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PRESS DEPARTMENT OF STATE



November 1, 1984
NO. 243

AS PREPARED FOR DELIVERY

PREVENTING THE PROLIFERATION OF NUCLEAR WEAPONS

ADDRESS BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
BEFORE THE
UNITED NATIONS ASSOCIATION
OF THE U.S.A.
NEW YORK, N.Y.
November 1, 1984

For further information contact:

In the early 1960s, during the presidency of John F. Kennedy, it was the consensus of defense policy experts that by the mid-1980s -- today -- between 15 and 25 countries would have nuclear weapons. Serious commentators then accepted, almost without question, the idea that the spread of nuclear weapons was inexorable, advancing like a Greek tragedy to some disastrous preordained conclusion.

Well, I'm happy to say they were wrong. It's 1984, and despite the steady and rapid development of nuclear energy around the world, the number of acknowledged nuclear-weapons states has held at five since China tested its first atomic bomb 20 years ago. Only one additional country, India, has carried out any kind of nuclear explosion -- and that was 10 years ago.

Clearly, the potential danger is still with us. Regional rivalries and grandiose ambitions continue to tempt some countries to flirt with the dangerous and misguided notion that their security could be enhanced by obtaining nuclear weapons, or at least by creating the perception that they can do so.

But these temptations can and are being held in check. The prophets of gloom were wrong in their prediction that nuclear proliferation was inevitable, because they did not foresee the determined efforts that would be undertaken by the international community to deter the spread of these deadly weapons. Without this undertaking, the nightmare of rampant nuclear proliferation might well have become reality.

While superpower negotiations to limit the growth of nuclear arsenals have garnered the headlines, the effort to prevent the spread of nuclear explosives has gone on largely out of the glare of publicity. Through seven administrations, the United States has led a concerted international campaign to control this threat to world peace. The endeavor has fostered a web of institutional arrangements, legal commitments, technological safeguards and alternative means for addressing security concerns.

The ongoing anti-proliferation campaign is an example of constructive diplomacy and international cooperation at its finest. In this enterprise we have found common ground not only between industrialized and developing countries, and between nuclear suppliers and nuclear consumers, but between ourselves and the Soviet Union. What we all share is the recognition that nuclear proliferation would aggravate political tensions among nations, heighten regional insecurities, and contribute to vastly greater instability in the world.

Since the day he took office, President Reagan has sought, as a fundamental objective, to reduce the dangers to world peace and global stability posed by nuclear weapons. The President's well-known efforts to achieve reductions in strategic and intermediate-range nuclear weapons have been one part of this enterprise. Prevention of nuclear proliferation has been another essential element.

In our efforts to control nuclear proliferation, like those directed toward reducing nuclear weapons, we must be guided by realism. We cannot wish the atom away, nor should we try to. Its secrets have been unlocked, and they have brought great benefit to mankind. Peaceful use of the atom has yielded not only an economical and reliable energy source, but a wealth of applications in the fields of medicine and agriculture. We are only just beginning to realize the potential of peaceful nuclear technology for raising the living standards and improving the lives of millions of the world's people.

But we cannot be blind to the potential harm that misuse of this powerful force could bring. Diversion of nuclear technology to explosive purposes could pose a threat to peace and could at the very least undermine global stability.

Many of you undoubtedly saw press accounts of the Carnegie Endowment study on the nuclear proliferation problem that was released a couple of days ago. The study publicized a fact that those of us who deal with this issue have long been acutely aware of: that as long as international tension and conflict exist, there will be insecure or irresponsible leaders who seek to shift the balance of regional power dramatically by acquiring a "secret weapon."

We and other responsible members of the international community are ceaselessly at work to deter those who might be tempted to transform the promise of nuclear energy into the peril of nuclear weapons. Although we cannot be sure that further proliferation of nuclear explosives can be prevented for all time, there is a great deal we can do to retard its pace and make it much more difficult.

Nor can the United States realistically expect to deter proliferation all by itself. America no longer dominates the nuclear field -- scientifically or commercially -- as it once did. As mastery of the technology has spread, it has been harder to persuade others simply to follow our lead, let alone to dictate their actions and choices. Now more than ever, a successful non-proliferation effort requires cooperative undertakings involving both suppliers and users of nuclear technology, taking into account their energy needs, commercial interests, and concerns about their sovereignty.

Equally important, we must address the underlying causes of nuclear proliferation, not just its symptoms. Although the search for nuclear weapons might arise out of the simple megalomania of a national leader, a country is far more likely to "go nuclear" out of feelings of insecurity, usually arising from regional rivalries. The truth is that any "security" that might be gained by developing a nuclear-weapons capability is likely to be illusory. Proliferation begets proliferation; it is synonymous with instability and is destructive of everyone's security.

Nevertheless, as long as that sense of insecurity exists, the threat of sanctions, although an important deterrent, may not always suffice to discourage countries with the potential to build weapons from trying to do so. If the drive to acquire nuclear weapons is to be curbed, the sources of tension and insecurity also must be addressed. We can do this by providing political, economic, and security assistance to friendly countries anxious about their security. And we can continue to lend our efforts, as we have in the Middle East and southern Africa, for example, to resolution of the conflicts that are at the root of the problem.

In my experience as Secretary of State, I have found the problem of preventing nuclear proliferation to be as complicated and as challenging -- intellectually, politically, and diplomatically -- as any I've had to deal with. Just as we have discovered in dealing with other intricate, morally . challenging foreign policy problems, like arms reduction and human rights, effective solutions often require us to make very tough choices.

Keeping our hands clean by trying to disengage from the problem, or by shunning all relations with potential offenders, is not the answer. We must deal with the causes of the problem and offer alternatives for its solution if we are to maintain our influence with potential proliferators and not jeopardize the other, often critical, interests we may have in common. Balancing these diverse and sometimes contradictory policy considerations can involve difficult tradeoffs.

By the same token, if we are to maintain the cooperation of other nations whose participation is absolutely essential to any non-proliferation regime, we must respect their needs, their interests and their sovereignty.

These are some of the considerations that have gone into shaping the non-proliferation policy of the Reagan Administration.

Evolution of Non-Proliferation Policy

Over the last three decades, America's non-proliferation policy has benefitted from a remarkable continuity and steadfastness of purpose.

In 1953, soon after he was elected, President Eisenhower took an historic step in inaugurating the Atoms for Peace program. By this act, the United States volunteered to share its peaceful nuclear technologies for the good of all mankind.

The International Atomic Energy Agency (IAEA), which was also proposed by President Eisenhower, was established in 1957 as an international institution through which to pursue those same goals. The IAEA was given a dual mission: to promote the peaceful use of nuclear energy, and to effectuate a system of international safeguards against diversion of nuclear materials for non-peaceful purposes. Through the intervening years, the IAEA has assumed ever greater importance as a key instrument in the non-proliferation regime. It is an agency that the United States ranks among the most important of the international institutions.

The Nuclear Non-Proliferation Treaty, signed in 1968, provided a juridical framework for the same effort. In adhering to the NPT, non-nuclear-weapon states undertook not to develop or acquire nuclear explosives and to accept safeguards on all their nuclear activities. At the same time, these states were assured access to peaceful nuclear technology, while nuclear suppliers committed themselves to ensuring that their nuclear exports were covered by IAEA safeguards. The parties to the treaty also agreed to make good-faith efforts to slow the nuclear arms race.

The early 1970's -- particularly after the 1973 energy crisis -- were perhaps the halcyon days for nuclear power. Nuclear generation of electricity was increasing rapidly, and the non-proliferation regime was expanding and appeared sound. But the explosion of a nuclear device by India in 1974, notwithstanding its "peaceful use" commitments under bilateral nuclear cooperation agreements, shocked the nuclear suppliers and caused them to reassess their non-proliferation policies.

Even before the Indian blast, there was a growing realization that variations in the export policies of the different nuclear suppliers made it difficult to apply uniform measures to deter proliferation. To close these gaps, the major nuclear suppliers convened in London in 1974 to discuss common multilateral export policies.

Under the guidelines first adopted in 1976, members of the London Suppliers Group agreed to transfer certain technology, equipment, and material only if the customer nation agreed to apply IAEA safeguards to the item supplied and to ensure its peaceful use.

For nearly three decades, the United States and other nations that share our views have relied on this combination of political incentives, international safeguards, bilateral export controls, and technological constraints to hold nuclear proliferation in check. But non-proliferation strategies have had to be continuously adapted to deal with evolving technologies and changing political circumstances.

When the Carter Administration took office, its policy was fundamentally shaped by the view that nuclear energy development worldwide created significant proliferation risks. Decisions were made to defer reprocessing and plutonium use in this country. These domestic policies were paralleled by unilateral attempts to curtail the supply of nuclear technology abroad and particularly to discourage the use of plutonium-based technologies by other major industrial nations.

Rather than "setting a good example" as it was intended to do, this negative attitude toward nuclear power was seen by some of our friends as a challenge to their desire for energy independence.

Thereby it reduced our influence in the international nuclear arena and eroded trust in the United States as a reliable nuclear supplier.

The enactment of the Nuclear Non-Proliferation Act during the Carter Administration represented a serious effort to promote a more stringent and uniform set of international standards for nuclear exports. At the same time, however, it precluded us from carrying out certain supply contracts and agreements to cooperate in the nuclear area, thus impairing our ability to provide incentives for countries to act in ways consistent with non-proliferation goals. As a result, we were less able to win the support of those nations on critical supply, safeguards, and other non-proliferation issues.

Reagan Administration Policies and Achievements

President Reagan therefore shaped an approach that was designed to facilitate cooperation with our allies and friends and to ensure us an effective leadership role in international nuclear affairs.

Supporting Nuclear Power -- As I said at the outset, we are realistic. In coming decades, nuclear energy will necessarily play a major role in providing environmentally safe and economically efficient electric power in the United States.

Likewise, it is clear that nuclear-generated energy will be increasingly important for the economic development and energy security of many nations around the world. For these countries-- Japan, for example, and much of Western Europe -- nuclear power is critical to national well-being and energy security.

Making Rational Distinctions -- We must make rational distinctions between close friends and allies who pose no great proliferation risk, and those areas of the world where we have real concerns about the spread of nuclear weapons. A policy of denial toward countries with excellent non-proliferation credentials would be arbitrary as well as counterproductive. On the other hand, we are determined to maintain stringent controls to ensure that our nuclear cooperation is not misused. We recognize in particular a clear need to restrict sensitive nuclear activities in regions of instability and proliferation concern, like the Middle East and South Asia.

At the same time, we are striving to reduce the motivation of some states to acquire nuclear explosives by working with them to improve regional and global stability. Our \$3.2 billion package of economic and security assistance to Pakistan is a case in point.

Closer Consultation and Cooperation -- In light of the earlier criticism by our nuclear partners, and the recognition that America is no longer dominant in the field, we have sought to restore an emphasis on cooperation. It is not always possible, of course, to obtain full agreement on controversial issues. But we have tried, at least, to implement our non-proliferation policy with a maximum of consultation and agreement with other nations. Our approach is designed to give our closest nuclear trading partners a firmer and more predictable basis on which to plan their vital energy programs, while at the same time furthering our non-proliferation objectives.

Our negotiations with the People's Republic of China regarding an agreement for cooperation in the peaceful uses of nuclear energy also have important implications for the strengthening of the worldwide non-proliferation regime. China's decision during the process of those negotiations to join the International Atomic Energy Agency was a significant step in this regard. Its determination to require IAEA safeguards on its future export commitments, and its strong statement that it would refrain from assisting any other nations to acquire nuclear explosives, are evidence of China's broadening commitment to the world's non-proliferation effort.

We are convinced that nuclear cooperation with China, grounded on an agreement that satisfies all the requirements of our law and policy, will advance our worldwide non-proliferation objectives, enhance our overall political relations with China, and benefit U.S. economic interests.

