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Cover: President Reagan.
(White House photo by Michael Evans)

Secretary Shultz at UN General Assembly.
Department of State photo by Walter Booze)

The DEPARTMENT OF STATE BULLETIN, published by the Office of Public Communication in the Bureau of Public Affairs, is the official record of U.S. foreign policy. Its purpose is to provide the public, the Congress, and government agencies with information on developments in U.S. foreign relations and the work of the Department of State and the Foreign Service.

The BULLETIN's contents include major addresses and news conferences of the President and the Secretary of State; statements made before congressional committees by the Secretary and other senior State Department officials; selected press releases issued by the White House, the Department, and the U.S. Mission to the United Nations; and treaties and other agreements to which the United States is or may become a party. Special features, articles, and other supportive material (such as maps, charts, photographs, and graphs) are published frequently to provide additional information on current issues but should not necessarily be interpreted as official U.S. policy statements.

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The President's Trade Policy Action Plan

President Reagan's address before business leaders and members of the President's Export Council and Advisory Committee for Trade Negotiations in the East Room of the White House on September 23, 1985.[1]

I'm pleased to have this opportunity to be with you to address the pressing question of America's trade challenge for the 1980s and beyond. And let me say at the outset that our trade policy rests firmly on the foundation of free and open markets—free trade.

I, like you, recognize the inescapable conclusion that all of history has taught: the freer the flow of world trade, the stronger the tides for human progress and peace among nations.

I certainly don't have to explain the benefits of free and open markets to you. They produce more jobs, a more productive use of our nation's resources, more rapid innovation, and a higher standard of living. They strengthen our national security because our economy, the bedrock of our defense, is stronger.

Critical Roles of U.S. Government and Business

I'm pleased that the United States has played the critical role of ensuring and promoting an open trading system since World War II. And I know that if we ever faltered in the defense and promotion of the worldwide free trading system, that system will collapse, to the detriment of all.

But our role does not absolve our trading partners from their major responsibility—to support us in seeking a more open trading system. No nation, even one as large and as powerful as the United States, can, by itself, ensure a free trading system. All that we and others have done to provide for the free flow of goods and services and capital is based on cooperation. And our trading partners must join us in working to improve the system of trade that has contributed so much to economic growth and the security of our allies and of ourselves.

And may I say right here to the leaders of industry that my admiration for business in the United States is stronger than ever. You know, sometimes in Washington, there are some who seem to forget what the economy is all about. They give me reports saying the economy does this and the economy will do that. But they never talk about business. And somewhere along the way, these folks in Washington have forgotten that the economy is business. Business creates new products and new services. Business creates jobs. Business creates prosperity for our communities and our nation as a whole. And business is the people that make it work—from the CEO [chief executive officer] to the workers in the factories.

I know, too, that American business has never been afraid to compete. I know that when a trading system follows the rules of free trade, when there is equal opportunity to compete, American business is as innovative, efficient, and competitive as any in the world. I also know that the American worker is as good and productive as any in the world.

Promoting Free and Fair Trade

And that's why to make the international trading system work, all must abide by the rules. All must work to guarantee open markets. Above all else, free trade is, by definition, fair trade. When domestic markets are closed to the exports of others, it is no longer free trade. When governments subsidize their manufacturers and farmers so that they can dump goods in other markets, it is no longer free trade. When governments permit counterfeiting or copying of American products, it is stealing our future, and it is no longer free trade. When governments assist their exporters in ways that violate international laws, then the playing field is no longer level, and there is no longer free trade. When governments subsidize industries for commercial advantage and underwrite costs, placing an unfair burden on competitors, that is not free trade.

I have worked for 4 years at Versailles and Williamsburg and London and last at Bonn to get our trading partners to dismantle their trade barriers, eliminate their subsidies and other unfair trade practices, enter into negotiations to open markets even further and strengthen GATT [General Agreement on Tariffs and Trade], the international accord that governs worldwide trade. I will continue to do these things.

But I also want the American people and our trading partners to know that we will take all the action that is necessary to pursue our rights and interests in international commerce, under our laws and the GATT, to see that other nations live up to their obligations and their trade agreements with us.

I believe that if trade is not fair for all, then trade is "free" in name only. I will not stand by and watch American businesses fail because of unfair trading practices abroad. I will not stand by and watch American workers lose their jobs because other nations do not play by the rules.

We have put incentives into our own economy to make it grow and create jobs. And, as you know, business has prospered. We have created over 8 million new jobs in the last 33 months. Just since 1980, manufacturing production has increased 17%. But I'm not unmindful that within this prosperity some industries and workers face difficulties. To the workers who have been displaced by industrial shifts within our society, we are committed to help. To those industries that are victims of unfair trade, we will work unceasingly to have those practices eliminated.

Just a few weeks ago, I asked the U.S. Trade Representative [Clayton Yeutter] to initiate unfair trade practice investigations. It's the first time a president has done this. And, as you know, we have self-initiated three such cases that will investigate a Korean law that prohibits fair competition for U.S. insurance firms, a Brazilian law restricting the sale of U.S. high-technology

products, and Japanese restrictions on the sale of U.S tobacco products. I have also ordered the U.S. Trade Representative to accelerate the ongoing cases of Common Market restrictions of canned fruit and Japanese prohibitions on imports of our leather and leather footwear.

But I believe more must be done. I am, therefore, today announcing that: I have instructed Ambassador Yeutter to maintain a constant watch and to take action in those instances of unfair trade that will disadvantage American businesses and workers; I have directed the Secretary of the Treasury to work with the Congress to establish a $300 million fund that will support up to $1 billion in mixed credit loans. These funds will counter our loss of business to trading partners who use what, in effect, are subsidies to deprive U.S. companies of fair access to world markets. And I've asked that these initiatives be continued until unfair credit subsidies by our trading partners are eliminated through negotiations with them.

I have further instructed Treasury Secretary Jim Baker to inform the participants at the International Monetary Fund and World Bank conferences in Seoul that we will take into consideration the trading practices of other nations in our deliberations and decisionmaking.

A major factor in the growth of our trade deficit has been the combination of our very strong economic performance and the weak economic performance of our major trading partners over the last 4 years. This has limited our exports and contributed to the weakening of other currencies relative to the dollar, thereby encouraging additional imports by the United States and discouraging our exports. Yesterday, I authorized Treasury Secretary Baker to join his counterparts from other major industrial countries to announce measures to promote stronger and more balanced growth in our economies and, thereby, the strengthening of foreign currencies. This will provide better markets for U.S. products and improve the competitive position of our industry, agriculture, and labor.

I have ordered the Secretary of State to seek time limits on negotiations underway to open up markets in specific product areas in Japan.

I have instructed the U.S. Trade Representative to accelerate negotiations with any and all countries where the counterfeiting and piracy of U.S. goods has occurred to bring these practices to a quick end. And I look forward to working with the Congress to increase efforts to protect patents, copyrights, trademarks, and other intellectual property rights.

And, finally, I am today directing that a strike force be established among the relevant agencies in our government whose task it will be to uncover unfair trading practices used against us and develop and execute strategies and programs to promptly counter and eliminate them.

Working With Congress

I'm also looking forward to working with the Congress to put into place any necessary legislation that would help us promote free and fair trade and secure jobs for American workers. Among the topics that we should jointly consider are:

- Authority to support our new trade-negotiating initiatives that would, among other things, reduce tariffs and attempt to dismantle all other trade barriers;
- To protect intellectual property rights, including trade in articles that infringe U.S. process patents, longer terms for agricultural chemicals, and eliminating Freedom of Information Act abuses that will help our businesses protect their proprietary property;
- To improve our antidumping and countervailing duty laws so that a predictable pricing test covers nonmarket economies, enabling our companies to have protection against unfair dumping from those countries; we should also improve these laws so that business can have full and rapid protection in receiving help against unfair imports; and
- To amend our trade laws to put a deadline on dispute settlement and to conduct a fast-track procedure for perishable items; we should no longer tolerate 16-year cases and settlements so costly and time consuming that any assistance is ineffective.

I am also directing the Secretary of Labor to explore ways of assisting workers who lose jobs to find gainful employment in other industries, and I look forward to working with Congress in this vital task.

Additionally, I welcome the suggestions of the members of Congress on other potential legislation that has as its object the promotion of free and fair trade. I will work with them to see that good legislation is passed. Conversely, I will strongly oppose and will veto measures that I believe will harm economic growth, cause loss of jobs, and diminish international trade.

But I do not want to let this discussion pass without reminding all of our ultimate purpose—the expansion of free and open markets everywhere. There are some, well-meaning in motive, who have proposed bills and programs that are purely protectionist in nature. These proposals would raise the costs of the goods and services that American consumers across the land would have to pay. They would invite retaliation by our trading partners abroad; would, in turn, lose jobs for those American workers in industries that would be the victims of such retaliation; would rekindle inflation; would strain international relations; and would impair the stability of the international financial and trading systems.

The net result of these counterproductive proposals would not be to protect consumers or workers or farmers or businesses. In fact, just the reverse would happen. We would lose markets, we would lose jobs, and we would lose our prosperity.

Reducing Impediments to Free Markets

To reduce the impediments to free markets, we will accelerate our efforts to launch a new GATT negotiating round with our trading partners. And we hope that the GATT members will see fit to reduce barriers for trade in agricultural products, services, technologies, investments, and in mature industries. We will seek effective dispute-settlement techniques in these areas. But if these negotiations are not initiated or if insignificant progress is made, I'm instructing our trade negotiators to explore regional and bilateral agreements with other nations.

Here at home we will continue our efforts to reduce excessive government spending and to promote our tax reform proposal that is essential to strengthening our own economy and making U.S. business more competitive in international markets.

Further, we will encourage our trading partners, as agreed upon at the Bonn summit, to accelerate their own economic growth by removing rigidities and imbalances in their economies. And we will encourage them to provide

sound fiscal and monetary policies to have them fully participate in the growth potential that is there for all.

We will seek to strengthen and improve the operation of the international monetary system, and we will encourage the debt-burdened, less developed countries of the world to reduce and eliminate impediments to investments and eliminate internal restrictions that discourage their own economic growth.

The U.S. Commitment

Let me summarize. Our commitment to free trade is undiminished. We will vigorously pursue our policy of promoting free and open markets in this country and around the world. We will insist that all nations face up to their responsibilities of preserving and enhancing free trade everywhere.

But let no one mistake our resolve to oppose any and all unfair trading practices. It is wrong for the American worker and American businessman to continue to bear the burden imposed by those who abuse the world trading system.

We do not want a trade war with other nations; we want other nations to join us in enlarging and enhancing the world trading system for the benefit of all.

We do not want to stop other nations from selling goods in the United States; we want to sell more of our goods to other nations.

We do not dream of protecting America from others' success; we seek to include everyone in the success of the American dream.

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[1]Text from Weekly Compilation of Presidential Documents of Sept. 30, 1985. ■

News Conference of September 17 (Excerpts)

Excerpts from President Reagan's news conference of September 17, 1985.[1]

. . . .

We need stronger growth not just at home but throughout the world. And we must have free and fair trade for all. This is the path of cooperation and success that will make our people more productive and that can lead to a decade of growth and 10 million new jobs in the next 4 years.

But there's another path that can only lead away from opportunity and progress: A mindless stampede toward protectionism will be a one-way trip to economic disaster. That's the lesson of the Smoot-Hawley tariff in 1930, which helped to trigger a worldwide trade war that spread, deepened, and prolonged the worst depression in history. And I know; I lived through that period. I've seen and felt the agony this nation endured because of that dreadful legislation.

If we repeat that same mistake, we'll pay a price again. Americans whose jobs depend upon exports of machinery, commercial aircraft, high-tech electronics, and chemical products could well be the first targets of retaliation. Agriculture and industry, already in great difficulty, would be even more vulnerable. Protectionist tariffs would invite retaliation that could deliver an economic death blow to literally tens of thousands of American family farms.

We've begun doing many good things for America these last 4½ years. Much remains to be done and can be done. So, let us not place all that progress, all our hopes for the future at risk by starting down on a slippery slope of impulsive acts and imprudent judgment. And this is a time for cool heads and clear vision.

Q. As you head toward the summit, one of the big questions is whether you would be willing to explore the possibility of a tradeoff on the space weapons or big cuts in the Soviet arsenal.

A. No, we're talking about the Strategic Defense Initiative now. I'm sorry that anyone ever used the appellation "Star Wars" for it because it isn't that. It is purely to see if we can find a defensive weapon so that we can get rid of the idea that our deterrence should be the threat of retaliation, whether from the Russians toward us or us toward them, of the slaughter of millions of people by way of nuclear weapons. And rather than that kind of negotiation, I think at this summit meeting what we should take up is the matter of turning toward defensive weapons as an alternative to this just plain naked nuclear threat of each side saying we can blow up the other. And I would hope that if such a weapon proves practical, that then we can realistically eliminate these horrible offensive weapons—nuclear weapons—entirely.

And I also have to point out that with regard to whether that would be a bargaining chip—which I don't see it as that at all—is the fact that the Soviet Union is already ahead of us in this same kind of research. They have been doing it much longer than us, seeking a defensive weapon also.

Q. And you're really saying, then, that you are not going to negotiate and that you really want to test just to see if it's practical. But aren't you really paving the way toward a militarization of the heavens, because the Soviets are bound to build up a weapon—offensive to counter the "Star Wars"?

A. No, the strategic defense that we're seeking is something that, just as an antiaircraft gun once could protect you against bombers, could be used against these offensive weapons—the missiles. And it doesn't mean no negotiation at all. As a matter of fact, the side that has not been negotiating—with all of our months and months of meetings in Geneva and the arms talks—is the Soviet Union.

We have offered at least six versions of a possible reduction and six different ways to enlist their interest in negotiating with us in a reduction of warheads. They have come back with nothing. They simply won't discuss it or negotiate.

But the original idea of weapons in space dealt with the thought that, in addition to the present missiles that we have, that somebody would place weapons of that kind in orbit in space with the ability to call them down on any target wherever they wanted to in the world, and we agreed.

This isn't anything of what we're talking about. We're talking about a weapon that won't kill people; it'll kill weapons. And, as I say, they have been exploring this, but there's a great deal of room for negotiation. The room would be if and when such a weapon does prove feasible, then prior to any deployment, to sit down with the other nations of the world and say, "Here. Now, isn't this an answer?"

I don't see it as being something that we would add to our arsenal to increase our ability over them. I see it

as the time then that you could say, "Isn't this the answer to any of us having nuclear weapons?"

. . . .

Q. Why has the United States consistently played down expectations of what will happen at the summit meeting when you meet with Mr. Gorbachev in November, even as the Soviet Union has insisted that summit meetings are for grand and important decisions and sought to raise our expectations?

A. It worries me a little bit that they go out of their way to try and raise expectations, in view of summits in the past and what has come of them.

Maybe we were overly concerned, but we were worried that there might build up a euphoria and that people would be expecting something of a near miracle to come out of that summit. But I don't mind saying right now, we take this summit very seriously. And we're going to try to get into real discussions that we would hope could lead to a change in the relationship between the two countries—not that we'll learn to love each other; we won't—but a change in which we can remove this threat of possible war or nuclear attack from between us and that we can recognize that, while we don't like their system and they don't like ours, we have to live in the world together and that we can live there together in peace. And we're going to be very serious about that.

Q. That implies that you think that you will be able to reach some sort of agreement. Can you reach agreement? Or do you think that this will be used mainly to get acquainted?

A. No. This has got to be more than get acquainted, although, that's important, too. As you know, I've said before, I believe that you start solving problems when you stop talking about each other and start talking to each other. And I think it's high time that we talk to each other.

Q. The United States has just had its first successful test of an antisatellite weapons system. We showed the Soviet Union that we could do it. Would this not be an ideal time to stop further ASAT tests and negotiate a ban on such weapons?

A. Here again, this is going to take a lot of verification if you're going to try to do that, because, here again, we were playing catch-up. They already have deployed an antisatellite missile. They can knock down and have knocked down satellites that have been sent up in their testing, and they've completed all of that testing. And this was our test, and I don't know whether others are necessary to complete the thing, but we couldn't stand by and allow them to have a monopoly on the ability to shoot down satellites when we are so dependent on them for communication, even weather and so forth.

Q. You sent the arms negotiators back to Geneva for the start of the third round of talks that begin in 2 days. Did you send them with any new proposals?

A. No, because they have a great flexibility, and I sent them back with the same thing that we sent them in in the first place, and that is that we are to be flexible. We know that there is a difference in the Soviet Union's—the emphasis they place on various weapons systems. They have all the same ones we do—airborne, submarine launched, and so forth. Theirs is a little different strategy than ours. So we said that we proposed a number of warheads as an opener for discussion, that we would reduce to a certain number. As I said earlier, we have presented at least six different ways in which that could be done, and we have made it plain that we're willing to meet whatever are their specific problems with regard to their mix of weapons, that we would find ways to accommodate the differences between us in our strategies.

And so far they have not made a single comment or proposed a different number. They have just been there. And I don't know how much more flexible we can be, but we're there waiting for them to say, well, that number's wrong; let's try another number, or make a proposal of their own. And in spite of the language that's been used in some of the international broadcasts recently by leaders in the Kremlin, none of those proposals, nothing of that kind has ever come to the table for negotiations.

Q. We did conduct an antisatellite weapons test the other day, and the Soviets said that that showed you were not serious about curbing the space race and that it complicated the summit. Why was it necessary to make that test now? Couldn't it have waited until after the summit?

A. No, I don't think so, because, as I said, we're playing catch-up. We're behind, and this was on the schedule that we hoped that we could keep with regard to the development of this weapon. And it wasn't done either because of or with the summit in mind at all. It was simply time for the test. They've been doing it, and we didn't call them any names.

Q. British Prime Minister Margaret Thatcher met Mr. Gorbachev and said, "I like Mr. Gorbachev. We can do business together." Is it necessary, do you think, that you and Gorbachev like each other at the summit in order to do business?

A. I wasn't going to give him a friendship ring or anything. [*Laughter*] No, seriously, I believe this. I think she made an observation out of this, and our own people who've been over there—our recent group of Senators who met with him found him a personable individual. I'm sure I will, too. It isn't necessary that we love or even like each other. It's only necessary that we are willing to recognize that for the good of the people we represent, on this side of the ocean and over there, that everyone will be better off if we come to some decisions about the threat of war. We're the only two nations in the world, I believe, that can start a world war. And we're the only two that can prevent it. And I think that's a great responsibility to all of mankind, and we'd better take it seriously.

Q. Some people believe that the Soviets are winning the propaganda war leading up to the summit, that Mr. Gorbachev, in recent days, has made a number of proposals for test moratoria, for a chemical-free zone in Europe, while the United States is testing an antisatellite weapon and, we learned today, a test of a component of SDI. With them talking peace while we're testing weapons of war, is Mr. Gorbachev beating you at your own game?

A. I've not engaged in a propaganda game. I'm getting ready to go to the meeting and take up some things I think should be discussed.

I do think that this is a continuation of a long-time campaign aimed mainly at our allies in Europe and in an effort to build an impression that we may be the villains in the peace and that they're the good guys. I don't think it has registered with our allies, and I'm not going to take it seriously at all. He can practice whatever tactics he wants to. We're going to meet, and we're seriously going to discuss the matters that I've just mentioned here.

Q. You're known as a pretty good negotiator, and some people think that even if you were willing to negotiate on SDI, you wouldn't tell us now; you'd wait for Geneva. Are you telling the American people tonight that you are ruling out any deal with the Soviets at this point on testing, deployment, research, development of SDI?

A. I'm saying that the research to see if such a weapon is feasible is not in violation of any treaty. It's going to continue. That will, one day, involve, if it reaches that point, testing. On the other hand, I stop short of deployment because, as I said then, I'm willing to talk to our allies, talk to them, and talk to the Soviets—to anyone about the meaning of it, if it could be used in such a way as to rid the world of the nuclear threat.

Q. But development and testing—you're ruling out any deal on that? You're ruling out a deal on testing or development?

A. I think that's a legitimate part of research, and, yes, I would rule that out. I don't mind saying here—and normally I don't talk about—as you said, what's going to be your strategy in negotiations. But in this, this is too important to the world to have us be willing to trade that off for a different number of nuclear missiles when there are already more than enough to blow both countries out of the world.

. . . .

Q. Your sanctions against South Africa seem to have drawn criticism from many sides. Bishop Tutu called you a racist; President Botha says they will impede U.S. efforts to help in the region, and many in Congress are still pressing for stronger measures. What is your answer to these charges, and do you plan to appoint a special envoy to the region as you have in Central America?

A. I think that when you're standing up against a cellophane wall and you're getting shot at from both sides, you must be doing something right. And if it had all come from one direction, I would have looked again and said, "Well, did I miss something here?" But the very fact that both factions are unhappy—one says it goes too far, and the other one says it doesn't go far enough—I must be pretty near the middle.

And what I tried to do was to avoid the kind of sanctions—economic sanctions—that would have militated against the people we're trying to help. And there have been other leaders over there and leaders against apartheid who have been gratified by what we did. So, we'll see what happens.

Q. For the first time in 70 years, we have become a deficit nation—since 1914. Does this disturb you? Throughout your political life, you have decried deficit spending and our secondary posture in the world of trade. Do you have a solution for this?

A. You used the word deficit; you mean our trade imbalance?

Q. Yes, the fact that we have become a debtor nation for the first time since 1914.

A. Are we? I think this false impression that's being given that a trade imbalance means debtor nation. This isn't our government that is expending more than it is for imports than it is getting back in exports. These are the people of our country and the businesses and the corporations and the individual entrepreneurs.

On one hand, the American people are buying more than the American people are selling. Incidentally, those figures of export and import have some failings in them, some weak spots. They don't include on exports anything that we're getting back for services. There's a lot of technical things I won't get into, because they get too complicated here, about the difference in the two figures.

But let me point something out about this. The deficit that I'm concerned about, that is the most important, and that can be the biggest problem for us and that must be solved, is the deficit in Federal spending—here, our domestic spending. This is the threat to everything that we hold dear.

But the trade imbalance—from 1890—or 1790 to 1875, this country, all that 85 years, ran a trade imbalance. And in those years, we were becoming the great economic power that we are in the world today.

Now we come up to the present. And in the last 33 months, we have seen more than 8 million new jobs created. Yes, we've lost since 1979 1.6 million jobs in manufacturing, but we've added 9 million new jobs in travel and service industries.

We've had this great recovery; we've brought inflation down; the interest rate is coming down—all of these things that we want. This recovery, the greatest one we've known in decades, has been done with this same trade imbalance.

In the 1930's, in that depression that I mentioned earlier in my remarks, in that depression, 25% unemployment—the worst depression the world has ever known—we had a trade surplus every one of those 10 years until World War II ended the depression.

I think this has been exaggerated, and it isn't a case of us being a debtor nation. Another thing we don't count is that from abroad, that is not counted in our export figures are the billions of dollars of foreign capital that has been invested in the United States, invested in our private industries, invested in our government bonds, if you will, things of this kind because we are the best and safest investment in the world today.

. . . .

Q. Why couldn't all the weapons and all the technology that are currently under rubric of the Strategic Defense Initiative be used offensively as well as defensively and thereby defeat your rationale for a strategic defense? Why couldn't lasers and electronic beam weapons be used offensively and defeat the purpose of the program?

A. I'm sure there must have been some research in things of that kind, but we're definitely seeking a defensive weapon. And one of the things that I believe should be taken up at the summit is to make it plain that we're both willing to look at certainly a mix and see if we can't place more dependence on defensive weapons rather than on destructive weapons that could wipe out populations.

Q. But isn't it fair to assume that the Russians, out of their own sense of military security, are bound to consider the possibility that weapons developed under SDI could be used offensively as well as defensively?

A. I'm not a scientist enough to know about what that would take to make them that way. That isn't what we are researching on or what we're trying to accomplish. And at the moment I have to say the United States—in spite of some of the misinformation that has been spread around—is still well behind the Soviet Union in literally every kind of offensive weapon, both conventional and in the strategic weapons. And we think that we have enough of a deterrent, however, that the retaliation would be more than anyone would want to accept. For 40 years we've maintained the peace, but we've got more years to go, and this threat hangs over all of us worldwide,

and some day there may come along a madman in the world someplace—everybody knows how to make them anymore—that could make use of these.

It's like when we met in 1925, after the horror of World War I, in Geneva and decided against poison gas any more as a weapon in war. And we went through World War II and down to the defeat of our enemies without anyone using it, because they knew that everyone had it. But they also knew something else. We outlawed poison gas in 1925, but everybody kept their gas masks. I think of this weapon as kind of the gas mask.

Q. This week you'll be meeting with President Machel of Mozambique, who is a Marxist, but he has turned his back on his Soviet allies to cut off the lines of infiltration from the African National Congress to South Africa. What is the *quid pro quo* in this meeting? In other words, what will you do to make President Machel's action worth what it has probably cost him?

A. All I know is that for some time now there has been an indication that he, who had gone so far over to the other camp, was having second thoughts. We just think it's worthwhile to show him another side of the coin, and we think it's worth a try to let him see what our system is and see that he might be welcome in the Western world. And that's why I'm meeting with him.

Q. Mr. President, I'd like to turn, if I might, to the subject of the recent spy scandals and ask you a two-part question. Do the string of West German defections mean that the United States must cut back the amount of sensitive information it shares with NATO? And, secondly, does the Walker spy scandal in the United States suggest to you that perhaps we should reduce the Soviet presence in this country?

A. We've always been aware of the fact that the Soviets had, undoubtedly, more agents in this country than any personnel that we had in theirs; this has been very much on our minds. I don't know just how you can evaluate what might have been compromised. The Walker case somehow doesn't seem to look as big as it did a short time ago now with what we've seen happening in the other countries.

I think that if there has been damage, it's been done already with what they could have conveyed both ways in this. You know, England, at the same time, has got the defectioners from the KGB that have now come to them with information that certainly must make a lot of agents throughout the world wonder when they're going to feel a tap on their shoulder. And we just have to play with this the best we can and hope that, together and between us all, we can establish some means of identifying better those who are loyal.

Q. Can I follow up on that and ask again the first part of the question, and that is whether you feel that now, given these defections in West Germany, that perhaps it's time for us to reevaluate just how much information we share with some of our allies in Europe?

A. I think there's reevaluating that's going on all over the world on that, and I'm sure here, too.

Q. Just returning to trade specifically for a minute. Members of Congress who support the so-called Textile and Apparel Protection Act claim that the U.S. adherence to free trade and our allies' adherence to unfair trade practices has not only cost the jobs of 300,000 workers since 1980 but forced companies here to close down even the newest, most efficient plants in the world. If the shoe were on the other foot, and you represented a textile apparel producing State, how would you explain the President's reluctance to support a bill that seems to be the last, best hope for those industries and also for the 2 million remaining workers in those industries?

A. Again, protectionism is a two-way street. And there is no way that you can try to protect and shield one industry that seems to be having these competitive problems without exposing others. No one ever looks over their shoulder to see who lost their job because of protectionism. We do know the history of the Smoot-Hawley tariff and what it did. There were over a thousand economists that sought the President out at the time and begged him to veto that bill. But in this one with a single industry, if there is an unfairness—and we've already made that plain and made it evident—we are going to, if they're taking advantage in some way in another country—competing unfairly with us—to take action on those items.

For almost 2 years now, I have been begging our allies and trading partners in the GATT [General Agreement on Tariffs and Trade], the general tariff program, to join with us in another round of trade talks to again eliminate whatever holdovers there are of discrimination against someone else's products getting into their country or subsidizing sale at less than production cost in other countries. These things we'll do and we'll do vigorously.

But just plain protectionism—let me point out another problem that no one has considered. You take one product—that kind—and you look at the list of countries, and then you find out we're the biggest exporter in the world. Then you find out that in some of these countries, if we punish them for that one product, we happen to have a trade surplus in that country. How can they stand by on that one thing they're exporting successfully and then say, "But we're buying more from you than we're selling to you in your country."

So, there just is no excuse for protectionism that is simply based on legitimate competition and curbing that competition.

Q. If the current bills which are on the Hill now seeking sweeping trade protectionism were enacted, do you foresee somewhat of a, might say, reenactment of Smoot-Hawley which led to the Depression or certainly deepened it? Do you feel there is a cause and effect there?

A. I don't know. I think there are probably some individuals that haven't learned the lesson or haven't lived long enough to have been around when the Great Depression was on. That's one of the advantages of being a kid my age.

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[1]Text from Weekly Compilation of Presidential Documents of Sept. 23, 1985. ■

40th Anniversary of the End of World War II in the Pacific

President Reagan's radio address to the nation on August 10, 1985.[1]

In a few days, we'll be commemorating V–J Day, the 40th anniversary of the end of the war in the Pacific, which brought to a close the most destructive and widespread conflagration in the history of mankind.

Over 3 million American airmen, soldiers, sailors, and marines served in the Pacific and Asian theaters between 1941–45. They endured some of the most savage combat of the war, from the frozen Aleutian Islands in the north to the jungles of Guadalcanal and the volcanic sands of Iwo Jima.

Our fighting forces came back from the defeat at Pearl Harbor and slugged their way across the Pacific, island by island. Gen. Douglas MacArthur wrote of the American fighting man in the Pacific: "He plods and groans, sweats and toils. He growls and curses. And at the end, he dies, unknown, uncomplaining, with faith in his heart, and on his lips, a prayer for victory."

Well, the victory was won, and our freedom and way of life were preserved because of the courage and honor of those who put their lives on the line four decades ago. The Americans who went through this ordeal of storm and sacrifice, just as their counterparts who battled our enemies in Europe, deserve a special place in the hearts of all those who love liberty.

Vice President Bush might be a little embarrassed if he knew I was going to say this, but he's one of those Americans I'm talking about. As a young fighter pilot in the Pacific, his plane was shot down on a military mission. He came perilously close to losing his life.

If you know any veterans of the Second World War, you might take the time on August 14th to thank them. There are so many heroes among us, and I'm sure they'd like to know how much we appreciate them.

The veterans of the Pacific war should take special pride that today the Pacific rim is blessed with stability and bustling with enterprise and commerce. The hard-fought battles of the Pacific laid the foundation for what is becoming one of the most vibrant regions of the world. The devastation and rubble of the war have given way to great centers of human progress, futuristic metropolises with vast industrial complexes, modernistic transportation systems, and impressive institutions of culture and learning.

Nowhere is this more evident than in Japan, now a close and reliable friend and one of our most important allies. In these last 40 years, the Japanese have transformed bombed-out ruins into a great industrial nation. With few natural resources of their own, they now produce over 10% of all the world's goods and services. They've accomplished this economic miracle with hard work, free enterprise, and low tax rates.

The Japanese are today in so many ways our partners in peace and enterprise. Our economic ties are a great boon to both our peoples. Our good will and cooperation will be maintained by a mutually beneficial trading relationship based on free trade and open markets on both sides of the Pacific.

The great strides forward being made in the Pacific rim bode well for the United States. We are, after all, a Pacific rim country. Already our trade with Pacific and East Asian countries is greater than with any other region of the world. We can look forward to the future with anticipation of a better tomorrow. The people of our country will be in the forefront of the economic renaissance of the Pacific.

Liberty not only spawns progress, but it is the genesis of true peace as well. As free peoples, it is unthinkable that the Japanese and Americans will ever again go to war. Where there are differences, as there are in the relations of any two great nations, they can be settled in the spirit of good will.

