the environment and the health of the inhabitants. But environmental damage is not only a scourge of the rich. Environmental protection is not a luxury which only the wealthy can afford. The relationship between man and his environment will fundamentally influence the quality of life at any stage of development.

Consider, for instance, the many cases where population pressure on limited arable land has denuded the hillsides of trees and contributed to destructive floods. Consider the areas where an increasing concentration of pastoral population and their flocks living on the edges of deserts has destroyed trees and herbage and opened the way to an ad-

<sup>1</sup> For an unofficial text of the World Population Plan of Action, see BULLETIN of Sept. 30, 1974, p. 440.

vance of the sands. Consider the nations where dense and growing populations have contaminated the soil, water, and air and spread disease.

Finally, consider the ever-present danger that the need to expand food production to feed a growing population will in the end further damage the land, that the intensified use of fertilizers will imperil the life of lakes and streams, and that the widened use of pesticides will threaten birds and other wildlife.

### Population and the Status of Women

In this International Women's Year, we should recognize that the status of more than half of the world's population, the female half, is itself a major focus of world attention. The World Population Conference at Bucharest rightly highlighted the vital interaction of population control, development, and the status of women. The Plan of Action puts it very simply:

Improvement of the status of women in the family and in society can contribute, where desired, to smaller family size, and the opportunity for women to plan births also improves their individual status.

The Plan of Action has as one of its general objectives:

To promote the status of women and expansion of their roles, the full participation of women in the formulation and implementation of socioeconomic policy including population policies, and the creation of awareness among all women of their current and potential roles in national life.

We hope that this Commission, the Population Division, the U.N. Fund for Population Activities, and other active agencies will not only consider the critical role which women can play in furthering our efforts but that they will themselves provide more important roles for women in the administration and execution of their programs at all levels. I would hope also that in this year and in the International Women's Year Conference in Mexico City serious attention will be given to measures needed to carry out the practical recommendations of the World Population Plan of Action for improvement in the status

of women. My delegation will submit a draft resolution on this important subject for the Commission's consideration.

It hardly seems necessary to note the connection between the Commission's activities and the situation of millions of children around the world. The Executive Director of the U.N. Children's Fund [Henry Labouisse] has noted that, "the first and the main victims of the population explosion are children." Under current conditions of population growth, "it does not appear possible," he said, "for the governments and the people of most of the developing countries . . . to provide the food, the health and welfare services, and the education required in the foreseeable future for the ever-growing numbers of young." Nothing can more effectively underscore the urgent and overriding need for progress in population control than the undernourished and dying infants whose faces and bodies we all see in the world's press almost daily.

### **Population and the World Community**

I have in my remarks emphasized the importance of population issues to the Third World not because this is uniquely their problem. On the contrary, it is an issue with which we all must grapple. There is little doubt, however, that it is the Third World which will suffer first and suffer most from excessive population growth. There is also no doubt that only the nations of the Third World can make the decisions necessary to control their populations. The role of the international community, including this Commission, is to help governments assemble the information they need to decide wisely, and when they have made their decision, to help them implement it.

Thirty years ago the United Nations was created to preserve the world from the horrors of yet another world war. In the succeeding years we have come to the realization that world peace could not be long maintained in a world half rich and half poor. Thus, today the United Nations devotes nearly 90 percent of its resources to economic and social development. The time

has come for us to take our thinking one step further. We must now further acknowledge that neither peace nor economic development can long be maintained in a world overwhelmed by unchecked population growth. The United Nations, an organization designed to deal with the threat of the atomic bomb, must now learn to cope effectively with the equally frightening threat of the already armed and ticking population bomb.

### **TEXT OF RESOLUTION <sup>2</sup>**

*The Economic and Social Council,*

*Recognizing* that 1975 has been designated as International Women's Year and the World Conference of the International Women's Year is scheduled from 19 June to 2 July 1975 in Mexico City,

*Recalling* that the World Population Conference emphasized the interrelationships of population, development, resources and the environment, and the family, and that the World Population Plan of Action adopted by the Conference and endorsed by the General Assembly at its twenty-ninth session correlates population factors with the status of women and the role of women in development,

*Further recalling* that the World Food Conference called on "all Governments to involve women fully in the decision-making machinery of food production and nutrition policies as part of total development strategy" (E/5587, resolution VIII) and adopted a resolution on the achievement of a desirable balance between population and food supply (resolution IX), and that thus the influence of socio-economic factors on the demographic process as well as the important role of women were emphasized,

*Noting* the importance accorded to the integration of women in development by the United Nations Development Programme at its nineteenth session, the United Nations Commission for Social Development at its twenty-fourth session, the International Forum on the Role of Women in Population and Development (February to March 1974), and the Regional Consultations for Asia and the Far East and for Africa on "Integration of Women in Development with Special Reference to Population Factors" (May and June 1974, respectively), and the Regional Consultation for Latin America on the same subject to be held in April 1975,

*Further noting* that the General Assembly, in resolution 3342 (XXIX) of 17 December 1974, entitled "Women and Development" considered that