Although we have major differences with the Soviet Union on a wide range of arms control issues, we have broad common interests in the non-proliferation area. In the fall of 1982, Foreign Minister Gromyko and I agreed to initiate bilateral consultations on non-proliferation. Since then, three rounds of useful discussions have taken place, with both sides finding more areas of agreement than disagreement. We expect to confer again on this subject later this month. It is clear that both countries consider the horizontal spread of nuclear explosives to be in no one's interest. Moreover, we agree that we both have major responsibilities in strengthening the non-proliferation regime.

Broadening the Dialogue -- Some rapidly industrializing nations such as Brazil, Argentina, and South Africa also have active peaceful nuclear energy programs. Moreover, they are emerging as nuclear materials suppliers in their own right. We have restored a dialogue on the benefits of a strong non-proliferation regime with these countries, where our ties in the area of peaceful nuclear energy had been all but broken.

We have sought their cooperation and support for our efforts to assure that nuclear exports are not misused for non-peaceful purposes. At the same time, we have stressed that regional stability would be enhanced if they would broaden the application of international safeguards in their own nuclear programs.

We are pleased to note that the Government of South Africa has publicly undertaken to require IAEA safeguards on all of its future nuclear exports. South Africa has also reopened discussions with the IAEA on safeguarding a significant new semi-commercial enrichment plant.

Our discussions with Brazil and Argentina, we believe, have led to an increased sensitivity on their part to our non-proliferation concerns. We attach great importance to the assurances of Brazil and Argentina that their nuclear programs are devoted solely to peaceful uses, and we look forward to continuing our dialogue both in multilateral fora and in bilateral discussions.

We continue to urge all of these countries to adhere to the Non-Proliferation Treaty and, in the case of the Western Hemisphere, the Treaty of Tlatelolco, and to place all of their nuclear facilities under international safeguards.

Improving U.S. Export Controls -- I have talked mainly about this administration's diplomatic and policy initiatives, but we have not neglected the technical side of the problem. In his 1981 statement on non-proliferation policy, the President affirmed that the United States would continue to inhibit the transfer of sensitive nuclear material, equipment, and technology, particularly where the danger of proliferation required restraint.

We fully recognize the risks associated with reprocessing and other sensitive nuclear technologies because of their potential direct applicability to weapons production. We appreciate the need for great caution and restraint in dealing with these risks and the importance of limiting sensitive facilities and activities to as few locations as possible. Even then, reprocessing should only be done in places where no significant risk of proliferation exists.

A small but significant number of the world's states pose a real proliferation risk. In seeking to block these states -- Libya, for example -- from obtaining nuclear explosives, we have employed a range of political, economic, and security measures. And of course we have sought to persuade other suppliers to impose similar conditions and controls. This effort has been successful thus far in preventing acquisition of nuclear weapons by unstable and irresponsible regimes, in whose hands they could create a catastrophe. But unrelenting vigilance is necessary.

Strengthening International Safeguards -- Our commitment to strengthened international safeguards remains constant and firm, for we recognize that this is one area in which we cannot allow inspection capabilities to be outpaced by advancing technology. Obviously, as advanced nuclear technologies come on line around the world, the International Atomic Energy Agency must have at its disposal the trained personnel and equipment required to apply adequate safeguards. Under our Program of Technical Assistance to IAEA Safeguards, we continue to contribute importantly to this effort.

In a major arms control speech last year, President Reagan called upon all nuclear suppliers to require recipient states to accept comprehensive safeguards on all their nuclear activities as a condition for any significant new nuclear supply commitments. Over the past three years we have worked through diplomatic channels to develop a favorable supplier consensus on this issue.

It was, for example, one of the topics discussed at the meeting of nuclear suppliers held earlier this year in Luxembourg. The nations represented there agreed that adoption of comprehensive safeguards remains a highly desirable non-proliferation goal.

We are seeking to build on the Luxembourg results by examining concrete ways of persuading additional consumer states to accept comprehensive safeguards. As we pursue our dialogue with emerging suppliers, we will work to assure that they, too, come to understand and adopt the non-proliferation ethic that traditional suppliers have developed over the past quarter century.

Sharing Benefits with the Developing World -- In our efforts to develop the atom for peaceful purposes -- from medicine to nuclear power -- we have not ignored the legitimate needs of those technologically less advanced nations that wish to share in the peaceful benefits of the atom. We will continue to ensure, bilaterally and through the IAEA, that those benefits are made available on a reliable basis to nations that have good non-proliferation credentials.

In East Asia and Latin America, the IAEA has recently sponsored initiatives to promote enhanced cooperation in nuclear research, development and training. We support such regional initiatives, and are examining the feasibility of broadening the Latin American effort to involve other nations of the Western Hemisphere, including the United States.

NPT Review Conference -- Over the past several years, we have worked to strengthen the treaty that is at the heart of the international non-proliferation regime.

Ten new countries have been persuaded to join in the last four years, making the Non-Proliferation Treaty, with 125 parties, the most widely adhered-to arms control agreement in history.

Preparations are now well underway for the 1985 conference to review the implementation of the NPT. For our part, we will work with all countries for a successful review conference in 1985. Indeed, we welcome a full debate, which, I am sure, will not overlook the treaty's critical contribution to international security and global peace.

The Continuing Priority of Preventing Proliferation

It is no exaggeration to say that controlling the spread of nuclear weapons is critical to world peace and, indeed, to human survival. It is a cause that deserves and receives a top priority in our foreign policy.

But as fateful as the stakes are, our efforts have not been widely noted. For the struggle we are waging is not on the battlefield. It goes on in the quiet of diplomatic chanceries, at meetings of technical experts, and in safeguards laboratories. Success is measured not in terms of territory liberated or new allies gained, but rather in terms of confidence established, restraints voluntarily accepted, and destabilizing military options forgone.

By those measures, our non-proliferation policy has been a success. We have reestablished a spirit of confidence, both with other nuclear suppliers and with those customers of nuclear technology who share our non-proliferation goals; we have deepened our dialogues on practical cooperation; we have successfully encouraged some important countries to adopt new anti-proliferation measures; and we have made significant progress toward the conclusion of new bilateral agreements that will further strengthen the international non-proliferation regime.

But these accomplishments, important as they are, must not lull us into complacency. Thus far, we have proven wrong the prophets of unchecked nuclear proliferation. But only with determination, realism and unflagging effort can we continue to belie their gloomy prophecy and to ensure that the potential of the atom will be exploited not to threaten civilization, but to serve it.

PRESS DEPARTMENT OF STATE



November 5, 1984
NO. 243A

QUESTION AND ANSWER SESSION FOLLOWING SPEECH
THE HONORABLE GEORGE SHULTZ
SECRETARY OF STATE
BEFORE THE
UNITED NATIONS ASSOCIATION OF THE USA
NEW YORK CITY
THURSDAY, NOVEMBER 1, 1984

MR. EDWARD C. LUCK (President, UNA-USA): Thank you, Mr. Secretary. We appreciate your not only coming at this very difficult moment, but for giving such a thoughtful speech. We appreciate that.

We had quite a range of questions here, but I filtered out those that didn't seem to have any logical connection with proliferation. But there were quite a few that did.

A number of them had to do with south Asia. You're about to travel to an increasingly troubled and unstable area of the world in which one country, India, has exploded a nuclear device. A second, Pakistan, seems to be very interested in advanced nuclear technology. And a third, Afghanistan, is in the midst of a civil war and is occupied by Soviet military forces.

Given that situation, if you could answer three questions related to that:

First, what, in your view, are the prospects for further nuclear proliferation in south Asia in the next few years? Second ----

SECRETARY SHULTZ: Let me answer one. I'll forget them if you ask all three. (Laughter). Did you ever see somebody sworn in for office in the federal government? And if you make the fellow take the oath, or the woman, and you say the whole thing and then they have to repeat it, they'll never make it into office. (Laughter) So just let me take one at a time.

Well, I think the prospects are good, but they're going to be better if we continue to work very hard on the subject, and it's important to do so. We address ourselves to that general subject of non-proliferation in that area all the time, and the countries involved -- India and Pakistan -- both say that they have no intention to do anything other than use the atom peacefully.

We follow what goes on as closely as we possibly can, and I can assure you that we're hard at work to make those assertions real. So I think that we not only hope for the best, but we try hard and work hard to bring that about.

MR. LUCK: Well, I'm glad you answered my first question, because at the same time you answered my second.

The third question is related to the question of nuclear terrorism. Given the number of sub-national groups of one sort or another in that region, what do you think of the possibilities of one of them either acquiring nuclear materials or weapons and possibly using them in that area?

SECRETARY SHULTZ: Well, once again, that's the sort of thing we are doing everything we can to avoid, and I think successfully. I don't think it's as easy as somehow people seem to think. I know there's always a lot of publicity, Elliot (Richardson), that a Princeton freshman can make a nuclear bomb -- not a Harvard freshman -- (laughter) -- but I think that it isn't so easy to put all that together. And, unfortunately, terrorism, I believe, is a major international problem, and we have to face it, and it doesn't take nuclear technology to make it a problem. There's plenty of technology to murder, and the reason I'm going to India -- and I can only say that I'm -- have a prayer that I didn't have to go to the U.K. in a similar circumstance -- is because of terrorism against the Prime Minister.

So that is a subject -- I've addressed myself to it recently and on other occasions -- but I feel very strongly about it, and I think we in the United States have to wake up that this is an international form of

warfare. It is directed largely against us and against our way of life and our way of thinking, and we have to recognize it and be prepared to defend ourselves and our values against it.

So, unfortunately -- well, I don't think that it's likely that nuclear weapons will become a form of terrorism, although it is possible, but, unfortunately, you don't need nuclear weapons these days.

MR. LUCK: Recently Soviet President Chernenko in an interview listed various conditions for improving Soviet-American relations, and among those was the ratification by the United States of the two treaties for peaceful nuclear explosives and a threshold test ban which were signed by President Ford some time ago.

If you could tell us what the Administration policy is towards these at this point, because so far the Administration has been reluctant to submit them to the Senate for a consent to ratification. Even though they would allow for on-site inspection in the Soviet Union, they might show good faith for Article VI of the Non-Proliferation Treaty which requires movement towards disarmament, and because many people think that that might be a step towards a comprehensive test ban, which eventually would be a very firm non-proliferation measure.

Will there be any reconsideration of this matter if President Reagan is re-elected next week?

SECRETARY SHULTZ: I get the feeling you're for these treaties. (Laughter)

MR. LUCK: Well, whoever submitted the question was.

SECRETARY SHULTZ: Well, so are we. But we want to have treaties that -- where the behavior undertaken to be carried out can be verified. The problem in nuclear testing right now is that our means of verifying are such that your ability to tell whether a test falls under the 150-kiloton level allowed can be off by a -- by three orders of magnitudes very easily.

In other words, you have an instrument that in effect measures something by giving you a frequency distribution of the probabilities of where this explosive force fell, and if the central tendency, let's say, is at the 250-kiloton level, the tail of the distribution can fall well within the 150-kiloton level.

So you can't say that for sure there's been a violation. But if you have repeated central tendencies that are above what's allowed, you sure can't help but wonder.

Now, there are ways to improve verification substantially, and we think that it is a contribution if you can make treaties verifiable before you undertake to ratify them, particularly if you can see very clearly how to do that, and so we have proposed all kinds of things.

And in the President's speech at the United Nations in September, he invited a delegation of Soviet technical experts to come to the next nuclear test that will be carried out in the United States -- I think it's next April, or something like that -- and set up their instruments and observe, having in mind that they could calibrate what they observed on the spot versus what they observed from their national technical means.

And he said that we would hope that that could be worked out and negotiated in such a manner that U.S. experts could go to a Soviet testing site and do the same thing. And I think there's a very strong inference that if that were done and we found ourselves better able to verify what's being undertaken, then we'd have a little more confidence in going ahead.

So we favor the restrictions on testing that are in those treaties, but if they're just ratified as they stand, the capacity to verify is considerably less than it could be.