Those brave Americans who fought in the Pacific four decades ago were fighting for a better world. They believed in America and often they gave the last full measure of devotion. One such man was Marine Lt. David Tucker Brown from Alexandria, Virginia. While in the Pacific, he wrote home: "I am more than ever convinced that this is Thomas Jefferson's war, the war of the common man against tyranny and pride. It is really a war for democracy and not for power or materialism." Well, Lieutenant Brown was later killed in action in Okinawa, one of so many brave and courageous young Americans who made the supreme sacrifice.

I think if those brave men were with us today they'd be proud of what has been accomplished. At war's end, with victory in hand, we looked forward, not back. We lived up to our ideals, the ideals of heroes like Lt. David Tucker Brown. And we worked with our former enemies to build a new and better world, a world of freedom and opportunity. That's the America we're all so proud of.

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[1]Broadcast from the Oval Office at the White House (text from Weekly Compilation of Presidential Documents of Aug. 19, 1985). ■

The Charter's Goals and Today's Realities

Secretary Shultz's address before the UN General Assembly in New York City on September 23, 1985.[1]

Three years ago, when I addressed this body for the first time, I stressed the need for realism. There is probably no other quality so appropriate and necessary for this organization.

But realism does not mean cynicism or even pessimism. It means a clear-sighted appreciation of the opportunities we face, as well as of the obvious problems. It means remembering the many challenges that the world community *has* overcome and drawing lessons from that. It means understanding that idealism and the yearning for human betterment are themselves part of reality and thus have enormous practical significance.

The founding fathers of the United Nations are sometimes accused of naive utopianism. Supposedly, they ignored the harsh realities of power politics in attempting to create a global system of collective security. I doubt it. The men and women who set up this organization 40 years ago were among the great statesmen of the century. They drafted the Charter as a set of standards for international conduct—knowing full well that the world's nations probably would fall short of those standards but knowing also that the setting of high goals is a necessary precondition to their pursuit and attainment.

The lofty goals of the Charter have a concrete, practical meaning today. They not only point the way to a better world; they reflect some of the most powerful currents at work in the contemporary world. The striving for justice, freedom, progress, and peace is an ever-present and powerful reality that is today, more than ever, impressing itself on international politics.

Our political thinking must catch up to this reality. The policies of nations must adapt to this basic human striving. This organization, too, must adapt to reality; it cannot afford to consume itself in political warfare and unrealistic posturing. There is work to be done. Let's do it.

The world community faces enormous challenges in three areas:

- In satisfying mankind's yearning for democracy, freedom, and justice;
- In preserving and perfecting global peace and stability; and
- In spreading economic prosperity and progress.

The Democratic Revolution

First, the quest for democracy and freedom: since the end of the Second World War, modern communication has opened the eyes of most of the world's peoples to the realization that they do not have to live their lives in poverty and despair—that, on the contrary, the blessings of prosperity and liberty known in the past only by a relative few can be theirs as well. The ideals for which the war was fought, and the spread of democracy and of prosperity in the industrialized world since, created an explosion of expectations.

The result has been, in recent years, a revolution of democratic aspirations sweeping the world. At the time of the San Francisco conference in 1945, most of the nations represented in this hall today were not independent states but possessions—colonies of European empires. The vast number of languages, cultures, and traditions I can now see before me testifies to the revolution in the world order. The old empires eventually had to accept the postwar reality of self-determination and national independence.

Much of the conflict in the world today stems from the refusal of some governments to accept the reality that the aspirations of people for democracy and freedom simply cannot be suppressed forever by force.

In South Africa, these aspirations on the part of the black majority have—as never before—drawn global attention and support. Change is inevitable. The issue is not whether apartheid is to be dismantled but how and when. And then, what replaces it: race war, bloodbath, and new forms of injustice or political accommodation and racial coexistence in a just society? The outcome depends on whether and how quickly the South African Government can accept the new reality and on whether men and women of peace on both sides can seize the opportunity before it is too late.

This much is clear: there must be negotiation among South Africans of all races on constitutional reform. True peace will come only when the government negotiates with—rather than locks up—representative black leaders. The violence will end only when all parties begin a mutual search for a just system of governance.

One area where the future has brightened in the past 5 years, as the aspirations of the people for democracy have been met in country after country, is Latin America. In contrast to only 30% in 1979, today more than 90% of the people of Latin America live under governments that are either democratic or clearly on the road to democracy.

In Central America, El Salvador—under the courageous leadership of President Duarte—has shown that democracy can take root and thrive even in the most difficult terrain. Its citizens braved extremist violence to participate overwhelmingly in four free elections since 1982. Their president's current personal ordeal only serves to underscore the sacrifices thousands of Salvadorans continue to make as they fight to realize the ideals of the UN Charter. For this commitment they should be applauded by all members. Ironically, El Salvador is today the only democracy subject to the scrutiny of a special rapporteur for human rights.

Among El Salvador's neighbors, Costa Rica has long been the region's beacon of representative government; Honduras is about to replace one freely elected government with another; and Guatemala is about to join them as a democratic nation with election of a president in November. These developments should enhance regional cooperation for economic development, which the United States supports through our Caribbean Basin Initiative and President Reagan's initiative for peace, development, and democracy.

(Department of State photo by Walter Booze)

Secretary Shultz addressing the UN General Assembly.

But regional peace in Central America is threatened by the rulers of Nicaragua and their Soviet and Cuban allies. Behind a cloak of democratic rhetoric, the Nicaraguan communists have betrayed the 1979 revolution and embarked on a course of tyranny at home and subversion against their neighbors. Brave Nicaraguans are fighting to restore the hope for freedom in their country, and the other nations of the region are working together in collective self-defense against Nicaraguan aggresssion.

How can this crisis be resolved? The Central American nations, together with their nearest neighbors—the Contadora Group—have subscribed to a document of 21 objectives. These include noninterference in the affairs of one's neighbors, serious dialogue with domestic opposition groups, free elections and democracy in each country, removal of foreign military personnel, and a reduction of armaments. My government supports a verifiable treaty based on full and simultaneous implementation of the 21 objectives. We welcome the resumption of talks next month in Panama and hope they lead to a final agreement. Contadora is the best forum for pursuing a settlement.

In El Salvador, President Duarte, true to his pledge to the assembly last year, has pursued a dialogue with the guerrilla opposition. Would that the rulers of Nicaragua make—and honor—the same pledge to the assembly this year. In San Jose on March 1 of this year, the Nicaraguan democratic resistance called for internal dialogue, moderated by the Roman Catholic Church, to end the killing.

The people of the region are waiting for a positive answer from the rulers of Nicaragua. Can it be that, never having been chosen by their people in a truly free election, they lack the confidence to face opponents they cannot silence or lock up, as they have so many others? The United Nicaraguan Opposition deserves to participate in Nicaraguan political life and has an important role to play in the diplomatic process. Regional peace will not come without it.

The reality of the democratic revolution is also demonstrated by the rise of national liberation movements against communist colonialism: in Afghanistan, Cambodia, Angola, and other lands where, as in Nicaragua, people have organized in resistance to tyranny. Unlike the old European empires that came to accept the postwar reality of self-determination and national independence, the new colonialists are swimming against the tide of history. They are doomed to fail.

In Afghanistan, the almost 6-year-old Soviet invasion has inflicted untold suffering on a people whose will to resist and to free themselves from a pitiless tyranny cannot be broken. Hundreds of thousands of Afghans are dead and maimed; millions more make up the largest refugee population in the world; and countless villages, schools, and farms lie in ruins. Nowhere in the world has the carnage wrought by Soviet imperialism been greater than in Afghanistan, and nowhere has the resistance been more determined and courageous.

The withdrawal of Soviet forces, as the General Assembly has noted on six occasions, would lead to a solution of the Afghanistan problem. A solution must also encompass restoration of the country's independent and nonaligned status,

self-determination for the Afghan people, and the return in safety and honor of the more than 3 million refugees. Unless and until the Soviet Union permits such a solution, the national liberation struggle in Afghanistan will continue, the worldwide effort to provide succor to a beleaguered people will go forward, and Soviet protestations of peace on this and other issues will not ring true. My government, together with others concerned, stands ready to implement a just solution to this problem.

Much of the conflict in the world today stems from the refusal of some governments to accept the reality that the aspirations of people for democracy and freedom simply cannot be suppressed forever by force.

Cambodia, as we all know, stands as one of the worst examples in history of a totalitarian ideology carried to its bloodiest extreme. Today, courageous freedom fighters under the leadership of Prince Sihanouk and Son Sann struggle to reclaim their country. We continue to support the ASEAN [Association of South East Asian Nations] program for a peaceful solution: Vietnamese forces must withdraw completely; and Cambodia's independence, sovereignty, and territorial integrity must be restored under a government chosen in free elections.

In other countries, where the apparatus of repression is well developed, countless thousands of men and women wage private struggles for freedom, armed only with their consciences and their courage. Some suffer for their political convictions; others for their religious beliefs: Solidarity trade unionists in Poland; Jews, Baptists, Roman Catholics, Pentecostalists, and others in the Soviet Union; Baha'is in Iran. With all the men and arms at their disposal, what are these governments afraid of?

These brave and often nameless prisoners of conscience struggle to achieve for men and women in every corner of the world the promises of this organization. We are with them, and we call on all states as members of this body to honor their solemn commitments. As Thomas Jefferson once said, the opinions of men and women are not the rightful object of any government, anywhere.

The Quest for Peace

The quest for peace continues on many fronts. And for all the obstacles confronting it, there are examples of success—such as the Antarctic Treaty, which recently marked a quarter century of effective international cooperation. We can learn from problems overcome, as we tackle the formidable problems ahead.

In the Middle East, 10 or 15 years ago, peace between Israel and any Arab state seemed a remote if not impossible dream. Finally, after untold suffering and four wars, a courageous leader, Anwar Sadat, abandoned the old ways of thinking and took the step no other Arab leader had been prepared even to contemplate: he recognized that the State of Israel was here to stay and, with Prime Minister Begin, vowed there would be no more wars. Peace and normal relations were established, and the Sinai was returned.

The past year has seen major efforts toward new negotiations between Israel and its Arab neighbors. The United States is committed and engaged in support of those efforts, in accordance with President Reagan's initiative of 3 years ago. Yet the lesson of the past is clear: progress can only be achieved through direct negotiations, based on Security Council Resolutions 242 and 338. There is no other way, and evasion of this reality only prolongs suffering and heightens dangers. Nothing positive will ever be achieved by chasing illusions of "armed struggle"; but much can be accomplished by parties who are committed to peace and engaged in serious dialogue. The moment is at hand—this year—to make major progress and to begin direct negotiations.

To the east, we have the continuing failure of reason to prevail and end the devastating war between Iran and Iraq. Prolonged by Iran's refusal to come to terms with its inability to achieve victory, this war has now entered its sixth year, with no end in sight. We again call on both parties to negotiate an end to the fighting.

On the Korean Peninsula we see the first tentative steps being taken to get away from the mode of thinking that has characterized the past 40 years. A decade ago, there seemed little hope for a significant reduction of tension. Yet last year both Koreas began a multifaceted direct dialogue, which the United States supports as the key to a solution. While the animosities of a lifetime are not resolved quickly, a start has been made. We also believe that UN membership for both the Republic of Korea and North Korea, in accordance with the principle of universality, would help reduce tensions.

Perhaps the most dramatic problem that requires new ways of thinking is international state-sponsored terrorism. Terrorism is every bit as much a form of war against a nation's interests and values as a full-scale armed attack. And it is a weapon wielded particularly against innocent civilians, against free nations, against democracy, against moderation and peaceful solutions. It is an affront to everything the United Nations stands for.

Progress has been made against the terrorist threat through cooperation in the UN system. Many nations subscribe to the Hague, Tokyo, and Montreal conventions to make air travel safer and to suppress hijacking and sabotage. Progress has also been made in providing protection for diplomats, and some nations have agreed on how to handle hostage situations. Just this month, participants at a UN congress in Milan adopted a strong, broad-ranging resolution urging all states to adhere to these agreements and to strengthen international actions against terrorism.

Much more remains to be done. The United States and other nations, for example, are working with the International Civil Aviation Organization to improve standards of security. Over the past year, some 90 potential terrorist actions against U.S. facilities or citizens have been deterred or prevented. But the fight has only begun, and it cannot be won by one government alone. The

civilized world must put the terrorists and their supporters on notice: we will defend ourselves in any and every way we can.

U.S.-Soviet Relations

The reality of the nuclear age has impelled the United States and the Soviet Union to engage in a dialogue, of varying intensity, for the past 40 years. This dialogue has been an unprecedented attempt by two rivals to manage their competition and avert war. We know that we share a responsibility for maintaining peace, not just for our peoples but for all the Earth's people.

Despite all the difficulties, let us remember what has been accomplished. After the two most destructive wars in history, the superpowers have averted world war for four decades. We have had some success in limiting nuclear testing. Working together with other nations since the Non-Proliferation Treaty (NPT) in 1968, we have succeeded in restricting the proliferation of nuclear weapons. Twenty years ago it was conventional wisdom that there would be 15–25 nuclear-weapons states by today; yet the number of states acknowledged to possess nuclear weapons has held at five for the past 20 years. The United States remains committed to all the goals of the NPT, whose third review conference just successfully concluded in Geneva. And the United States and the Soviet Union have taken practical steps to avoid conflict. Our navies have long agreed to work together to prevent incidents at sea. And we have set up and improved the "Hot Line" for crisis communications.

In the nuclear and space arms talks in Geneva, the United States has advanced far-reaching proposals: a reduction by almost one-half in the most destabilizing weapons, strategic ballistic missile warheads, and elimination of the whole class of U.S. and Soviet longer range INF [intermediate-range nuclear forces] missiles worldwide—all leading ultimately to the complete elimination of nuclear arms. We repeatedly have stressed our readiness for give-and-take and to consider alternative proposals. Each of our proposals has been followed up by further attempts to find common ground with the Soviet Union. We have offered tradeoffs and made clear our readiness to take account of legitimate Soviet concerns to obtain an agreement that would enhance strategic stability and strengthen deterrence.

Progress at Geneva has been slow. Thus far the Soviet Union has not negotiated with the responsiveness that the talks require. Nonetheless, our determination to reach an equitable agreement has not wavered.

In this spirit, President Reagan last June decided to continue our policy of taking no action that would undercut the limits of previous agreements, to the extent the Soviet Union shows comparable restraint. Despite serious reservations about those agreements, and serious concerns about the Soviet record of noncompliance, the President made this decision to foster a climate of truly mutual restraint to facilitate progress in arms control.

While the most direct path to a safer world is through equitable, verifiable reductions, we also see value in verifiable limitations on nuclear testing. For that reason, President Reagan, in his speech to this body last year, proposed that the United States and the Soviet Union exchange visits of experts at test sites to measure directly the yields of nuclear weapons tests. This would significantly improve confidence in the verifiability of proposed treaty limits on underground testing. The Soviet Union rejected this offer. Nevertheless, last July, the President issued an unconditional invitation for a Soviet team to observe and measure a nuclear test at the Nevada test site. We again call on the Soviet Union to take up this offer, which is a concrete, positive step toward *verifiable* restrictions on nuclear testing.

When the Anti-Ballistic Missile (ABM) Treaty was signed in 1972, it was assumed that tight limits on defensive systems would make possible real reductions in strategic offensive arms. But the Soviet Union has never agreed to any meaningful reductions in offensive nuclear arms. Instead, it has continued an unprecedented military buildup—particularly in heavy ICBMs [intercontinental ballistic missiles] with a first-strike capability—which is eroding the basis on which deterrence has rested for decades. The strategy of reliance on offensive retaliation to preserve deterrence and prevent war thus is being called into question by Soviet actions.

The answer is, first, for us both to agree on strategically significant, verifiable reductions in the numbers and destructive potential of offensive weapons. But there are additional ways to redress the problem. President Reagan has directed our scientists and engineers to examine—in light of new technologies and fully in accord with the ABM Treaty—the feasibility of defense against ballistic missile attack. Strategic defense could give our children and grandchildren a safer world. We would continue to rely on deterrence to prevent war, but deterrence would be based more on denying success to a potential attacker and less on threatening massive mutual destruction. Such a means of deterrence should be safer and more stable. Our goal is not to achieve superiority but to add to the security of both sides. As former Soviet Premier Kosygin said, an antimissile system "is intended not for killing people but for saving human lives."

We want to cooperate with the Soviet Union in making progress on these most important of all issues. Progress requires—it demands—good will, realism, and honesty. Behind the curtain that encloses Soviet society, free from the open debate we see in the West, a major strategic defense program has proceeded for decades. The current Soviet leaders know that. In the past 20 years, the Soviet Union has spent about as much on strategic defense as on their offensive nuclear forces. They know that. The Soviets have the world's most active military space program, last year conducting about 100 space launches—some 80% of which were purely military in nature—compared to a total of about 20 U.S. space launches. The Soviets

Terrorism is every bit as much a form of war against a nation's interests and values as a full-scale armed attack . . . . It is an affront to everything the United Nations stands for.

know that, too. They deploy the world's only ABM system, whose nuclear-armed interceptors and other components are undergoing extensive modernization. They are researching many of the same new technologies as we and are ahead in some. And the Soviet Union has the world's only extensively tested and fully operational antisatellite system. The Soviet leaders know full well their own efforts in these fields. Their propaganda about American programs is blatantly one-sided and not to be taken seriously.

So let's get down to real business, with the seriousness the subject deserves. And let us do so in the quiet of the negotiating room, where we can really make progress on narrowing our differences.

Progress needs to be made in other arms control areas as well. Restraints against chemical and biological weapons have eroded in recent years as international agreements have been violated by the Soviet Union and others. In April 1984 the United States proposed a comprehensive treaty for a global ban on chemical weapons. We will again introduce a resolution on chemical weapons in the First Committee. We must have talks on serious, *verifiable* proposals.

To reduce the risk of conflict through miscalculation, we and our Atlantic allies have proposed significant confidence- and security-building measures at the Conference on Disarmament in Europe. To enhance security in Central Europe, we have repeatedly sought ways to move the mutual and balanced force reduction talks in Vienna forward.

In sum, the United States and the Soviet Union now have a historic opportunity to reduce the risk of war. President Reagan looks forward to his meeting with General Secretary Gorbachev in November. We have a long agenda. The United States is working hard to make it a productive meeting. And we want the meeting itself to give further impetus to the wide-ranging dialogue on which we both are already embarked. Soviet acts of good faith and willingness to reach fair agreements will be more than matched on the American side.

Economic Freedom and Material Progress

Just as there is a democratic revolution in the world today, there is also a revolution in economic thinking. Mankind is moving toward an ever greater recognition of the inescapable tie between freedom and economic progress. Command economies, in spite of all their pretensions, have not done very well in liberating people from poverty. In reality, they have served as instruments of power for the few, rather than of hope for the many. Expectations of material progress and prosperity have been fulfilled in countries whose governments applied reason and fresh thinking to their problems, learning from experience rather than slavishly following outworn dogma. The new way of thinking—economic freedom—actually is a return to old truths that many had forgotten or never understood.

Those developing countries in Asia relying on free market policies, for example, have enjoyed one of the most remarkable economic booms in history, despite a relative lack of natural resources. The ASEAN nations and the Republic of Korea have grown at 7% a year over the past decade, the fastest rate in the world, and ASEAN has become a model of regional development and political cooperation. In recognition of the success of economic freedom, the nations of the South Pacific have continued to encourage the private sector as well. We are joining with them in a dedicated effort to negotiate quickly a regional fisheries agreement that will benefit all.

These and other countries' success demonstrates that the laws of economics do not discriminate between developed and developing. For all nations, equally, the true source of wealth is the energy and creativity of the individual, not the state. After decades of fashionable socialist doctrine we see today—on every continent—efforts to decentralize, deregulate, denationalize, and enlarge the scope for producers and consumers to interact in the free market. In India, China, and elsewhere, new policies are

(Department of State photo by Walter Booze)

Secretary Shultz and Bernard Kalb, Assistant Secretary for Public Affairs and Department of State spokesman, in the UN General Assembly hall on September 23, 1985.

being adopted to unleash the creative abilities of talented peoples. At the Bonn economic summit last May, the leaders of the largest industrial democracies acknowledged the same truth. The road to prosperity begins at the same starting point for all nations: freedom and incentives for the individual.

This truth should be our guide as we address today's economic challenges.

In sub-Saharan Africa, drought has placed perhaps 30 million men, women, and children at risk. We do not know how many have already died. Along with other Western countries, the United States has undertaken one of the largest disaster relief programs in history. This year alone, the United States has provided $1.2 billion for drought and famine relief and $800 million in other economic assistance. The nations that have been helping should continue to do so; those that have not borne their share should start doing so.

But we owe it to the suffering to ask this question: "Why is food so scarce?" Drought, without question, is part of the reason. But in some countries, there are other, more important reasons. One is government policies that have severely harmed agricultural productivity. These policies must be reversed. Those countries that have undertaken liberalizing reforms are reaping the benefits and can show the way for others. Another problem is lack of appropriate technologies. The United States is carrying out a long-term program to strengthen African agricultural research, which we hope will help to produce a green revolution on the continent.

Elsewhere in the developing world, as in Africa, countries face the continuing problem of debt. Many have undertaken necessary, though painful, adjustment—taking courageous steps to cut government spending, eliminate subsidies and price controls, permit currencies to adjust to the market, free interest rates to encourage saving and discourage capital flight, and create conditions to attract new capital. Austerity, however, is certainly not an end in itself. The purpose of short-term adjustment is to get back on the track of long-term growth.

In all these efforts we must be careful that the heavy burden of servicing the historic debt levels of the developing nations of Latin America and Africa does not inhibit their future growth. Creative cooperation between borrowers and lenders, with continued constructive assistance from the World Bank and the IMF, will be essential in achieving this goal.

Other nations, too, have a major part to play in helping these countries overcome their debt problems and resume sustainable growth. External financing to support effective adjustment has been, and will continue to be, important. Access to export markets is also necessary.

Sound economic policies in every country are the key to strengthening the world economy. In the United States, policies that have unleashed individual talent, reduced government's role, and stabilized prices have helped to produce more than 8 million new jobs since 1982 and lead the world out of recession. But many imbalances in the world economy remain—notably in trade accounts, exchange rates, and capital flows. These must be corrected, by the world community acting in concert, if recent economic gains are to be preserved and hopes for progress sustained. For its part, the United States must restrain public spending, reduce its budget deficit, and encourage saving. Others must do more to reduce rigidities and promote the private investment needed to facilitate adjustment and spur expansion.

Despite all the difficulties, let us remember what has been accomplished. After the two most destructive wars in history, the superpowers have averted world war for four decades.

Indeed, an open trading system is crucial to the hopes of all of us. Trade expansion has been an engine of postwar prosperity. It would therefore be suicidal to return to the protectionism of the 1920s and 1930s, which helped bring on the Great Depression. Protectionism is not a cure; it is a disease—a disease that could cripple all of us. Trade must be free, open, and fair—the United States will work to see that it is. But there must be a level playing field. We want to open trading, but that means mutuality. Barriers erected against American products are just not acceptable to us.

As President Reagan is saying today in a major speech, "the freer the flow of world trade, the stronger the tides for human progress and peace among nations." To preserve and strengthen the trading system may well be the central economic issue facing the world community today. For that reason, it is essential that all nations join now in preparations for a new GATT [General Agreement on Tariffs and Trade] round next year. No nation, even one as large and as powerful as the United States, can, by itself, ensure a free trading system. All that we and others have done to provide for the free flow of goods and services and capital is based on cooperation. Indeed, it was that very spirit of cooperation that prompted the United States and five of the leading industrial nations yesterday to pledge firm resolve to work together in addressing the pressing economic issues of this decade.

I believe we can surmount our problems, just as we succeeded in solving the energy crisis and bringing inflation under control. There was a time when those problems, too, seemed insurmountable. We can succeed again today if we have the honesty and courage to face our problems squarely, and if our ways of thinking conform to reality.

Conclusion

Forty years ago the founders of the United Nations recognized that new ways had to be found to regulate conduct between nations. That remains true today. The Charter and the Universal Declaration of Human Rights speak to us not as different races, creeds, and nationalities, but as human beings, men and women. Our task as we look to the next century is to learn that the things which unite us—the desire for peace, human rights, and material well-being—as set down in those documents, are far more important than the things which divide us.

The main obstacle to greater realization of the goals of the Charter is the lust of the few for power over the many, just as it has been the obstacle to human happiness since the dawn of history.

But change is inevitable. And today change, technological change, holds out hope, perhaps as never before. The revolution in communications and information may be the most far-reaching development of our time. Those political systems that try to stand in the way of the free flow of knowledge and information will relegate their citizens to second-class status in the next century. The future belongs to societies that can spread knowledge, adapt, innovate, tap the unfettered talents of well-informed citizens, and thus fully exploit the new technologies; free societies clearly are best equipped for this challenge. The communications revolution will be a truly liberating revolution—for it threatens the monopoly of information and thought upon which tyrants rely for absolute control.

On every continent—from Nicaragua to Poland, from South Africa to Afghanistan and Cambodia—we see that the yearning for freedom is the most powerful political force all across the planet. The noble ideals of democracy and freedom are in the ascendant. Today, we can look with renewed hope to the day when the goals of the United Nations truly will be met.

[1]Department of State press release 225; USUN press release 98. ■

Security Council Holds Commemorative Session

Secretary Shultz's statement at the 40th anniversary commemorative meeting of the UN Security Council on September 26, 1985.[1]

Forty years ago, the United Nations and its Charter embodied mankind's most cherished hopes for a better world—a world where international disputes would be settled peacefully, where self-determination would be advanced, where economic cooperation would promote prosperity, and where human rights would be honored. For four decades, this grand vision has inspired millions across the globe. Today each of us, and especially members of the Security Council, have a duty to our own people and to posterity to keep that vision alive.

The UN's Value

None of us here harbors any illusions about our world or about the United Nations. International conflicts, aggression, and violence still mar the global landscape, still bring suffering to millions, still threaten world peace. Hunger and disease still claim victims among the poor and needy. Freedom, and the most basic human rights, still lie trampled beneath the tyrant's boot in many parts of the world. The United Nations today is a troubled organization. But that is, in part, because it mirrors a troubled world.

For some, the evils prevalent in our world are evidence that the United Nations has failed, that its founders were little more than utopian dreamers, and that this idealistic venture of ours has broken apart in the rocky waters of reality.

I disagree. The founders of the United Nations were not foolish idealists. They were statesmen, perhaps the greatest statesmen of this century. For them, the United Nations was no panacea for the world's ills. They knew that pursuing the ideals of the Charter in a world of sovereign states would be an endless, often disappointing task, that it would require perseverance and hard work on the part of all nations.

Yet the founders believed in the future. They believed that by setting standards toward which all nations could aspire and work, progress toward a better world could be made. They set themselves and their nations on a course without any certainty of ever reaching the final destination but with the determination always to move forward—to greater prosperity, to greater freedom, to greater peace.

That is the test by which we must judge the United Nations today. Our goal must be to continue to move forward, to work for progress despite the obstacles. And in doing so, we must combine idealism about the goals we seek with realism about how best to achieve them in this imperfect world. The United Nations can be a force for peace and human betterment, if we have the will and the wisdom to make it so.

The UN's Record

We have seen many successes over the past 40 years. The UN's peacekeeping and peacemaking efforts have been valuable at critical times—in Korea, in the Congo, in Cyprus, and on the Golan Heights. Through its various specialized agencies, the United Nations has helped eradicate diseases like smallpox; it has provided relief to millions of refugees throughout the world; it has served mankind well in the areas of health, communications, and transportation. On all these issues, the United Nations has remained true to the principles of the Charter, and the world is a better and safer place for it.

Unfortunately the United Nations has also failed in important ways. And I do not mean that it has failed to remake the world and put an end to the evils we see all around us; that would truly be a utopian expectation. I mean that the United Nations has often failed to remain true to itself and its own principles; it has failed to provide the guiding vision we need to keep us on a straight path toward a better world.

Too often the United Nations has been abused in the service of narrow, selfish national or bloc interests. Too often it has been used as a platform for voices of hatred and bigotry—as in the case of the resolution 10 years ago equating Zionism with racism. Too often disputes and disagreements among nations and peoples have been magnified and exacerbated instead of being resolved through reasoned debate and discussion. Too often the purposes and principles set forth in the Charter have been twisted, distorted, and manipulated

in the service of goals antithetical to the vision of the founders.

We can do better than this. We owe it to future generations to restore and maintain the integrity of this great institution. My country recognizes that it has an important role to play. We all do. The United States is committed to protecting the United Nations against harmful and abusive practices. We are committed to ensuring that the principles of the Charter are honored and adhered to. And we will remain committed so long as there is hope that the United Nations can continue to be a force for good. President Harry Truman said it 40 years ago: "We have solemnly dedicated ourselves and all our will to the success of the United Nations Organization." Today, with our hopes tempered by realism, I can tell you on behalf of all Americans: our will has not flagged, and our dedication has not wavered.

(Department of State photo by Walter Booze)

Secretary Shultz and Soviet Foreign Minister Eduard Shevardnadze outside the UN Security Council.

Role of the Security Council

We, the members of the Security Council, are the focal point of the world's hopes. The major powers represented here have a vital role to play in building the safer, more peaceful world we all seek. The Charter gave the Council formidable powers to help resolve disputes. Those powers should be used wisely and courageously in the service of peace.

We have seen that creative Council actions can provide a basis for resolving some of the most difficult issues of our time. Resolution 242, for instance, has provided the essential political and legal framework for Middle East peacemaking. The lesson is that Security Council resolutions can have an impact when they are realistic, balanced, and constructive. One-sided actions and resolutions, on the other hand, have accomplished nothing and never will. Selective condemnation has often exacerbated situations.

We have to make the Security Council work for peaceful solutions as effectively as possible. This may require greater and more systematic involvement of the Council at early stages of developing conflicts; wider capacities for fact-finding, observation, and good offices; more extensive and regular informal consultations among Council members; and greater use by the Secretary General of his powers under Article 99 to bring threatening situations to the Council's attention.

What we need, above all, is a greater commitment to fulfilling the role envisioned for the Council by the UN's founders. This Council chamber should not be treated as another arena for name-calling, for ideological and political confrontation. As the Secretary General has noted in his most recent report, Council members are the guardians of peace; no one else can perform this vital role. After 40 years, let us rededicate ourselves to the task.

The Future

We too must believe in the future. It is not for us to end the journey that began 40 years ago or to deviate from the path set forth in the Charter simply because the going has been hard. It is not for us to despair to take refuge in cynicism but to labor constructively to make the United Nations better serve its original goals.

The true lesson of experience is a lesson of continued aspiration. The United Nations has done important work; there is much it can do to help the world maintain peace and improve the human condition. Progress toward the goals of the Charter has been possible where idealism and realism have been harnessed together.

The failure of the United Nations to meet all its lofty aims is no cause for despair. We cannot make the world over with the stroke of a pen or a well-turned phrase, but we can work to ensure that the United Nations guides us on a straight course in our common journey. We must continue to set high goals that inspire us to work harder and to persevere. As President Reagan said in his address to the General Assembly 2 years ago:

> You have the right to dream great dreams. You have the right to seek a better world for your people. And all of us have the responsibility to work for that better world. And as caring, peaceful peoples, think what a powerful force for good we could be. Let us regain the dream the United Nations once dreamed.