<sup>2</sup> Adopted by the Commission and recommended to the Economic and Social Council on Feb. 28 (text from U.N. doc. E/CN.9/L.117/Rev.2).

further progress towards the full integration of women in development should be assisted by positive action from the United Nations system of organizations,

*Recognizing* the findings of the Study of the Special Rapporteur on the Interrelationship of the Status of Women and Family Planning (E/CN.6/575 and Add.1-3) presented to the Commission on the Status of Women at its twenty-fifth session and to the Economic and Social Council at its fifty-sixth session and the implications of this interrelationship not only for the health and well-being of individual women but also for the social and economic progress of nations,

*Further recognizing* that equal status of men and women in the family and in society improves the over-all quality of life and that this principle of equality should be fully realized in family planning where each spouse should consider the welfare of the other members of the family, and recognizing that improvement of the status of women in the family and in society can contribute, where desired, to smaller family size, and the opportunity for women to plan births also improves their individual status,

*Convinced* that the time has now come for action to carry out the numerous important recommendations already agreed upon,

1. *Urges* United Nations bodies, Member States, and relevant non-governmental organizations, in observing International Women's Year and participating in the World Conference of the International Women's Year to take all action appropriate to ensure that the recommendations relating to the status of women stated in the World Population Plan of Action (E/5585, paras. 32, 41, 42, 43, 78) and in resolutions IV, XII and XVII (E/5585, chap. II) of the World Population Conference are implemented; and in particular:

(a) To achieve the full participation of women in the educational, social, economic, and political life of their countries on an equal basis with men;

(b) To achieve equal rights, opportunities, and responsibilities of men and women in the family and in society;

(c) To recommend that women have the information, education, and means to enable them to decide freely and responsibly on the number and spacing of their children in order to improve their individual status;

2. *Requests* United Nations bodies, within their fields of competence, including the regional commissions, in collaboration with Member States, in the implementation of both short-term and long-term population policies and programmes designed to carry out the recommendations of the World Population Plan of Action:

(a) To pay particular attention in the monitoring

of the progress being made in the implementation of the World Population Plan of Action to the evolving status of women, keeping in mind the mutual interaction among population factors, social and economic development, and the status of women,

(b) To supply information to the Economic and Social Council on the action taken pursuant to this resolution.

## TREATY INFORMATION

### Current Actions

#### BILATERAL

##### Canada

Agreement concerning liability for loss or damage resulting from certain rocket launches in Canada (Operation Tordo). Effected by exchange of notes at Ottawa December 31, 1974. Entered into force December 31, 1974.

##### Iran

Agreement on technical cooperation. Signed at Washington March 4, 1975. Enters into force on the date of an exchange of notes confirming entry into force.

Agreed minutes for the second session of the United States-Iran Joint Commission for Economic Cooperation. Signed at Washington March 4, 1975. Entered into force March 4, 1975.

##### Mexico

Agreement concerning the provision by the United States of four mobile interdiction systems for use in curbing the illicit flow of narcotic substances through Mexico. Effected by exchange of letters at México February 24, 1975. Entered into force February 24, 1975.

##### Saudi Arabia

Technical cooperation agreement. Signed at Riyadh February 13, 1975. Enters into force after Saudi Arabia has provided written notice to the United States that the agreement has been officially promulgated in Saudi Arabia.

##### Thailand

Agreement concerning payment to the United States of net proceeds from the sale of defense articles furnished under the military assistance program. Effected by exchange of notes at Bangkok January 3 and 17, 1975. Entered into force January 17, 1975; effective July 1, 1974.

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**Check List of Department of State  
 Press Releases: March 3-9**

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

Releases issued prior to March 3 which appear in this issue of the BULLETIN are Nos. 98 of February 24 and 108 of March 1.

No.	Date	Subject
	109 3/3	Enders: House Ways and Means Committee.
*110	3/3	Shipping Coordinating Committee, Subcommittee on Safety of Life at Sea, Mar. 26.
*111	3/3	Northwest Atlantic Fisheries Advisory Committee Meeting, Mar. 26.
*112	3/3	Harbridge House releases study on U.S. international aviation policy.
*113	3/4	Stabler sworn in as Ambassador to Spain (biographic data).
*114	3/4	Advisory Committee on International Book and Library Programs, Apr. 10-11.
†115	3/4	Kissinger, Ansary: remarks following meeting of U.S.-Iran Joint Commission.
†115A	3/4	U.S.-Iran Joint Commission joint communique.
†115B	3/4	U.S.-Iran agreement on technical cooperation.
†116	3/6	Kissinger: remarks, Cardiff, Wales.
*117	3/7	Dominick sworn in as Ambassador to Switzerland (biographic data).
†118	3/7	Kissinger: statement on Tel Aviv terrorist incident, Mar. 6.
*119	3/7	Bill proposing public corporation to govern East-West Center presented to Hawaii legislature, Mar. 6.

\* Not printed.

† Held for a later issue of the BULLETIN.