MR. LUCK: In your speech you pointed out that there is a large area of Soviet-American agreement on nuclear proliferation, and you mentioned that later this month there would be another round in Soviet-American consultations on this subject.

I was wondering if you could tell us what you expect concretely to come out of those discussions; and, second of all, if there is a possibility that when again the nuclear-supplier countries meet, as they did earlier this year in Luxembourg, whether the Soviets might participate at that point, because they weren't participating earlier this year?

SECRETARY SHULTZ: Yes. Well, I can't answer the last question, and, as a matter of fact, I don't want to try to specify the agenda or anything like that of the talks we've had on this subject with the Soviet Union. They're

private, diplomatic talks, and, as I said, Ambassador Kennedy has been conducting them.

But this was an area that -- as Mr. Gromyko and I discussed our differences and also possible areas of agreement in 1982 -- we agreed, well, here's something where we might work constructively together, so let's try.

And Dick was our leader, and they appointed a very capable person, and they have proceeded to have orderly, systematic discussions. And it is our opinion that in the evolution of things that we have seen in this field over the last couple of years, that the discussions we've had with the Soviet Union have played a constructive part in that evolution. And I think I'll just leave it at that.

MR. LUCK: Maybe one final question, because I know you have half a globe to go later today. Several people asked questions about the nuclear cooperation agreement with China, which you mentioned in your speech.

President Reagan signed this when he was in Beijing earlier this year. There was some resistance in Congress to having it submitted for a consent to ratification, partly because of proliferation concerns.

Do you have any timetable for when that might be submitted to the Senate? Has there been any rethinking about this treaty, about this agreement, or are you satisfied that it is a good and sound agreement and serves both the interests of China and the United States?

SECRETARY SHULTZ: It's a good and sound agreement. It is fully consistent with all the provisions of our law that set up the requirements for agreements of this sort. It's been very carefully worked out. It has not yet been submitted to the Senate, but I would hope that it would be, and there's some lingering questions that we have in our minds that we want to be satisfied on before we do so.

I would go beyond that and say that the process of working with the People's Republic of China on this question has already produced some very significant, positive results in the area of non-proliferation, because they may have played at least some part in the decisions of China to join the IAEA, to apply safeguards to their own exports, and so on.

So I think it is part of a process in which China has -- is becoming very much a part of the efforts at

non-proliferation that are going on in the world. So it's positive even now, but I think if we can get it to the point where it can be submitted and gone on through, which I believe we will, then it will be even more significant. So it's part of the process of what Ambassador Kennedy has been working on.

Well, I appreciate very much the opportunity to appear before you. I appreciate that you have kept the questions at least more or less on the subject matter. It's very unusual. (Laughter) But usually at these kinds of things, the people write the questions before I give the talk, so I know there's no relationship.

But this is an exceptional audience, and I appreciate very much your being willing to sit and listen to a speech that we have worked on. It reflects, more importantly, work that's been done and a point of view about this important subject that we have brought to it from the Reagan Administration. So thanks very much for listening to me. I appreciate the chance to be here.

(Sustained applause)

MR. ELLIOT RICHARDSON (Chairman, UNA-USA): Thank you very, very much, Mr. Shultz. These are, characteristically, thoughtful, realistic and forward-looking remarks. Thank you also for your informative and forthright responses to the questions.

PRESS DEPARTMENT OF STATE



November 2, 1984
NO. 244

Q&A SESSION
BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
UPON DEPARTURE
CAIRO, EGYPT
November 2, 1984

QUESTION: What did you discuss in your meeting with the Prime Minister?

SECRETARY SHULTZ: I am very pleased to be here. We had a very worthwhile exchange of views and it has been important from the U.S. side to have the majority leader of the United States Senate, one of our most distinguished Senators, Majority Leader Senator Baker, and Senator Moynihan here with us. So we had a representation both from the administration and the Congress in this discussion. There has been a very worthwhile review of developments in the area.

QUESTION: What did you focus on sir?

SECRETARY SHULTZ: Well, I think I'll just leave it at what I said. Thank you.

QUESTION: Do you think there is a new American initiative after the American elections to push the peace process?

SECRETARY SHULTZ: Well, first, we have to have our elections, then we'll see what happens.

PRESS DEPARTMENT OF STATE



November 2, 1984
NO. 245

STATEMENT BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
UPON ARRIVAL
NEW DELHI, INDIA
November 2, 1984

This is a sad occasion for India, for the United States, and for men and women of good will throughout the world. Indira Gandhi symbolized India: She spoke for India's commitment to a humane democracy, to a better life for all the people of India, and for peace and justice among all people. She won the respect of all, not the least that of my fellow Americans, as a good and wise leader. Thus she earned well her position as a world citizen of the first rank. We may be assured that her place in the history of our times is secure as it is secure in the hearts of her people.

I speak for all Americans when I tell you how profoundly shocked we were by the brutal act of terrorism which has taken Indira Gandhi from us. It was an action which stands condemned by all civilized people. Terrorism, of which this is such a truly frightful example, has become the scourge of our times; it has touched the lives of all; we are diminished by it where ever it occurs as we are diminished today by the murder of Mrs. Gandhi. Let us, I plead, rededicate ourselves to the task of ensuring that terrorism will not succeed in its deeply cruel disruptive purposes.

India, the country that gave the word and thought of nonviolence to the world, knows well the hand of terror -- the hand that on the very morning of her independence struck down Mahatma Gandhi, the inspiration and true father of that independence. In the United States we have not been spared. Twenty-one years ago this month John F. Kennedy was struck down by an assassin's bullet. President

Reagan three years ago was the target of mindless assassination attempt. But both India and the United States have shown the strength, resilience, and vibrancy of democracy in their time of crisis. And so, we know that the Indian people and their leaders, as did we in our days of trial, will have strength in their sadness and draw strength from their commitment to democracy.

Your new Prime Minister has spoken of his mother's "dream of a united, peaceful, and prosperous India." He has called on his countrymen to complete her unfinished work. We know that the people of India will meet this challenge.

Our two lands, the United States and India, have a firm and enduring relationship, one that is based on our common democratic heritage, our long history of a rewarding association, our rich web of personal ties, our shared interest in an ever-expanding mutual support and cooperation. The United States strongly supports the independence, unity, and territorial integrity of India and recognizes its pivotal role in the region. We share the important goals of peace and stability both in South Asia and over all the globe. We look forward to working closely, productively, and in the highest of mutual regard with the new government of Prime Minister Rajiv Gandhi. We will do so as we did with the Government of his great and distinguished mother to whom our thoughts turn so strongly, so warmly on this tragic day.

PRESS DEPARTMENT OF STATE



November 5, 1984
NO. 246

STATEMENT BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
NEW DELHI, INDIA
NOVEMBER 3, 1984

This is a sad day for India, for the United States, and for people who stand for democracy around the world.

It is also a day when India can be proud of the legacy of Indira Gandhi, who spoke for India's commitment to democracy, peace, and justice.

I have had the honor today to meet with India's new Prime Minister. I told him of President Reagan's personal sense of respect and admiration for Indira Gandhi, and of the President's desire to continue the fruitful dialogue and the renewed positive trend in Indo-American relations that have taken shape over the past few years.

This is also a day for confidence in the future. As I told the Prime Minister at the outset of our meeting, the American Government has no doubts as to that future. Your new Prime Minister has spoken of his mother's "dream of a united, peaceful, and prosperous India". He has called upon India to complete her unfinished work. The United States has the utmost confidence that the people of India will meet this challenge. And as a good friend, the United States stands ready to help ensure that future -- a future which, in view of the manifest resourcefulness of the Indian people, their commitment to constitutional government, and the Prime Minister's leadership, is full of promise.

For further information contact:

I speak for all Americans when I tell you how profoundly shocked we were by the brutal act of terrorism which has caused us to gather here today. It was an action which stands condemned by all civilized people. Terrorism, of which this is such a truly frightful example, has become the scourge of our times; it has touched the lives of all; we are diminished today by the murder of Mrs. Gandhi. Let us, I plead, rededicate ourselves to the task of ensuring that terrorism will not succeed in its deeply cruel and disruptive purposes.

India, the country that gave the word and thought of nonviolence to the world, knows well the hand of terror -- the hand that on the very morning of her independence struck down Mahatma Gandhi, the inspiration and father of that independence. In the United States we have not been spared. Twenty-one years ago this month John F. Kennedy was struck down by an assassin's bullet. President Reagan three years ago was the target of a mindless assassination attempt. But both India and the United States have shown the strength, resilience, and vibrancy of democracy in their times of crisis. So, we know that the Indian people and their leaders, as did we in our days of trial, will have strength in their sadness and draw strength from their commitment to democracy.

In this spirit, I today reaffirmed to the Prime Minister America's strong commitment to India's independence, unity, and territorial integrity, as well as to stability throughout the sub-continent. I assured him that the United States would continue to work closely with India in pursuit of the many mutual goals we share.

I gave the Prime Minister a personal message from the President in which he expresses the hope that the Prime Minister will visit Washington for talks early in 1985 to open the Festival of India as Mrs. Gandhi had planned to do.

And I was joined in my meeting today by this distinguished delegation, which includes the Majority Leader of the Senate, Senator Baker, and the distinguished Senator from New York, Senator Moynihan.

The collective experience of this delegation with India, stretching back over nearly the entire course of independent India's history, is an impressive demonstration of the deep interest of prominent Americans in India's life -- and I can tell you that their emotions just now, as they greeted your new Prime Minister, who several of them have known closely for years, were heartwarming and deep. Here today in this delegation are four distinguished Americans who have served in India as Ambassador. Over the years, their stature has represented the esteem we have for India, and they in turn have honored our nation by their distinguished service. I am proud to bring such a delegation to India. Ambassadors Goheen, Moynihan,

Galbraith, and Cooper are representatives of a tradition stretching back to the warm Indo-American relations during the great era of Prime Minister Nehru -- a relationship and a legacy that we seek to reaffirm today.

Our two lands, the United States and India, have a firm and enduring relationship, one that is based on our common democratic heritage, our long history of a rewarding association, our rich web of personal ties, our shared interest in ever-expanding mutual support and cooperation. We share the important goals of peace and stability in South Asia and over all the globe. We look forward to working closely, productively, and in the highest of mutual regard with the new government of Prime Minister Rajiv Gandhi.

PRESS

DEPARTMENT OF STATE



November 5, 1984
NO. 247

PC NO. 24

PRESS CONFERENCE
BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
MAURYA SHERATON PRESS CENTER
NEW DELHI, INDIA
NOVEMBER 3, 1984

SECRETARY SHULTZ: I'd like to ask the Majority Leader (Senator Baker) and Senator Moynihan to join me. We have made various statements during the course of our visit here, in particular at the conclusion of the meeting that we had with the Prime Minister, and I think those statements are intended to express our sympathy, our support and our respect for the independence, integrity and unity of India, and, of course, our desire to have our relationships continue to improve and to see that whole side of our life expand. I'd be glad to respond to your questions, or one of the Senators may.

QUESTION: Did Rajiv Gandhi accept the President's invitation to visit Washington next year?

SECRETARY SHULTZ: Well, he'll have to speak for himself on that. It was an invitation that I was able to extend, and obviously he is having to sort out his own situation. We agreed that in principle he would. He said he would certainly want to come, but as to just when and so forth, we'll have to sort out through diplomatic channels, and we'll proceed to do that.

QUESTION: Secretary, can you tell us what happened to the hoped for meeting with Prime Minister Tikhonov?

SECRETARY SHULTZ: We just had it.

QUESTION: Could you tell us about it?

SECRETARY SHULTZ: Well, I considered it a good meeting. We touched on a number of things but most principally the desire of the United States for a constructive relationship with the Soviet Union, and I think I can fairly say that he expressed similar sentiments from the Soviet side.

QUESTION: Was there any discussion, sir, of the Soviet press hints that Moscow believes or is accusing the United States of some kind of involvement in the events in India over the past several days?

SECRETARY SHULTZ: We certainly brought it up forcefully, and he said that he had looked into it and that the Soviet Union had no such view.