[1]Press release 231 of Oct. 1, 1985; USUN press release 101. ■

U.S. Role in the ILO

Secretary Shultz's statement before the Senate Committee on Labor and Human Resources on September 11, 1985.[1]

I appreciate this opportunity to appear before the Senate Labor and Human Resources Committee. It is many years since I have had an occasion to do so, and I am happy to have an opportunity this morning to discuss the U.S. role in the ILO [International Labor Organization] and some concrete steps we can take to strengthen our participation.

I know you have felt for some time now that these hearings would be useful, and I should say at the outset that I regret it was impossible for me to attend earlier. As I understand it, the committee is interested in two issues:

- The feasibility of U.S. ratification of certain ILO conventions without there being a detrimental effect on U.S. labor law; and
- Whether there is any linkage between the U.S. ratification of conventions and our influence in the organization.

The Labor Department is the agency most qualified to address the first question. I will be glad to give my views on the linkage question.

ILO Developments Since 1980

I first would like to state briefly how we assess developments in the ILO over the 5 years since the United States rejoined the organization in 1980.

Members will recall that the United States withdrew from the ILO in 1977 because we believed fundamental ILO principles were being undermined to a point that was inconsistent with our continued participation. The ILO, in our opinion, had allowed itself to be subverted from its admirable, original goals.

- We believed that the principle of tripartitism—that is the right of employer and worker groups to participate autonomously in the organization and on national delegations—was being eroded.
- We also believed that the organization was exercising a double standard in citing countries found to be in violation of ratified conventions. Up to the time of our withdrawal, the ILO Conference on only one occasion had censured a communist country for violating one of the critical ILO human rights conventions dealing with freedom of association, forced labor, or discrimination. However, the Conference regularly criticized others, particularly Latin American countries.
- Thirdly, we were dissatisfied with the organization's growing disregard of its own principles of due process—its disregard of the ILO's longstanding procedures for impartially investigating complaints against members alleged to have violated their obligations under conventions. This was particularly true in the case of Israel.
- Finally, we believed that too many members were using the ILO simply as a political forum to pursue issues irrelevant to the ILO's mission and that properly belonged in the Security Council or the UN General Assembly. These political activities were disrupting ILO proceedings and detracting from legitimate technical work.

The United States returned to the organization in 1980 because we believed there had been substantial improvement in these areas during our absence. We rejoined because the ILO showed greater determination to adhere to its original principles. We have seen continued improvements in the ILO over the past 5 years and are encouraged by them.

I might say this little experience with a unit in the UN system is instructive, and I think we have to, throughout the UN system, be prepared to say what we believe and stand for it—and if a given organization gets way off the rail, be prepared to withdraw with the understanding that if things improve and come around to the original purposes, then we can consider reentry. And, as you know, we've done that on another occasion.

- In 1980 the Conference censured Czechoslovakia for discriminating against workers on the basis of their political beliefs and, over Soviet objections, strengthened mechanisms for supervising the implementation of conventions.
- In 1981 the Soviet Union was cited for failure to bring its law and practice into conformity with the ILO's convention on freedom of association, and in December of that year, with the suppression of the trade union Solidarity, the ILO began what was to become a long and entirely proper effort to ameliorate the tragic conditions in Poland.
- In 1982 the ILO Conference did not act on a politically motivated anti-Israeli resolution. However, its prestigious Committee on the Application of Conventions and Recommendations censured the Polish Government, as had the Governing Body's Committee on Freedom of Association in a series of overwhelming votes in the spring and fall.
- In 1983 the organization turned a deaf ear to Soviet calls to "reform" and "democratize"—in reality, to politicize and, thus, to weaken—ILO supervisory machinery (the procedures by which the organization supervises the implementation of conventions). It established a Commission of Inquiry on Poland. And, by secret votes, it adopted a well-balanced human rights report that, over strenuous Soviet opposition, included criticism of Czechoslovakia.
- This encouraging trend continued in 1984. The Conference decisively rejected a concerted Soviet effort to undermine the supervisory machinery. The Committee of Inquiry on Poland turned in a strong report justifiably critical of the Polish Government, and the report was approved by the Governing Body over strong Soviet resistance. The Conference adopted another balanced human rights report, and it affirmed Israel's right to participate in ILO regional activities.
- Finally, in 1985 the organization once more rejected Soviet so-called reforms. It turned back a Nicaraguan effort to manipulate the nonaligned group and to politicize the annual conference through the introduction of a resolution against the U.S. trade embargo.

We could not have achieved these improvements without the close cooperation of U.S. employers and workers. Tripartism constitutes the very essence of the ILO, which sets it apart from all other organs of the UN system. It is the unique feature of tripartism, together with the ILO's mission of promoting workers' human rights and working standards around the world, which underlies the basic interest of the United States in the ILO. As we look at the full panoply of international organizations in the UN system, we now find the ILO in the forefront of those advancing U.S. political interests

because of these special features—and it is these special features of the ILO that we are committed to preserving.

This list of truly positive developments since our return to the ILO, however, has been accompanied by setbacks, and there are areas where we believe further improvement is necessary. Several come readily to mind.

• Despite Director General Blanchard's laudable efforts in recent years to hold down costs, we have not been able to support the ILO's proposed budget two of the three times it has come up for a vote since 1980. Although this year we were able to join a consensus on the budget, intensified efforts will be required in the future to identify savings and to reprogram resources from lower to higher priority activities.

• Second, we believe the organization has not completely rid itself of an unfortunate double standard with regard to labor rights violations in the Soviet bloc. We still see it hesitant and reluctant to squarely address those human rights issues. Unfortunately, last June's conference provided an example of this practice when it abruptly decided to forego a discussion of freedom of association in the Soviet Union.

• Finally, despite some recent successes, too many members want to introduce extraneous political issues into the ILO's debate. Others persist in misusing the speaker's platform at annual conferences for attacks on the United States and other member states on matters unrelated to the concerns of the ILO. Nevertheless, on balance the record over the past few years has been positive.

Linkage Between U.S. Influence and Ratification

With this as background I would like to address the question "Is there any linkage between U.S. influence in the ILO and our own record of ratification of ILO conventions?" I believe there is such linkage.

It is my view that the primary factor that led the ILO to turn around was that other members took seriously our withdrawal from the organization in 1977. They understood the implications of our withdrawal. We clearly demonstrated our determination not to participate until there were clear signs that the organization was prepared to resume its proper functions. The ILO took those steps, and we returned, determined to use our influence to help the ILO continue to improve.

But our leverage is somewhat hampered by the fact that the United States has not improved its own record of ratification of ILO conventions over the past 30 years. Thus far, this has not proven to be a crucial impediment to achieving our goals in the ILO in any concretely verifiable way, but we believe it has taken a subtle toll. It has provided our adversaries with ready-made propaganda ammunition. It fosters attitudes on the part of third countries to equate U.S. actions and policies with those of our adversaries, and, ultimately, it is used to excuse decisions in the Committee on the Application of Conventions and Recommendations to go easy on the Soviets in individual cases under review. It is my judgment that an improved ratification record would have served U.S. foreign policy interests better. More importantly, I believe a better record can help us in the future. Let me give some cases that point out the need for a stronger U.S. presence in the ILO.

• The recent increasing effectiveness of the ILO in monitoring Soviet and East European behavior placed the Soviets on the defensive. In response, the Soviets and their allies have launched a major continuing campaign to subvert the ILO's human rights supervisory machinery and its unique tripartite system. If they don't get their way, they are threatening to reduce their budget contributions, pull out, or cause other problems. In response to these threats, we are already seeing some signs of backsliding in ILO subordinate bodies.

• Thwarting the Soviet counterattack will be a major U.S. goal in the ILO for the foreseeable future. Our traditional approach that ratification of ILO conventions is simply out of the question for us makes it harder for us to exert influence.

• We are open to the frequent charge—and it comes not just from our adversaries—that our defense of the ILO machinery is hypocritical because we ratify no conventions and are, therefore, not subject to the machinery's operations to the same extent as others. It is also charged that because the United States does not ratify conventions we have no moral standing when urging the organization to take up the alleged transgressions of others. As a practical matter, because we have not ratified most ILO conventions we are disbarred by the ILO constitution from bringing complaints against those who violate their obligations.

In response to these charges, we say that U.S. law and practice are in substantial compliance with ILO conventions. It is more important, we say, for the aims of ILO conventions to be embodied in national legislation than merely ratified and never implemented, as is the case in too many countries with superficially good ratification records. We also note that the U.S. Constitution, Bill of Rights, and civil rights statutes ensure freedom of association, freedom from forced labor, and equality of opportunity and treatment. These arguments are important, but they do not defuse the charges against us brought about by our refusal to consider ratification of all but a few ILO conventions.

However, this approach conflicts with the obligations we assumed when we joined the ILO. The ILO's purpose is to raise labor standards around the globe through the process of adoption and ratification of conventions. Every member state has a moral obligation to make a good faith effort to determine whether it can ratify conventions. But our behavior sends a message that ILO procedures don't apply to us. The message we send is: do as we say, not as we do.

There is also inconsistency between our failure to consider ratification of ILO conventions and the growing tendency in the Congress to refer to internationally recognized worker rights standards regarding freedom of association and forced labor in U.S. trade and aid legislation. These standards are compatible with the ILO conventions.

Our allies in the ILO who have stood squarely with us in turning back the Soviet offensive against the supervisory machinery have warned us that the Soviets intend increasingly to exploit our nonratification record as they continue to press their assault. Our allies see the U.S. nonratification record as a chink in our collective armor.

Now we need to give this issue its proper measure of importance. I'm not saying that a reversal of U.S. ratification policy would provide a magic cure-all for the residue of defects we find in the ILO, but it would repair a significant weak spot in our defenses.

Recommended Actions

We feel we should correct our approach by reopening the ledger on possible ratification, making a good faith effort to review more systematically and vigorously those conventions which we can

ratify without contravening U.S. labor laws. We should be more flexible and consider individual conventions on their own merits rather than to continue to make *a priori* judgments that only maritime conventions are suitable for the United States to ratify.

This is not to say that after 30 years of inactivity on the conventions we can suddenly rush into the ratification process without due deliberation and careful consideration. There are serious impediments to the ratification of conventions by the United States, and they will not go away simply by wishing them away. There are mechanisms in the government designed to assess conventions in terms of their impact on current U.S. domestic law. I applaud the decision of Secretary [of Labor] Brock to schedule a meeting of the President's Committee at an early opportunity and his intention to continue the important work of the Tripartite Advisory Panel on International Labor Standards.

These procedures should be followed to explore whether there are ways we can ratify conventions without compromising Federal and state labor laws. I also firmly believe that in order to move effectively ahead in this process, it is absolutely essential to have the consensus of the U.S. worker and employer representatives. I hope that business and labor leaders can explore ways together of providing us with their wisdom and helping us to get this process underway.

The ILO's central mission is to improve people's lives through the development of effective international labor standards. We support this mission and participate actively in almost all aspects of the ILO's work. We have not, however, made ratification of conventions as high a priority as we perhaps might have, given our leadership responsibilities in the organization. I would like to see us improve our record in this regard. It would be in the foreign policy interests of the United States to do so.

[1]Press release 219. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Secretary's Interview on "Meet the Press"

Secretary Shultz was interviewed on NBC-TV's "Meet the Press" on September 29, 1985, by Marvin Kalb and Chris Wallace, NBC News, and Robert Novak, syndicated columnist.[1]

Q. Before we get into the U.S.-Soviet relationship, I want to ask you about reports this morning from the Middle East that the six American hostages being held in Lebanon may soon appear at a news conference and state their views in some form or another, or the Reverend Jenko may be released. Do you have any information on this?

A. Only what I've heard reported. Of course, we welcome seeing them, if they are to appear, alive. We welcome any release, but we want all of the hostages back.

Q. You've got some indication, then, that there may, in fact, be some movement on getting one or the six back?

A. Only these reports that have been telephoned in.

Q. Nothing through diplomatic channels?

A. No.

Q. There was a clearly implied threat as well in that phone call, the threat being that after the news conference, and I quote: "The American Government will assume full responsibility for the lives of the hostages." What would the United States do if these people start killing hostages?

A. The message that the Reverend Weir delivered essentially linked the fate of American hostages to the fate of prisoners being held by Kuwait. We don't agree with the approach of bargaining with people who are kidnapping or hijacking or whatever, and we will be following this very closely.

Q. What will you do then if you're not willing to make the deal? What will you do if they make good on their threat and start killing hostages?

A. I'm not going to discuss that question.

Q. But you will not go to the Kuwait Government under any conditions?

A. We don't think it is wise to pressure the release of people who are being held for, in effect, blowing up things in Kuwait and killing people there, in exchange for the hostages being held, wherever they're being held, probably in Lebanon. All that kind of thing does is invite people to take other hostages, and you endanger the lives of others in that process.

Q. Turning to the U.S.-Soviet situation, there's a lot of excitement in this town about the new Soviet proposal, but is there any change whatever in the Soviet precondition that we—the United States—has to abandon testing of the Strategic Defense Initiative in order to get missile reduction.

A. It's clear that they want us to abandon the President's Strategic Defense Initiative (SDI). It's also clear that the President won't. What's new is that they have brought forward a proposal—or will in Geneva tomorrow—that deals with offensive matters, and to date, they haven't done that before. We have had proposals on the table—important proposals in the strategic missile talks, in the intermediate-range missile talks, and in the space and defense group. So this represents a time when they'll put some counterproposals on the table, and we welcome that.

Q. You have just said, once again, that the President is not going to give up on his program for strategic defense. It's clear from what the Russians have said publicly that they are going to continue to insist that the President gives it up. Don't you have built in there—you're smiling. Do you think that they're going to give up on their insistence?

A. Go ahead; ask your question.

Q. No, no. But isn't there then built into the negotiation a deadlock, and how can one approach the summit with anything but pessimism rather than the optimism that everyone's seeking to project?

A. We're not trying to project optimism or pessimism. We're trying to project realism about what the situation is in general, and also, insofar as the Geneva talks are concerned. As I said,

we have proposals on the table. Apparently the Soviets will put some proposals on the table on Monday and Tuesday. We welcome that, and we'll see where we go from there. The President said yesterday, we're prepared for a tough day of bargaining.

Q. He also said he doesn't want any preconditions laid down in the negotiation, and it seems as if, from what, again, the Russians are saying that there is the precondition that the United States give up on, on strategic defense.

A. Up until now they have more or less said that they're not really going to talk in the strategic arms group or the intermediate arms group until we say in the space and defense talks that we're ready to give up on strategic defense. Of course, we won't do that, so there's been a kind of blockage, a precondition, if you will, which we don't think is in accord with the agreement that [Foreign Minister] Gromyko and I reached in January. At any rate, at this point they are going to table, I presume, with some ideas in the strategic defense area and some ideas in the intermediate range area, as well as whatever they will say on Monday and Tuesday in the space defense field. So we'll listen to those ideas, and perhaps that's a way of getting around the preconditions.

Q. You say it's clear that you're not going to back down on the Strategic Defense Initiative, but we've all covered this Administration for several years and there are a number of times when the President takes a tough stand, and then, as a bargaining chip, he decides to back down later on. He's forced by events. Is this a bargaining position, or do you really mean—and you're saying from now until the summit—that the President, the Administration is going to rule out any deal on research, testing, and developing of SDI?

A. Any deal on research would be ridiculous because there would be absolutely no way to verify whether or not it's being observed. It's inherently impossible, and that isn't even disputed.

Remember what the President is trying to do. The President is trying to get the answer to the question, "Is it possible to defend against ballistic missiles?" The Soviets are also trying to get the answer to that question and they've had an extensive program going on, trying to find the answer. That's what the Strategic Defense Initiative is at this point, what is the answer to that question, and the President is not going to give it up. Personally, I would certainly not advise him to give that up. And there is no sentiment for such—

Q. You talk explicitly about research. What about testing and development? Are you also ruling out any deal in those areas, in all testing?

A. We believe that the answer to that question can be gotten within the framework of the ABM [Antiballistic Missile] Treaty, so what is being done is perfectly in accordance with that treaty, which does not prohibit certain kinds of testing.

Q. The Soviets have been cleaning our clock in this propaganda war, and the latest is they come in with a 50% reduction in missiles. Is there anything inherent in a 50% reduction that makes us any safer from a Soviet first-strike?

A. The point about percentage reductions is, what do they apply to? Remember what it is we're trying to reduce. We're trying to reduce the threat of nuclear war. That's what this is about. The President proposes that we eliminate nuclear weapons entirely. That would get rid of the threat of nuclear war.

In the meantime, between there and where we are now, how do we get there? We get there by coming down and coming down in terms, first and foremost, of those weapons that constitute the greatest threat, and those weapons are the very powerful, highly accurate many-warhead land-based missiles. Those are the biggest threat and that's what we—

Q. Is there any effort, though, to introduce now on the Soviet side sublimits on the SS-18 and -19 that you're now talking about?

A. If you're going to talk some percentage, obviously you can't just talk a percentage; you have to be talking a percentage of what, and that is why it's so important that we see what is laid out in Geneva in detail and not jump to conclusions about it, and then respond, as our negotiators are prepared to do, in terms of the intricacies of this very complicated subject.

Q. Assistant Secretary of Defense Richard Perle today, on television, said that it looked to him as though this proposal was a step backward into the 1970s. Do you agree with that?

A. The point about this proposal—I don't know that it's a step backward or forward. The point about it is that for the first time, the Soviets are talking about genuine reductions. Now we'll have to see. Reductions of what? As I've said, we need to take a look and see what comes forward in Geneva.

Q. It's not clear to me whether you're saying that the Russians are now prepared to agree to sublimits on the SS-18 and -19.

A. That's what we're going to find out in Geneva. If their proposal is to go back to the concept that all warheads are the same, which I think is what Mr. Perle was suggesting and which I agree with him on, then obviously that's not acceptable.

Q. Cosmetically, however, you seem so reasonable and soft when Mr. Shevardnadze talks about the sinister "Star Wars" and comes up with a "Star Peace" proposal at the United Nations. Why was there no response from the State Department to the "Star Peace" proposal? Not a word.

A. Did you read the speech that I gave at the United Nations?

Q. Yes, I did.

A. Did you think it was soft?

Q. No, I meant from a propaganda standpoint why wasn't there a response to "Star Peace"?

A. —I thought it was well phrased and factual and realistic. Why don't you report it like that instead of saying it's "soft" and all this kind of stuff? In other words, maybe our propaganda problem is with the way things are reported, rather than what is actually done.

Q. I think that we did report what you said on this program itself.

A. Good. I'm glad to hear it.

Q. As you project and look toward the summit right now, is it your aim that both leaders will be able to achieve, at a minimum, a framework for an arms control agreement that could then be given to the negotiators in Geneva to work on within a timeframe, or not?

A. If that could be done, it would be very desirable and, certainly, we will try. But we don't want to get in a position and won't, where, because there is a meeting coming up in November, we agree to something that may not be wise to agree on. But if there is an agreement that we feel is in our interest, recognizing that any agreement the Soviets will have to see is in their interest too, but if there is such an agreement there, we want to do everything we can to find it.

Q. Does the United States have a propaganda problem, though, at this point? The Soviets continue to make peace proposals while the United States, over the last month, is mostly testing weapons of war—antisatellite test, standing by "Star Wars." Aren't they, in a public relations sense, "cleaning our clock"?

A. People keep saying that, but I really don't think so, and it seems to me it's probably a good thing for the Soviets to try to appeal to American public opinion, and perhaps they'll find out how much common sense and savvy there is in the body politic. Our own politicians find it out all the time.

Q. Something interesting happened on Friday. Just as the President and Foreign Minister Shevardnadze were sitting down in the Oval Office, it turned out that at that very moment the United States was conducting an underground nuclear test in Nevada. First of all, did you know about it? And secondly, does that really send the signal that you want to the Soviets and to the world?

A. We have to conduct our testing programs, including nuclear tests, and our tests on antisatellite weapons in terms of the programmatic necessities and that's what we'll continue to do.

Q. Did you know about it?

A. I didn't know about it. I don't keep track of exactly when the tests take place.

Q. Do you have any problem with it?

A. No. None. I think that our programs should go forward in their own terms. We shouldn't accelerate them because of—or time them because of a meeting like that, or we shouldn't fail to conduct them. We should conduct them in their own terms.

Q. One more try on this whole question of whether the Soviets are scoring propaganda wins. It is generally perceived that they're acting much better, but they have not, unless you can tell me otherwise. Have they changed anything that they are doing in Afghanistan? Have they changed their repressive policies in Poland? Have they changed, in any way, their program for world domination?

A. The problems of what goes on in various trouble spots around the world are being discussed with the Soviet Union and will be discussed by mutual agreement in the meeting that the President will have in Geneva. We'll discuss regional troublespots. In fact we're going to have a discussion later in October with them on Central America, where we intend to tell them what it is that we object to about their behavior there. So all of that will be discussed and was discussed in the Oval Office by the President.

Q. The question was that under this new "sweetness and light," with Mr. Shevardnadze smiling and pointing to the Sun, has there been any change that you know of, or can point, call out to our attention, in Soviet conduct around the world?

A. There hasn't been, and we keep that before them. And that's a very important problem, and important that we keep it before them. In addition, it's important that the human rights performance is kept up there in the spotlight.

Q. A question regarding King Hussein on the Middle East. He said on Friday: "We are prepared to negotiate with Israel directly and promptly."

A. I was interested to see that Prime Minister Peres welcomed that statement "from" the President.

Q. In your view, is the "we" in that sentence, Jordan alone or Jordan plus the PLO [Palestine Liberation Organization]?

A. The King insists—and he is right, I believe—that there must be Palestinians in a Jordanian delegation that bargains with Israel about what will happen on the West Bank because it's populated mainly by Palestinians. Now what their status is, in regard to the PLO, is a big question mark, and that's one of the difficulties that we're trying to get through in getting those direct talks started.

Q. So that in your view the "we" still relates to Jordan and the PLO, is that correct?

A. To the extent that the PLO remains dedicated to the so-called armed struggle, which so far as I can see they still do, it doesn't seem to me that they belong at the bargaining table. If they change their posture, that's a different matter.

[1]Press release 233 of Oct. 1. ■

Proposed Refugee Admissions for FY 1986

Secretary Shultz's statement before the Subcommittee on Immigration and Refugee Policy of the Senate Judiciary Committee on September 17, 1985.[1]

It is a pleasure to consult with you on the U.S. refugee admissions ceiling for fiscal year (FY) 1986. This annual consultation affords the Administration and the Congress an opportunity to discuss the refugee situation in the world and the humanitarian response to this situation by the United States.

Since the end of the Second World War, the United States has provided haven to literally millions of refugees. They have arrived in waves: first from Eastern Europe; then from Cuba; then, in the 1970s, from the Soviet Union; and, most recently, from the countries of Indochina. All of these countries and regions continue to produce refugees, and the United States accepts more of them than any other resettlement country. We are a nation founded by refugees, and our national life has been reinvigorated throughout our history by recurring waves of refugees. I think it is well that we remember this as we consider the question of how many new refugees we should admit to the United States in the coming fiscal year.

This is the second consecutive year in which I have been privileged to present the President's refugee admissions proposal to the Congress. In doing so, I would again like to thank the members of this committee for their continuing support of the U.S. refugee program—which includes both the admission of refugees to the United States and the important overseas assistance efforts to which the United States contributes.

Proposed Regional Admissions Ceilings

I turn now to the President's proposal for refugee admissions in FY 1986. The President proposes to establish a ceiling of 70,000 for refugee admissions to the United States in the coming fiscal year. This total will be broken down into 3,000 for refugees from Africa; 40,000 for East Asia first asylum; 8,500 for the

orderly departure program (ODP) from Vietnam; 9,500 for refugees from Eastern Europe and the Soviet Union; 3,000 for refugees from Latin America and the Caribbean; and 6,000 for refugees from the Near East and South Asia.

The President is proposing a ceiling of 3,000 for Latin America and the Caribbean in the hope that Cuba will end its suspension of the U.S.-Cuba Migration Agreement of December 1984. If, however, Cuba does not terminate its suspension of the migration agreement, a portion of the numbers will be transferred on a quarterly basis to other regional ceilings to accommodate unforeseen increased admissions needs. If these numbers are not needed elsewhere, they will be allowed to lapse.

As was the case last year, the President wishes to maintain a separate ceiling for admissions under the UNHCR's [UN High Commissioner for Refugees] orderly departure program from Vietnam. This separate ceiling serves two purposes. It reassures the ASEAN [Association of South East Asian Nations] countries that an expanding ODP will not mean a decrease in resettlement from the first-asylum camps; and it sends a clear signal to Hanoi that the United States is prepared to make good on its offer to accept a large number of Amerasians and "re-education camp" prisoners.

Aside from the uncertainties connected with the Cuban and Vietnamese programs, the proposed regional admissions ceilings should be adequate to provide for refugee resettlement needs during the coming fiscal year.

The United States and the World Refugee Situation

Once again in 1985, the United States has played a major role in responding to urgent refugee needs—both through lifesaving assistance overseas and through resettlement in the United States where necessary. Although this consultation is primarily concerned with refugee admissions, I would like to mention briefly the U.S. role in assisting refugees abroad.

The United States continues to provide the largest share of financial support for the Office of the United Nations High Commissioner for Refugees—some 30% of its budget or $107 million in FY 1985—as well as for other international relief organizations such as the International Committee of the Red Cross—over $26 million in this fiscal year. The United States maintains its leading role in support of the UN Relief and Works Agency (UNRWA) in the Near East—initially providing $67 million in contributions for this fiscal year and then an additional $8 million from the President's emergency fund to help UNRWA avoid a curtailment of services due to extraordinary budget problems. It is our hope that these international organizations will take an even more active role in providing assistance to refugees in the coming year.

The United States has been deeply involved during the past year in providing emergency assistance to refugees and others suffering from the effects of drought and civil conflict in Africa. The U.S. Government will have contributed almost $200 million for all aspects of refugee assistance in Africa this fiscal year alone. I would note, in particular, our rapid intervention in Sudan in response to requests for assistance from the UNHCR and the Government of Sudan which contributed to the saving of thousands of refugees' lives.

Other notable developments in the U.S. refugee program during the past year have been:

- The continued expansion of the UNHCR's orderly departure program from Vietnam. Some 14,000 refugees and immigrants will leave Vietnam under this program in FY 1985 for new lives in the United States. Continued expansion of the ODP is essential to our goal of ending—or at least diminishing—the dangerous phenomenon of clandestine flight by sea from Vietnam.
- Through our contributions to the UN Border Relief Operation (UNBRO) and other international relief organizations, we have played a principal role in ensuring that Cambodians forced to flee into Thailand in order to escape Vietnamese armed attacks have been able to maintain some semblance of a normal life.
- Elsewhere in Asia, U.S. contributions to refugee assistance in Pakistan have helped sustain the 2.5 million Afghan refugees there and allowed them to pursue their lives while awaiting the day when they can finally return to their embattled homeland.
- In Central America, the growing vitality of the Duarte government is attested to by the continuing return of Salvadoran refugees to their country from Honduras. The United States applauds this development and will continue to provide assistance, both through international organizations and bilaterally, to help those who return.
- A major achievement of the past year was aborted when Fidel Castro announced the suspension of the U.S.-Cuban Migration Agreement just after the first Cuban ex-political prisoners had arrived in the United States on May 20. The United States is prepared to resume processing of refugees in Havana as soon as Cuba decides to reactivate the migration agreement.

The Indochinese Refugee Situation Today

Our large Indochinese resettlement program is at a transition point. The root cause of the refugee problem in Southeast Asia is clear. The outflow of refugees from Vietnam, Cambodia, and Laos is a direct result of the imposition of communist oppression on the people of these countries. The United States has responded to this great human tragedy by offering new homes and the chance to live in freedom to hundreds of thousands of Indochinese refugees. The goal of the U.S. refugee program has been to treat these refugees from persecution in as humane a fashion as possible. I believe that history will pass a favorable judgment on our efforts.

Over the last 10 years some 755,000 refugees have arrived in the United States from Indochina. About 52,000 of the 71,000 total refugee admissions in FY 1984 came from Indochina. The same proportion is expected in FY 1985. Even though current resettlement programs have declined dramatically from high levels of 1980–82, we believe they have been responsive to the true humanitarian needs for the region.

As with any program, however, we must continue to be sensitive to the need to balance refugee resettlement from Southeast Asia with other U.S. interests and concerns. Indochinese refugee resettlement must be balanced against other, regional solutions; balanced as a fair share of an international resettlement effort; balanced in terms of its budgetary implications; balanced in terms of other immigration and domestic policy considerations; and balanced against the need to provide resettlement to deserving refugees from other parts of the world.

To achieve this balance, the United States—working with the UNHCR and other nations—is pursuing measures to address the remaining refugee problems in Southeast Asia. There are two general categories of measures that either have been implemented or are being considered.

• First, increasing emphasis is being placed on international and bilateral measures to reduce the number of persons arriving in first-asylum countries who do not meet refugee criteria. An example of this type of measure is the Lao screening program initiated on July 1, 1985, by the Thai Government. This program, which is being monitored closely by the UNHCR, is designed to identify the true refugees as defined in international law. Essential to the successful operation of this program is agreement by Laos to allow the safe return of those found ineligible for refugee status. We are following the results of this program with great interest.

• The second category of measures is aimed specifically at assuring that the U.S. refugee program fits the current situation in the region. Available evidence suggests that people leave the Indochinese countries today for a variety of reasons: to escape persecution, to seek a better standard of living, or to join family members who have previously fled. Our objective is to ensure that the U.S. refugee resettlement program is available exclusively to those who have been persecuted or have a well-founded fear of persecution if returned to their homelands and who cannot reasonably expect to voluntarily repatriate or resettle to another country. Those who have left their homes primarily for reasons of family reunification should, to the degree possible, use normal immigration programs which have been established for that purpose. In this connection, we will continue to work on improving the availability and use of safe and orderly migration programs from the countries of origin.

In furtherance of this second approach, the relevant agencies have been studying the proper use of departure mechanisms for the future, including the increased use of normal immigration channels for the family reunification segment of the Indochinese resettlement program. Our intention is to take a regional approach to the use of immigration, as well as refugee admissions, and to include all ethnic groups within this approach.

Also, I am commissioning a high-level, independent panel that will be going to Southeast Asia in the near future with a broad mandate to assess the refugee situation and to make recommendations on necessary changes in U.S. policy.

I want to emphasize that, as we review the refugee situation as it exists in Southeast Asia today, we will continue to be guided by our bedrock concern for humanitarian principles. Furthermore, our national refugee policy will continue to be based on thorough consultations with the Congress, with the first-asylum countries in the region, other primary resettlement countries, and the UNHCR.

Nonresettlement Solutions in Southeast Asia

While resettlement remains a necessary means for dealing with the refugee situation in Southeast Asia, other solutions within the region must be pursued more vigorously. Such measures—in particular, the alternative of voluntary repatriation with appropriate safeguards and international monitoring—may require negotiation of agreements by the UNHCR with the states concerned.

UNHCR's Orderly Departure Program from Vietnam

In our consultations with the Congress last September, I announced, on behalf of President Reagan, two special initiatives for expanding the High Commissioner's orderly departure program from Vietnam.

• One of these initiatives called for the admission to the United States of all Amerasian children and close family members from Vietnam over the three fiscal years 1985–87.

• The second initiative called for the resettlement in the United States of political prisoners currently and previously confined in Vietnam's "re-education camp" prisons and their qualifying family members, totaling 10,000 persons over the 2-year period, 1984–86.

The United States presented these two presidential initiatives to the Vietnamese in Geneva last October.