QUESTION: Was there any conversation, Mr. Secretary, any discussion or anything that might be taken as a step closer to the resumption of either arms talks or any other type of contacts of that nature?

SECRETARY SHULTZ: No, it was a very brief meeting, and I think that about all that one could say was the general intent, and I think that was certainly positive.

QUESTION: Let me follow up, sir. Was there any specific message from President Reagan that you took to him perhaps to take back to the Kremlin?

SECRETARY SHULTZ: Only the general statement of the President of his desire for a constructive relationship as expressed to Mr. Gromyko during Mr. Gromyko's visit.

QUESTION: If he said the Soviet Union had no such view of the United States' involvement in events or assassination here, how did you explain that in view of the views which did come out of the Soviet Union via TASS itself?

SECRETARY SHULTZ: Well, he suggested that I was wrong in saying that they came out of the Soviet Union.

QUESTION: Would you tell something on some other meetings you are having later here?

SECRETARY SHULTZ: But, of course, we came here with the very distinguished delegation of particularly distinguished former ambassadors. I don't want to downgrade the United States Senate or the Secretary of State, but I think Ambassadors Cooper, Galbraith, Goheen and Moynihan constituted a group of people representing the long history of interest by very prominent Americans in India, and we came here to pay our respects and to express our sympathy and give her our support and confidence in democracy in India. So I think that was the main point of visit here.

It so happened that we have had some meetings with others than those in the country we are visiting. We had a number of meetings with prominent Indians that we know, various members of the delegation. But in addition to meetings with Indians, I can count off who we were seeing. We are seeing the Soviet. I just mentioned the Chinese, I will have to leave in a minute or so or I will be late for the Sri Lankans, the British, the Pakistanis, the Japanese. I have seen a number of friends in walking along through the corridors and so on.

QUESTION: Can you provide us with a little bit of analysis of the present political situation and events of this week?

SECRETARY SHULTZ: Oh, I don't think it's my place to do that. It's impressive that the Indians, in the wake of this shocking act of terrorism, have moved swiftly within the framework of constitutional democracy to identify the new Prime Minister, and I would have to say that in the meeting that I had with him he came through with a sort of quiet strength that I found very reassuring.

QUESTION: Mr. Secretary, in the statement this morning, you said you reaffirm the United States' specific commitment to stability in this part of the world. I am wondering if, first of all, you see the instability that has occurred in India in terms of rioting as a threat to the stability in this part of the world? And second of all, if you got the impression in your conversation with the new Prime Minister that the situation was becoming more under control and he was not overly concerned about it?

SECRETARY SHULTZ: Oh, we didn't dwell on the internal Indian situation. It's something for the Indians to deal with. I am sure that they will. As a matter of fact, so far as I can see, things have been settling down. I look forward to my own meeting with President Zia, and have chatted with him briefly it so happened since we sat next to each other in the bus going out to the cremation. But I will talk with him a little bit more later. I understand that he and the Prime Minister had a quite a good talk. Of course, the great source of instability in this region is the Soviet presence in Afghanistan and the turmoil in that country.

QUESTION: Did Mr. Gandhi question U.S. aid/military aid to Pakistan and in that context, what assurances were you able to give him, particularly with respect to the Pakistan nuclear program?

SECRETARY SHULTZ: Well, he raised our relationships with Pakistan and particularly arms sales to Pakistan. From the standpoint of the United States, we wish to be good friends and good supporters of both India and Pakistan. We would like to see all the moves that suggest the possibility of closer and better relationships between

these counties, and these are much applauded by us. And the positive statements, as I said, that seemed to come out of the talk between President Zia and the Prime Minister, I welcome.

Insofar as our support for Pakistan is concerned, it does have a border with Afghanistan, from which a large number of refugees have come into Pakistan, around three million, and the presence of the Soviets in Afghanistan constitutes a definite threat to them. So it is with that in mind that we have given support to Pakistan.

Thank you. Sorry I have to cut it short.

PRESS

DEPARTMENT OF STATE



November 7, 1984
NO. 248

PROGRAM FOR THE STATE VISIT TO THE UNITED STATES OF AMERICA OF
THEIR ROYAL HIGHNESSES THE GRAND DUKE AND THE GRAND DUCHESS OF
LUXEMBOURG.

November 12 - 19, 1984.

Monday, November 12

4:00 p.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg and their party arrive Andrews Air Force Base, Maryland.

The Honorable Kenneth W. Dam,
Acting Secretary of State, and Mrs. Dam
will greet the party on arrival.

4:20 p.m.

Arrival Washington Monument Grounds (Reflecting Pool Side).

4:30 p.m.

Arrival Vista International Hotel, 1400 M Street, Northwest.

Private evening.

Tuesday, November 13

10:00 a.m.

Arrival at the White House where Their Royal Highnesses the Grand Duke and the Grand Duchess of Luxembourg will be greeted by the President of the United States and Mrs. Reagan, The Honorable George Bush, Vice President of the United States, and Mrs. Bush, The Honorable George Shultz, Secretary of State, and Mrs. Shultz, the Chairman of the Joint Chiefs of Staff and Mrs. Vessey and others.

10:30 a.m.

His Royal Highness Grand Duke Jean will meet with President Reagan at the White House.

S/CPR - Mary Masserini
Vista International Hotel
Protocol Office 429-1700 Ext. 1205

Tuesday, November 13 (continued)

12:30 p.m.

The Honorable George P. Shultz, Secretary of State, and Mrs. Shultz will host a luncheon in honor of Their Royal Highnesses The Grand Duke and the Grand Duchess of Luxembourg, Thomas Jefferson Room, Department of State.

2:25 p.m.

Their Royal Highnesses the Grand Duke and the Grand Duchess arrive at the Freer Gallery of Art, 12th Street and Jefferson Drive, Northwest, where they will tour the "James McNeill Whistler Exhibition".

4:30 p.m.

His Royal Highness the Grand Duke Jean will meet with The Honorable Caspar Weinberger, Secretary of Defense, Presidential Suite, Vista International Hotel.

PHOTO COVERAGE: Photographers to be on 12th floor of Vista International Hotel no later than 15 minutes before scheduled meeting. Photographers must have one of the following credentials: White House, State Department, U.S. Capitol, USIA and U.S. Secret Service National Press Pass.

7:30 p.m.

The President of the United States and Mrs. Reagan will host a dinner in honor of Their Royal Highnesses the Grand Duke and the Grand Duchess of Luxembourg, at the White House.

Dress: Black tie.

Wednesday, November 14

10:30 a.m.

His Royal Highness the Grand Duke Jean will lay a wreath at the Tomb of the Unknown Soldier, Arlington Cemetery, Arlington, Virginia.

1:00 p.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg will host a luncheon in honor of the Honorable George Bush, Vice President of the United States, and Mrs. Bush at the Embassy of Luxembourg, 2200 Massachusetts Avenue, Northwest.

PRESS COVERAGE: Curbside, Chancery Entrance only.

3:15 p.m.

Their Royal Highnesses the Grand Duke and the Grand Duchess of Luxembourg will visit and tour the Hirshhorn Museum and Sculpture Garden, Independence Avenue and 7th Street, Southwest.

Wednesday, November 14 (continued)

PRESS CONTACT: Mr. Sydney Lawrence,
357-1618

4:30 p.m.

The Honorable George Bush, Vice President of the United States, and Mrs. Bush will host a tea in honor of Their Royal Highnesses the Grand Duke and Duchess of Luxembourg at their residence.

7:30 p.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg will present a Concert by "Radio-Television Luxembourg Orchestra" at the Ballroom, Mayflower Hotel, 1127 Connecticut Avenue, Northwest.

Following the Concert, Their Royal Highnesses will host a reception, State Room, Mayflower Hotel.

PRESS COVERAGE - BY INVITATION ONLY.
PRESS CONTACT: Social Secretary
265-4171

Dress: Business suit.

Thursday, November 15

8:35 a.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg and their party arrive Washington Monument Grounds (Reflecting Pool Side) for Departure Ceremony.

8:55 a.m.

Arrival Andrews Air Force Base, Maryland.

9:00 a.m.

Departure Andrews Air Force Base via U.S. Presidential Aircraft for Colorado-Peterson Air Force Base, Colorado Springs, Colorado.

10:30 a.m.

Arrival Colorado-Peterson Air Force Base.

11:20 a.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg arrive at the United States Air Force Academy.

Tour of the United States Air Force Academy.

12:20 p.m.

Lieutenant General Winfield Scott, Superintendent of the United States Air Force Academy, and Mrs. Winfield Scott will host a luncheon in honor of Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg, Staff Tower, Mitchell Hall.

PRESS CONTACTS:
Lt. Colonel Stewart S. Duncan,
Mr. Will Ketterson,
303 472-2990

Thursday, November 15 (continued)

3:45 p.m. Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg arrive Fort Carson, Colorado.

Ceremony by the Fourth Infantry Division (Mechanized), Manhart Field.

4:20 p.m. Major General Gerald A. Bartlett, Commanding General of Fort Carson, Mrs. Bartlett and the Fourth Infantry Division (Mechanized) will host a Reception in honor of Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg, Officer's Club, Fort Carson.

PRESS CONTACT: Ms. Elaine Strong,
303 579-4027

5:00 p.m. Arrival Broadmoor Hotel.

7:30 p.m. The Honorable Richard Lamm, Governor of the State of Colorado, and Mrs. Lamm will host a dinner in honor of Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg, Penrose Room, Broadmoor Hotel.

Dress: Black tie.

Friday, November 16

9:55 a.m. Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg and their party arrive Colorado-Peterson Air Force Base for departure via U.S. Presidential Aircraft for San Jose Municipal Airport, San Jose, California.

11:30 a.m. Arrival San Jose International Airport. Motorcade to San Jose Athletic Club, 196 Third Street, San Jose, California.

12:00 Noon The Honorable Thomas McEnery, Mayor of the City of San Jose, and Mr. William Millard, President of Computerland, will host a Reception and Luncheon in honor of Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg, Athletic Club, San Jose, California.

Friday, November 16 (continued)

2:30 p.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg will visit Hewlett-Packard Corporation, Cupertino Integrated Circuit Division, 11000 Wolfe Road, Cupertino, California.

Dress: Business suit.

PRESS CONTACT FOR RECEPTION-LUNCHEON
AND HEWLETT PACKARD CORPORATION VISIT:

Mr. Glen Udine,
415 632-0235
Ext. 567

4:15 p.m.

Arrival Mark Hopkins Inter-Continental Hotel, Number One Nob Hill, San Francisco, California.

6:30 p.m.

The Acting Mayor of San Francisco will host a reception in honor of Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg, Palace of the Legion of Honor, Lincoln Park.

Dress: Business suit.

PRESS CONTACT:

Mr. William Strawn,
415 558-3755

8:00 p.m.

The Governor's International Host Committee will host a dinner in honor of Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg, Peacock Court, Mark Hopkins Inter-Continental Hotel.

Dress: Business suit.

PRESS CONTACT: Mr. Don Mulford,
415 339-3777

Saturday, November 17

10:00 a.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg will take a Sightseeing Tour of San Francisco.

Private lunch and afternoon.

Private dinner.

Sunday, November 18

8:35 a.m. Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg and their party arrive San Francisco International Airport, (Coast Guard Reserve Ramp), for departure via U.S. Presidential Aircraft for O'Hare International Airport, Chicago, Illinois.

2:30 p.m. Arrival O'Hare International Airport, (Air Force Reserve Ramp).

3:15 p.m. Arrival The Drake Hotel, 140 East Walton Place, Chicago, Illinois.

5:15 p.m. Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg will attend a Memorial Mass in honor of American Soldiers who lost their lives in Luxembourg during World War I and World War II, Holy Name Cathedral, 735 North State Street.

PRESS CONTACT: Sister Jay Clough,
312 751-8393

7:30 p.m. Officials of the Consulate General of Luxembourg and the American-Luxembourg Friendship Society will host a Banquet in honor of Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg, Gold Coast Room, The Drake Hotel.

Dress: Business suit.

PRESS CONTACT: Mr. Stephen N. Heinz,
312 726-0354

Monday, November 19

10:00 a.m. Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg will meet with the Honorable Harold Washington, Mayor of the City of Chicago, City Hall.

PRESS CONTACT: Mr. Grayson Mitchell,
312 744-3334

Monday, November 19 (continued)

10:45 a.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg arrive at the Art Institute of Chicago, Michigan Avenue at Adams Street.

Viewing of the exhibit "A Day in the Country: Impressionism and the French Landscape".

PRESS CONTACT: Mrs. Eileen Herakal,
312 443-3624

12:00 Noon

The Honorable Harold Washington, Mayor of the City of Chicago will host a Reception in honor of Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg, Gallery of the Art Institute. Reception to be followed by Luncheon, Trading Room of the Art Institute of Chicago.

PRESS CONTACT: Mr. Grayson Mitchell,
312 744-3334

2:30 p.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg will visit the Field Museum of Natural History, Roosevelt Road at Lake Shore Drive.

PRESS CONTACT: Ms. Sherry Isaac,
312 322-8859

3:45 p.m.

Their Royal Highnesses will arrive at the Museum of Science and Industry, 57th and Lake Shore Drive.

Inauguration of the "Luxembourg and America" exhibit. Reception hosted by Dr. Victor J. Danilov, President and Director of the Museum.

PRESS CONTACT: Mr. Irving Paley,
Ms. Catherine A. Miller
312 684-1414

7:00 p.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg arrive O'Hare International Airport, Icelandair Terminal.

7:30 p.m.

Their Royal Highnesses the Grand Duke and Grand Duchess of Luxembourg and their party depart O'Hare International Airport via Icelandair Flight for Luxembourg, Luxembourg.

PRESS

DEPARTMENT OF STATE

November 8, 1984
NO. 249



U.S. TELECOMMUNICATIONS DELEGATIONS TO VISIT JAPAN FOR TALKS WITH JAPANESE GOVERNMENT OFFICIALS

Officials from the Department of State, the Federal Communications Commission (FCC), the National Telecommunications and Information Administration (NTIA) of the Department of Commerce, and the Office of the U.S. Trade Representative will visit Tokyo November 26-30 for bilateral consultations on international communications and information issues. The delegation will be headed by Ambassador Diana Lady Dougan, the Department of State's Coordinator for International Communication and Information Policy. The representatives from the other departments will be, Commissioner Henry Rivera, James L. Ball, Chief, International Facilities Division, FCC; Richard A. Baird, Program Manager, Strategic Planning, NTIA; and Kathryn Hauser, Director, Telecommunications Services, USTR. Kenneth Leeson, Lucy Hummer and Richard Shrum of the Department of State will also be part of the delegation. The delegation will meet with officials from the Japanese Ministry of Communications, Ministry of Foreign Affairs and other interested government departments.

The consultations are the latest in a series of bilateral meetings that the U.S. Government has undertaken with countries that are active participants in international discussion on communications and information matters. Over the last 18 months the U.S. has met with officials from the UK, FRG, The Netherlands, and Mexico. The U.S. also co-sponsored with the Government of Jamaica a Caribbean Basin symposium on telecommunications matters in Jamaica.

T/CIP:Charles Loveridge 632-5832

For further information contact:

The tentative agenda for the meetings includes a review of technological developments in the communications and information fields and the adjustments in the regulatory process that they have necessitated; the Japanese proposal to add telecommunications to the agenda of future Economic Summit meetings; the impact on INTELSAT of regional and domestic satellite systems; inordinate delays in the INTELSAT coordination process; the results of the U.S. Government's review of its participation in the ITU; the work of the Maitland Commission on telecommunications development; progress in the international consultative committees for radio, telephone and telegraph (CCIR and CCITT) on setting technical standards; U.S. efforts to find alternative channels for telecommunications development activities after the U.S. withdrawal from UNESCO, which is scheduled to take place at the end of 1984; technical preparations for the upcoming August 1985 Space WARC; intersessional activities of the HF WARC; and trade in communications services and equipment.

The Department of State invites comments on the agenda items from individuals and organizations within the telecommunications industry prior to the meetings. Ambassador Dougan said she would encourage people "to make their views known to the State Department in order to enable the delegation to more effectively incorporate the interests and concerns of the telecommunications industry."

Anyone interested in commenting on the agenda items should write or call to the Office of the Coordinator for International Communication and Information Policy in the Department of State.

PRESS DEPARTMENT OF STATE

No. 250
November 14, 1984

PC#25



PRESS CONFERENCE
BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
AT THE CARLTON HOTEL
BRASILIA, BRAZIL
NOVEMBER 12, 1984

SECRETARY SHULTZ: First I'd like to thank the Government of Brazil for their warm welcome to me and my party and, in particular, I had the privilege of a private meeting with President Figueiredo and was able to extend to him President Reagan's greetings and compliments on his efforts in leading Brazil into democracy. I also had the privilege of meeting with each of the presidential candidates and an interesting evening with leading Brazilians. As a person who's been here many times, I was very pleased to get the feel of Brazil now as more like it used to be, as a country who thinks the future belongs to it, and that was very welcome. So I was very pleased to have a chance to visit with my Brazilian friends on the occasion of the OAS meeting.

QUESTION: Mr. Secretary, you met -- you breakfasted this morning with ministers from four nations in Central America and then you met individually with Ministers from Mexico and Colombia. We understand that there are bilateral negotiations going on just now. What can you tell us about the prospects of peace in Central America, and specifically what role you have played in the events here?

SECRETARY SHULTZ: In addition to the meetings you mentioned, I've also had a chance to chat with the Foreign Minister of Venezuela, the Foreign Minister of Panama. I've had a chance to see quite a variety of people. These are meetings that I've held typically in New York, or Caracas, or Washington, or wherever we happened to be meeting, and we reviewed the situation. I think from our standpoint, and theirs as well, we reaffirmed the importance of the Contadora process, the importance of trying to find a regional solution to the problems of peace and economic development, democracy, justice, here in the Central American region, and there are difficulties, people are discussing them, and insofar as the United States is concerned, our effort is always to try to be a constructive part of the process.

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QUESTION: Just to continue the question of my colleague -- I would like to know why you met the four ministers of Central America and you didn't meet the delegate from Nicaragua, and also its delegate had said just about half an hour ago that still Nicaragua awaits for an invasion by the United States. I'd like to know what you have to say about those two questions?

SECRETARY SHULTZ: The fears of invasion seem to be self-induced on the part of Nicaragua, based on nothing, and I don't know why they are doing this. Obviously they are trying to whip up their own population but I can't imagine what the reason is for wanting to do that. So I can't shed any light on that. I might say that it is certainly a problem in the region that they continue to import heavy Soviet armament as we saw last week, but as far as the invasion fears are concerned they seem to be a self-inflicted wound on the part of Nicaragua. I recall to you that Comandante Ortega went to the U.N. in New York and predicted an invasion, I think around October 15 or something like that, so that's long in the past, so I don't know what further to say about that. As far as meetings are concerned, we have scheduled as many meetings as we could, the time is rather limited, and I did want to concentrate and have a chance to meet with my friends in Brazil as well as OAS Ministers. However we have an active dialogue with Nicaragua. It was initiated some time ago when I went to Managua and which has been carried on through seven or eight meetings now I guess by Ambassador Shlaudeman with further meetings scheduled, so there is a dialogue going on there.

QUESTION: Mr. Secretary, the Yugoslav News Agency is repeating the report in the Times Friday that you may be going to Moscow in January. Can you tell us how firm that is, what the purpose of the trip would be and what the prospects are for improving U.S.-Soviet relations?

SECRETARY SHULTZ: They must know something I don't know.

QUESTION: Mr. Secretary, today in your speech you referred to certain prejudices that people have about multinational corporations, especially in terms of their creating problems that make it difficult for debtor nations to develop, and I'd like to ask whether in your meeting today with the President of the Republic, President Figueiredo, did you have an opportunity to bring up this matter with him? Did you discuss this question and, in particular, did you discuss the question of the informatics industry in Brazil?

SECRETARY SHULTZ: I didn't bring up and we didn't talk about the role of multinational corporations, but I do think it is a very constructive role and tried to point out some of the developing aspects of it in my speech. There has been a great deal of discussion of informatics during my discussions with the Brazilians and it's controversial here, although I guess in the vote it was rather lopsided, totally lopsided. But from my standpoint, as I would see it, I think that it's a mistake for a country to seal itself off from the exciting developments going on in information technology.

-3-

QUESTION: Mr. Secretary, on the eve of the meeting of the Organization of American States in Saint Lucia, the United States spread the word around that Nicaragua was going to be receiving MIG 19s. Now we see that just prior to the holding of the Organization of American States meeting here in Brasilia, the United States started spreading the word that Nicaragua would be receiving MIG 21s. Don't you think that this is sort of any old type of propaganda, and don't you think that it is something that perhaps ought to be retired?

SECRETARY SHULTZ: What ought to be retired is the Soviet demonstrated large-scale effort to build up the level of armaments in this region, and there have been numerous statements made by the Nicaraguans about their desire for advanced aircraft, the MIG type, and from the standpoint of the United States we watch these matters very carefully. So I think what ought to be retired is this incessant build-up of armaments and armed forces in Nicaragua that are way outsized for any Central American purpose.

QUESTION: Mr. Secretary, I would like to turn your attention to the question of Chile. Over the past week the state of siege has been introduced, the press has been censored, freedom of assembly has been curtailed. What is your reaction to what has happened and have you managed to communicate this reaction to General Pinochet?

SECRETARY SHULTZ: I love Chile and its people, its vibrancy, and it is sad and disappointing to see the developments that you refer to, and they are very disappointing to us, and I'm sure that General Pinochet is well aware of that fact.

QUESTION: Mr. Secretary, about a week ago the Washington Post and some others in the print media printed a summary of what they said was a leaked Administration memo which suggested that the Administration was orchestrating opposition to the Contadora draft agreement among the Core Four Central American countries, and furthermore that the Administration was orchestrating world opinion to discredit the fairness of the Nicaraguan elections. Will you comment on the accuracy of those stories and of that memo?

SECRETARY SHULTZ: I don't comment on leaks other than to wish I would know who did the leaking so I could wring his or her neck and escort them out of the Government. Now as far as the subject matter is concerned, the United States has worked quite hard in support of the Contadora process for a long time, and we have appointed a special Ambassador, initially Senator Richard Stone, and now Ambassador Shlaudeman, to work on that full time, people of great talent. The ACTA that was tabled I think last June we looked at and others looked at, and I think that the general consensus was that it didn't meet the problem, and in fact the Foreign Ministers of the Contadora countries themselves meeting in Madrid about two weeks or so ago issued a statement saying just that, and that further work

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was necessary. So it was not simply an opinion of the United States, it was a general opinion that a lot of progress had been made but further progress was necessary if we are going to get to the kind of document that we wanted. And the second part of your question was what?

QUESTION: It also suggested that the United States was orchestrating world opinion --

SECRETARY SHULTZ: Oh, on Nicaraguan elections. No, there was no -- there was not any need for that at all. It was quite obvious to everybody that the, what it was called, an election, was not an election. It was more like a plebiscite, and I think that this is a very generally held view, and that is certainly my view, and I don't hesitate to say it. But you have a situation where the leading opposition candidate, Arturo Cruz, meeting in Rio with a member of the Sandinista Directorate, comes to an agreement on suitable election conditions, and they back off. And then when Mr. Cruz or another credible candidate holds a rally, the Nicaraguans having pledged themselves to freedom of assembly, an absolutely elemental thing for any kind of democratic operation, the rally is broken up by the Government as the people come to it. I don't think you can say that you have anything approaching a democratic election. And it doesn't take the United States to orchestrate opinion on that.