We have had success in nearly doubling the number of Amerasians released by the Vietnamese—almost 4,000 children and family members this year compared to 2,200 in FY 1984—however, the Vietnamese failed to reach our goal of 5,000 for the first year.

We are, however, greatly disappointed that the Vietnamese have not, as yet, responded positively to our proposal for the "re-education camp" prisoners. After the initial presentation, the United States has twice proposed to Vietnam that we meet to continue discussions on this proposal, but so far the Vietnamese have not agreed. In unofficial conversations, Hanoi has indicated that it is backing off from its earlier announced willingness and commitment to allow these people to be resettled in the United States.

I would like to reaffirm again today that the United States is profoundly concerned about the continued imprisonment of these people and that we remain ready and willing to accept them—both former and present prisoners—and their families for resettlement in the United States as soon as the Vietnamese authorities will allow them to leave. This is a purely humanitarian matter and should not be made dependent on the settlement of the political differences that separate our two countries.

Next month, we will be meeting with Vietnamese representatives in Geneva, under UNHCR aegis, to discuss the operation of the orderly departure program. Our goal remains the expansion of this vital international program. We will be seeking agreement by Vietnam to improvements in the operation of the ODP which will enable more Amerasian children and other persons of special humanitarian concern to the United States to leave Vietnam via this safe and humane route. We are prepared—as we were last year—to hold bilateral talks with the Vietnamese on our humanitarian initiative to resettle the former and present "re-education camp" prisoners.

It is our intention to continue to maximize the use of immigrant visas for family reunification within the ODP, thereby reserving refugee numbers for those who have no alternative but to leave as refugees.

Assistance to Cambodian Border Population in Thailand

The large population of displaced Cambodians living in evacuation camps in Thailand is of intense concern to the United States. I had an opportunity during my visit to Thailand in July to meet and talk with some of these heroic people of Cambodia who have been driven

from their homeland by Vietnamese armed attacks on their border encampments. The violence of the latest attacks—occurring over the period from November 1984 through April 1985—was such that the entire border population of over 225,000 people—men, women and children—was driven into Thailand. The Government and people of Thailand and the UN Border Relief Operation have responded magnificently to the plight of these victims of Vietnamese aggression. The United States will continue to provide support to this population and to the people of Thailand whose lives have been disrupted by the impact of Vietnam's attacks.

We and the other resettlement countries support the policy of the Royal Thai Government that the evacuees from the border area should be provided all necessary assistance but that resettlement abroad should not be viewed as the solution to their plight. However, we have decided, subject to Thai Government approval, to initiate a limited program to unite close family members with relatives already in this country, primarily through immigration-type channels. This program will include those eligible for immigrant visas, "visas 93" for spouses and unmarried minor children, and selected use of humanitarian parole for close dependents in the two preceding categories. We recognize this has to be handled very carefully so we don't trigger off an unwarranted set of expectations.

Also of special concern to the United States is a group of Vietnamese who have fled overland to the Thai-Cambodian border and were evacuated into Thailand along with the Cambodian border population. Although the United States has previously accepted some of them for resettlement, approximately 4,500 remain under Red Cross protection at one of the evacuation sites, which also houses much larger numbers of Khmer border evacuees. Because of our concerns about the unique security problem of this small but especially vulnerable population, we are supporting a Red Cross initiative to obtain agreement to relocate the Vietnamese to a separate and more secure location. As soon as necessary security provisions and international cooperation can be obtained, the United States is prepared to initiate a limited program to resettle those with close family ties to the United States and those of particular humanitarian concern, such as former "re-education camp" inmates.

The United States is greatly concerned about the quality of life in the evacuation camps. We will be working with UNBRO and the Royal Thai Government to upgrade camp conditions and to ensure security for camp inhabitants. In addition, the Administration—and the Congress—are looking at ways that this large Cambodian community can be provided an opportunity for educating its young people so that they can be better prepared for the day when they can return to their homes on the other side of the border. The Royal Thai Government has also expressed an interest in the education of these Cambodian children. In consultation with the Congress, we will be working with the Thai and with various international organizations, and with the Cambodians themselves, to devise a program to respond to this important need. And, certainly, it is something that makes an emotional impact on you, to visit there and sense the determination of those people to govern themselves—to educate their young, getting what help they can—and their determination in the end to return to Cambodia and to their homes; and, certainly, that is the spirit we want to see perpetuated.

Completing Resettlement Processing for Cambodian Refugees

The United States has been in the forefront of the effort to resettle qualified refugees from the population of Cambodians in UNHCR camps in Thailand. The approval rate for Cambodian refugees seeking resettlement in the United States has been over 90%, one of the highest for any group of refugees. Since the beginning of Cambodian resettlement processing in 1975, the United States has taken over 130,000, and other countries have resettled over 60,000. This is a record of which we can all be proud.

Recently, public and congressional interest has been focused on the processing of remaining Cambodian refugees in Thailand for resettlement in the United States. The Subcommittee on Asian and Pacific Affairs of the House Committee on Foreign Affairs held a hearing on July 31 at which this subject received a thorough review. It should be clear to all concerned that the objective of the U.S. refugee program remains the fairest possible consideration of all applicants for refugee admission.

However, where there are indications that a refugee applicant has participated in the persecution of others, he cannot—under U.S. law—be granted refugee status, unless he can prove that he has not participated in such activities. Determining whether or not someone engaged in the persecution of others during the period of Khmer Rouge atrocities in Cambodia is a difficult and time-consuming task. I believe that the U.S. Immigration and Naturalization Service, working closely with the Department of State and the concerned voluntary agency representatives, has reviewed the denied cases in a just and reasonable manner. The established review mechanism, which was formalized last February, remains in place to reconsider denied cases.

Refugee Admissions from Other Regions

Although we extend a strong and helping hand toward the refugees of Southeast Asia, we must not forget the needs of the millions of refugees in other regions of the world. In most cases these refugees do not require third-country resettlement. They are being given long-term asylum in Pakistan, throughout Africa, and in Central America. Our goal and the goal of the High Commissioner for Refugees is to assist these people to maintain themselves until they can return safely to their home countries. A certain number of them will continue to require resettlement in the United States, and we have made provision for their admission to this country in our proposed admissions ceilings for FY 1986.

I would like to note, in particular, the need to address refugee admissions backlogs of East Europeans, Iranians, and Afghans. Our goal in the Near East is to continue to provide resettlement opportunities in the United States for those refugees with close ties to this country and for those of special concern, such as members of the persecuted Iranian religious minorities. We plan to continue to provide resettlement for a fair share of East European refugees who flee to Western Europe. Hopefully, the proposed ceilings will reduce the waiting time for these applicants.

Despite fluctuations in departure rates in recent months, there does not appear to have been any basic change in the Soviet policy of restricting emigration. As in past years, I will reiterate to the Soviet Foreign Minister when I

meet with him later this month that the Soviet Union has an obligation, undertaken when it signed the Helsinki accords, to permit those who wish to join their families abroad to do so.

As already mentioned in the discussion of our contingency plan to transfer unused numbers from the Latin American admissions ceiling to other regions in FY 1986, the United States remains ready to reactivate the U.S.-Cuban Migration Agreement on short notice. When Fidel Castro suspended the agreement in May, some 1,800 ex-political prisoners and accompanying family members had been tentatively approved for refugee status. Our goal is to bring these and other former prisoners to the United States, along with their families. We hope that Castro will soon decide to drop his unilateral suspension of the migration agreement, making possible a continuation of our program for ex-political prisoners in Cuba.

Providing Adequate Funding for the Refugee Program

Refugees are an international responsibility, but traditionally the United States has been the leader in rallying support for assistance to the burgeoning world refugee population. Working through the UNHCR, the International Committee of the Red Cross, and other organizations, the United States has made protection of those fleeing oppression a key component of its foreign policy. By assisting the persecuted we demonstrate our own attachment to the values of freedom and human dignity. It would be a severe blow to these values if, due to well-meant but misguided attempts to save money, the Congress sustained the large cuts in refugee program funding proposed by the House Appropriations Committee in July. These cuts—amounting to $45 million from an Administration request of $338 million—when combined with $9 million in earmarks added by the Congress, would leave insufficient funds to operate a viable, worldwide refugee program.

At the funding level currently being proposed by the House Appropriations Committee, we would have to drastically reduce refugee admissions in FY 1986. A sudden drop from the FY 1985 level of 70,000 admissions would seriously threaten the preservation of first asylum for refugees in Southeast Asia and elsewhere in the world.

Similarly, the funds available for relief and assistance would be inadequate to maintain subsistence and survival for thousands of refugees in Southeast Asia, the Middle East, Pakistan, and Latin America. Our African relief efforts would also be affected adversely.

All of us recognize the need to restrain expenditures in the coming years, but our foreign policy interests and humanitarian concern for refugees at home and abroad cannot be carried out if these budget cuts are sustained. The President's FY 1986 request for refugee programs already reflected the need for budget restraint.

Conclusion

In the 12 months since I last appeared before this committee we have accomplished much on behalf of refugees. The President's initiatives in favor of Amerasian children and political prisoners in Vietnam remain at the top of our agenda of unfinished business. We will continue to pursue a solution to the other persistent and difficult refugee problems in Southeast Asia. In close consultation with Congress and our allies, we will examine new approaches to dealing with these problems. With the cooperation of the Congress, we will maintain our commitment to those refugees in need of life-sustaining assistance in Africa, Asia, and Latin America. We must not forget that the great majority of refugees today are found in the poorest countries of the world and can only be helped through international efforts. With the support of Congress and the American people, we will keep our doors open to refugees of special concern who suffer persecution at the hands of tyrannical governments and for whom there are not effective and humane alternatives.

The cost of our refugee programs is small compared to the vast needs that they must address. To those of you on this committee and to your colleagues elsewhere in the Congress who have given your active support to the President's refugee assistance budget request, I express my appreciation. This is truly a nonpartisan program and one that deserves your strong support.

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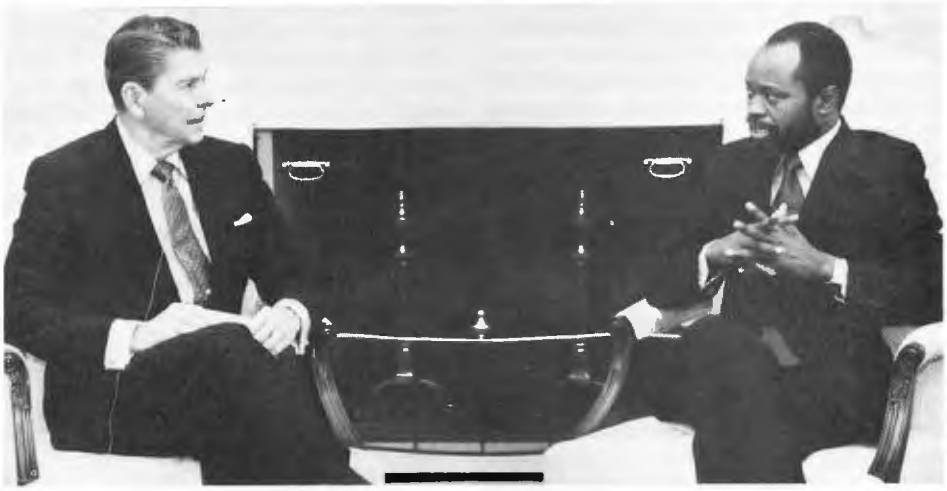
[1]Press release 224. The complete transcript of the hearings will be published by the committee and will be available from the Superintendent of Documents, U.S. Government Printing Office, Washington, D.C. 20402. ■

Visit of Mozambique's President



(White House photo by Bill Fitz-Patrick)

President Samora Moises Machel of the People's Republic of Mozambique made an official working visit to Washington, D.C., September 17–21, 1985, to meet with President Reagan and other government officials.

Following are remarks made by the two Presidents after their meeting on September 19.[1]

President Reagan

It has been a pleasure for me today to meet with President Machel of Mozambique. At a time when much attention is focused on southern Africa, my meeting with the President underscores the determination of the United States to continue playing an active and constructive role in this volatile portion of the globe.

The United States prides itself as a force for freedom and progress and stability, and this is true in southern Africa, as in other parts of the world. We seek to encourage the development of democratic government in all the nations of southern Africa. Democracy and the respect for fundamental human liberties are not only consistent with our values as a free people but are also the surest pathway to economic progress, internal reconciliation, and international peace.

President Machel, you have already taken a step toward peace. And because of your personal foresight and courage, cross-border violence in the region has been reduced and a more constructive relationship with South Africa has begun.

These efforts already have proven to be a great boon to the well-being of your people. We know that economic recovery and development will require the restoration of peace, a process which will call upon all the statesmanship of Mozambique's leaders.

Mozambique has suffered greatly in the last decade from drought, domestic violence, and economic dislocation. I was impressed today with President Machel's sincere desire to improve the lot of his people. The United States, as is true in other African countries, is doing what it can to alleviate the worst effects of the drought. We are now also involving ourselves in a major effort to rebuild Mozambique's shattered economy. We welcome Mozambique's decision to cooperate with the International Monetary Fund and the World Bank to design a program of economic stabilization and development. Encouraging Western investment and strengthening Mozambique's private sector is a formula for economic advancement and improving the quality of life. We know you will find that the freer people are in the arena of economics, the more enterprising they become and the more benefits are enjoyed by the society as a whole.

I was glad to have had this opportunity today to express personally to President Machel America's good will toward the people of his country. We look forward to the success of his economic initiatives and movement toward national unity.

President Machel

We have come here on an official visit at the invitation of President Ronald Reagan. We say a sincere thank you for this friendly gesture. Our aim in this visit is to strengthen existing bilateral relations and define a basis for the long-term development of these relations.

I have just had a very positive, fruitful, and constructive meeting with President Ronald Reagan. I had the opportunity to express our appreciation for the food and development aid that the United States of America has granted us.

Mozambique is an independent and nonaligned African country. We value our independence. We are proud of our independence. We are intransigent in the defense of our national interest. We firmly believe that, like ourselves, each people must determine the destiny of its own country.

Our chief concern is to solve the basic problems of our people and to make the region where we live one of peace, stability, good-neighborliness, cooperation, and development. In this context, we signed with the Republic of South Africa the Nkomati agreement, an essential condition for peace and development. The People's Republic of Mozambique has strictly complied with the Nkomati agreement.

The need for the urgent elimination of apartheid is a matter of common concern. Mozambique took a positive view of the efforts of the international community, including the United States, in this regard. We hope that such efforts continue and that they lead to the independence of Namibia, to peace and stability for the whole of southern Africa.

Mozambique is still a backward and underdeveloped country, but one with vast potential and natural resources. We seek the participation of the United States and of its private sector in putting those resources at the service of our economic and social development.

I am convinced that the meeting I have just had with President Ronald Reagan has established a solid basis for long-term cooperation in all fields between Mozambique and the United States. With mutual respect and reciprocal advantages, we shall develop the friendship which we all seek.

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[1]Made at the South Portico of the White House. President Machel spoke in Portuguese, and his remarks were translated by an interpreter (text from Weekly Compilation of Presidential Documents of Sept. 23, 1985). ■

Antisatellite Arms Control

by Kenneth L. Adelman

Statement before the Subcommittee on Arms Control, International Security, and Science of the House Foreign Affairs Committee on September 11, 1985. Ambassador Adelman is Director of the Arms Control and Disarmament Agency.[1]

It is a pleasure to appear before the House Foreign Affairs Committee to discuss antisatellite (ASAT) arms control. I believe that the most significant recent event in this area was the President's certification, as required by the Department of Defense 1985 authorization act. Thus I would like, in my testimony, to focus today both on the progress of the negotiations in Geneva and that certification and its implications for arms control. First, however, I would like to review Administration thinking on space arms control.

Background

For 25 years, the United States has stationed satellites in space for peaceful purposes, including support of national security and arms control. Launch detection satellites provide immediate warning of a ballistic missile attack. Communication and navigational satellites support the command and control of U.S. and allied military forces. Other satellites provide U.S. national technical means (NTM) to assist in verification of compliance with existing arms control agreements.

The United States has been a contributor and party to several major international agreements that govern space activities, including the UN Charter, Outer Space Treaty, Limited Test Ban Treaty, and Antiballistic Missile Treaty. At U.S. initiative, bilateral talks with the Soviet Union on ASAT arms control were held during 1978–79. The United States supported the recent formation of an ad hoc committee to discuss space arms control in the 40-nation Conference on Disarmament (CD) in Geneva.

U.S. Policy

U.S. national space policy was articulated by President Reagan on July 4, 1982, and reaffirmed in his March 31, 1984, report to Congress on U.S. policy and ASAT arms control: "The United States will consider verifiable and equitable arms control measures that would ban or otherwise limit testing and deployment of specific weapon systems, should those measures be compatible with United States national security."

Guided by these criteria, the United States has studied a range of possible options for space arms control. Factors which complicate ASAT arms control include significant difficulties of verification, diverse sources of threats to U.S. and allied satellites, and threats to U.S. and allied terrestrial forces posed by Soviet targeting and reconnaissance satellites.

Depending on the scope and effectiveness of an agreement, a verifiable space arms control agreement, if complied with, might limit specialized threats to satellites and constrain future threats to such key satellites as those for early warning. Limitations on specialized threats to satellites, together with satellite survivability measures, could help preserve and enhance stability. Agreements could also raise the political threshold for attacks on space objects and meet some international concerns about unconstrained military activity in space.

On November 22, 1984, the United States and U.S.S.R. agreed to enter new negotiations with the objective of reaching mutually acceptable agreements on the full range of issues concerning nuclear and space arms. The January 7–8 meeting between Foreign Minister Gromyko and Secretary Shultz began this process by reaching an understanding as to the subject and objectives of the negotiations.

It was agreed that the objective of the negotiations is to work out effective agreements aimed at preventing an arms race in space and terminating it on Earth, at limiting and reducing nuclear arms, and at strengthening strategic stability. The negotiations are being conducted by a delegation from each side divided into three groups, one of which is addressing defense and space issues.

Arms Control Issues

The 1978–79 ASAT arms control talks revealed major U.S.-Soviet differences, and subsequent study has brought space arms control issues into sharper focus. Space arms control involves difficulties.

Verification. Verification problems are aggravated for space systems because satellites that serve U.S. and allied security are few in number; cheating, even on a small scale, could pose a disproportionate risk. For example, a ban on all ASAT systems would require elimination of the current Soviet ASAT interceptor system, but no satisfactory means has been found to effectively verify Soviet compliance with such an undertaking. The Soviet interceptor is relatively small and launched by a booster and launch pad used for other space missions. We do not know how many interceptors have been manufactured, and the U.S.S.R. could maintain a covert supply.

Breakout. Among the criteria which must be used in evaluating the implications for national security of any potential arms control measure is that of "breakout." This is the risk that a nation could gain unilateral advantage if the agreement ceased to remain in force for any reason—for example, through sudden abrogation—and obtain a head start in building or deploying a type of weapon which had been banned or severely limited. The importance of certain critical U.S. satellites, which are limited in numbers, could create an incentive for the Soviets to maintain a breakout capability.

Definition. Defining a space weapon for arms control purposes is very difficult. Space weapons could include coorbital and direct ascent interceptors (i.e. modified ballistic and ABM missiles), directed energy weapons, active electronic and countermeasures, and weapons which could be carried on manned space complexes. The problem is compounded because non-weapon space systems, including civil systems, may have characteristics difficult to distinguish from those of weapons. Furthermore, many systems not designed to be ASAT weapons have inherent (or residual) ASAT capabilities.

Disclosure of Information. Information regarding certain U.S. space systems that are associated with national security is among the most sensitive information within the government. Measures with the objective of enhancing verification of an ASAT arms control agreement that required any form of access to U.S. space systems could create an unacceptable risk of compromising the protection of that information.

Vulnerability of Satellite Support Systems. ASAT arms control would not ensure survivability of other elements in a space system. Ground stations, launch facilities, and communications links may, in some cases, be more vulnerable than the satellites themselves.

Soviet Non-Weapon Military Space Threat. Certain current and projected Soviet space systems, although not weapons, are designed to support Soviet terrestrial forces in the event of a crisis or conflict. These satellites are designed to provide radar and electronically derived targeting intelligence to Soviet weapon platforms for attacking U.S. and allied surface fleets and land forces. In response to this threat and as a counter to the Soviet ASAT, the United States has been developing the miniature vehicle (MV) system. The purposes of this system are to deter threats to U.S. and allied space systems by having the capability to respond in kind to a Soviet ASAT attack and to help deter conventional and nuclear conflict by placing at risk Soviet satellites which support hostile military forces.

Soviet and U.S. ASAT Systems

Current Soviet ASAT capabilities include an interceptor system which is the only operational ASAT system in the world; in addition, they include ground-based test lasers with probable ASAT capabilities, possibly the nuclear-armed GALOSH ABM interceptors, which might need only software changes to be used in an ASAT role, and the technological capability to conduct electronic warfare against space systems. There have been more than a dozen tests of the interceptor system, which we consider operational, including testing during a Soviet strategic forces exercise in 1982.

A Soviet high-altitude orbital interceptor capability is a possible threat, but we have no direct evidence of such a program by the Soviets, and we may not obtain such evidence before testing. Other techniques for accomplishing this objective may appear preferable to the Soviets. For example, they could also use their developing electronic warfare capabilities against high-altitude satellites. We cannot now say which, if any, such high-altitude capabilities may be, or have been, developed by the U.S.S.R.

Continuing, or possible future, Soviet efforts that could produce ASAT systems include developments in directed energy weapons. We have indications that the Soviets are continuing development of ground-based lasers for ASAT applications. In addition, we believe the Soviets are conducting research and development in the area of space-based laser ASAT systems. We have, as yet, no evidence of Soviet programs to develop ASAT weapons based on particle beam technology.

The U.S. ASAT system presently under development consists of an MV non-nuclear warhead mounted on a two-stage short-range attack missile (SRAM)/Altair booster. This is carried aloft and launched from a specially modified F-15 aircraft. The MV will be capable of attacking satellites in low altitude orbits. The system is currently undergoing testing. It is to be deployed at one air force base on each coast of the United States.

The United States conducted the second test of the MV on November 13, 1984. No target was involved; the object was to demonstrate sensor ability to acquire and track an infrared source. Following the President's recent certification to Congress, the United States plans to conduct a test of the MV against a space object this month. The United States has no plans to extend the altitude capability of the MV ASAT system to place high altitude satellites at risk. We are, however, continuing to review ways in which U.S. ASAT capability could be improved. The U.S. ASAT program is being conducted in a manner fully consistent with all U.S. obligations, including the ABM and Outer Space Treaties.

Arms Control Talks Resume in Geneva

PRESIDENT'S STATEMENT, SEPT. 13, 1985[1]

I met today with my senior negotiators to the nuclear and space arms talks in Geneva—Ambassadors Max Kampelman, John Tower, and Maynard Glitman. I gave them my instructions for the third round of the negotiations, which begins on September 19, and discussed with them the prospects for progress in this round.

I reiterated to Ambassadors Kampelman, Tower, and Glitman my strong desire to move with renewed effort to reduce nuclear arms. Achieving real reductions in both strategic and intermediate nuclear forces is our overriding objective in Geneva. We have placed a number of positive and far-reaching proposals on the table for significant and verifiable reductions. Our negotiators have unprecedented authority for give and take in trying to reach these objectives. There is no reason why a serious reduction process cannot begin promptly, as these nuclear arms exist today and are of considerable concern to both sides. At the same time, I have emphasized my desire to strengthen the dialogue with the Soviets in Geneva on the full range of issues involving defense and space arms.

I am hopeful that we may, indeed, be able to move forward in this round. Soviet leaders have recently given public indications that they may be considering significant nuclear reductions, and we have encouraged them to translate this expression into concrete proposals at the negotiating table in Geneva. Now is the time for them to spell out their intentions; now is the time for both sides to move forward. Concrete Soviet proposals would get the talks moving and would make a positive contribution to the intensified U.S.-Soviet dialogue which has been underway in recent months.

I am looking forward to my meeting with General Secretary Gorbachev in November. Arms control will, of course, be one of the important parts of our agenda at that meeting, and progress at the negotiating table in Geneva in this round would provide a positive, additional stimulus to a productive discussion in November.

As I have stressed before, my Administration is committed to bringing down dramatically the levels of nuclear arms through equitable and verifiable agreements. We have made serious proposals, we are patient, and we are ready for serious give and take. With a comparable Soviet attitude, much can be accomplished and soon.

[1]Text from Weekly Compilation of Presidential Documents of Sept. 16, 1985. ■

The Strategic Defense Initiative and ASAT

President Reagan's speech of March 23, 1983, established the direction for what we now call the Strategic Defense Initiative (SDI). New technologies are becoming available that justify a major research effort in ballistic missile defense. The SDI research program is also a prudent hedge against Soviet breakout from the ABM Treaty. (The Soviet Union currently is upgrading its operational ABM system at Moscow and is pursuing aggressive research and development programs in both traditional ABM systems and in advanced ABM technologies such as high energy lasers.)

The U.S. SDI is a program for research on a broad range of technologies which have potential for defense of both the United States and our allies.

The purpose is to explore possible means by which deterrence could be enhanced. The United States has made no decision to develop or deploy an ABM system. The SDI program is structured to support informed decisions by the early 1990s on whether to develop and deploy advanced defensive systems.

Research under the SDI will be consistent with all current U.S. treaty obligations, including the ABM Treaty. The SDI complements U.S. policy calling for significant reductions in offensive nuclear armaments. This is because defenses whose effectiveness could be maintained at less cost than needed to proliferate offenses have potential for reducing the value of ballistic missile forces and thus increasing the likelihood of negotiated reductions. Both the SDI and our ASAT program aim at enhancing deterrence and strengthening strategic stability, but in different ways. Many of the technologies involved in the SDI research and the ASAT program are related. However, the ASAT program is a near-term effort to develop an ASAT weapon intended to redress a specific military imbalance as discussed above, and it has no ABM capability. The SDI, on the other hand, is a long-term research program. The U.S. position on ASAT arms control should neither prejudge the results of SDI research nor preclude the research itself.

Progress in the Negotiations

In the defense and space negotiations, the U.S. approach has focused on the need to address the instability that exists in the current strategic situation; the United States has stressed the importance of reversing the erosion of the ABM Treaty regime and correcting other Soviet actions that violate existing arms control agreements. The United States has explained its view of the relationship between offensive and defensive forces, the potential contribution of defensive forces to our mutual security, and how—if new defensive technologies prove feasible—the sides might manage to stable transition over time toward increased reliance on defenses.

The Soviet Union, in an effort to stop the U.S. SDI research program, has proposed and continues to demand a comprehensive ban on research, development, testing, and deployment of what they call "space-strike arms." They have made U.S. acceptance of such a ban a precondition for progress—or even detailed discussion—on offensive nuclear arms reductions but have not addressed verification problems. The United States has responded that research is permitted under the ABM Treaty and that a ban on SDI research is unacceptable as it would be neither verifiable nor desirable and that such preconditions will only delay getting down to the kind of discussions that can lead to progress toward reductions in nuclear arsenals.

The President's Certification

On August 20 the President, as required by Congress, certified to Congress as follows:

- The United States is endeavoring in good faith to negotiate with the Soviet Union a mutual and verifiable agreement with the strictest possible limitations on ASAT weapons consistent with the national security interests of the United States.
- Pending agreement on such strict limitations, testing against objects in space of the F-15 launched miniature homing vehicle ASAT warhead by the United States is necessary to avert clear and irrevocable harm to the national security.
- Such testing would not constitute an irreversible step that would gravely impair prospects for negotiations on ASAT weapons.
- Such testing is fully consistent with the rights and obligations of the United States under the Antiballistic Missile Treaty of 1972 as those rights and obligations exist at the time of such testing.

I would like to review the reasoning behind this certification.

Endeavoring to Negotiate the Strictest Possible Limitations. As you know, the United States is presently involved in negotiations at Geneva on a whole range of nuclear and space issues, including preventing an arms race in space.

We have been unable, to date, to identify a specific ASAT proposal which meets the requirements identified by the Congress in 1984—that any agreement be verifiable and consistent with U.S. national security. We are seriously exploring with the U.S.S.R. arms control arrangements intended to prevent an arms race in space. We will continue to study possible ASAT limitations in good faith to see whether such limitations are consistent with the national security interests of the United States, and we will continue to explore with the Soviets their proposals and the problems associated with them. We are, therefore, acting in conformity with the first certification requirement.

Necessity of MV Testing. The primary purposes of a U.S. ASAT capability are to deter threats to space systems of the United States and its allies and, within such limits imposed by international law, to deny any adversary advantages arising from the offensive use of space-based systems which could undermine deterrence.

The U.S.S.R. has the world's only operational ASAT system with an effective capability to seek and destroy critical U.S. space systems in near-Earth orbit. In addition, since space systems are vulnerable to a broad range of threats from direct attack to electronic warfare to nuclear effects, the Soviet Union could have developed—without our knowledge—a variety of other means to attack our satellites.

There is also a growing threat posed by present and prospective Soviet satellites which, while not weapons themselves, are designed to support directly the U.S.S.R.'s terrestrial forces in the event of conflict. These include ocean reconnaissance satellites which use radar and electronic intelligence in efforts to provide targeting data for use in attacking U.S. and allied surface fleets. They also include photographic and electronic intelligence satellites which provide targeting data and other information useful in supporting Soviet land forces. These Soviet space assets constitute a clear threat to our national security and that of our allies.

The United States must take the steps necessary to avert a situation in which the Soviet Union has full freedom to conduct effective attacks on our space systems knowing that their space objects, including those that provide targeting data, are not vulnerable to U.S. attack. The resultant instability from this asymmetry creates a risk of irrevocable harm to the United States. U.S. development of a credible ASAT system is a necessary integral part of the steps needed to avert this situation. Therefore, testing of the MV against objects in space by the United States is necessary to avert clear and irrevocable harm to the national security of the United States and its allies.

Impact on the Negotiations. The ASAT testing which we intend to undertake follows by more than a decade the initiation by the U.S.S.R. of its testing of a coorbital ASAT system which has for some time been the world's only operational ASAT system. The Soviets, moreover, as noted above, have tested and, in some cases deployed, other systems which have inherent ASAT capabilities. The existence of such Soviet capabilities and their testing effectively preclude the possibility that testing by the United States of its MV ASAT will constitute an irreversible step.

In addition, we believe that testing can constitute an incentive to the Soviet Union to reach agreements on a wide range of issues and thus would not impair prospects for a successful conclusion to the negotiations now underway.

Compatibility with the ABM Treaty. The testing against objects in space of the U.S. F-15 MV ASAT system will not give the system the capability to counter strategic ballistic missiles or their elements in flight trajectory and will not constitute a test in an ABM mode. Therefore, such testing is not prohibited by the ABM Treaty.

Space arms control is a difficult area; I hope these remarks have helped clarify Administration thinking on it.

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

U.S. Activities in the Conference on Disarmament

by Donald S. Lowitz

Statement before the Arms Control Panel of the House Armed Services Committee on September 10, 1985. Ambassador Lowitz is U.S. representative to the Conference on Disarmament.[1]

I am pleased to have the opportunity to appear before you today to discuss the activities of the United States in the Conference on Disarmament (CD). I was appointed U.S. representative last December and took up my duties in Geneva in January.