QUESTION: I have a feeling that I got a very fair understanding, Mr. Secretary, about what you said about this alleged possible invasion of Nicaragua. According to you this is really an invention by Comandante Ortega, and in fact Comandante Ortega lied at the United Nations and this information about this alleged invasion is actually groundless. This is a very comforting and reassuring information that you bring us because we had been fearful that Nicaragua might be invaded much as Grenada was invaded. I would like to know whether I did indeed hear you right and that I understand you correctly and would you please elaborate a bit on this point -- are you saying that Nicaragua will not be invaded?

SECRETARY SHULTZ: Comandante Ortega said that they would be invaded around October 15 and they were not. I didn't say he lied, I just said he made a statement on the basis of what, I don't know. There is nothing in the planning or discussions of the United States Government that would lay any basis for that whatever. So he was wrong. The same as the case right now about all of these alleged plans that the Nicaraguans are talking about.

As far as Grenada is concerned, let me remind you that you had blood running all over the country. You had chaos. You had a lot of American students there, and you had the surrounding states as part of a treaty operation of their own pleading with the United States to help them right the wrongs in their region. And I think it is to the President's everlasting credit that we responded and responded quickly and decisively. And I'm sure that if he had to do it all over again he would.

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QUESTION: (THROUGH INTERPRETER) He feels that the Secretary did not respond to his question as to whether Nicaragua was going to be invaded or not. And I would like to know if the Secretary can give us this guarantee or not? That was the thrust of his question.

SECRETARY SHULTZ: Well, I think I have answered it, so I'll take the next question.

QUESTION: If the United States is so upset about Soviet arms shipments to Nicaragua, what does it plan to do about it? And just as an afterthought question, what did you mean by "favorably surprised" by events in Guatemala?

SECRETARY SHULTZ: Well, as far as the events in Guatemala are concerned there was an election that came off very successfully in the middle of the year, in July I believe, and there are plans for further movements in the direction of democracy. I have had the privilege of discussing them with General Mejia as well as Foreign Minister Andrade and I think those are very encouraging developments and that's what I was referring to. And the first part of your question again?

QUESTION: If the United States is so distressed about Soviet arms shipments --

SECRETARY SHULTZ: What are we going to do about it? Well, in the first place we have to help our friends put themselves in the capacity to resist the aggression that comes from those arms, and we have been doing so, and I believe that we have been doing so in a program that has looked toward open and democratic society, the rule of law, economic development and a security shield against the aggression that has been launched from Nicaragua against its neighbors. And that program is increasingly successful, particularly as evidenced in El Salvador with the election of President Duarte, the increasing strength of the Salvadoran military and now the dramatic moves toward peace by President Duarte. So what we are trying to do about it is discourage these shipments, to make it more and more difficult for them to be used against the neighbors of Nicaragua, and to work in every way that we can to cast this aggressive and subversive influence out of our hemisphere.

PRESS DEPARTMENT OF STATE



AS DELIVERED

November 13, 1984
No. 251

REMARKS BY
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
AT THE SECOND PLENARY SESSION OF
XIV GENERAL ASSEMBLY OF
THE ORGANIZATION OF AMERICAN STATES
Brasilia, Brazil
November 12, 1984

Mr. President, distinguished colleagues, Mr. Secretary General, friends and neighbors of the Americas and especially our new members from St. Christopher and Neves:

The resurgence of democratic government in this hemisphere is a natural foundation for mutual understanding and improved cooperation. And I believe our common strength will increase the more consistently we apply our democratic principles -- the more we provide good government as well as free elections, and economic opportunity as well as political competition.

The challenges are awesome. But great ideas can be turned into great achievements. This visionary capital of Brasilia is proof enough of that. And democracy can help us to turn our greatest visions into achievements.

We can, I believe, show that freedom, social justice and economic development are mutually reinforcing, and not mutually contradictory as our communist adversaries claim. We can show that democracies can combat anti-social violence such as terrorism and narcotics trafficking more successfully than dictatorships or regimes that rely on force. And we can show that the strength of democracy is the path to peace -- at home and abroad.

In the last four years, counting all the countries of this hemisphere, almost one third of a billion people have voted in some three dozen national elections in 27 countries. That is more people voting in more elections in more countries than ever before in the history of this hemisphere.

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This resurgence of democracy has been both qualitative and quantitative. Three tests determine whether elections are genuine instruments of democratic accountability. They are participation, competition, and freedom.

-- Participation has increased dramatically in almost every country since the 1960's. In some, the proportion of adults voting has doubled.

-- Competition is also a steadily broadening norm. From Argentina to the United States, from Grenada to Ecuador, the choices offered voters have been real ones.

-- Freedom is the ingredient that makes participation meaningful and competition genuine -- freedom from coercion and fear, freedom of speech and of the press, freedom of assembly, freedom to choose.

Because it fully expresses their interests and idiosyncracies, democracy protects the distinctiveness of our peoples and nations. It is a means of managing differences, without depending on force. It is a means of enhancing individuality through freedom and therefore democracy also creates powerful bonds among nations. Relations among democracies are more complex, but more peaceful. Democratic governments listen to their peoples' voices, and agreements once reached have the strength that comes from popular support.

For much of the past generation there has been a tendency to focus on what divides the peoples and nations of the Americas. We all know the refrains of division and doubt: north or south; poor or rich; Anglo or Latin; debtor or creditor; Black or Indian; oil exporter or oil importer. Differences there are; but these litanies ignore more powerful realities. We are united by geography. We are united by the course of history. And we are united by choice -- by the respect for individual decisions that are at the core of democracy and the secret of its success.

In short, democracy is a means of building strength out of diversity. The United States finds it easier to cooperate with nations that are democratic. And today more OAS members are practicing democracies than ever before.

Let me turn to the subject of ending the Central America conflict. The apostles of the violent left preach that armed revolution is necessary to change society for the better. The apostles of the violent right answer that repression is necessary to preserve civilization. But the distinguished Peruvian novelist, Mario Vargas Llosa, is right when he reminds us that to believe that violence is unacceptable in Europe and the U.S. but is perfectly all right in Latin America or the Caribbean is to accept a shoddy and shameful double standard. No one should underestimate the capacity or the

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determination of all Americans to govern themselves peacefully.

For Central America, the democratic resurgence we are witnessing throughout the Americas is a particular source of hope. In the United States, Europe and other industrial democracies, there is a new appreciation that democracy can help Central America to develop in peace and in accordance with its own interests. Liberals and conservatives, Christian Democrats and Democratic Socialists -- the fundamental political groupings of the west -- have all been impressed by El Salvador, disillusioned by Nicaragua, favorably surprised by Guatemala, encouraged by Honduras and continually reminded by Costa Rica.

The participants in the Contadora process have formally identified national reconciliation in a democratic framework as a requirement for an enduring peace in Central America. The agreed Contadora objectives underscore the need to defend democracy where it is threatened, to help build democracy where it does not now exist, and to resist the abridgment of democracy from whatever quarter. Recent treaty drafts reject terrorism, guerrilla activity, or any other usurpation of power outside a democratic framework.

But it is easy to proclaim one thing and to do another. This past September, the Nicaraguan Government announced that it was prepared to sign the Contadora draft at the very time that it was refusing to ensure that its elections would be free and competitive. In 1979, the OAS formally called for the holding of free elections in Nicaragua as soon as possible. We are still waiting.

We all know that good words will not guarantee that armed opposition groups will be integrated into a genuinely democratic political system. And we all know that promises will not be enough to guarantee that one nation is not a military threat to another. Promises will not reduce an already dangerous military imbalance that is constantly fed from outside this hemisphere. Credible verification and control mechanisms will be necessary to ensure that whatever is agreed will actually be implemented.

A workable Contadora agreement, one that does what has been proclaimed -- credibly and verifiably -- would be a benchmark for this hemisphere and for the world as a whole. The United States pledges its continued support to achieving such an agreement.

An example of the Contadora spirit at work is today's El Salvador. President Duarte's bold and courageous La Palma initiative represents the kind of skilled and democratic leadership necessary to move armed conflict toward peaceful resolution. It was possible because of the legitimacy of his Government -- based upon an electoral mandate and a governing consensus. It is a demonstration of how democracy can work to address the most pressing problems of society even under the most difficult conditions. It can serve as a lesson for us all.

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Let me turn now to the problem referred to by earlier speakers already of stopping the terrorists.

The struggle between civilization and barbarism -- the leading 19th century definition of the struggle for freedom -- is today the struggle between democracy and terrorism. Democracy is civilization in the modern era. Terrorism is the new barbarism. Democracy builds. Terrorism destroys.

Whatever causes they profess, all terrorists have the same overarching goal: to impose their will by force and intimidation. Terrorism is not simply a new manifestation of traditional conflict. Terrorism is the particular enemy of democratic government.

Who, for example, is the target of the terror of Peru's Shining Path guerrillas? Is it poverty or oppression? No. It is Peruvian democracy. Today the automatic weapons of Sendero Luminoso are trained on President Belaunde and his democratic government; tomorrow they will be aimed at his elected successor.

Democracies have the moral authority and obligation to prevent terrorists from stealing their freedom. We must have the courage to stand up to the terrorists and defeat them without falling prey to their methods.

The United States will not be driven off a democratic course by terrorism whether at home or abroad. We are increasing significantly our capabilities to defeat terrorism and to work closely with others in doing so. Last month, the U.S. Congress adopted several laws aimed at hijacking, hostage taking, and attacks against diplomatic missions. We have begun an anti-terrorism training and assistance program for civilian agencies of friendly governments, paralleling those with friendly military forces.

But a greater multilateral effort is required. The OAS and its member states must act on this increasingly evident fact that a terrorist or guerrilla attack on any democracy is an attack on all democracies.

Illicit narcotics production, trafficking and abuse have much the same impact as terrorism -- and there are cases of a lawless symbiosis between traffickers and terrorists.

Once considered mainly a "U.S. problem," drug abuse is spreading cancer-like throughout the hemisphere. Drugs are attacking families, communities and societies that previously felt themselves immune. And the costs of drug abuse are real: lost productivity, escalating health and social expenses, and most profoundly the senseless waste of life.

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The illicit narcotics industry breeds corruption and special influence, damaging the law and public institutions. The lure of extraordinary drug profits entices producers into an underground world that subverts legitimate businesses, and threatens banking systems and national economies. And by increasing related criminal activities, drug trafficking weakens the entire social fabric.

Growing awareness of this enormous threat has led to important multilateral policy statements in Quito and Buenos Aires, and at the August meeting of the Inter-American Economic and Social Council in Santiago. Illicit drug trafficking is one of the agenda items for this General Assembly. It deserves our serious attention and immediate action: to inform our publics, to increase cooperation among national narcotics control agencies, and to strengthen existing international institutions. Democracy requires a collective victory over the traffickers and their allies.

Turn to the administration of justice. One way to fight the terrorists, the drug traffickers and all who abuse human life and dignity, is to develop the capacity of our legal systems to render independent, fair, timely, and accessible justice.

Last summer, I received a letter from some private citizens who commented that "If one really wants to support a process of consolidation of democracy ... one simply cannot neglect ... the third and most delicate of the powers of state: the Judicial power." I couldn't agree more. It is fundamental that in a democratic society all citizens have access to means for effective enforcement of their civil, political, economic and social rights.

All the members of the Inter-American system recognize the equality of all citizens before the law. All provide for an independent judiciary. This is part of our common heritage. Regrettably, what is proclaimed is not always what is done. In many nations, the legal system lacks the capacity to assure that the principles established by laws are observed in fact. The problem varies from country to country but each is affected, including my own.

The problem of imperfect justice is not something we or any other nation can "solve." To be effective, the administration of justice must evolve constantly to stay in tune with social realities. We must give both immediate needs and long-range institution-building a prominent place among our concerns.

Each nation must make its own decisions regarding its own judicial needs -- and then sustain the commitment to see them through. A number of governments are doing so. And through regional cooperation, national decision-makers can consult on approaches to common problems; they can pool resources to achieve some aspects of reform more effectively.