As you may recall—or in the case of those of you who have been to Geneva, as you know first hand—the Conference on Disarmament is the principal multilateral body of the international community with the objective of carrying out substantive work in the area of arms control and disarmament and negotiating agreements affecting that community as a whole.

Structure of the CD

The CD is the successor body to organizations dating back to the 18-Nation Disarmament Conference established in 1962. These bodies have been associated with negotiations leading to several important arms control treaties, including the 1963 Limited Test Ban Treaty, the 1968 Non-Proliferation Treaty, the 1971 Seabeds Convention, the 1972 Biological and Toxin Weapons Convention, and the 1976 Environmental Modification Convention. While the prior bodies operated under a U.S. and Soviet cochairmanship arrangement, in 1978, following the first special session of the UN General Assembly devoted to disarmament, it was agreed that the new body, with an expanded membership of 40 states, would operate with a chairmanship that rotated on a monthly basis. The CD, as did its predecessors, operates on the basis of consensus. This ensures that the United States and the other members can protect their essential interests.

The CD is not a UN entity, although the UN Secretary General appoints a personal representative, who heads the CD's secretariat. The secretariat is also staffed by UN personnel and submits an annual report to the UN General Assembly.

The conference includes most of the militarily important states in the world. For the first time, all five nuclear weapons states—the United States, the Soviet Union, the United Kingdom, France, and China—participate in a disarmament negotiating body. The United States is joined by many of its NATO allies—Canada, the United Kingdom, France, the Federal Republic of Germany, Italy, Belgium, and the Netherlands—as well as Japan and Australia. The Soviet Union has the other members of the Warsaw Pact and Mongolia as its allies. Twenty-one neutral or nonaligned states participate, ranging from Sweden to India and Pakistan, Brazil and Argentina, Mexico and Egypt.

Each year the conference meets from February to May and from June to September. It determines its agenda and program of work on an annual basis, but these have not varied much over the 7 years that the conference has met. Recently, two new items have been added to the agenda—the question of "The Prevention of Nuclear War, Including all Related Matters," and that of "The Prevention of an Arms Race in Outer Space." The other items include nuclear test ban, nuclear disarmament,

U.S. Representative to the Conference on Disarmament

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He was engaged in private law practice in Chicago 1952–54, 1959–69, and 1971–84. In 1954–59, Mr. Lowitz was Assistant U.S. Attorney for the Northern District of Illinois. In 1969–71, he was general counsel of the Office of Economic Opportunity in Washington, D.C. In 1972–78, he was a member and then Chairman of the Board of Foreign Scholarships and served as a consultant in the Executive Office of the President in 1974–75 and with the Department of Defense in 1975.

Ambassador Lowitz assumed his duties as U.S. representative to the Conference on Disarmament on December 4, 1984. ■

chemical weapons, radiological weapons, new types of weapons of mass destruction, so-called negative security assurances, and a comprehensive program of disarmament.

Issue of Chemical Weapons

Of the broad spectrum of items on its agenda at the present time, the one of most importance, in my view, is that of chemical weapons. The clear objectives of the Administration in this area are to negotiate promptly a comprehensive ban on these weapons that have such terrible effects, as well as to seek to prevent their further proliferation, and, so long as a comprehensive ban is not in place, to maintain an adequate retaliatory capability to deter their use by the Soviet Union.

The work of the CD on chemical weapons is carried out largely in a subsidiary body—the chemical weapons ad hoc committee—which has the task of developing a convention. As you know, the United States introduced a complete draft of such a convention when Vice President Bush appeared before the conference in April 1984. At the urging of our delegation, the chemical weapons committee has now produced, for the first time, a comprehensive text—albeit one containing many bracketed portions and incomplete sections—which the committee has agreed will serve as the basis of its further work.

In an effort to continue the chemical weapons negotiations on a timely basis, the CD has agreed that informal consultations within the framework of the chemical weapons committee will be held this fall for 3 weeks, as well as a formal committee session in January, before the CD begins its 1986 session in February.

In reviewing the chemical weapons negotiations this past year, I see a modest amount of progress, although largely of a procedural character. It is regrettable that the negotiations continue to move much too slowly. It is regrettable that the continuing spread and use of chemical weapons has not yet imparted a greater sense of urgency to the CD's work.

I mentioned the Administration's position concerning our need to maintain an adequate retaliatory chemical weapons capability to serve as a deterrent to the use of these weapons by the Soviet Union. In addition, as I review this session's negotiations, it appears that immediately following the House of Representatives vote to authorize the production of binary chemical weapons, the Soviet Union reacted in a polemical fashion and for a few weeks adopted a stance of silent withdrawal from active negotiations. Then I believe the Soviet Union assessed the situation and concluded that, since U.S. resumption of chemical weapons production might well become a reality, it was in their interest to participate in the negotiations rather than to remain silent. The Soviet delegation then resumed negotiating and the modest progress achieved in the committee occurred largely in the closing weeks of this year's session with the active participation of the Soviet delegation. This seems to indicate that U.S. resumption of chemical weapons production may provide some incentive to the Soviet Union to become serious about a chemical weapons convention.

I must caution against making too much of the largely procedural progress made by the chemical weapons committee during 1985. The comprehensive ban that we seek, of necessity, will be a complex agreement, as it must ensure both the destruction of existing chemical weapons stockpiles and that new stocks are not illegally produced in the peaceful chemical industry. The negotiation of such a ban is perforce a complex and lengthy undertaking. At present, on the most important substantive issues—verification in particular—there continues to be little agreement. While we search for mutually acceptable solutions, we continue to view as essential the need for mandatory, short-notice challenge inspection provisions—that would apply to any government-owned or -controlled facility—to complement the more routine types of verification of such matters as the destruction of stockpiles and the nonproduction of chemical weapons in the chemical industry. On the other hand, we have

Conference on Disarmament in Europe Reconvenes

PRESIDENT'S STATEMENT, SEPT. 9, 1985[1]

On September 10th the Conference on Disarmament in Europe will reconvene in Stockholm for its seventh session. The Stockholm conference can contribute importantly to creating a more stable and secure Europe and to improving the East-West relationship. The coming months will determine whether the conference will be successful in fulfilling its great potential as an instrument for enhancing peace in Europe.

The issues before the Stockholm conference are important and complex. They directly affect the vital security interests of the participants—the United States, Canada, plus 33 European nations. If these issues are to be resolved and a meaningful agreement achieved in time for the review meeting next year of the Conference on Security and Cooperation in Europe (CSCE), serious and detailed negotiations on concrete confidence-building measures must begin very soon.

Toward this end, the members of the Atlantic alliance worked together in Stockholm to put forward six specific proposals which meet the mandate of the conference to enact practical, concrete, militarily significant measures to reduce the risk of military confrontation and surprise attack in Europe. These Western proposals go well beyond the modest confidence-building measures enacted in Helsinki 10 years ago. They are aimed at increasing openness in relations among all the participating states, reducing the suspicion and mistrust which divide East from West, and lowering the risk of conflict arising from miscalculation, misunderstanding, or misinterpretation.

In preparing for this new round, the U.S. delegation has consulted closely with our allies to explore how best to advance the work of the conference. The alliance remains flexible and open to constructive ideas from others. We are in close contact with the other participating states and look forward to continuing this substantive dialogue in the upcoming round.

The U.S. delegation to the Stockholm conference continues to have the full support of my Administration in its efforts to achieve an agreement which will promote the security of all.

[1]Text from Weekly Compilation of Presidential Documents of Sept. 16, 1985. ■

made clear in Geneva that it is the level of verification required to satisfy security concerns, not necessarily our specific language, that is important.

Let me add that the delegation, of course, maintains close contacts with many other delegations in the CD on these negotiations as well as on other matters. We have had a bilateral dialogue on the chemical weapons issue with the delegation of the Soviet Union, and I should be pleased to expand on those discussions in closed session.

Other Agenda Issues

Let me discuss with you very briefly two other agenda items which have received a considerable degree of attention in the conference.

The first is that of the prevention of an arms race in outer space. Clearly, a primary focus on this important matter is the bilateral nuclear and space talks which are to resume shortly in Geneva. However, we recognize that many states have an interest in the outer space environment. This year the CD carried out an initial examination of outer space issues relevant in a multilateral arms control context. The United States fully participated in these activities, but thus far we do not see the possibility of identifying any particular subject as appropriate for beginning a multilateral negotiation. I expect the question of outer space to continue as a major issue in the CD.

The second item is that of a comprehensive nuclear test ban. We have made it clear in Geneva that our position continues to be that a complete cessation of nuclear explosions is a long-term objective of the United States. We have stressed that the achievement of deep reductions in the nuclear arsenals of the Soviet Union and the United States is a more meaningful approach to nuclear arms control and should take precedence. At the CD, we have continued to support the need for substantive work on a range of test ban issues, including the scope of an eventual ban, and verification and compliance. In particular, we have endorsed, and supported with significant financial and technical resources, the group of experts in seismology and data processing that has been developing ways of exchanging seismic data on a global basis for verification of a comprehensive test ban.

On balance, I believe that the Conference on Disarmament had a year of modest success, particularly in the area of the chemical weapons negotiations. We attempted, and I believe succeeded, in making clear the U.S. positions on the issues dealt with in the CD and maintained unified positions with our allies. I am looking forward to the resumption of formal work in the Conference in February.

In the meantime, much of the focus of multilateral arms control efforts will shift to the UN General Assembly, where its First Committee will take up and debate a wide variety of arms control issues. I will be representing the United States in this work, and I will be joined by a large number of my colleagues from Geneva.

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

Status of MBFR Negotiations

by Robert D. Blackwill

Statement before the Arms Control Panel of the House Armed Services Committee on September 10, 1985. Ambassador Blackwill is U.S. representative to the mutual and balanced force reductions (MBFR) negotiations.[1]

I am pleased to be here this morning to discuss the Vienna mutual and balanced force reductions (MBFR) negotiations with you. I will keep my introductory remarks brief so that we can pursue issues of particular interest to you.

General Observations

As you are aware, the MBFR negotiations have been going on now for nearly a dozen years. While the 19 countries involved have reached accord in principle on some key points, the talks to date have not produced agreement on how to proceed to reductions of NATO and Warsaw Pact forces in a way that meets the interests of both sides—particularly, from our vantage, Western security interests. A variety of factors have contributed to the lack of substantive results. A basic issue, of course, is the matter of Soviet interest—or, conversely, the lack thereof—in actually reducing its military presence in Poland, Czechoslovakia, and the German Democratic Republic, as well as in reducing the Warsaw Pact's conventional superiority vis-a-vis NATO in central Europe.

Setting aside for the moment this central question of Soviet motivations, there are at least three other fundamental factors which contribute to making these negotiations difficult.

First, there is the matter of geography. A glance at the map quickly demonstrates how the East's geographic situation—with the Soviet Union directly adjacent to, but outside, the reductions area—confers on the Warsaw Pact significant advantages for introducing reinforcements quickly into central Europe. In contrast, U.S. troops are an ocean away. We must be sure that any MBFR agreement does not shift the military balance even more in the East's favor. Thus, NATO has to carefully

U.S. Representative to the MBFR Negotiations

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He is a career member of the Senior Foreign Service, Class of Minister-Counselor. He began his Foreign Service career as a Peace Corps volunteer in Malawi (1964–66) and was appointed a Foreign Service officer in 1967. His assignments have been training officer in the Bureau of Personnel (1968–69), associate watch officer in the Department's Operations Center (1969–70), political officer in Nairobi (1970–72), staff officer in the Executive Secretariat (1972–73), special assistant to the Counselor of the Department (1974), political-military officer in London (1975–78), political counselor in Tel Aviv (1978–79), Director for West European Affairs on the National Security Council staff (1979–81), Deputy Assistant Secretary for Political-Military Affairs in the Department (1981–82); and Deputy Assistant Secretary for European Affairs (1982–83). From 1983 to 1985, he was on sabbatical as associate dean at the John F. Kennedy School of Government at Harvard.

Ambassador Blackwill was sworn in as U.S. representative to the MBFR negotiations on April 26, 1985. ■

weigh the impact of geography in assessing the specific terms of any MBFR proposal—and in so doing, to recognize that geography intrinsically favors the other side in the NATO-Warsaw Pact security equation.

Second, there is the matter of the existing imbalance of conventional forces in central Europe itself. According to Western estimates, the Warsaw Pact has over 200,000 more ground and air force personnel in the MBFR reductions area than does NATO. Achieving the Western goal of parity at lower manpower levels—which, by definition, requires that the East take significantly greater reductions than the West—runs into obvious difficulties, particularly as the East claims that a balance of forces already exists in central Europe.

Third, there is the matter of the secretive nature of the Soviet system. The Eastern penchant for excessive secrecy—particularly with regard to military matters—places a formidable obstacle in the way to the necessary degree of clarity required for an effective agreement. These factors weigh heavily on the MBFR negotiations and are at the root of the two chief issues which have dominated the talks.

Key Issues

The first is the data issue. In brief, the sides disagree on the number of Warsaw Pact forces in the reductions area, with a discrepancy of approximately 20% between Eastern and Western figures. Our estimates indicate, for example, some 970,000 Warsaw Pact ground forces in the reductions area. The Soviets and their allies, however, claim that the number is approximately 800,000. The deadlock on the data issue is longstanding, going back a decade at least. The import of the data issue goes beyond its implication of asymmetrical Eastern reductions if true parity is to be achieved, as both sides have agreed. There are also serious political questions which go to the very heart of the arms control process and raise doubts about Eastern intentions, as do documented Soviet violations of existing arms control agreements in other contexts.

The second major issue is verification. By and large, the East insists—as it does in other arms control fora—that national technical means (NTM) are sufficient to verify an MBFR agreement and has resisted such measures of verification as on-site inspection.

Current State of Play

The current Western proposal in Vienna calls for a single, comprehensive treaty, to be preceded by prior agreement between the two sides on the number of all ground combat and combat support forces in the area of reductions. The West is willing to set aside initially the issue of ground combat service support forces and air force personnel, where we believe much of the East-West data discrepancy may exist. The proposal, which was originally tabled in 1982 and modified in April of last year, also calls for staged reductions—i.e., beginning with U.S. and Soviet reductions, followed by those of the other MBFR participants—to eventual common ceilings of 700,000 ground forces and 900,000 combined ground and air force personnel for each side in the reductions area. The Western proposal also contains a set of interrelated "associated measures," including provisions for on-site inspection, which are aimed at strengthening confidence and stability without unduly restricting normal peacetime activities.

The current Eastern position is based on a proposal tabled by the Warsaw Pact in February of this year. It calls for a limited, initial agreement focusing on U.S. and Soviet reductions only and a freeze on the forces of both alliances, deferring negotiations on further reductions. The proposal for Soviet reductions of 20,000 troops in return for U.S. reductions of 13,000 falls 10,000 Soviet troops short of the NATO position on initial U.S.-Soviet reductions. Moreover, the provision for a general freeze would contractualize the existing conventional military imbalance and provide a disincentive for the Warsaw Pact to negotiate seriously any further reductions.

The latest Eastern position also demands reductions and a freeze on armaments, a move I believe clearly is aimed at derailing NATO conventional modernization efforts. The February Eastern proposal, however, makes no move to meet Western verification requirements and, indeed, arguably represents a hardening of the Eastern position. The East's proposed freeze, for example, would be without numbers and would be verified by a combination of NTM and "political goodwill." As for the data issue, the East proposes to "resolve" this problem simply by dismissing it entirely.

MBFR Talks Resume in Vienna

PRESIDENT'S STATEMENT, SEPT. 26, 1985[1]

Today in Vienna, members of NATO and the Warsaw Pact will resume their efforts to negotiate reductions and limitations on conventional forces in central Europe.

The Vienna talks are an important part of the U.S. commitment to achieve concrete progress in arms reductions on a broad front—in the areas of conventional, chemical, and nuclear forces. In Geneva U.S. negotiators are striving to reduce the risk of nuclear war through significant reductions of nuclear weapons that will create a more stable deterrence. Also in Geneva, the American negotiators continue our effort to achieve a comprehensive, global, and verifiable ban on chemical weapons, as we proposed last year at the 40-nation Conference on Disarmament. And at the Stockholm Conference on Confidence- and Security-Building Measures in Europe, the United States, in conjunction with its NATO allies, will continue to press for agreement on confidence-building measures designed to reduce the risk of surprise attack in Europe.

The United States and its NATO allies in Vienna will actively pursue every avenue of possible agreement in the upcoming negotiating round in order to achieve a verifiable agreement that reduces conventional forces in central Europe in an equitable manner. The U.S. delegation will give close scrutiny to proposals on the table as part of its ongoing search for mutually acceptable solutions to the difficult issues that underlie the talks. We hope for a similar approach from the Warsaw Pact.

Ambassador Robert Blackwill, our representative to these negotiations, can count on my support and keen interest in reaching a meaningful agreement that will add to the security of both sides.

[1]Text from Weekly Compilation of Presidential Documents of Sept. 30, 1985. ■

I should stress that our NATO allies attach great political and military importance to MBFR. It is the one East-West arms control forum in which they are able to participate actively. As are our allies, the Reagan Administration is currently concluding a review of the Vienna negotiations and how to conduct them in the months ahead. No conclusions have yet been reached, and we will be consulting and coordinating closely with our NATO friends.

Conclusion

In sum, the prospects for progress in the near term in the negotiations are not especially encouraging. Resolution of the two key issues—data and verification—does not seem to be on the immediate horizon. The factors of geography, conventional imbalance, and Soviet secrecy continue to complicate our efforts aimed at reaching an effective and sound agreement. At the same time, however, alliance unity continues to hold strong, and the NATO countries remain committed to achieving an agreement which corresponds to Western security requirements and interests. As my friend Ambassador Kampelman [Max Kampelman, head of the U.S. delegation on arms control negotiations] has indicated, the essence of arms control negotiations is that we must be prepared to sit at the table 1 day longer than the other side.

Finally, I would like to say how delighted I am that members from this panel will be visiting the MBFR negotiations in Vienna later this month at the beginning of the next round. I look forward to continuing our discussion of the MBFR talks there.

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

Mr. McFarlane's Interview on "This Week With David Brinkley"

Robert C. McFarlane, Assistant to the President for National Security Affairs, was interviewed on ABC-TV's "This Week With David Brinkley" on September 22, 1985, by David Brinkley and Sam Donaldson, ABC News, and George F. Will, ABC News analyst.

Q. Let us first deal with the question of the "bargaining chip," if it exists, which apparently it does not. Mr. Reagan said he would make no concessions—and correct me if I'm misquoting—on the Strategic Defense Initiative (SDI), otherwise known as "Star Wars," even though the Russians are insisting that that is the first step toward some kind of agreement. Where does that leave us?

A. I think probably your show is unique in affording a chance to explain fundamentals, and you cast a question which is the central public policy issue of this generation, I think.

For 25 years, we've relied on the notion that stability comes from offensive nuclear balance where each side can threaten the other. There is very clear evidence that that proposition will not be stable within this very decade because of the kind of offensive nuclear power the Soviets are going to deploy—weapons which we won't be able to find, or count, and, therefore, that we simply won't know what the balance, or imbalance, really is. In short, we're going to have a very unstable future if we rely on nuclear offensive weapons.

So the President believes that we have to ask the question, "Isn't there an alternative?" and that might be non-nuclear defensive systems. And we really don't have any choice, for as long as the Russians go ahead with these kinds of systems, and we cannot, then we have to have some military means of compensating for their advantage. So you begin a research program, when you find something that looks promising you have to test it, and at that point the President has said he would stop, talk to the Soviet Union, and our allies, and try to find a way where this non-nuclear future could be established, and there is quite a lot to negotiate, quite a lot to talk about. But it would be irresponsible not to, at least, ask the question, which some future President will have to answer, of whether you can't get rid of these nuclear weapons. President Reagan thinks you can.

Q. Then you're really saying to the Soviets in Geneva—and you know their position is that unless we take back our insistence on research, they won't move forward on an offensive weapons deal that they have to give. That's true, isn't it?

A. Now I don't accept that. First of all, the notion that once they've stated a position, it will never change hasn't been really accurate. They've said they wouldn't negotiate if we deployed missiles to Europe but they're back at the table. They've said they wouldn't do a dozen things unless we did something else and that has changed. The point is that the Soviet Union has the most advanced SDI program on the face of the Earth, and for them to say what's theirs is theirs, what's ours is negotiable, is nonsense.

Q. I didn't say they wouldn't give. I said your position is, to state it then, you have to give, and you've just pointed out in the past they have, and I take it you expect them to do so in the future.

A. The President's position is that both of us can gain by the integration of non-nuclear defense into our forces and getting rid of nuclear weapons. That isn't giving; that's gaining.

Q. Mr. Arbatov speaks for them, says flatly, they don't have any SDI program, that they fooled around with it for a while, decided it wouldn't work and dropped it. Is that simply a lie?

A. Yes.

Q. I take it though, if they don't give—and you've made it clear and the President made it clear we won't on this matter of SDI—that we have to look forward to months, if not years, of stalemate on the arms question, or what?

A. No. I think that there is a very good prospect that there will be some kind of arms agreement in the next year's time.

Q. What will it look like?

A. You can't really define that yet, but I think there are certain fundamentals that both sides accept, that you can envision, and that is that the Soviets believe very strongly in strategic defense. They have an enormous investment in it. So there's going to be some kind of strategic defense on both sides. The Soviet Union also, I think, has self-interests in defending against what we may see in the coming years third countries, others, getting nuclear weapons and defending against those unpredictable possibilities. And I think, too, that at least if you take their public statements at face value, they have said they want to reduce offensive systems. I think that what we're trying to define, and will define, is what mix of offense and defense serves the security interests of us all.

Q. The Soviet Union has hinted at a willingness to cut offensive systems. Why doesn't the Administration steal the march on them and, instead of allowing them to make the running, saying we'll cut offensive if you'll cut defensive? Why don't you propose a 30% cut in warheads or whatever cuts would achieve numerical equality of deliverable megatonnage, something of the sort? Why not get specific?

A. We have, and that's perhaps been where we have failed publicly. But our position in Geneva for almost 2 years has been, we want a one-third cut in offensive ballistic missile warheads. We want a cut as low as zero in intermediate-range systems. We want to ban completely chemical systems, and we want equality in conventional forces.

Q. Now how is it the "great communicator" isn't communicating this? I mean, clearly, the world believes that the Soviet Union is making the running in proposals.

A. I think there is this impulse of Americans that if you try something and it isn't accepted by the other side, that we must be wrong, when in fact the other side just hasn't had anything to say at all. And you're right. We need to do a better job in making clear that we're the ones who have been proposing reductions, getting rid of these things.

Q. There's some belief in this town that as we draw near the summit, there should be a sort of muting of our differences and a cooling of our complaints and rhetoric toward the Soviet Union. However, the President, in sort of extending compliance with SALT II about 4 months ago, said that by November 15th, he wanted a report from the Pentagon on Soviet noncompliance and appropriate and proportionate U.S. responses thereto. Can you tell us today that that report will be written and published on or by November 15th, before the summit?

A. I think the report will be prepared. We haven't seen a draft yet, but I expect to within a couple of weeks. I would think that whether or not the President chooses to decide it, or to decide based upon what it says versus what the Soviet Union says to him in Geneva, is an open question.

Q. Is there any particular reason why you would not release this report on Soviet noncompliance before the summit, other than to create some kind of false atmosphere of cordiality?

A. I think doing something publicly to believe that you affect fundamentals is probably a misguided notion and that responsible government requires that you get your analysis, look at it, use it in making decisions, but whether or not it affects public opinion ought to be a secondary consideration.

Q. So you're saying it's not clear that the report from the Pentagon will be published at all?

A. That's an open question. There are many reports we never publish that are used to make decisions.

Q. The other night at his press conference, President Reagan said that the United States was behind, that the Soviets had a three to one advantage in every weapons category. That does not appear to be right. Is it?

A. The President's point was that in the central measures of strategic power and coercive potential, that is the hard target kill capability. There is, indeed, a Soviet three to one advantage of about 6,000 warheads to our 2,000.

Q. But that's not what he said. In this propaganda campaign, shouldn't we be right when we make a public statement before the world?

A. In asserting that the Soviet Union has, where it counts, a substantial advantage, the President was absolutely right. That key measure of stability during crises of the nuclear balance favors the Soviet Union without any question.

Q. A senior White House official told a group of reporters the other day on background that if it came to having to violate the Antiballistic Missile (ABM) Treaty, in the national interest I suppose, to test an SDI system in space, that we'd have to do it, or words to that effect. Is that the policy of this Administration?

A. The President has said that our program will be carried out in accordance with the ABM Treaty, and it will. The ABM Treaty was written in 1972 and doesn't encompass what, indeed, can be done in the way of research or testing of many kinds of systems. An agreed statement "D," for example, says that systems based on other concepts—research, testing, even development of those—are not proscribed. But I don't assert that there isn't some margin in the distant future for both sides examining the ABM Treaty, if they both conclude that both of us can benefit from the—

Q. Are you suggesting that the treaty be revised by mutual consent, or are you saying that at some point the United States may, in its national interest, have to violate the present provisions of that treaty?

A. We don't foresee that, surely in the Reagan Administration, and the President has said SDI will be conducted in accordance with the treaty.

Q. The President discussed, and you have discussed, the fact that the Russians have an enormous number of weapons, and you can balance one kind against another. But earlier—I think it was the other day—the Secretary of Defense and some of his people put on a press conference with all sorts of charts and graphs and so on, saying that most of the weapons the Russians have they stole from us—at least the technology, they stole from us. Presumably, this continues. Are we going on forever subsidizing their weapons programs and giving them the technology, saving them the work, which they can't do anyway, and saving them the money?

A. We don't want to. This Administration, the first in a long time, has tried, not only in our own business community but with allies, to set some concrete thresholds of technology that would give you a handle on what ought to be sold, and what shouldn't. But there is no doubt that a lot of U.S. technology openly available, some stolen, has wound up costing the American people more money to defend against it later. That's foolish, and we're not going to do that.

Q. Assistant Secretary [of Defense] Richard Perle said we could send home 700 Russians and still have the same number of Russians here that we have Americans there. Why don't we do that? They're all spying, he says.

A. I think at the heart of President Reagan's policy for dealing with the Soviet Union is realism, reciprocity, and that goes to the point of your question. Reciprocity implies that there ought to be a balance between their presence here and ours there. So yes, as a general proposition, the President supports that. Our own cabinet officers, in intelligence as well as defense, point out that there are some down sides to what happens on our side of the ledger if we get into that, but nobody opposes the principle of reciprocity.

Q. What's the matter with the idea that the people, all of them, who work in the U.S. Embassy in Moscow ought to be Americans so there would be fewer Soviet spies indoors?

A. I think we're examining that practice that has led us to employ a number of Soviet citizens as mechanics or as people in supporting services in our Embassy. The Department of State has looked at that for about a year and is going to make some changes there, I think.

Q. What changes? What changes will they make?

A. We haven't gotten to that yet, but there'll be some changes.

Q. On the question of human rights, the pattern when Americans negotiate with the Soviet Union is the Americans raise the subject of human rights and the Soviet negotiator yawns elaborately and looks bored and doodles and says, "Can we not go on and get rid of this subject?" Can we go on allowing them, on the 10th anniversary of the Helsinki agreement, to violate every particular of that agreement, and will it be forcefully raised in the case of Shcharanskiy and Sakharov and the rest, raised by the President personally with Gorbachev? If not, why not?

A. It will be raised. It is a matter, as you say, of international legal commitment on the part of the Soviet Union which they have violated, and even if it weren't a legal matter, as a moral proposition it will remain high, in fact, the leading issue on our agenda, yes. ■

Third Review Conference Held for Nonproliferation Treaty

The third review conference of the parties to the Nuclear Nonproliferation Treaty (NPT) was held in Geneva August 27–September 21, 1985.

Following are the statement by Kenneth L. Adelman, head of the U.S. delegation and Director of the Arms Control and Disarmament Agency (ACDA), of August 28 and the text of the final document.

AMBASSADOR ADELMAN, AUG. 28, 1985

Forty years ago, the world witnessed the birth of a new kind of weapon of unprecedented and until-then unimaginable destructiveness. Since then all nations and all peoples of the world have had to face the promise and the peril of the atom.

Over the next 4 weeks, the distinguished delegates gathered here have the solemn responsibility to discuss the most important subject of our era—the nuclear challenge. Together we will evaluate the contribution to meeting that challenge made by the Treaty on the Nonproliferation of Nuclear Weapons. President Reagan has set forth my country's thoughts on the tasks ahead, which I would like to share with you.

It gives me great pleasure to address this message to the delegates to the third Nonproliferation Treaty review conference—an event that also commemorates the 15th anniversary of that treaty. The Nonproliferation Treaty is a historic accomplishment. It is a critical cornerstone in our common effort to prevent the further spread of nuclear weapons, while providing an essential framework for parties to reap the benefits of the peaceful atom. By reducing the dangers of the spread of nuclear weapons and the risks of nuclear war, it contributes to the security and safety of all nations and all peoples.

My central arms control objective has been to reduce substantially and ultimately to eliminate nuclear weapons and rid the world of the nuclear threat. Toward that end, the United States has proposed in Geneva radical reductions in the number of existing nuclear weapons. This, I believe, is the most direct and best course to pursue if we are to eliminate the danger of nuclear war.

At the same time, I believe that verifiable limitations on nuclear testing can play a useful, although more modest, role. For this reason, on July 29, I reiterated my desire to get a process going which will enable the United States and the Soviet Union to establish the basis for effectively verifying limits on underground testing. We have invited the Soviet Union to send observers, with any instrumentation devices they wish to bring, to measure a nuclear test at our site. This invitation has no conditions.

Yet another critical objective of the United States is to build a stable, more cooperative relationship with the Soviet Union. Of the shared interests between our two countries, avoiding war and reducing the level of arms are among the greatest. As I have said before, cooperation begins with communication, and I look forward to meeting with General Secretary Gorbachev this November.

All parties to the NPT now share the responsibility of taking stock, of looking in a fair and balanced way at how well the treaty's vital goals are being met, and of considering how we might do even better.

As the operation of this important treaty is reviewed, the conference should also celebrate the fact that it is a tremendous success. The United States remains firmly committed to the objectives embodied in this treaty and to its vision of a more stable and secure world for all nations.

As President Reagan says, it is incumbent upon us once again to take stock of the NPT. This task is especially useful now, as we are more than halfway between its entry-into-force and 1995 when the subject of extending the treaty must be addressed.

Surely there is a diversity of views on how to meet the nuclear challenge, which will be reflected in this hall over the coming month. Indeed, there should be.

As free people, we Americans understand and accept the importance of a diversity of views. This conference's concrete outcome—whether there is a final declaration or what type it may be—is far less important than our holding an honest and balanced review—with, as I say, its panoply of opinion. There is no question in my mind that such a review will reveal that we all share a great stake in the Nonproliferation Treaty and that it serves the security interests of all countries.

Why? Because it has made our world safer. No treaty can be asked to do more. As one of our Founding Fathers, John Jay, stated in the *Federalist Papers*, "Among the many objects to which a wise and free people

find it necessary to direct their attention, that of providing for their safety seems to be the first."

The treaty was designed to serve three purposes:

- To stop the spread of nuclear weapons;
- To help member nations acquire peaceful nuclear capabilities; and
- Lead to further progress in comprehensive arms control and disarmament measures.

How has it done with these three goals?