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Last year's OAS General Assembly established an Inter-American program for cooperation in legal development. If actively implemented, this program could be a useful mechanism for consultations and technical assistance. The United States Government has begun to cooperate with a number of governments and private organizations to support their efforts to improve the administration of justice. We are ready to do more. This is an integral component of our support for the consolidation of democratic institutions throughout the hemisphere.

Let me turn to the subject that we discussed yesterday which I have headed here "Restoring Growth." And I would start by saying that I felt myself that our informal dialogue was a pleasure. The format worked. Well, the topics people picked out to discuss under the general economic heading were the right ones, the discussion was good, a lot of content to it, so I think we are in a position to turn our ideas into achievements.

Until just a few years ago, economic growth in this hemisphere was steady, strong, and substantial. It is important that we remind ourselves of that, because it shows what can be done. Throughout the 1960's and 1970's, it averaged about six percent per year. This represented real progress. But many trade, investment and entrepreneurial rigidities remained. And although domestic savings were very important, foreign indebtedness grew very significantly.

In the 1960's capital inflow to Latin America was largely official assistance or foreign direct investment. In the 1970's foreign capital came mostly in the form of commercial loans. Some of this newly incurred debt supported investment projects with rates of return high enough to justify the borrowing. Other debt went to build reserves. But considerable borrowings were spent for consumption, or some financed capital flight. When growth in the hemisphere came to a halt in 1981, old debt became harder to repay, and new debt became more expensive. By 1982, the burden of servicing external debt became extremely heavy, and some countries were forced to suspend payments and seek rescheduling.

We are still adjusting to these shocks. But the initial crisis has been managed. In the past two years, over seventy billion dollars in external debt has been rescheduled. Throughout such cooperative efforts, and with the support of multilateral financial institutions, orderly servicing of debt has resumed in many countries. With private and government debtors and creditors all playing a part, the international financial system has proved more flexible and effective than many had believed possible.

The major task now is to resume substantial, sustained growth. An effective growth strategy typically required adjustments to bring government spending more in line with government revenue, to increase domestic savings and to increase productivity.

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The allocation of scarce resources when demands on those resources are growing is politically challenging. Each country must make the tough decisions on how to stabilize and restructure its economy.

For our part, we encourage private lenders to continue to participate prudently in lending and rescheduling official government-to-government debt. At the same time we work with multilateral lending institutions to assist with immediate resource needs and to promote necessary economic reforms. And we are ourselves growing steadily and keeping our markets open so that our trading partners can grow with us.

Latin American exports to the U.S. grew by almost four billion (dollars) from 1982 to 1983, while they decreased to the rest of the world. In 1984 the United States will take an even greater share of Latin America's exports, almost eight billion (dollars) more than in 1983. The region's exports to the United States are up eighteen percent for the first eight months of the year compared to the same period last year. We have supported this expansion throughout the Caribbean Basin Initiative, renewal of the Generalized System of Preferences, and our continuing strong commitment to open market policies.

But the good news on rescheduling of the debt and the good news on trade are not enough. Restoring vigorous and sustainable growth to the hemisphere will require both appropriate domestic policies in the debtor countries and continued infusions of capital.

Realistically, levels of official assistance, whether from a bilateral or multilateral sources, will not rise much in the years ahead. And it is clear that commercial lending at the levels that prevailed in the 1970's is not in the interest of the banks or the borrowers.

The conclusion is inescapable: the capital required to sustain new growth will have to come from somewhere else. That means greater investment flows and voluntary conversion of debt capital to equity capital. Inducing greater domestic savings and the return of flight capital -- there is a huge amount of capital that has fled and it can be attracted back -- the return of flight capital of the past decade will be fundamental. So also will be foreign direct investment.

With respect to foreign investment, moreover, the inescapable conclusion happens also to be beneficial: in hard times, the costs of investment, serviced by profits, are lower than the costs of debt capital. Debt must be serviced in bad times as well as good: remittances from investments occur only if there are profits to remit.

Investment, especially foreign direct investment, also provides more than financing: it develops human resources through training and

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education; it provides access to technology and linkages to international export markets; it increases domestic marketing know-how and it often generates domestic investment in linked industries.

Governments make the rules under which investors operate. Investors base their decisions on their calculations of likely risk and likely return. The challenge is to attract foreign direct investment in the face of stiff competition for international economic resources.

It will take political courage and determination to develop a competitive position. Internal adjustments -- as well as international cooperation -- are essential. International efforts cannot substitute for sound domestic political and economic leadership. International cooperation can supplement effective local leadership, it cannot replace it.

Let me take a moment to add a point about stereotypes. I have noted the dangers of the old intellectual prejudices that political violence inevitably prevents democracy in Latin America and the Caribbean. I will be just as straightforward about outmoded views in the economic sphere.

There is little argument that foreign investment provides varied benefits compared to the burdens of borrowing. But there is still a bias against private foreign investment. It exists throughout the hemisphere, including in the United States. Fear of "economic imperialism" is part of our intellectual baggage, and in recent years it has often been equated with fear of the power of multi-national corporations.

Nations rightly defend their sovereignty and independence. The ability to devise policies, laws and regulations affecting foreign trade and investment is an obvious attribute of sovereignty. Today, however, this is not the issue that it once was. Most multi-national companies have learned to take into better account the social consequences of their actions and to adapt to host country circumstances and policies. Most governments, meanwhile, have learned how to develop rules and how to enforce them.

If anything, today it is the private companies, the potential investors who are concerned about the difficulties of operating in the face of restrictive rules enforced by government bureaucracies with little understanding of productions or marketing requirements.

If we are to put into practice what we proclaim about growth and equity and a better standard of living, we all have a responsibility to modify or discard stereotypes that are no longer germane. Today, attracting both domestic and foreign investment can be a route to more freedom and independence rather than less. It is an essential part of any strategy for restoring growth.

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Finally, I would like to share a few ideas about the future of this hemisphere and of this organization. The OAS has the potential to be more than the sum of its parts because it can unite diverse elements in common action. It has an enviable record: of peacekeeping, or promoting human rights, and of technical and other cooperation for development. Today, with more than ninety percent of the people of this hemisphere living in democracies or in countries that are clearly in transition to democracy, we are closer than we have ever been to realization of a common ideal -- a hemisphere that is democratic one hundred percent.

In the expanding complexity of hemispheric relations and opportunities, the OAS cannot deal directly with everything. But this institution is our common ground, the setting for many of our discussions, and the repository of important common hopes.

The unanimous election of Ambassador Baena Soares as Secretary General augurs well for the future of the OAS. My colleagues and I are looking forward to continued close cooperation with him, and with delegates from all member states, to help make the OAS a more effective instrument for cooperation throughout the hemisphere.

Soon after taking office, the Secretary General committed himself to "revitalize" the organization, to instill a new spirit, and to engage it more effectively in hemispheric affairs. The U.S. supports those aims. We are all aware that, like any other institution, the OAS must adjust to changing time.

Changes in the hemisphere and in the organization's membership have made clear, for example, that we need a new definition of burden-sharing for the organization's budget. Secretary General Baena Soares has had the courage and the initiative to declare publicly that the present system, adopted in 1949, demands revision. Previous General Assemblies have underscored the need for the OAS to set up its own quota system. The U.S. will contribute in every way possible to a solution. Toward this end, we will seek and increase in our voluntary contributions for OAS technical assistance programs.

This organization, like any other, depends on the quality of the effort put into it. As sovereign nations, our effort will reflect the nature and quality of our governments. Good government in trying times is not easy. It requires political courage and statesmanship. It requires care and persistence.

But people respond to leadership that is principled. They will support statesmen with the courage to prosecute drug traffickers and to oppose terrorists for what they are. And they will support governments that create real jobs by releasing the productive power of private initiative.

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Democracy offers the fairest and best means for choosing leaders with these qualities. This more-democratic-than-ever OAS has a better-than-ever chance to help us realize together the promises of this new world. Let us proceed.

PRESS DEPARTMENT OF STATE

November 19, 1984
No. 252



INTERVIEW OF
THE HONORABLE GEORGE P. SHULTZ
SECRETARY OF STATE
BY
MARVIN KALB
NBC-TV "EVENING NEWS"
NOVEMBER 16, 1984

MR. KALB: I would like to start, Mr. Secretary, by just asking you, what do you think he (Chernenko) is telling us?

SECRETARY SHULTZ: We welcome his statements. We agree with the goals that he states.

In fact, the President, the Vice President and I have been stating many of these goals for some time now.

MR. KALB: I asked Chernenko at one point whether he would agree to see the President at a summit meeting within six months after the start of the second Administration. He said, "Frankly, I don't think so because the time is not ripe."

What do you think would be our answer, if I were to put that question to you?

SECRETARY SHULTZ: I don't think it's so much a question of "the time is not ripe," in terms of some time after the election, but more in terms of exactly what he said in his interview with you -- namely, that you want to establish the conditions so that a summit meeting can achieve something. And that is precisely what President Reagan has been saying all along.

I'd like to make an additional point. The emphasis in the interview with you was on arms control, and that is a central and important issue; there's no doubt about it. We're ready to sit down and engage in real negotiations with the Soviet Union on arms control and seek concrete results and work out problems. That's the purpose of the umbrella talks proposal that the President made.

But we have to remember that there is a lot more to this than arms control. Mr. Chernenko mentions improvements in bilateral relations, and that is important.

There are a lot of trouble spots around the world with great tensions, and these can lead to explosions. And to the extent possible, those need to be defused. There are also great concerns

about human rights matters in the Soviet Union that they don't like to talk about but which are very important to us and we have to keep on the agenda.

MR. KALB: Mr. Secretary, you sound as though you are both more or less, in general terms, saying the same thing. What, then, is holding it up?

SECRETARY SHULTZ: I think that we're seeing results; we're seeing progress.

The statement that you got is, I think, a positive statement. And so now what we have to do is basically move from the various public statements that have been made by Mr. Chernenko, by President Reagan, back and forth, into the private processes of diplomacy and really sit down in small groups and work concretely on problems and look for real results. That's what comes next.

MR. KALB: One other point, on detente. One of the questions referred to detente as practiced in the Seventies, and Mr. Chernenko seemed to be saying that that is the ideal that he would like to see continued. This Administration has said in so many words that detente is dead.

Do you see this as being an unbridgeable kind of philosophical difference?

SECRETARY SHULTZ: I don't think we should get hung up on words. The point is that we ought to be working to develop concrete results in arms control.

Certainly, bilateral issues between us such as, well, grain sales -- that's a bilateral thing; that's going along; there are other things that can go along well -- seeing what we can do to reduce tensions in regional areas that can explode in our face, and, as I said, human rights concerns that we have -- these are things that we want to talk about.

MR. KALB: Thank you, sir.

* * * * *

PRESS DEPARTMENT OF STATE



November 21, 1984
No. 253

PROGRAM FOR THE OFFICIAL WORKING VISIT TO WASHINGTON, D.C. OF THE
RIGHT HONORABLE RATU SIR KAMISESE MARA, PRIME MINISTER OF FIJI, AND
ADI LADY LALA MARA.

November 25 - 29, 1984

Sunday, November 25

12:00 Noon The Right Honorable Ratu Sir Kamisese
Mara, Prime Minister of Fiji, Adi Lady Lala
Mara and their party arrive Andrews Air Force
Base, Maryland.

12:15 p.m. Arrival Washington Monument Grounds,
(Reflecting Pool Side).

 The Honorable Michael H. Armacost,
Under Secretary of State for
Political Affairs, and Mrs. Armacost
will greet the party on arrival.

12:25 p.m. Arrival Embassy Row Hotel, 2015 Massachusetts
Avenue, Northwest.

 Private afternoon and evening.

Monday, November 26

 Private morning.

12:30 p.m. Prime Minister Mara will tour Explorer's
Hall, National Geographic Building, 17th
and M Streets, Northwest.

 PRESS CONTACT: Mr. Paul Sampson,
857-7761

 Private luncheon.