Stopping the Spread of Nuclear Weapons

Best, surely, on the first goal, the central element of the treaty which benefits all nations. In the late 1950s and early 1960s, it was feared that there could be no stopping the spread of nuclear weapons. A special committee of the U.S. National Planning Association, for example, predicted in 1958 that "by 1970, most nations with appreciable military strength will have in their arsenals nuclear weapons—strategic, tactical, or both." Similar concerns partly led to a 1961 UN General Assembly resolution, sponsored by Ireland, which called attention to the dangers of proliferation and the need to stop it. President John F. Kennedy, just 2 years later, warned of a world which, by 1975, would have 15–20 nations with nuclear weapons.

Such a fearful expectation could have resulted in diplomatic fatalism and political stagnation. But it did not. World leaders were wise enough to take positive actions to head off the looming danger. The result was the Nonproliferation Treaty. And since its entry into force in 1970, the treaty has truly played a crucial role in stopping the bomb's spread. Who then would have believed that in the ensuing 15 years, only one additional country—India—would detonate a nuclear explosive device? Very few persons, but it turned out so.

As a result, today all of us are more secure. In part, this is due to the treaty's wide adherence, the readiness of more than 125 countries to renounce the acquisition of nuclear explosives and to accept International Atomic Energy Agency (IAEA) safeguards on all their peaceful nuclear activities. These moves have helped check both the domestic pressures and international concerns that can, and otherwise might have, triggered pursuit of nuclear weapons. The treaty's nonproliferation and safeguards provisions have likewise served as a foundation for sound nuclear supply policies.

Even more important, with its continually growing membership—16 more countries have joined since the last review conference—the treaty reflects an increasingly universal norm of nonproliferation. A world of many nuclear powers is avoidable and must be avoided. For a state to embark on the path to these weapons would be met with international concern, not acquiescence. To acquire them would be met with international condemnation, not praise. These norms, valued at the time of the NPT's creation, have been reinforced every year since.

All countries have an interest in preventing the further spread of nuclear weapons. We in the United States know that a world of many nuclear powers would threaten our security and that of our allies. But the spread of nuclear weapons would equally—if not even more so—threaten the neighbors of a new weapons state and would sooner or later undermine the security of the new owners themselves. Indeed, long-standing suspicions and tensions would be heightened; the risk of conflict increased. The result would be less security for each of us and consequently for all of us.

This simple fact, as I have said, is widely recognized. It underlies the cooperation among us to maintain and strengthen the NPT and other defenses against the bomb's spread. It is reflected in the efforts of many of us—East and West, aligned and nonaligned—to convince more countries to join the treaty. Indeed, it is demonstrated by each of our country's adherence to this treaty, making it the most widely accepted arms control treaty ever.

But pledges of commitment to the treaty are not enough. We need to match our words with actions. The United States has done so, as documented in the information we have provided to the preparatory committee.

First, since the 1980 review, we have tightened further our export procedures to make it even less likely that any U.S. exports would contribute to the risk of further proliferation. We have also worked with other NPT suppliers to upgrade the so-called trigger lists, created to help parties meet their obligations under Article III.

Second, we have urged all nuclear suppliers to agree to require comprehensive, or full-scope, safeguards on all of a non-nuclear-weapons state's peaceful nuclear activities as a condition for significant new supply commitments. Parties to the NPT already accept such comprehensive or full-scope safeguards on their peaceful activities; to require acceptance by nonparties as condition of supply would equalize the treatment of the two. Further, the job of the IAEA would be made easier and greater assurance provided of a country's peaceful intentions in the nuclear field. We continue to believe that all suppliers should adopt this approach.

Third, also since the last review conference, the safeguards agreement that permits routine inspections of U.S. peaceful nuclear facilities has been implemented. The IAEA now has the right to apply safeguards at more than 230 of our private and government-owned nuclear facilities. We welcome inspections at those facilities selected by the IAEA as a means to demonstrate U.S. support for effective safeguards, and will continue to do so. We urge others to do likewise. We are pleased by the recent conclusion of a Soviet voluntary safeguards agreement with the IAEA, and we hope that the Soviets will make additional types and numbers of facilities eligible for safeguards. We hope that China, too, will accept IAEA safeguards on some of its nuclear facilities.

Fourth, the United States in 1981 ratified Protocol I of the treaty of Tlatelolco which creates a nuclear-weapons free zone in Latin America. By this act, we have pledged not to store or deploy nuclear weapons in U.S. territories in the zone. We had earlier ratified Protocol II of this treaty, thereby committing the United States not to use or threaten to use nuclear weapons against parties to the Tlatelolco treaty. A few weeks ago, another regional initiative was announced: a draft nuclear-free zone for the South Pacific. We are ready to study this new draft treaty with interest and an open mind.

So the NPT has been a great success in meeting the first goal of halting the spread of nuclear weapons. And in the words of one of Parkinson's famous laws, the success of a policy can be measured by the catastrophes that do not happen. The proliferation so widely expected in past decades—that catastrophe—just has not happened.

Peaceful Uses of Nuclear Energy

What about the second goal of the treaty—to foster the peaceful uses of nuclear energy? Here the picture is very good.

From the early days of the Atoms for Peace program, the United States has helped other countries gain the peaceful benefits of nuclear energy—to meet their needs in power, in medicine and health care, in science, in industry, and in agriculture. We believed then, as we believe now, that all NPT countries, especially developing countries, have a legitimate right to pursue these peaceful uses, and that NPT parties should receive special benefits.

During the lifetime of the treaty, peaceful nuclear cooperation among NPT parties has steadily expanded. The nonproliferation commitments of the parties to the treaty have provided confidence that peaceful nuclear assistance and exports would not be misused to produce nuclear explosives. This confidence has made it possible for nuclear supply to take place.

The historical record bears out a growth in assistance to parties. During the past 15 years, tens of thousands of students from developing countries were trained in nuclear and related sciences, and that number continues steadily growing. Nearly 20 developing member states now have research reactors. And since 1980, the IAEA has provided nearly $150 million in technical assistance, more than doubling the funding of the preceding decade, the great bulk going to NPT parties.

Partly as a result, the Republic of Korea now generates a significant part of its electricity from nuclear energy. Mexico, the Philippines, and Egypt are moving to build nuclear power plants. Still others may follow in the years ahead.

Here too, the United States has greatly helped, as a few examples of our activities since 1980 clearly show:

- Virtually all U.S. nuclear export financing—totaling more than $1 billion—has been given to NPT parties.
- Special training arrangements have been set up to foster technology transfer only with parties to the NPT or the treaty of Tlatelolco.
- We have granted hundreds of fellowships for technical training under the IAEA nearly exclusively to NPT parties.
- All U.S. extra budgetary funding of technical assistance projects not funded by the IAEA has gone to NPT parties.
- We have modified our regulations to make it easier to license exports to NPT parties.
- We have pledged nearly $22 million to the IAEA's technical assistance program.

In essence, on this second goal of the NPT, we have taken many concrete measures and devoted considerable resources to promote peaceful nuclear programs of real utility to developing countries. As always, still more can be done. We will continue to work with others to help ensure that all of us together take full advantage of the atom's peaceful promise.

Halting the Arms Race

The third—but by no means last—goal of the Nonproliferation Treaty is expressed by Article VI's call for "negotiations in good faith on effective measures relating to cessation of the nuclear arms race. . . ." The United States has undertaken a vast panoply of arms control negotiations to this very end. We have met, and will continue to meet, our obligations under Article VI. Nonetheless we fully share the sentiments felt throughout this room and sure to be voiced in this hall that the results of those negotiations have been disappointing.

This goal of substantial arms control exists quite independently of the NPT, although it is clearly reinforced by it. No other nation, or even set of nations, has more motivation for real steps to stop and reverse nuclear competition than we do. No other nation or set of nations has a greater desire for progress under Article VI.

I would go even further: No nation or set of nations desires progress in arms control more than the United States of America. Preventing nuclear war and moving toward the goal of eliminating nuclear weapons are President Reagan's top priorities. As he has said so often, nuclear war can never be won and must never be fought.

Many of you will point out over the coming month how slender has been progress toward the goal of eliminating nuclear weapons since the treaty entered into force. We can only agree with the thrust of that sentiment, though perhaps not with the explanations.

Still we should not ignore the fact that some progress has been made. The Antiballistic Missile (ABM) Treaty set limits on the deployment of missile defenses; the SALT Treaties limited, but unfortunately did not reduce, the growth of strategic offensive forces.

No one can deny that there simply are too many nuclear weapons in the world today. No one can deny that we need to get on with the most urgent task of reducing and eventually eliminating those weapons. No one can deny that what is needed now are options not words.

The United States is totally committed to the task. We are not only negotiating intensely and flexibly, but we have acted on our own and with our allies to reduce nuclear weapons. Since the NPT was negotiated in the 1960s, the United States has unilaterally reduced its total nuclear arsenal by one-fourth. Since the NPT was negotiated, we have, again on our own, reduced the total destructive power in our nuclear arsenal by well over one half. And since the last review conference, the United States, along with its NATO allies, withdrew 1,000 nuclear warheads from Europe and subsequently decided in 1983 to pull out another 1,400.

Since the last review conference, and again here today, the United States has proposed that the Soviet Union send observers, with any instrumentation devices they wish to bring, to measure one of our nuclear tests. If the Soviets agree, which we hope, this can begin a process to help effectively verify limits on underground nuclear testing.

For our part, we remain committed to a complete ban on nuclear testing as a long term goal. But we do not agree it should be the next step in our efforts to reduce the nuclear threat. A nuclear test ban would not reduce the number of nuclear weapons. And our most urgent task must be deep reductions of those existing nuclear arsenals.

For that reason, since the last review conference, the United States has tabled first in the strategic arms reduction talks (START) and the intermediate-range nuclear forces (INF) talks, and now in the Geneva nuclear and space talks, far-reaching proposals to reduce radically the number of strategic ballistic missiles, their warheads, and their destructive potential. It is these systems that pose the gravest threat today. Other U.S. proposals would eliminate a whole category of nuclear weapons—so-called intermediate-range nuclear forces. Our goal is action on arms control: negotiating concrete agreements which are effective, verifiable, and equal in treatment of both sides.

In just a few weeks, in this city, the next round of the nuclear and space talks will resume. We know that the stakes are high. We remain convinced that agreements can be reached which would strengthen stability and serve all countries' security. We stand ready to make the commitments necessary to produce such agreements.

Conclusion

So now, 15 years after the treaty's entry into force, what is the record of achievement in pursuit of its three goals? A high score is warranted on the first goal of halting the spread of nuclear weapons; a clearly positive rating on advancing the peaceful uses of nuclear energy; but despite on-going negotiations, less progress than wanted in reaching sound arms control accords. What is the overall assessment? On balance, has the NPT successfully served the interests of its parties?

Before reaching that final evaluation, let us look back again over the four decades since the dawn of the atomic age. Since then nuclear weapons, thankfully, have not been considered just megapowerful conventional arms. They have not been used in over four decades.

At the same time, the four decades of nuclear peace have seen four decades of countless smaller wars, costing hundreds of thousands of lives. The list of countries—nuclear and non-nuclear—involved in such conflicts would run many pages. Just think for a moment of the consequences to all of our citizens and to the world if nuclear weapons had been used in any of these conflicts.

Herein lies the ultimate overall evaluation of the Nonproliferation Treaty. It has served very well as a cornerstone of the success that we have enjoyed thus far in preventing that further spread of nuclear weapons. It equally has provided and continues to provide a moral and political imperative for the existing nuclear-weapons states to negotiate additional measures to reduce and eventually eliminate the threat of nuclear war. Both aspects serve the security of each and every country represented in this hall and are in the interest of those nonmembers as well. Nor should we forget the treaty's contribution to making available the benefits of the peaceful atom.

Therefore, in the view of the United States, and taken as a whole, the NPT has been very successful. Without it, the world would quite simply be a much more dangerous place. This is an essential point that we all must never lose sight of even if we are disappointed with progress in one particular area or another.

Over the coming weeks here, let us recognize the successes of the treaty while we acknowledge where greater progress still is needed. The United States will present its views frankly and will listen to your views intently.

Most importantly, let us rededicate ourselves to the treaty's principles and goals. They were sound when the treaty was born. They remain sound today. We will stand with you in this rededication. We will stand with you too in making our actions implement those principles in the future. And we will stand with you in building on the treaty's successes. This, the world expects of us. We can afford to do no less.

Background on the NPT

The Treaty on the Non-Proliferation of Nuclear Weapons (NPT) was concluded on July 1, 1968, and entered into force on March 5, 1970.[1] With 130 states now party to the treaty (including the nuclear-weapons states of the U.S., U.K., and U.S.S.R.), it is the most widely subscribed arms control agreement in history.

The NPT continues to be a cornerstone of international efforts to prevent the spread of nuclear weapons. This has been a fundamental national security and political objective of the United States for the past 40 years. At the same time, the treaty establishes a framework within which nations can cooperate to obtain the benefits of the peaceful atom under strict controls to prevent its misuse for nuclear explosive purposes. Finally, the NPT calls upon all states, particularly the nuclear weapons states, to pursue good faith negotiations to end the nuclear arms race.

Three conferences have been held to review the implementation of the terms of the treaty: May 5–30, 1975; August 11–September 7, 1980, and August 27–September 21, 1985.

[1]For text, see BULLETIN of July 1, 1968. ■

FINAL DECLARATION, SEPT. 21, 1985

The States Party to the Treaty on the Non-Proliferation of Nuclear Weapons, which met in Geneva from 27 August to 21 September 1985 to review the operation of the Treaty, solemnly declare:

- Their conviction that the Treaty is essential to international peace and security,
- Their continued support for the objectives of the Treaty which are:
  - the prevention of proliferation of nuclear weapons or other nuclear explosive devices;
  - the cessation of the nuclear arms race, nuclear disarmament and a treaty on general and complete disarmament;
  - the promotion of co-operation between States Parties in the field of the peaceful uses of nuclear energy;
- The reaffirmation of their firm commitment to the purposes of the preamble and the provisions of the Treaty,
- Their determination to enhance the implementation of the Treaty and to further strengthen its authority.

REVIEW OF THE OPERATION OF THE TREATY AND RECOMMENDATIONS

Articles I and II and Preambular Paragraphs 1-3

1. The Conference noted the concerns and convictions expressed in preambular paragraphs 1 to 3 and agreed that they remain valid. The States Party to the Treaty remain resolved in their belief in the need to avoid the devastation that a nuclear war would bring. The Conference remains convinced that any proliferation of nuclear weapons would seriously increase the danger of a nuclear war.

2. The Conference agreed that the strict observance of the terms of Articles I and II remains central to achieving the shared objectives of preventing, under any circumstances, the further proliferation of nuclear weapons and preserving the Treaty's vital contribution to peace and security, including to the peace and security of non-Parties.

3. The Conference acknowledged the declarations by nuclear-weapons States Party to the Treaty that they had fulfilled their obligations under Article I. The Conference further acknowledged the declarations that non-nuclear-weapons States Party to the Treaty had fulfilled their obligations under Article II. The Conference was of the view, therefore, that one of the primary objectives of the Treaty had been achieved in the period under review.

4. The Conference also expressed deep concern that the national nuclear programmes of some States non-Party to the Treaty may lead them to obtain a nuclear

weapon capability. States Party to the Treaty stated that any further detonation of a nuclear explosive device by any non-nuclear-weapon State would constitute a most serious breach of the non-proliferation objective.

5. The Conference noted the great and serious concerns expressed about the nuclear capability of South Africa and Israel. The Conference further noted the calls on all States for the total and complete prohibition of the transfer of all nuclear facilities, resources or devices to South Africa and Israel and to stop all exploitation of Namibian uranium, natural or enriched, until the attainment of Namibian independence.

Article III and Preambular Paragraphs 4 and 5

1. The Conference affirms its determination to strengthen further the barriers against the proliferation of nuclear weapons and other nuclear explosive devices to additional States. The spread of nuclear explosive capabilities would add immeasurably to regional and international tensions and suspicions. It would increase the risks of nuclear war and lessen the security of all States. The Parties remain convinced that universal adherence to the Non-Proliferation Treaty is the best way to strengthen the barriers against proliferation and they urge all States not Party to the Treaty to acceed to it. The Treaty and the regime of non-proliferation it supports play a central role in promoting regional and international peace and security, *inter alia*, by helping to prevent the spread of nuclear explosives. The non-proliferation and safeguards commitments in the Treaty are essential also for peaceful nuclear commerce and co-operation.

2. The Conference expresses the conviction that IAEA safeguards provide assurance that States are complying with their undertakings and assist States in demonstrating this compliance. They thereby promote further confidence among States and, being a fundamental element of the Treaty, help to strengthen their collective security. IAEA safeguards play a key role in preventing the proliferation of nuclear weapons and other nuclear explosive devices. Unsafeguarded nuclear activities in non-nuclear-weapon States pose serious proliferation dangers.

3. The Conference declares that the commitment to non-proliferation by nuclear-weapon States Party to the Treaty pursuant to Article I, by non-nuclear-weapon States Party to the Treaty pursuant to Article II and by the acceptance of IAEA safeguards on all peaceful nuclear activities within non-nuclear-weapon States Party to the Treaty pursuant to Article III is a major contribution by those States to regional and international security. The Conference notes with satisfaction that the commitments in Articles I–III have been met and have greatly helped prevent the spread of nuclear explosives.

4. The Conference, therefore, specifically urges all non-nuclear-weapon States not Party to the Treaty to make an international legally binding commitment not to acquire nuclear weapons or other nuclear explosive devices and to accept IAEA safeguards on all their peaceful nuclear activities, both current and future, to verify that commitment. The Conference further urges all States in their international nuclear co-operation and in their nuclear export policies and, specifically as a necessary basis for the transfer of relevant nuclear supplies to non-nuclear-weapon States, to take effective steps towards achieving such a commitment to non-proliferation and acceptance of such safeguards by those States. The Conference expresses its view that accession to the Non-Proliferation Treaty is the best way to achieve that objective.

5. The Conference expresses its satisfaction that four of the five nuclear-weapon States have voluntarily concluded safeguards agreements with the IAEA, covering all or part of their peaceful nuclear activities. The Conference regards those agreements as further strengthening the non-proliferation regime and increasing the authority of IAEA and the effectiveness of its safeguards system. The Conference calls on the nuclear-weapon States to continue to co-operate fully with the IAEA in the implementation of these agreements and calls on IAEA to take full advantage of this co-operation. The Conference urges the People's Republic of China similarly to conclude a safeguards agreement with IAEA. The Conference recommends the continued pursuit of the principle of universal application of IAEA safeguards to all peaceful nuclear activities in all States. To this end, the Conference recognizes the value of voluntary offers and recommends further evaluation of the economic and practical possibility of extending application of safeguards to additional civil facilities in the nuclear-weapon States as and when IAEA resources permit and consideration of separation of the civil and military facilities in the nuclear-weapon States. Such an extending of safeguards will enable the further development and application of an effective regime in both nuclear-weapon States and non-nuclear-weapon States.

6. The Conference also affirms the great value to the non-proliferation regime of commitments by the nuclear-weapon States that nuclear supplies provided for peaceful use will not be used for nuclear weapons or other nuclear explosive purposes. Safeguards in nuclear-weapon States pursuant to their safeguards agreements with IAEA can verify observance of those commitments.

7. The Conference notes with satisfaction the adherence of further Parties to the Treaty and the conclusion of further safeguards agreements in compliance with the undertaking of the Treaty and recommends that:

(a) The non-nuclear-weapon States Party to the Treaty that have not concluded the agreements required under Article III(4) conclude such agreements with IAEA as soon as possible;

(b) The Director-General of IAEA intensify his initiative of submitting to States concerned draft agreements to facilitate the conclusion of corresponding safeguards agreements, and that Parties to the Treaty, in particular Depositary Parties, should actively support these initiatives;

(c) All States Party to the Treaty make strenuous individual and collective efforts to make the Treaty truly universal.

8. The Conference notes with satisfaction that IAEA, in carrying out its safeguards activities, has not detected any diversion of a significant amount of safeguarded material to the production of nuclear weapons, other nuclear explosive devices or to purposes unknown.

9. The Conference notes that IAEA safeguards activities have not hampered the economic, scientific or technological development of the Parties to the Treaty, or international co-operation in peaceful nuclear activities and it urges that this situation be maintained.

10. The Conference commends IAEA on its implementation of safeguards pursuant to this Treaty and urges it to continue to ensure the maximum technical and cost effectiveness and efficiency of its operations, while maintaining consistency with the economic and safe conduct of nuclear activities.

11. The Conference notes with satisfaction the improvement of IAEA safeguards which has enabled it to continue to apply safeguards effectively during a period of rapid growth in the number of safeguarded facilities. It also notes that IAEA safeguards approaches are capable of adequately dealing with facilities under safeguards. In this regard, the recent conclusion of the project to design a safeguards regime for centrifuse enrichment plants and its implementation is welcomed. This project allows the application of an effective regime to all plants of this type in the territories both of nuclear-weapon States and non-nuclear-weapon States Parties to the Treaty.

12. The Conference emphasizes the importance of continued improvements in the effectiveness and efficiency of IAEA safeguards, for example, but not limited to:

(a) Uniform and non-discriminatory implementation of safeguards;

(b) The expeditious implementation of new instruments and techniques;

(c) The further development of methods for evaluation of safeguards effectiveness in combination with safeguards information;

(d) Continued increases in the efficiency of the use of human and financial resources and of equipment.

13. The Conference believes that further improvement of the list of materials and equipment which, in accordance with Article III(2) of the Treaty, calls for the application of IAEA safeguards should take account of advances in technology.

14. The Conference recommends that IAEA establish an internationally agreed effective system of international plutonium storage in accordance with Article XII(A)5 of its statute.

15. The Conference welcomes the significant contributions made by States Parties in facilitating the application of IAEA safeguards and in supporting research, development and other supports to further the application of effective and efficient safeguards. The Conference urges that such co-operation and support be continued and that other States Parties provide similar support.

16. The Conference calls upon all States to take the IAEA safeguards requirements fully into account while planning, designing and constructing new nuclear fuel cycle facilities and while modifying existing nuclear fuel cycle facilities.

17. The Conference also calls on States Parties to the Treaty to assist IAEA in applying its safeguards, *inter alia*, through the efficient operation of States systems of accounting for and control of nuclear material, and including compliance with all notification requirements in accordance with safeguards agreements.

18. The Conference welcomes the Agency's endeavors to recruit and train staff of the highest professional standards for safeguards implementation with due regard to the widest possible geographical distribution, in accordance with Article VII(D) of the IAEA statute. It calls upon States to exercise their right regarding proposals of designation of IAEA inspectors in such a way as to facilitate the most effective use of safeguards manpower.

19. The Conference also commends to all States Parties the merits of establishment of international fuel cycle facilities, including multination participation, as a positive contribution to reassurance of the peaceful use and non-diversion of nuclear materials. While primarily a national responsibility, the Conference sees advantages in international co-operation concerning spent fuel storage and nuclear waste storage.

20. The Conference calls upon States Parties to continue their political, technical and financial support of the IAEA safeguards system.

21. The Conference underlines the need for IAEA to be provided with the necessary financial and human resources to ensure that the Agency is able to continue to meet effectively its safeguards responsibilities.

22. The Conference urges all States that have not done so to adhere to the Convention on the Physical Protection of Nuclear Material at the earliest possible date.

Article IV and Preambular Paragraphs 6 and 7

1. The Conference affirms that the NPT fosters the world-wide peaceful use of nuclear energy and reaffirms that nothing in the Treaty shall be interpreted as affecting the inalienable right of any Party to the Treaty to develop research, production and use of nuclear energy for peaceful purposes without discrimination and in conformity with Articles I and II.

2. The Conference reaffirms the undertaking by all Parties to the Treaty, in accordance with Article IV and preambular paragraphs 6 and 7, to facilitate the fullest possible exchange of equipment, materials and scientific and technological information for the peaceful uses of nuclear energy and the right of all Parties to the Treaty to participate in such exchange. In this context, the Conference recognizes the importance of services. This can contribute to progress in general and to the elimination of technological and economic gaps between the developed and developing countries.

3. The Conference reaffirms the undertaking of the Parties to the Treaty in a position to do so to co-operate in contributing, alone or together with other States or international organizations, to the further development of the applications of nuclear energy for peaceful purposes, especially in the territories of the non-nuclear-weapon States Party to the Treaty, with due consideration for the needs of the developing areas of the world. In this context the Conference recognizes the particular needs of the least developed countries.

4. The Conference requests that States Parties consider possible bilateral cooperation measures to further improve the implementation of Article IV. To this end, States Parties are requested to give in written form their experiences in this area in the form of national contributions to be presented in a report to the next Review Conference.

5. The Conference recognizes the need for more predictable long-term supply assurances with effective assurance of non-proliferation.

6. The Conference commends the recent progress which the IAEA's Committee on Assurances of Supply (CAS) has made towards agreeing to a set of principles related to this matter, and expresses the hope that the Committee will complete this work soon. The Conference further notes with satisfaction the measures which CAS has recommended to the IAEA Board of Governors for alleviating technical and administrative problems in international shipments of nuclear items, emergency and back-up mechanisms and mechanisms for the revision of international nuclear co-operation agreements and calls for the early completion of the work of CAS and the implementation of its recommendations.

7. The Conference reaffirms that in accordance with international law and applicable treaty obligations, States should fulfill their obligations under agreements in the nuclear field, and any modification of such agreements, if required, should be made only by mutual consent of the Parties concerned.

8. The Conference confirms that each country's choices and decisions in the field of peaceful uses of nuclear energy should be respected without jeopardizing their respective fuel cycle policies. International co-operation in this area, including international transfer and subsequent operations, should be governed by effective assurances of non-proliferation and predictable long-term supply assurances. The issuance of related licenses and authorization involved should take place in a timely fashion.

9. While recognizing that the operation and management of the back-end of the fuel cycle, including nuclear waste storage, are primarily a national responsibility, the Conference acknowledges the importance for the peaceful uses of nuclear energy of international and multilateral collaboration for arrangements in this area.

10. The Conference expresses its profound concern about the Israeli attack on Iraq's safeguarded nuclear reactor on 7 June 1981. The Conference recalls Security Council Resolution 487 of 1981, strongly condemning the military attack by Israel which was unanimously adopted by the Council and which considered that the said attack constituted a serious threat to the entire IAEA safeguards regime which is the foundation of the Non-proliferation Treaty. The Conference also takes note of the decisions and resolutions adopted by the United Nations General Assembly and the International Atomic Energy Agency on this attack, including Resolution 425 adopted by the General Conference of the IAEA.

11. The Conference recognizes that an armed attack on a safeguarded nuclear facility, or threat of attack, would create a situation in which the Security Council would have to act immediately in accordance with provisions of the United Nations Charter. The Conference further emphasizes the responsibilities of the Depositaries of NPT in their capacity as Permanent Members of the Security Council to endeavour, in consultation with the other Members of the Security Council, to give full consideration to all appropriate measures to be undertaken by the Security Council to deal with the situation, including measures under Chapter VII of the United Nations Charter.

12. The Conference encourages Parties to be ready to provide immediate peaceful assistance in accordance with international law to any Party to the NPT, if it so requests, whose safeguarded nuclear facilities have been subject to an armed attack, and calls upon all States to abide by any decision taken by the Security Council in accordance with the United Nations Charter in relation to the attacking State.

13. The Conference considers that such attacks could involve grave dangers due to the release of radioactivity and that such attacks or threats of attack jeopardize the development of the peaceful uses of nuclear energy. The Conference also acknowledges that the matter is under consideration by the Conference on Disarmament and urges co-operation of all States for its speedy conclusion.

14. The Conference acknowledges the importance of the work of the International Atomic Energy Agency (IAEA) as the principal agent for technology transfer amongst the international organizations referred to in Article IV(2) and welcomes the successful operation of the Agency's technical assistance

and co-operation programmes. The Conference records with appreciation that projects supported from these programmes covered a wide spectrum of applications, related both to power and non-power uses of nuclear energy notably in agriculture, medicine, industry and hydrology. The Conference notes that the Agency's assistance to the developing States Party to the Treaty has been chiefly in the non-power uses of nuclear energy.

15. The Conference welcomes the establishment by the IAEA, following a recommendation of the First Review Conference of the Parties to the Treaty, of a mechanism to permit the channelling of extra-budgetary funds to projects additional to those financed from the IAEA technical assistance and co-operation fund. The Conference notes that this channel has been used to make additional resources available for a wide variety of projects in developing States Party to the Treaty.

16. In this context, the Conference proposes the following measures for consideration by the IAEA:

(i) IAEA assistance to developing countries in siting, construction, operation and safety of nuclear power projects and the associated trained manpower provision to be strengthened;

(ii) To provide, upon request, assistance in securing financing from outside sources for nuclear power projects in developing countries, and in particular the least developed countries;

(iii) IAEA assistance in nuclear planning systems for developing countries to be strengthened in order to help such countries draw up their own nuclear development plans;

(iv) IAEA assistance on country-specific nuclear development strategies to be further developed, with a view to identifying the application of nuclear technology that can be expected to contribute most to the development both of individual sectors and developing economies as well;

(v) Greater support for regional cooperative agreements, promoting regional projects based on regionally agreed priorities and using inputs from regional countries;

(vi) Exploration of the scope for multi-year, multi-donor projects financed from the extra-budgetary resources of the IAEA;

(vii) The IAEA's technical co-operation evaluation activity to be further developed, so as to enhance the Agency's effectiveness in providing technical assistance.

17. The Conference underlines the need for the provision to the IAEA of the necessary financial and human resources to ensure that the Agency is able to continue to meet effectively its responsibilities.

18. The Conference notes the appreciable level of bilateral co-operation in the peaceful uses of nuclear energy, and urges that States in a position to do so should continue and where possible increase the level of their co-operation in these fields.

19. The Conference urges that preferential treatment should be given to the non-nuclear-weapon States Party to the Treaty in access to or transfer of equipment, materials, services and scientific and technological information for the peaceful uses of nuclear energy, taking particularly into account needs of developing countries.

20. Great and serious concerns were expressed at the Conference about the nuclear capability of South Africa and Israel and that the development of such a capability by South Africa and Israel would undermine the credibility and stability of the Non-Proliferation Treaty regime. The Conference noted the demands made on all States to suspend any co-operation which would contribute to the nuclear programme of South Africa and Israel. The Conference further noted the demands made on South Africa and Israel to accede to the NPT, to accept IAEA safeguards on all their nuclear facilities and to pledge themselves not to manufacture or acquire nuclear weapons or other nuclear explosive devices.

21. The Conference recognizes the growing nuclear energy needs of the developing countries as well as the difficulties which the developing countries face in this regard, particularly with respect to financing their nuclear power programmes. The Conference calls upon States Party to the Treaty to promote the establishment of favourable conditions in national, regional and international financial institutions for financing of nuclear energy projects including nuclear power programmes in developing countries. Furthermore, the Conference calls upon the IAEA to initiate and the Parties to the Treaty to support the work of an expert group study on mechanisms to assist developing countries in the promotion of their nuclear power programmes, including the establishment of a financial assistance fund.

22. The Conference recognizes that further IAEA assistance in the preparation of feasibility studies and infrastructure development might enhance the prospects for developing countries for obtaining finance, and recommends such countries as are members of the Agency to apply for such help under the Agency's technical assistance and co-operation programmes. The Conference also acknowledges that further support for the IAEA's small and medium power reactor (SMPR) study could help the development of nuclear reactors more suited to the needs of some of the developing countries.

23. The Conference expresses its satisfaction at the progress in the preparations for the United Nations Conference for the Promotion of International Co-operation in the Peaceful Uses of Nuclear Energy (UNCPICPUNE) and its conviction that UNCPICPUNE will fully realize its goals in accordance with the objectives of Resolution 32/60 and relevant subsequent resolutions of the General Assembly for the development of national programmes of peaceful uses of nuclear energy for economic and social development, especially in the developing countries.

24. The Conference considers that all proposals related to the promotion and strengthening of international co-operation in the peaceful uses of nuclear energy which have been produced by the Third Review Conference of the NPT, be transmitted to the Preparatory Committee of UNCPICPUNE.

Article V

1. The Conference reaffirms the obligation of Parties to the Treaty to take appropriate measures to ensure that potential benefits from any peaceful applications of nuclear explosions are made available to non-nuclear-weapon States Party to the Treaty in full accordance with the provisions of Article V and other applicable international obligations, that such services should be provided to non-nuclear-weapon States Party to the Treaty on a non-discriminatory basis and that the charge to such Parties for the explosive devices used should be as low as possible and exclude any charge for research and development.

2. The Conference confirms that the IAEA would be the appropriate international body through which any potential benefits of the peaceful applications of nuclear explosions could be made available to non-nuclear-weapon States under the terms of Article V of the Treaty.

3. The Conference notes that the potential benefits of the peaceful applications of nuclear explosions have not been demonstrated and that no requests for services related to the peaceful applications of nuclear explosions have been received by the IAEA since the Second NPT Review Conference.

Article VI and Preambular Paragraphs 8–12 (A)

1. The Conference recalled that under the provisions of Article VI all Parties have undertaken to pursue negotiations in good faith:

- On effective measures relating to cessation of the nuclear arms race at an early date;
- On effective measures relating to nuclear disarmament;
- On a treaty on general and complete disarmament under strict and effective international control.

2. The Conference undertook an evaluation of the achievements in respect to each aspect of the Article in the period under review, and paragraphs 8 to 12 of the preamble, and in particular with regard to the goals set out in preambular paragraph 10 which recalls the determination expressed by the Parties to the Partial Test Ban Treaty to continue negotiations to achieve the discontinuance of all test explosions of nuclear weapons for all time.

3. The Conference recalled the declared intention of the Parties to the Treaty to achieve at the earliest possible date the cessation of the nuclear arms race and to undertake effective measures in the direction of nuclear disarmament and their urging made to all States Parties to co-operate in the attainment of this objective. The Conference also recalled the determination expressed by the Parties to the 1963 Treaty Banning Nuclear Weapons Tests in the Atmosphere, in Outer Space and Under Water in its preamble to seek to achieve the discontinuance of all test explosions on nuclear weapons for all time and the desire to further the easing of international tension and the strengthening of trust between States in order to facilitate the cessation of the manufacture of nuclear weapons, the liquidation of all existing stockpiles and the elimination from national arsenals of nuclear weapons and the means of their delivery.

4. The Conference notes that the Tenth Special Session of the General Assembly of the United Nations concluded, in paragraph 50 of its Final Document, that the achievement of nuclear disarmament will require urgent negotiations of agreements at appropriate stages and with adequate measures of verification satisfactory to the States concerned for:

(a) Cessation of the qualitative improvement and development of nuclear-weapon systems;

(b) Cessation of the production of all types of nuclear weapons and their means of delivery, and of the production of fissionable material for weapons purposes;

(c) A comprehensive, phased programme with agreed timetables whenever feasible, for progressive and balanced reduction of stockpiles of nuclear weapons and their means of delivery, leading to their ultimate and complete elimination at the earliest possible time.

5. The Conference also recalled that in the Final Declaration of the First Review Conference, the Parties expressed the view that the conclusion of a treaty banning all nuclear-weapon tests was one of the most important measures to halt the nuclear arms race and expressed the hope that the nuclear-weapon States Party to the Treaty would take the lead in reaching an early solution of the technical and political difficulties of this issue.

6. The Conference examined developments relating to the cessation of the nuclear arms race, in the period under review, and noted in particular that the destructive potentials of the nuclear arsenals of nuclear-weapon States Parties were undergoing continuing development, including a growing research and development component in military spending, continued nuclear testing, development of new delivery systems and their deployment.

7. The Conference noted the concerns expressed regarding developments with far reaching implications and the potential of a new environment, space, being drawn into the arms race. In that regard the Conference also noted the fact that the United States of America and the Union of Soviet Socialist Republics are pursuing bilateral negotiations on a broad complex of questions concerning space and nuclear arms, with a view to achieving effective agreements aimed at preventing an arms race in space and terminating it on Earth.

8. The Conference noted with regret that the development and deployment of nuclear weapon systems had continued during the period of review.

9. The Conference also took note of numerous proposals and actions, multilateral and unilateral, advanced during the period under review by many States with the aim of making progress towards the cessation of the nuclear arms race and nuclear disarmament.

10. The Conference examined the existing situation in the light of the undertaking assumed by the Parties in Article VI to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament. The Conference recalled that a stage of negotiations on the strategic arms limitation talks (SALT II) had been concluded in 1979, by the signing of the Treaty which had remained unratified. The Conference noted that both the Union of Soviet Socialist Republics and the United States of America had declared that they are abiding by the provisions of SALT II.

11. The Conference recalled that the bilateral negotiations between the Union of Soviet Socialist Republics and the United States of America which were held between 1981 and 1983 were discontinued without any concrete results.

12. The Conference noted that bilateral negotiations between the Union of Soviet Socialist Republics and the United States of America had been held in 1985 to consider questions concerning space and nuclear arms, both strategic and intermediate-range, with all the questions considered and resolved in their interrelationship. No agreement has emerged so far. These negotiations are continuing.

13. The Conference evaluated the progress made in multilateral nuclear disarmament negotiations in the period of the review.

14. The Conference recalled that the trilateral negotiations on a comprehensive test ban treaty, begun in 1977 between the Union of Soviet Socialist Republics, the United Kingdom of Great Britain and Northern Ireland and the United States of America, had not continued after 1980, that the Committee on Disarmament and later the Conference on Disarmament had been called upon by the General Assembly of the United Nations in successive years to begin negotiations on such a treaty, and noted that such negotiations had not been initiated, despite the submission of draft treaties and different proposals to the Conference on Disarmament in this regard.

15. The Conference noted the lack of progress on relevant items of the agenda of the Conference on Disarmament, in particular those relating to the cessation of the nuclear arms race and nuclear disarmament, the prevention of nuclear war including all related matters and effective international arrangements to assure non-nuclear-weapon States against the use or threat of use of nuclear weapons.

16. The Conference noted that two Review Conferences had taken place since 1968, one on the Sea-Bed Treaty and one on the Environmental Modification Treaty and three general conferences of the Agency for the prohibition of nuclear weapons in Latin America. In 1982 a Special United Nations General Assembly Session on Disarmament took place without any results in matters directly linked to nuclear disarmament.

17. The Conference also noted the last five years had thus not given any results concerning negotiations on effective measures relating to cessation of the nuclear arms race and to nuclear disarmament.

Article VI and Preambular Paragraphs 8–12 (B)

1. The Conference concluded that, since no agreements had been reached in the period under review on effective measures relating to the cessation of an arms race at an early date, on nuclear disarmament and on a treaty on general and complete disarmament under strict and effective international control, the aspirations contained in preambular paragraphs 8 to 12 had still not been met, and the objectives under Article VI had not yet been achieved.

2. The Conference reiterated that the implementation of Article VI is essential to the maintenance and strengthening of the Treaty, reaffirmed the commitment of all States Parties to the implementation of this article and called upon the States Parties to intensify their efforts to achieve fully the objectives of the article. The Conference addressed a call to the nuclear-weapon States Parties in particular to demonstrate this commitment.

3. The Conference welcomes the fact that the United States of America and the Union of Soviet Socialist Republics are conducting bilateral negotiations on a complex of questions concerning space and nuclear arms—both strategic and intermediate-range—with all these questions considered and resolved in their interrelationship. It hopes that these negotiations will lead to early and effective agreements aimed at preventing an arms race in space and terminating it on Earth, at limiting and reducing nuclear arms and at strengthening strategic stability. Such agreements will complement and ensure the positive outcome of multilateral negotiations on disarmament, and would lead to the reduction of international tensions and the promotion of international peace and security. The Conference recalls that the two sides believe that ultimately the bilateral negotiations, just as efforts in general to limit and reduce arms, should lead to the complete elimination of nuclear arms everywhere.

4. The Conference urges the Conference on Disarmament, as appropriate, to proceed to early multilateral negotiations on nuclear disarmament in pursuance of paragraph 50 of the Final Document of the First Special Session of the General Assembly of the United Nations Devoted to Disarmament.

5. The Conference reaffirms the determination expressed in the preamble of the 1963 Partial Test Ban Treaty, confirmed in Article I(B) of the said Treaty and reiterated in preambular paragraph 10 of the Non-Proliferation Treaty, to achieve a discontinuance of all test explosions of nuclear weapons for all time.

6. The Conference also recalls that in the Final Document of the First Review Conference, the Parties expressed the view that the conclusion of a treaty banning all nuclear weapons tests was one of the most important measures to halt the nuclear arms race. The Conference stresses the important contribution that such a treaty would make towards strengthening and extending the international barriers against the proliferation of nuclear weapons; it further stresses that adherence to such a treaty by all States would contribute substantially to the full achievement of the non-proliferation objective.

7. The Conference also took note of the appeals contained in five successive United Nations General Assembly resolutions since 1981 for a moratorium on nuclear weapons testing pending the conclusion of a comprehensive test ban treaty, and of similar calls made at this Conference. It also took note of the measure announced by the Union of Soviet Socialist Republics for a unilateral moratorium on all nuclear explosions from 6 August 1985 until 1 January 1986, which would continue beyond that date if the United States of America, for its part, refrained from carrying out nuclear explosions. The Union of Soviet Socialist Republics suggested that this would provide an example for other nuclear-weapon States and would create favourable conditions for the conclusion of a comprehensive test ban treaty and the promotion of the fuller implementation of the Non-Proliferation Treaty.

8. The Conference took note of the unconditional invitation extended by the United States of America to the Union of Soviet Socialist Republics to send observers, who may bring any equipment they deem necessary, to measure a United States of America nuclear test in order to begin a process which in the view of the United States would help to ensure effective verification of limitations on under-ground nuclear testing.

9. The Conference also took note of the appeals contained in five United Nations General Assembly resolutions since 1982 for a freeze on all nuclear weapons in quantitative and qualitative terms, which should be taken by all nuclear-weapon States or, in the first instance and simultaneously, by the Union of Soviet Socialist Republics and the United States of America on the understanding that the other nuclear-weapon States would follow their example, and of similar calls made at this Conference.

10. The Conference took note of proposals by the Union of Soviet Socialist Republics and the United States of America for the reduction of nuclear weapons.

11. The Conference took note of proposals submitted by States Parties on a number of related issues relevant to achieving the purposes of Article VI and set out in Annex I to this document and in the statements made in the General Debate of the Conference.

12. The Conference reiterated its conviction that the objectives of Article VI remained unfulfilled and concluded that the nuclear-weapon States should make greater efforts to ensure effective measures for the cessation of the nuclear arms rate at an early date, for nuclear disarmament and for a treaty on general and complete disarmament under strict and effective international control.

13. The Conference expressed the hope for rapid progress in the US-USSR bilateral negotiations.

14. The Conference, except for certain States whose views are reflected in the following sub-paragraph, deeply regretted that a comprehensive multilateral nuclear test ban treaty banning all nuclear tests by all States in all environments for all time had not been concluded so far and, therefore, called on the nuclear-weapon States Party to the Treaty to resume trilateral negotiations in 1985 and called on all the nuclear-weapons States to participate in the urgent negotiation and conclusion of such a treaty as a matter of the highest priority in the Conference on Disarmament.

15. At the same time, the Conference noted that certain States Party to the Treaty, while committed to the goal of an effectively verifiable comprehensive nuclear test ban treaty, considered deep and verifiable reductions in existing arsenals of nuclear weapons as the highest priority in the process of pursuing the objective of Article VI.

16. The Conference also noted the statement of the USSR as one of the nuclear-weapon States Party to the Treaty, recalling its repeatedly expressed readiness to proceed forthwith to negotiations, trilateral and multilateral, with the aim of concluding a comprehensive nuclear test ban treaty and the submission by it of a draft treaty proposal to this end.

Article VII and the Security of Non-Nuclear-Weapon States

1. The Conference observes the growing interest in utilizing the provisions of Article VII of the Non-Proliferation Treaty, which recognizes the right of any group of States to conclude regional treaties in order to assure the absence of nuclear weapons in their respective territories.

2. The Conference considers that the establishment of nuclear-weapon-free zones on the basis of arrangements freely arrived at among the States of the region concerned constitutes an important disarmament measure and, therefore, the process of establishing such zones in different parts of the world should be encouraged with the ultimate objective of achieving a world entirely free of nuclear weapons. In the process of establishing such zones, the characteristics of each region should be taken into account.

3. The Conference emphasizes the importance of concluding nuclear-weapon-free zone arrangements in harmony with internationally recognized principles, as stated in the Final Document of the First Special Session of the United Nations Devoted to Disarmament.

4. The Conference holds the view that, under appropriate conditions, progress towards the establishment of nuclear-weapon-free zones will create conditions more conducive to the establishment of zones of peace in certain regions of the world.

5. The Conference expresses its belief that concrete measures of nuclear disarmament would significantly contribute to creating favorable conditions for the establishment of nuclear-weapon-free zones.

6. The Conference expresses its satisfaction at the continued successful operation of the Treaty for the Prohibition of Nuclear Weapons in Latin America (Treaty of Tlatelolco). It reaffirms the repeated exhortation of the General Assembly to France, which is already a signatory of additional Protocol I, to ratify it, and calls upon the Latin American States that are eligible to become Parties to the Treaty to do so. The Conference welcomes the signature and ratification of Additional Protocol II to this Treaty by all nuclear-weapon States.

7. The Conference also notes the continued existence of the Antarctic Treaty.

8. The Conference notes the endorsement of the South Pacific Nuclear Free Zone Treaty by the South Pacific Forum on 6 August 1985 at Rarotonga and welcomes this achievement as consistent with Article VII of the Non-Proliferation Treaty. The Conference also takes note of the draft protocols to the South Pacific Nuclear Free Zone Treaty and further notes that agreement at the South Pacific Forum that consultations on the protocols should be held between members of the Forum and the nuclear-weapon States eligible to sign them.

9. The Conference takes note of the existing proposals and the ongoing regional efforts to achieve nuclear-weapon-free zones in different areas of the world.

10. The Conference recognizes that for the maximum effectiveness of any treaty arrangements for establishing a nuclear-weapon-free zone the co-operation of the nuclear-weapon States is necessary. In this connection, the nuclear-weapon States are invited to assist the efforts of States to create nuclear-weapon-free zones, and to enter into binding undertakings to respect strictly the status of such a zone and to refrain from the use or threat of use of nuclear weapons against the States of the zone.

11. The Conference welcomes the consensus reached by the United Nations General Assembly at its thirty-fifth session that the establishment of a nuclear-weapon-free zone in the region of the Middle East would greatly enhance international peace and security, and urges all Parties directly concerned to consider seriously taking the practical and urgent steps required for the implementation of the proposal to establish a nuclear-weapon-free zone in the region of the Middle East.

12. The Conference also invites the nuclear-weapon States and all other States to render their assistance in the establishment of the zone and at the same time to refrain from any action that runs counter to the letter and spirit of United Nations General Assembly Resolution 39/54.

13. The Conference considers that acceding to the Non-Proliferation Treaty and acceptance of IAEA safeguards by all States in the region of the Middle East will greatly facilitate the creation of a nuclear-weapon-free zone in the region and will enhance the credibility of the Treaty.

14. The Conference considers that the development of a nuclear weapon capability by South Africa at any time frustrated the implemenation of the Declaration on the Denuclearization of Africa and that collaboration with South Africa in this area would undermine the credibility and the stability of the Non-Proliferation Treaty regime. South Africa is called upon to submit all its nuclear installations and facilities to IAEA safeguards and to accede to the Non-Proliferation Treaty. All States Parties directly concerned are urged to consider seriously taking the practical and urgent steps required for the implementation of the proposal to establish a nuclear-weapon-free zone in Africa. The nuclear-weapon states are invited to assist the efforts of States to create a nuclear-weapon-free zone in Africa, and to enter into binding undertakings to respect strictly the status of such a zone and to refrain from the use or threat of use of nuclear weapons against the States of the zone.

15. The Conference considers that the most effective guarantee against the possible use of nuclear weapons and the danger of nuclear war is nuclear disarmament and the complete elimination of nuclear weapons. Pending the achievement of this goal on a universal basis and recognizing the need for all States to ensure their independence, territorial integrity and sovereignty, the Conference reaffirms the particular importance of assuring and strengthening the security of non-nuclear-weapon States Parties which have renounced the acquisition of nuclear weapons. The Conference recognizes that different approaches may be required to strengthen the security of non-nuclear-weapon States Parties to the Treaty.

16. The Conference underlines again the importance of adherence to the Treaty by non-nuclear-weapon States as the best means of reassuring one another of their renunciation of nuclear weapons and as one of the effective means of strengthening their mutual security.

17. The Conference takes note of the continued determination of the Depositary States to honour their statements, which were welcomed by the United Nations Security Council in Resolution 255 (1968), that, to ensure the security of the non-nuclear-weapon States Parties to the Treaty, they will provide or support immediate assistance, in accordance with the Charter, to any non-nuclear-weapon State Party to the Treaty which is a victim of an act or an object of a threat of aggression in which nuclear weapons are used.

18. The Conference reiterates its conviction that, in the interest of promoting the objectives of the Treaty, including the strengthening of the security of non-nuclear-weapon States Parties, all States, both nuclear-weapon and non-nuclear-weapon States, should refrain, in accordance with the Charter of the United Nations, from the threat or the use of force in relations between States, involving either nuclear or non-nuclear weapons.

19. The Conference recalls that the Tenth Special Session of the General Assembly, in paragraph 59 of the Final Document, took note of the declarations made by the nuclear-weapon States regarding the assurance of non-nuclear-weapon States against the use or threat of use of nuclear weapons and urged them to pursue efforts to conclude, as appropriate, effective arrangements to assure non-nuclear-weapon States against the use or threat of use of nuclear weapons.

20. Being aware of the consultations and negotiations on effective international arrangements to assure non-nuclear-weapon States against the use or threat of use of nuclear weapons, which have been under way in the Conference on Disarmament for several years, the Conference regrets that the search for a common approach, which could be included in an international legally binding instrument, has been unsuccessful. The Conference takes note of the repeatedly expressed intention of the Conference on Disarmament to continue to explore ways and means to overcome the difficulties encountered in its work and to carry out negotiations on the question of effective international arrangements to assure non-nuclear-weapon States against the use or threat of use of nuclear weapons. In this connection, the Conference calls upon all States, particularly the nuclear-weapon States, to continue the negotiations in the Conference on Disarmament devoted to the search for a common approach acceptable to all, which could be included in an international instrument of a legally binding character.

Article VIII

The States Party to the Treaty participating in the Conference propose to the Depositary Governments that a Fourth Conference to review the operation of the Treaty be convened in 1990.

The Conference accordingly invites States Party to the Treaty which are members of the United Nations to request the Secretary-General of the United Nations to include the following item in the provisional agenda of the forty-third session of the General Assembly:

"Implementation of the conclusions of the Third Review Conference of the Parties to the Treaty on the Non-Proliferation of Nuclear Weapons and establishment of a Preparatory Committee for the Fourth Conference."

Article IX

The Conference, having expressed great satisfaction that the overwhelming majority of States have acceded to the Treaty on the Non-Proliferation of Nuclear Weapons and having recognized the urgent need for further ensuring the universality of the Treaty, appeals to all States, particularly the nuclear-weapon States and other States advanced in nuclear technology, which have not yet done so, to adhere to the Treaty at the earliest possible date. ■

U.S. Releases Affidavits for Aquino Assassination Trial

DEPARTMENT STATEMENT, SEPT. 16, 1985[1]

It has been the consistent position of the United States since the 1983 murder of Benigno Aquino that the investigation of that crime be thorough and impartial and that those responsible, no matter who they may be, be brought to justice and punished to the fullest extent of the law. The United States, therefore, believes it important that the outcome of the current Aquino assassination trial in Manila be seen by the Filipino people as based on a thorough, complete consideration of all pertinent information.

In mid-July, newspaper accounts reported that on August 21, 1983, the day of Senator Aquino's assassination in Manila, unusual levels of activity by the Philippine Air Force were witnessed at two airbases in the Philippines (Wallace Air Station and Villamor Air Force Base) by U.S. Air Force personnel. So far as we have been able to ascertain, no one in the Department of State or the U.S. Embassy in Manila or the Defense Department other than U.S. Air Force personnel in the Philippines were aware of the reported activities until the July newspaper accounts.

On August 7, the Philippine Ministry of Foreign Affairs requested, through the U.S. Embassy in Manila, that the United States provide to the Philippine Government any information in its possession relating to events on August 21, 1983, as reported in the July newspaper accounts. In a discussion between the U.S. Ambassador in Manila and Acting Foreign Minister Castro on August 8, it was agreed that the United States would prepare sworn affidavits from the U.S. Air Force personnel on duty on August 21, 1983, at the two airbases in question. It was further agreed that these affidavits would be transmitted to the prosecutors, through the Ministry of Foreign Affairs, in a sealed envelope.

In mid-August, the U.S. Air Force prepared affidavits from six USAF personnel who were on duty at Wallace Air Station or Villamor Air Force Base on August 21, 1983. The affidavits were sworn before a notary public. The affidavits were then "authenticated" by the Department of State and the U.S. Embassy in Manila before being presented on August 30, as had been previously agreed, in a sealed envelope to the Ministry of Foreign Affairs for transmittal to the prosecutors.

On September 13, the Chief Prosecutor (*Tanodbayan*), Bernardo Fernandez, announced that the prosecutors do not intend to use the USAF affidavits and consider this matter closed. We indicated to the Philippine authorities from the outset that we expected the affidavits to become public at an appropriate moment. We also indicated that we were prepared to consider any further Philippine requests for assistance in this matter. Since the *Tanodbayan* has stated that it will not examine this matter further, it appears to us appropriate to release the affidavits now.

Mr. Fernandez also suggested in his statement of September 13 that the affidavits had not been properly authenticated and this alleged infirmity was somehow related to the Prosecutors' decision not to use them. We do not understand the basis for this assertion. Authentication is a technical legal procedure by which the authenticity of documents is protected. There is no question of the authenticity of the affidavits. Nor is there any basis for challenging the procedures by which they were authenticated. Authentication is simply a series of attestations of the authenticity of the documents as they pass from hand-to-hand. There are several ways of doing this. In this case, the State Department verified under seal that the affidavits had been properly notarized; the U.S. Ambassador in Manila verified that the Department seal had been properly affixed. This was in accord with normal judicial procedures.

An alternative procedure would have been to involve the Philippine Consulate in Washington in the chain of authentications. We considered and rejected this alternative when the Consulate refused to make the authentications without copying the documents—a condition we considered inconsistent with the arrangements of August 8 with the Acting Foreign Minister to have the documents transmitted in a sealed envelope to the prosecutors. When it became clear that the United States would not agree to permit the Consulate to copy the affidavits, the Philippine Embassy in Washington specifically suggested precisely the procedure that we, in fact, followed. Under these circumstances, we cannot explain the *Tanodbayan's* criticism of the authentication process that was followed. The statements of *Tanodbayan* Fernandez on September 13 that the affidavits were somehow defective is, in our view, wholly without foundation.

The affidavits in question represent the best recollections of six different individuals as to events that occurred 2 years earlier. As one would expect, there are minor discrepancies in their recollections.

The one unambiguous conclusion to which the affidavits point is that there was, in fact, a highly unusual degree of activity by the Philippine Air Force on August 21, 1983 (a Sunday), and that two Philippine Air Force fighters were scrambled on that day. The affidavits include all we know about those events.

We cannot, of course, substitute our judgment for that of the Philippine judicial processes concerning the weight or probity of the information in the affidavits. We had hoped, however, that a rigorous examination of that information would have occurred within the judicial processes themselves.

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[1]Made available to news correspondents by Department deputy spokesman Charles Redman. ■

Finance Ministers, Central Bank Governors Discuss Economic Policies

FINAL ANNOUNCEMENT, SEPT. 22, 1985[1]

1. Ministers of Finance and Central Bank Governors of France, the Federal Republic of Germany, Japan, the United Kingdom, and the United States met today, September 22, 1985, [in New York City] in the context of their agreement to conduct mutual surveillance and as part of their preparations for wider international discussions at the forthcoming meetings in Seoul, Korea. They reviewed economic developments and policies in each of their countries and assessed their implications for economic prospects, external balances, and exchange rates.

2. At the Bonn economic summit in May 1985 the heads of state or government of seven major industrial countries and the President of the Commission of the European Communities issued an Economic Declaration Toward Sustained Growth and Higher Employment. In that declaration the participants agreed that:

> The best contribution we can make to a lasting new prosperity in which all nations can share is unremittingly to pursue, individually in our own countries and cooperatively together, policies conducive to sustained growth and higher employment.

3. The Ministers and Governors were of the view that significant progress has been made in their efforts to promote a convergence of favorable economic performance among their countries on a path of steady noninflationary growth. Furthermore, they concluded that their countries are restoring the vitality and responsiveness of their economies. As a result of these developments, they are confident that a firm basis has been established for a sustained, more balanced expansion among their countries. This sustained growth will benefit other industrial countries and will help ensure expanding export markets for developing countries, thereby contributing importantly to the resolution of problems of heavily indebted developing countries.

4. They believe that this convergence of favorable economic performance has been influenced increasingly by policy initiatives undertaken by their countries. Moreover, each of their countries is committed to the implementation of further policy measures which will reinforce favorable convergence and strengthen the sustainability of the current expansion.

5. Ministers and Governors were of the view that recent shifts in fundamental economic conditions among their countries, together with policy commitments for the future, have not been reflected fully in exchange markets.

Recent Economic Developments and Policy Changes

6. Ministers and Governors expect that real growth in aggregate for their countries will be about 3% this year, compared to negative growth of −0.7% in 1982. Although this figure is down slightly from 1984, growth will be more balanced than at any time in the last 4 years. After the particularly rapid U.S. growth of 1983–84, there is now increased evidence of internal growth in the other countries. In particular, private investment has picked up strength. The current expansion is occurring in a context of fiscal consolidation; it is not dependent on short-lived fiscal stimulus. As a result of the changes in the components of growth, real growth in their countries can be expected to remain strong as U.S. growth moderates.

7. The current sustained expansion is occurring within a framework of declining inflation, a phenomenon that is unprecedented in the past three decades. Inflation rates are at their lowest in nearly 20 years, and they show no signs of reviving.

8. There has been a significant fall in interest rates in recent years. Apart from welcome domestic effects, this has been particularly helpful in easing the burden of debt repayments for developing countries.

9. This successful performance is the direct result of the importance given to macroeconomic policies which have reduced inflation and inflationary expectations, to continue vigilance over government spending, to greater emphasis on market forces and competition, and to prudent monetary policies.

10. These positive economic developments notwithstanding, there are large imbalances in external positions which pose potential problems, and which reflect a wide range of factors. Among these are:

- the deterioration in its external position which the United States experienced from its period of very rapid relative growth;
- the particularly large impact on the U.S. current account of the economic difficulties and the adjustment efforts of some major developing countries;
- the difficulty of trade access in some markets; and
- the appreciation of the U.S. dollar.

The interaction of these factors—relative growth rates, the debt problems of developing countries, and exchange rate developments—has contributed to large, potentially destabilizing external imbalances among major industrial countries. In particular, the United States has a large and growing current account deficit, and Japan—and to a lesser extent Germany—large and growing current account surpluses.

11. The U.S. current account deficit, together with other factors, is now contributing to protectionist pressures which, if not resisted, could lead to mutually destructive retaliation with serious damage to the world economy: world trade would shrink, real growth rates could even turn negative, unemployment would rise still higher, and debt-burdened developing countries would be unable to secure the export earnings they vitally need.

Policy Intentions

12. The Finance Ministers and Governors affirmed that each of their countries remains firmly committed to its international responsibilities and obligations as leading industrial nations. They also share special responsibilities to ensure the mutual consistency of their individual policies. The Ministers agreed that establishing more widely strong, noninflationary domestic growth and open markets will be a key factor in ensuring that the current expansion continues in a more balanced fashion, and they committed themselves to policies toward that end. In countries where the budget deficit is too high, further measures to reduce the deficit substantially are urgently required.

13. Ministers and Governors agreed that it was essential that protectionist pressures be resisted.

14. Ministers recognized the importance of providing access to their markets for LDC [less developed countries] exports as those countries continue their essential adjustment efforts, and saw this as an important additional reason to avoid protectionist policies. They welcomed the GATT [General Agreement on Tariffs and Trade] preparatory meeting scheduled for late September and expressed their hope that it will reach a broad consensus on subject matter and modalities for a new GATT round.

15. In this context, they recalled and reaffirmed the statement in the Bonn economic declaration on the debt situation.

> Sustained growth in world trade, lower interest rates, open markets and continued financing in amounts and on terms appropriate to each individual case are essential to enable developing countries to achieve sound growth and overcome their economic and financial difficulties.

16. The Ministers agreed that they would monitor progress in achieving a sustained noninflationary expansion and intensify their individual and cooperative efforts to accomplish this objective. To that end, they affirmed the statements of policy intentions by each of their countries, which are attached.

Conclusion

17. The Ministers of Finance and Central Bank Governors agreed that recent economic developments and policy changes, when combined with the specific policy intentions described in the attached statements, provide a sound basis for continued and a more balanced expansion with low inflation. They agreed on the importance of these improvements for redressing the large and growing external imbalances that have developed. In that connection, they noted that further market-opening measures will be important to resisting protectionism.

18. The Ministers and Governors agreed that exchange rates should play a role in adjusting external imbalances. In order to do this, exchange rates should better reflect fundamental economic conditions than has been the case. They believe that agreed policy actions must be implemented and reinforced to improve the fundamentals further, and that in view of the present and prospective changes in fundamentals, some further orderly appreciation of the main nondollar currencies against the dollar is desirable. They stand ready to cooperate more closely to encourage this when to do so would be helpful.

COUNTRY STATEMENTS

The **United States Government** is firmly committed to policies designed to ensure steady noninflationary growth; maximize the role of markets and private sector participation in the economy; reduce the size and role of the government sector; and maintain open markets.

In order to achieve these objectives, the United States Government will:

1. Continue efforts to reduce government expenditures as a share of GNP [gross national product] in order to reduce the fiscal deficit and to free up resources for the private sector.
2. Implement fully the deficit reduction package for fiscal year (FY) 1986. This package passed by Congress and approved by the President will not only reduce by over 1% of GNP the budget deficit for FY 1986, but lay the basis for further significant reductions in the deficit in subsequent years.
3. Implement revenue-neutral tax reform which will encourage savings, create new work incentives, and increase the efficiency of the economy, thereby fostering noninflationary growth.
4. Conduct monetary policy to provide a financial environment conducive to sustainable growth and continued progress toward price stability.
5. Resist protectionist measures.