 S/CPR - Mary A. Masserini,
Protocol Office - Embassy Row Hotel,
265-1600 Ext. 318

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Monday, November 26 (continued)

PRIME MINISTER MARA WILL MEET WITH THE
FOLLOWING AT THE EMBASSY ROW HOTEL,
PRESIDENTIAL SUITE, 3rd FLOOR:

2:30 p.m. Mr. David Burney,
General Counsel,
U.S. Tuna Foundation.

3:30 p.m. The Honorable Michael Smith,
Deputy U.S. Trade Representative.

4:30 p.m. Mr. Peter Constable, Director General, and
Force Commander Ingebrigtsen,
of the
Multinational Force and Observers.

PHOTO COVERAGE OF ABOVE MEETING: Photo-
graphers to be on 3rd floor 15 minutes
prior to scheduled meetings.

NOTE: FOR ALL COVERAGE FOLLOWING CREDENTIALS
ARE RECOGNIZED: White House, State
Department, U.S. Capitol, U.S.I.A.,
and U.S. Secret Service National
Press Pass.

Private dinner and evening.

Tuesday, November 27

11:30 a.m. Prime Minister Mara will meet with President
Reagan at the White House. At the conclusion
of the meeting, President Reagan will host a
working luncheon in honor of Prime Minister
Mara at the White House.

2:00 p.m. Prime Minister Mara will lay a wreath at
the Tomb of the Unknown Soldier, Arlington
Cemetery, Arlington, Virginia.

PRIME MINISTER MARA WILL MEET WITH THE
FOLLOWING AT THE EMBASSY ROW HOTEL,
PRESIDENTIAL SUITE, 3rd FLOOR:

3:30 p.m. The Honorable George P. Shultz,
Secretary of State.

4:30 p.m. The Honorable Richard T. McCormack,
Assistant Secretary of State for
Economic and Business Affairs,
and
The Honorable Matthew Scocozza,
Assistant Secretary of Transportation.

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Tuesday, November 27 (continued)

PHOTO COVERAGE: Photographers to be on 3rd Floor 15 minutes prior to scheduled meetings.

7:30 p.m.

The Honorable George Bush, Vice President of the United States, and Mrs. Bush will host a dinner in honor of The Right Honorable Ratu Sir Kamisese Mara, Prime Minister of Fiji, and Adi Lady Lala Mara, at their residence.

Dress: Business suit.

Wednesday, November 28

10:00 a.m.

Prime Minister Mara will meet with The Honorable M. Peter McPherson, Administrator, Agency for International Development, Embassy Row Hotel, Presidential Suite.

PHOTO COVERAGE: Photographers to be on 3rd floor 15 minutes prior to scheduled meeting.

11:15 a.m.

Prime Minister Mara and his party arrive at the Pentagon, River Entrance.

Honors Ceremony.

11:30 a.m.

Prime Minister Mara meets with The Honorable Caspar Weinberger, Secretary of Defense, Secretary's Office, The Pentagon.

12:00 Noon

The Honorable William H. Taft, Deputy Secretary of Defense, will host a luncheon in honor of Prime Minister Mara, The Pentagon.

4:30 p.m.

Prime Minister Mara will meet with the Honorable James L. Malone, Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs, Embassy Row Hotel, Presidential Suite.

PHOTO COVERAGE: Photographers to be on 3rd floor 15 minutes prior to scheduled meeting.

Wednesday, November 28 (continued)

6:30 p.m.

His Excellency Ratu Jone Filipe Radrodro, Ambassador of Fiji, and Mrs. Lua Radrodro will host a reception in honor of The Right Honorable Ratu Sir Kamisese Mara, Prime Minister of Fiji, and Adi Lady Lala Mara, Embassy Row Hotel, Winter Garden Room.

Dress: Business suit.

Thursday, November 29

8:25 a.m.

Prime Minister Mara and his party arrive Washington Monument Grounds (Reflecting Pool Side).

8:40 a.m.

Arrival Andrews Air Force Base, Maryland.

8:45 a.m.

Departure from Andrews Air Force Base via U.S. Presidential Aircraft for La Guardia Airport, (Marine Air Terminal) New York for a private visit.

PRESS DEPARTMENT OF STATE



November 28, 1984
NO. 254

PROGRAM FOR THE OFFICIAL WORKING VISIT TO WASHINGTON, D.C. OF
HIS EXCELLENCY DR. HELMUT KOHL,
CHANCELLOR OF THE FEDERAL REPUBLIC OF GERMANY.

November 29-30, 1984.

Thursday, November 29

9:15 p.m. His Excellency Dr. Helmut Kohl, Chancellor of the Federal Republic of Germany and his party arrive Dulles International Airport, Page Terminal, via German Military Aircraft.

9:40 p.m. Arrival Washington Monument Grounds (Reflecting Pool Side).

The Honorable Kenneth W. Dam, Deputy Secretary of State, will greet the party on arrival.

9:55 p.m. Arrival Watergate Hotel, 2630 Pennsylvania Avenue, Northwest.

Private evening.

Friday, November 30

8:00 a.m. Chancellor Kohl will host a breakfast in honor of The Honorable George P. Shultz, Secretary of State, Watergate Hotel, Williamsburg Room.

PHOTO COVERAGE: Photographers to be outside Williamsburg Room no later than 15 minutes before scheduled breakfast.

NOTE: FOR COVERAGE OF ALL PHOTO EVENTS THE FOLLOWING CREDENTIALS ARE RECOGNIZED:
WHITE HOUSE, STATE DEPARTMENT, USIA, U.S. CAPITOL, U.S. SECRET SERVICE NATIONAL PRESS PASS AND VISITOR'S PASS.

S/CPR - Mary Masserini
Watergate Hotel - Protocol Office
965-2300, Room 901

Friday, November 30 (continued)

9:45 a.m. Chancellor Kohl will meet with The Honorable Caspar Weinberger, Secretary of Defense, Presidential Suite, 9th Floor.

PHOTO COVERAGE: Photographers to be on 12th floor no later than 15 minutes before scheduled meeting.

11:30 a.m. Chancellor Kohl will meet with President Reagan at the White House. At the conclusion of the meeting, President Reagan will host a working luncheon in honor of Chancellor Kohl at the White House.

3:00 p.m. The Honorable George Bush, Vice President of the United States, will host a tea in honor of His Excellency Dr. Helmut Kohl, Chancellor of the Federal Republic of Germany, at his residence.

4:00 p.m. Chancellor Kohl will hold an Open Press Conference, Watergate Hotel, Riverview East Room.

5:35 p.m. Chancellor Kohl and his party arrive Washington Monument Grounds (Reflecting Pool Side).

6:00 p.m. Arrival Dulles International Airport, Page Terminal.

6:10 p.m. Departure from Dulles Airport and the United States via German Military Aircraft enroute Bonn, Germany.

PRESS DEPARTMENT OF STATE



November 29, 1984
NO. 255

PROGRAM FOR THE STATE VISIT TO THE UNITED STATES OF AMERICA OF
HIS EXCELLENCY DR. JAIME LUSINCHI,
PRESIDENT OF THE REPUBLIC OF VENEZUELA.

December 3-8, 1984

Monday, December 3

1:30 p.m.

His Excellency Jaime Lusinchi, President of the Republic of Venezuela, and his party arrive Andrews Air Force Base, Maryland via Venezuelan Aircraft.

The Honorable George P. Shultz, Secretary of State, will greet the party on arrival.

1:50 p.m.

Arrival Washington Monument Grounds (Reflecting Pool Side).

2:00 p.m.

Arrival Madison Hotel, 15th and M Streets, Northwest.

Private afternoon and evening.

Tuesday, December 4

10:00 a.m.

Arrival at the White House where His Excellency Jaime Lusinchi, President of the Republic of Venezuela will be greeted by the President of the United States and Mrs. Reagan, The Honorable George Bush, Vice President of the United States, and Mrs. Bush, The Honorable George Shultz, Secretary of State, and Mrs. Shultz, Acting Chairman of the Joint Chiefs of Staff and Mrs. Watkins.

10:30 a.m.

President Lusinchi will meet with President Reagan at the White House.

S/CPR - Mary A. Masserini
Madison Hotel - Protocol Office,
862-1600 Ext. 1501

Tuesday, December 4 (continued)

12:30 p.m. The Honorable George P. Shultz, Secretary of State, and Mrs. Shultz will host a luncheon in honor of His Excellency Jaime Lusinchi, President of the Republic of Venezuela, Department of State, Thomas Jefferson Room.

4:30 p.m. President Lusinchi will meet with The Honorable George P. Shultz, Secretary of State, Presidential Suite, Madison Hotel.

PHOTO COVERAGE: Photographers to be on 15th floor no later than 15 minutes before scheduled meeting.

5:30 p.m. President Lusinchi will meet with Mr. Thomas Donahue, Secretary-Treasurer, AFL-CIO, the Presidential Suite, Madison Hotel.

PHOTO COVERAGE: Photographers to be on 15th floor no later than 15 minutes before scheduled meeting.

7:30 p.m. The President of the United States and Mrs. Reagan will host a dinner in honor of His Excellency Jaime Lusinchi, President of the Republic of Venezuela, at the White House.

Dress: Black tie.

Wednesday, December 5

8:00 a.m. President Lusinchi will breakfast with The Honorable Paul A. Volcker, Chairman of the Board of Governors of the Federal Reserve System, Board Room, Madison Hotel.

PHOTO COVERAGE: Photographers to be on Mezzanine Level of the Hotel 15 minutes prior to scheduled breakfast.

9:45 a.m. President Lusinchi will lay a wreath at the Simon Bolivar Monument, Virginia Avenue and 18th Street, Northwest.

10:00 a.m. President Lusinchi will address the members, Organization of American States, OAS Building, 17th Street and Constitution Avenue, Northwest.

Wednesday, December 5

- 3 -

PR NO. 255

11:15 a.m.

President Lusinchi will lay a wreath at the Tomb of the Unknown Soldier, Arlington Cemetery, Arlington, Virginia.

Private lunch.

3:00 p.m.

President Lusinchi will meet with The Honorable A. W. Clausen, President of the International Bank for Reconstruction and Development, Presidential Suite, Madison Hotel.

PHOTO COVERAGE: Photographers to be on 15th floor of hotel no later than 15 minutes before scheduled meeting.

4:35 p.m.

President Lusinchi and his party arrive Washington Monument Grounds (Reflecting Pool Side) for the Departure Ceremony.

4:55 p.m.

Arrival Andrews Air Force Base, Maryland.

5:00 p.m.

Departure from Andrews Air Force Base via U.S. Presidential Aircraft for San Francisco International Airport, San Francisco, California.

7:30 p.m.

Arrival San Francisco International Airport.

8:05 p.m.

Arrival Fairmont Hotel, 950 Mason Street, Nob Hill.

Private dinner and evening.

Thursday, December 6

10:00 a.m.

President Lusinchi will attend the unveiling and dedication of the Simon Bolivar Monument, United Nations Plaza.

PRESS CONTACT: Mr. Thomas Eastham,
415 558-3755

Private luncheon and afternoon.

7:00 p.m.

The Honorable Dianne Feinstein, Mayor of San Francisco will host a dinner in honor of His Excellency Jaime Lusinchi, President of the Republic of Venezuela, City Hall, Rotunda.

Dress: Black tie.

PRESS CONTACT: Mr. Thomas Eastham,
415 558-3755

Friday, December 7

Private day.

Saturday, December 8

11:25 a.m.

President Lusinchí and his party arrive San Francisco International Airport.

11:30 a.m.

Departure San Francisco International Airport via U.S. Presidential Aircraft enroute Fort Lauderdale-Hollywood International Airport, Florida.

7:45 p.m.

Arrival Fort Lauderdale-Hollywood International Airport.

8:30 p.m.

His Excellency Dr. Jaime Lusinchí, President of the Republic of Venezuela, and his party depart the United States via Venezuelan Aircraft enroute Caracas, Venezuela.