The **United Kingdom Government**, noting that the British economy has been experiencing steady growth of output and domestic demand over the past 4 years, will continue to pursue policies designed to reduce inflation; to promote sustained growth of output and employment; to reduce the size of the public sector; to encourage a more competitive, innovative, market-oriented private sector; to reduce regulation and increase incentives throughout the economy; and to maintain open trading and capital markets free of foreign exchange controls.

In particular, the United Kingdom Government intends:

1. To operate monetary policy to achieve further progress toward price stability and to provide a financial environment for growing output and employment, and to buttress monetary policy with a prudent fiscal policy.
2. To continue to reduce public expenditure as a share of GDP [gross domestic product] and to transfer further substantial parts of public sector industry to private ownership.
3. To reduce the burden of taxation in order to improve incentives and to increase the efficient use of resources in the economy.
4. To take additional measures to improve the effective working of the labor market, including the reform of wages councils and improvements in youth training, and implement proposals to liberalize and strengthen competition within financial markets.
5. To resist protectionism.

The **Government of Japan**, noting that the Japanese economy is in an autonomous expansion phase mainly supported by domestic private demand increase, will continue to institute policies intended to ensure sustainable noninflationary growth; provide full access to domestic markets for foreign goods; and internationalize the yen and liberalize domestic capital markets.

In particular, the Government of Japan will implement policies with the following explicit intentions.

1. Resistance of protectionism and steady implementation of the action program announced on July 30 for the further opening up of Japan's domestic market to foreign goods and services.
2. Full utilization of private sector vitality through the implementation of vigorous deregulation measures.
3. Flexible management of monetary policy with due attention to the yen rate.
4. Intensified implementation of financial market liberalization and internationalization of the yen, so that the yen fully reflects the underlying strength of the Japanese economy.
5. Fiscal policy will continue to focus on the twin goals of reducing the central government deficit and providing a pro-growth environment for the private sector. Within that framework, local governments may be favorably allowed to make additional investments in this FY 1985, taking into account the individual circumstances of the region.
6. Efforts to stimulate domestic demand will focus on increasing private consumption and investment through measures to enlarge consumer and mortgage credit markets.

The **Government of the Federal Republic of Germany**, noting that the German economy is already embarked on a course of steady economic recovery based increasingly on internally generated growth, will continue to implement policies to sustain and extend the progress achieved in strengthening the underlying conditions for continuing vigorous, job-creating growth in the context of stable prices and low interest rates.

In particular, the Government of the Federal Republic of Germany will implement policies with the following explicit intentions.

1. The priority objective of fiscal policy is to encourage private initiative and productive investments and maintain price stability.

2. Toward this end, the Federal Government will continue to reduce progressively the share of the public sector in the economy through maintaining firm expenditure control. The tax cuts . due to take effect in 1986 and 1988 form part of the ongoing process of tax reform and reduction which the Federal Government will continue in a medium-term framework.

3. The Federal Government will continue to remove rigidities inhibiting the efficient functioning of markets. It will keep under review policies, regulations, and practices affecting labor markets in order to enhance the positive impact of economic growth on employment. The Federal Government and the Deutsche Bundesbank will provide the framework for the continuing evolution of deep, efficient money and capital markets.

4. The fiscal policy of the Federal Government and the monetary policy of the Deutsche Bundesbank will continue to ensure a stable environment conducive to the expansion of domestic demand on a durable basis.

5. The Federal Government will continue to resist protectionism.

The **French Government** intends to pursue its policy aimed at reducing inflation, moderating income growth, and achieving continued improvements in external accounts. It will further intensify its efforts to speed up structural adjustment and modernization and thus lay the basis for job-creating growth.

Therefore, it is determined:

1. To pursue vigorously disinflation.

2. To secure the attainment of monetary aggregates growth targets, consistent with decelerating inflation.

3. To curb public expenditures progressively so as to lower the tax burden while reducing the government borrowing requirement.

4. To foster the investment recovery allowed for by the improved financial situation in the business sector.

5. To take further steps toward liberalization and modernization of financial markets, to increase competition in the financial sector so as to reduce financial intermediation costs and give a greater role to interest rates in monetary control.

6. To foster job creation through the implementation of an innovative and active policy in the field of education and training and by promoting constructive discussions between social partners on work organization.

7. To resist protectionism.

[1]U.S. participants included Secretary of the Treasury James A. Baker, III, and Paul A. Volcker, chairman of the Board of Governors for the Federal Reserve System. ■

Nonrubber Footwear Industry

PRESIDENT'S STATEMENT, AUG. 28, 1985[1]

Today we increasingly find ourselves confronted with demands for protectionist measures against foreign competition, but protectionism is both ineffective and extremely expensive. In fact, protectionism often does more harm than good to those it is designed to help. It is a crippling cure, far more dangerous than any economic illness.

Thus, I am notifying the Congress today of my decision not to impose quotas on nonrubber footwear imports. As President, it is my responsibility to take into account not only the effect of quotas on the shoe industry but also their broader impact on the overall economy. After an extensive review, I have determined that placing quotas on shoe imports would be detrimental to the national economic interest.

While we support the principle of free trade, we must continue to insist of our trading partners that free trade also be fair trade. In that regard, I have instructed our Trade Representative to take action to initiate investigations under section 301 of the Trade Act of 1974, as amended, to root out any unfair trade practices that may be harming U.S. interests.

With respect to the footwear industry, the Council of Economic Advisers estimates that quotas on nonrubber shoe imports would cost the American consumer almost $3 billion. Low-income consumers would be particularly hard hit as shoe prices rose and less expensive imports were kept off the market. Instead of spending billions of consumers' dollars to create temporary jobs, I am directing the Secretary of Labor, through the Job Training and Partnership Act, to develop a plan to retrain unemployed workers in the shoe industry for real and lasting employment in other areas of the economy.

There is also no reason to believe that quotas would help the industry become more competitive. Between 1977 and 1981, U.S. footwear manufacturers

received protection from foreign imports, but emerged from that period even more vulnerable to international competition than before. In fact, while unprotected by quotas, the shoe industry has begun to show positive signs of adjustment. Producers have invested in state-of-the-art manufacturing equipment, modernizing their operations, and diversifying into profitable retail operations.

While bringing no lasting benefit to the shoe industry, quotas or other protectionist measures would do serious injury to the overall economy. The quotas proposed by the International Trade Commission could cost over $2 billion in compensatory claims under GATT [General Agreement on Tariffs and Trade] and could invite retaliation from our trading partners. The result would be an immediate and significant loss of American jobs and a dangerous step down the road to a trade war, a war we fought in 1930 with the infamous Smoot-Hawley tariffs and lost.

Our economy is truly interwoven with those of our trading partners. If we cut the threads that hold us together, we injure ourselves as well. If our trading partners cannot sell shoes in the United States, many will not then be able to buy U.S. exports. That would mean more American jobs lost.

Thus, we find that the true price of protectionism is very high indeed. In order to save a few temporary jobs, we will be throwing many other Americans out of work, costing consumers billions of dollars, further weakening the shoe industry, and seriously damaging relations with our trading partners.

The United States can set an example to other countries. We must live according to our principles and continue to promote our prosperity and the prosperity of our trading partners by ensuring that the world trading system remains open, free, and, above all, fair.

[1]Read to news correspondents assembled in the White House briefing room by U.S. Trade Representative Clayton Yeutter. President Reagan's memorandum to Ambassador Yeutter and message to the Congress of Aug. 28, 1985, are omitted here (text from Weekly Compilation of Presidential Documents of Sept. 2). ■

Energy Trade: Problems and Prospects

by E. Allan Wendt

Address before the Oxford Energy Seminar in Oxford, England, on September 5, 1985. Mr. Wendt is Deputy Assistant Secretary for Economic and Business Affairs.

I want to talk today about a business in which we all have a stake, a more than $300-billion enterprise that has tripled in constant dollars since 1973. I am not referring to the energy sector as a whole, which is many times larger. I am referring to a small but key part of the energy business: energy trade. Trade in oil, natural gas, coal, electricity, and uranium amounts to over 20% of total world trade. Every country in the world today imports or exports energy in one form or another, and the continued healthy growth of the world economy depends on our ability to maintain and expand energy trade.

Trade issues today are controversial. Increasingly, we are seeing efforts to protect national industries by one means or another. Such efforts are not new. I would like to recall Adam Smith's view, expressed more than 200 years ago. He said:

> Each nation has been made to look with an invidious eye upon the prosperity of all the nations with which it trades, and to consider their gain as its own loss. Commerce, which ought naturally to be, among nations, as among individuals, a bond of union and friendship, has become the most fertile source of discord and animosity.

My aim is to demonstrate how we can contribute to establishing that bond of union and friendship and avoid the discord and animosity that have all too often characterized energy trade.

I would like to begin by examining in some detail the growth and changing patterns of energy trade since 1973. I will then turn to future prospects and, in particular, how energy trade can grow and prosper if it is freed from the constraints currently imposed on it.

Growth and Changing Patterns in Energy Trade

The spectacular growth of energy trade is dominated, at first sight, by oil: oil trade increased from about $100 billion in 1973 to about $275 billion a decade later (in constant 1983 dollars). As a percentage of total world trade, crude oil and product trade has grown markedly—from about 10% to almost 20%. But this growth in dollar terms hides a reduction in volume terms. As a consequence of the oil price increases of 1973–74 and 1979–80, crude oil trade volume is down—from 30 million barrels per day (MMBD) in 1973 to 21 MMBD in 1983.

The pattern of oil trade has also shifted sharply in response to the price increases. OPEC [Organization of Petroleum Exporting Countries] oil exports, which in 1973 represented 92% of total world crude oil exports, by 1983 had declined to less than 70%, and the total volume was approximately halved. With the sharp rise in North Sea production, OECD [Organization for Economic Cooperation and Development] oil exports have more than doubled in volume, increasing from 3.7% (1.1 MMBD) of the total in 1973 to 12.5% (2.6 MMBD) in 1983. Non-OPEC, non-OECD oil exports (excluding Eastern Europe and the Soviet Union) have increased even more sharply, from 4% (1.2 MMBD) of global oil exports in 1973 to 18.7% (3.9 MMBD) in 1983.

Thus, the sources of oil exports have shifted dramatically from OPEC to non-OPEC oil producers. To put it more sharply, oil exports have shifted away from those who seek to control prices and production toward those willing to produce in response to market forces. OPEC's effort to maintain prices above long-term production costs has caused it to lose market share.

As spectacular as is the more than threefold growth in the value of the oil trade, the growth of the natural gas trade is even more striking. Natural gas trade in 1973 was worth about $3.5 billion (in 1983 dollars). By 1983, it had grown to around $30 billion. Volumes increased 75% between 1973 and 1983. The market share of natural gas as a fraction of energy trade has increased from about 3% in 1973 to about 10% in 1983. The producers who benefited most from the growth in natural gas trade were those in a position to supply the growing West European and Japanese markets: Norway, the Soviet Union, Algeria, and Indonesia.

Growth in two other energy sectors—coal and electricity—has been more moderate, and they comprise less than

10% of total energy trade. While coal trade increased considerably in constant dollars from 1973 to 1983, it has stagnated in recent years and has declined as a percentage of total energy trade. Electricity trade, which roughly doubled in constant dollar terms from 1973 to 1983, still represents only about 1% of total energy trade.

What are the constraints today on energy trade? Where is it being artificially restricted by government policies, and how might it develop if the constraints were removed?

OPEC Limitations on Oil Production

Certainly, the most significant of the constraints on energy trade today is the OPEC limitation on oil production. OPEC today is producing around 14 MMBD. As much as 10 MMBD of oil production capacity lies idle. No one can predict the price to which oil would fall if 10 MMBD were to be put on today's market, and I am not going to try. OPEC members will have to decide for themselves whether they would have been better off today with lower prices but closer to full production capacity. Clearly, the continued erosion of oil's market share poses a real threat to the medium-term interests of major producers. If oil prices had not jumped sharply in 1979–80 but had, instead, increased gradually at a rate of, let us say, 5% annually in real terms, a barrel today would still cost close to $25, and OPEC production would be, I think, much closer to full capacity than its present 14–15 MMBD.

I am not going to assume success, however, in converting OPEC to free market principles. To the contrary, I think there is every reason to believe that OPEC, though currently strained, will manage to muddle through, even if oil prices drift marginally lower. If the oil market tightens in the early to mid-1990s, which I think it prudent to expect, OPEC may have another opportunity to choose between a policy of administered price increases and a more patient and ultimately more stabilizing policy of allowing the market to determine prices.

Removing Trade Barriers

In the meantime, it is in the interest of oil-consuming countries to concentrate on removing barriers to energy trade among themselves and on achieving, thereby, a diversified and balanced energy mix. The principal forum for pursuit of this objective is the International Energy Agency (IEA), which maintains a constant effort to monitor barriers to energy trade and to seek their removal. Whether IEA members will be as vulnerable to oil supply disruptions in the 1990s as they were in the 1970s depends in large measure on what they do in the next 10 years. If the IEA countries establish flexible, resilient, and transparent energy markets, based on an open trading system, they will greatly reduce the potential for economic harm arising from supply disruptions and associated sharp price increases.

In discussing the removal of barriers to energy trade, I would like to take an American point of view and concentrate, first, on what is happening to make our own energy markets more flexible and resilient and, second, on what we regard as the principal barriers to increased energy trade with other OECD countries. Three bilateral relationships are of particular importance to us: those with Canada, Japan, and Western Europe. I would like to discuss each of these and then turn to a specific issue that faces us all: the issue of refined product imports.

Domestic Deregulation. Let me begin at home. The domestic energy market in the United States is a very large one. We use about 38 MMBD of oil equivalent—16 MMBD of oil, more than 9 MMBD oil equivalent of natural gas, almost 9 MMBD oil equivalent of coal, and about 5 MMBD oil equivalent of nuclear and renewable energy sources. The U.S. Administration would like to see these markets freed of artificial restrictions. President Reagan removed all controls on oil prices in 1981. As a result of gradual decontrol over the last several years, more than one-half of the natural gas in the United States is now sold at market prices. We would like to remove the remaining natural gas price controls as soon as possible, but even if the required legislative action is not taken, natural gas prices will eventually be decontrolled in any case, as older gas reserves are depleted. From an economic point of view, coal and uranium are virtually unregulated in the United States, and electric utilities are being freed of many of the economic restrictions imposed on them in the past by the Federal Government.

This movement toward deregulation has encouraged much more market-oriented behavior throughout the energy sector. Oil, natural gas, and coal are increasingly priced on a "spot" or, at least, market-sensitive basis. The market for oil futures has grown rapidly, and a natural gas futures market is about to open. The futures market allows participants to hedge their risks and, at the same time, contributes to market transparency by serving as an additional indicator of market conditions. Competition has heightened, and we are now confident that our energy system, on the whole, can respond freely to changes in supply and demand. Even in a supply disruption, we would avoid price controls and allocation and depend on market mechanisms to restrain demand and distribute oil.

We would not, however, depend exclusively on market responses in an energy crisis. Assuring energy security, in our view, can justify government measures. The United States maintains a Strategic Petroleum Reserve (SPR) of almost 500 million barrels. We would use it early in a supply disruption to cushion our economy from the effects of a sharp increase in prices. Although use of the SPR would unquestionably represent a government rather than market response, release of SPR oil would be by market mechanisms: the oil would be sold at auction to the highest bidder.

Trade With Canada. With the freeing of market forces inside the United States has come a change in our energy trade, especially with Canada. Canadian-U.S. energy trade, which today amounts to about $10 billion annually, provides a striking example of how market forces can bring mutual benefits. Canada today is by far our largest energy trading partner. It is our second largest foreign supplier of oil and oil products (900,000 b/d [barrels per day]) and our number one foreign supplier of natural gas (26.9 billion cubic meters per year) and electricity (39 billion kilowatt-hours per year). We, in turn, are Canada's largest supplier of coal (20 million tons per year), and we export small amounts of crude and oil products to Canada.

U.S.-Canadian trade is now prospering, but this was not the case at the beginning of the 1980s. Government intervention on both sides of the border was then stifling our bilateral trade in natural gas and petroleum. Canadian gas exports to the United States were based on a Canadian Government-administered, uniform border price, which ceased to be competitive as a gas delivery surplus developed in the United States. As a result, Canadian gas sales had plummeted from 90% of licensed volumes in 1977 to only 43% of

licensed levels in 1983. Following extensive bilateral discussions between the two governments over a 2-year period, the Canadian Government in the summer of 1984 implemented a new gas export pricing policy that allows U.S. buyers and their Canadian suppliers to negotiate directly the price at the border. The new market-oriented policy has led to a 25% drop in border prices (to an average of $3.26 per million Btu [British thermal units]), bringing great savings to American consumers. At the same time, Canadian gas exports to the United States this year are expected to increase by at least 30%, which means that the value of Canadian gas exports will increase, despite the price drop.

Similarly, we are taking steps to remove barriers to U.S.-Canadian energy trade in general. At the Quebec summit last March 17–18, President Reagan and Canadian Prime Minister Mulroney agreed to give market forces a major boost:

> . . . by reducing restrictions, particularly those on petroleum imports and exports, and by maintaining open access to each other's energy markets, including oil, natural gas, electricity and coal.

Prime Minister Mulroney fulfilled his commitment with respect to oil when he decontrolled exports to the United States on June 1. President Reagan reciprocated 2 weeks later by removing restrictions on the export of crude oil from the lower 48 states to Canada. Electricity trade, which is subject on both sides to extensive regulation, is expanding within limits imposed by the high costs of long-distance transmission. In the United States we hope to see Canada's uranium industry freed of current requirements to upgrade the ore to uranium hexafluoride before export. We also hope to see fulfilled the Canadian Government's pledge to remove restrictions on energy investment, including the so-called retroactive back-in, so that U.S. investment is encouraged, with beneficial consequences for trade between the two countries.

Trade With Japan. Our bilateral energy trading relationship with Japan, unfortunately, is not so thriving as our relationship with Canada. There are problems on both sides. On the U.S. side, a major issue is the restriction, which amounts almost to a prohibition, on oil exports. There are six different laws in the United States that, in one way or another, restrict oil exports. Because of Canada's proximity to the United States and the historical relationship between the two countries (including the longstanding export of oil from Canada to the United States), we have been able to allow exports of crude oil from the lower 48 states to Canada.

Although the United States is a large net importer of oil, the Reagan Administration would, in principle, like to remove the ban on export of Alaskan oil because there are substantial economic advantages—in particular, lower transportation costs—in doing so. Under free market conditions, some Alaskan oil would be likely to go to Japan, Korea, and other Pacific rim destinations. We have not yet reached the point of allowing such exports, largely because of domestic interests that fear such a step would weaken U.S. energy security and harm our maritime fleet. The Administration would like to allow, under existing legislation, export of small quantities of oil from the Cook Inlet area of Alaska. Although the limited amount of oil involved (less than 30,000 b/d) poses no significant risk to U.S. energy security or maritime interests, the proposal is controversial and has aroused some congressional opposition. It is still being discussed within the Administration.

On the Japanese side, we see the major problem arising from price controls in the energy sector. Japan allows refiners to charge higher than market prices for gasoline in order to subsidize fuel oil and kerosene. This price control system would appear to make it more difficult for natural gas and coal, which are the principal competitors to fuel oil in the electrical sector, to penetrate the Japanese market. We wonder whether the Japanese claim that it is uneconomical to convert more powerplants to coal and whether Japanese projections of limited growth in natural gas demand are due in part to artificially low fuel oil prices. Without price controls, the prospects for coal and natural gas demand in Japan might look brighter, and our bilateral energy trade, which already amounts to more than $1.5 billion per year, might expand significantly by the 1990s.

Trade With Western Europe. With Western Europe, our trade in oil and oil products faces minimal barriers on both sides and has grown substantially. Our exports of oil products to Western Europe have reached 205,000 b/d, and we import 620,000 b/d of crude and oil products from Western Europe. In sharp contrast, our coal trade with Western Europe has stagnated in recent years. There are several reasons: the strong dollar has made U.S. coal expensive relative to that of our Australian, South African, and Polish competitors; and the economic slowdown in Europe—combined with the growing availability of French nuclear power—has reduced demand for coal-generated electricity. European restrictions are also limiting the potential market. The United Kingdom and Germany subsidize locally produced coal so that it reaches the end user at prices equivalent to U.S. coal, despite significantly higher production costs in Europe. Although some steps have been taken in recent years to reduce these subsidies, the market for imports is still significantly smaller than it would be under free market conditions. We would like to see a real effort made in the next few years to put the West European coal market on a free market basis.

An Open Market Strategy for Refined Product Imports

So far, I have discussed our bilateral relationships with our major OECD energy trading partners. I would like now to discuss the matter of refined product imports. This issue concerns the OECD countries in general and will affect their relationship with oil-exporting countries for many years to come. It also challenges our capacity to act collectively to maintain open markets for the common good.

The problem of oil product imports arises because of the vast overcapacity in the refining industry that has developed since 1980 and the shift of some refining activity from consuming to producing countries. Much has been written and said about how the global refining industry reached the point where it has 8–10 MMBD of idle refining capacity and another 1 MMBD coming on-line in the next year or so. My own view is that it really does not matter how this situation came about. The question is, how do we respond? Do we seek to protect our respective refining industries by erecting barriers to trade, or do we move toward a more open system and allow market forces to find an economic solution?

I am pleased to say that the principal industrialized countries, through the instrument of the International Energy Agency, have taken the first step toward a market-based solution—one that will avoid the "invidious eye" that,

in Adam Smith's view, creates "discord and animosity." At a ministerial meeting on July 9 of this year, IEA member states agreed to a communique that calls for a "common approach whereby they would maintain or create conditions such that imported refined products could go to the markets of the different IEA countries and regions on the basis of supply and demand as determined by market forces without distortions."

How are we to interpret this statement? It does not call explicitly for free trade or open markets, but it does, in our view, define open market conditions. This definition is contained in the phrase "on the basis of supply and demand as determined by market forces without distortions." We have no objection if Japan and Western Europe maintain licensing and stockholding requirements—even though we do not—so long as those requirements are otherwise compatible with the GATT [General Agreement on Tariffs and Trade] and do not affect the volumes and prices of oil product imports that would otherwise prevail; nor will we object to the current tariff levels, especially if the revenues are used for energy security purposes.

We believe that implementation of the IEA "common approach" is the only reasonable basis for resolving the issue of refined product imports. If all IEA members—including Japan, Spain, and Greece—import oil products on the basis of supply and demand, the products coming from new refineries will be sufficiently dispersed to allow us all to make the necessary adjustments. Keeping those markets closed would only strengthen protectionist pressures elsewhere and lead to a wave of new restrictions that would leave all of us in the OECD worse off.

Such a protectionist wave would also damage the interests of oil-producing countries, especially those that have invested in downstream operations. In our view, the interests of both producers and consumers lie in the direction of open markets. We in the OECD are doing our part, and the IEA plans to monitor carefully the implementation of the ministerial agreement. At the same time, we expect oil producers to avoid subsidies to their refineries and to ensure that uneconomic operations are not artificially maintained. Some producing countries appear to be maintaining energy resource prices below market levels in order to benefit export-oriented refiners and petrochemical producers. This practice has given rise in the United States to calls for legislation to take account of so-called natural resource subsidies in countervailing duty procedures. It would be preferable for producers to eliminate such subsidies, where they exist, before legal or legislative actions are taken in the United States and, perhaps, elsewhere.

The Developing World's Future Role in Energy Trade

Finally, I would like to turn to the world outside OPEC and the OECD. What is its future role in energy trade? Here I am thinking primarily of the non-OPEC developing countries. Despite the strong growth in oil production in non-OPEC developing countries during the past decade, there is still potential for increased oil and natural gas production and exports. Egypt, Mexico, Oman, Angola, Malaysia, and other nonmembers of OPEC have expanded their oil production. In today's market, the question is whether they can capture the slow growth in demand—perhaps 1% per year—that can be expected between now and the year 2000 and, perhaps, also compete for OPEC's declining market share. A similar problem faces gas producers: are they willing to compete aggressively? Algeria has yet to develop into the major gas supplier its potential would indicate. A more market-oriented approach to gas sales might enable Algeria and other gas suppliers to slow Soviet penetration of the West European market.

Of particular importance to future oil and gas production in developing countries is their attitude toward foreign investment, which can be viewed either as a threat or as an opportunity. I would suggest that the threat is minimal and the opportunity is great. Brazil, which has been expanding production very rapidly, has been doing so essentially without foreign equity participation. Despite Petrobas' [Brazilian State petroleum company] remarkable and highly laudable effort, it would take a long time, at the current rate of activity, to explore all of Brazil thoroughly. Is it not wiser to speed up the process and to spread the risk? Brazil by 1990 will be almost energy independent if current plans are fulfilled. Could it not become an oil exporter, as well, by encouraging foreign investment in its hydrocarbon sector?

If developing countries do take a more market-oriented point of view and if they accept foreign investment, the developed countries will have to redouble their efforts against protectionism. The "invidious eye" will be all too ready to see national interests threatened and to ask for protective quotas or tariffs. A coal mine in Colombia—one with a potential capacity in the year 2000 of less than 5% of U.S. coal production—has already led to serious coal tariff proposals in the United States. So far, we have been successful in fending off these proposals. In the past year, we have also seen proposals for an oil tariff, for oil product quotas, for restrictions on natural gas imports, and for relief for our domestic uranium industry. It is the Administration's policy to resist proposals of this sort and to try to keep our energy markets open to fair competition.

Our job will be much easier if we can point to a broad consensus in favor of open markets, free trade, and equitable treatment for foreign investors. It is unrealistic to expect our markets to remain open if others are closed or if others subsidize their products or restrict foreign investment. We would like to see the kind of commitment we have undertaken with Canada—to reduce restrictions and maintain open access to energy markets and energy investment—spread to other countries, both developed and developing, and become a world standard for energy commerce. If we succeed, energy trade will become "a bond of union and friendship" that contributes to the prosperity and security of all our countries. ■

President Meets With Soviet Foreign Minister

(White House photo by Bill Fitz-Patrick)

Following is the news briefing by Secretary Shultz which he held at the conclusion of a meeting between President Reagan and Soviet Foreign Minister Eduard Shevardnadze at the White House on September 27, 1985.[1]

The President held a lengthy meeting—2 hours or so—with Foreign Minister Shevardnadze today and then had him for lunch in the White House.

Q. Can you tell us if there was a new proposal or if Mr. Shevardnadze said he would soon offer a new proposal on arms reduction?

A. The sequence of the meeting was that, first, the President presented a comprehensive view of his thoughts about the upcoming meeting in Geneva, and then Mr. Shevardnadze gave the President a lengthy letter from General Secretary Gorbachev. The letter was in Russian, and it was rather lengthy, so, obviously, it wasn't read. But Mr. Shevardnadze talked about it and described it as giving Mr. Gorbachev's views about the upcoming Geneva meeting, including some material in the field of arms control, which is, obviously, an important part of all of this.

The counterproposal that they have to what we have on the table in Geneva will, we understand, be presented in 2 days of plenary session in Geneva next week, although the general outlines were described to us.

There were many other matters discussed and referred to in terms of our bilateral relations and in regional matters. So that was, in general, the nature of the meeting.

Q. What was our reaction, and can you tell us what generally was in their proposal?

A. I think the right thing to happen now is for their counterproposal to be placed on the table in Geneva and for it to be discussed there in the privacy of that negotiating forum. If we're going to really make progress in these negotiations, they ought to be conducted there and by the negotiators. I'm not going to characterize the general sense that was presented to us beyond simply saying that there were some materials presented.

Q. Does that satisfy what we were told yesterday, that the President was hoping that there would be a new proposal? In other words, does it constitute a full proposal, in your judgment, or just a bit here and a piece there?

A. The President welcomed what was put before him, as he did some of the other things that were said. The fullness of the proposal, of course, we'll have to judge when we see it in Geneva. Anything that is genuinely serious in this field is complicated, and they have asked for 2 days of plenary session to do it, so we'll have to see what's there—our negotiators will.

Q. Sometimes in the past when the Soviets have made proposals, they have been discounted very quickly by this country as propaganda, as not serious. Would it be fair to say, then, that you regard this proposal as serious?

A. It is something that comes forward; it's different from what they have been saying, and we look for it to be put on the table in Geneva, and combined with what we have on the table, we hope that can lead to a process of genuine negotiation. So we welcome that.

Q. You take it seriously?

A. We welcome the fact that something has been brought forward, or will be in Geneva, to lay alongside what we have put there and which, with those two together, can be a basis of negotiation.

Q. Have you discussed the possibility of follow-up talks after your talks this afternoon, either with Mr. Shevardnadze in Moscow or in Geneva or here?

A. We haven't had any particular discussion of that. We have a schedule so far, but when I talked with Mr. Shevardnadze in New York, we had a fairly lengthy private conversation as well as the general one. I think both of us see a responsibility to help develop the preparatory work for this meeting in Geneva, and we're going to try to get organized to see that that's done properly. It doesn't necessarily have to be done by the two Foreign Ministers; but, at any rate, we're certainly addressing that.

Q. In the interest of just public understanding, since the Soviets have been leaking a lot of details all week and there's been a lot of reporting about 40% reduction and 60% in land-based, and for the first time really being specific about chargers—meaning warheads—were those reports misleading, or were those along the lines of Soviet thinking? Can you give us some help on that, since so much of it's been out in the public fora?

A. The President is very serious about arms control and very serious about wanting to see the upcoming meeting in Geneva be a constructive and positive one. We believe that the chances of getting somewhere in arms control are maximized, if we don't have a lot of public things to say about it,

and let the negotiators handle it in Geneva. So I'm not going to—

Q. Except that the other side is being public. That's why I'm asking you if you can be.

A. We are being serious.

Q. Are they not being serious?

A. We'll see.

Q. Could you tell us if there is an agreement not to publicize this proposal until it's been discussed privately, or is it likely that the Soviets themselves will put it out as part of this public relations campaign leading up to the summit?

A. I am not going to try to speak for them. Our approach to this is the approach that, in our estimate, is most likely to lead to results, that approach is to have serious, well-informed people, as they do, in Geneva and to focus the attention of them on our proposal and their counterproposal and see if we can get somewhere with it and that's the way I'm going to leave it.

Q. Were you generally pleased with what you heard and saw from the Soviets today, or was this—what they put before us—in any way a surprise to you?

A. It's part of an ongoing and perhaps more stepped-up process now of discussions between us. The President had an opportunity to say to Mr. Gorbachev through his Foreign Minister how he views our relationship and the prospects for it and the prospects for that meeting. And so that's an important result as far as we're concerned. And he heard, so to speak, from Mr. Gorbachev through a very authoritative source.

That is what happened today, and I met with Mr. Shevardnadze in New York, as you know, and in Helsinki, and I'll meet with him again this afternoon. We have an ongoing process here designed to make the meeting in November as productive as possible. How productive it will be remains to be seen.

Q. He said that the President—there were statements by Mr. Shevardnadze that the President welcomed other than those on arms control. Can you describe any of them?

A. The general structure of the meeting I think we both agree on. We will have discussions of security issues, of which there are a number, other than the Geneva nuclear and space arms talks. We'll have discussions of regional problems. We'll have discussions of bilateral matters, and you can be certain that the President, as he did today, will always bring up the subject of human rights and express the importance which we attach to it.

That is in general the outline of these discussions, and we will be trying to fill in there in our more detailed discussions.

Q. You mentioned something about discussion of the new Soviet leadership which is new on style but not very new on policy. With this new counterproposal, do you get the feeling that there is new policy emerging from this leadership?

A. The counterproposal is different from the position that they have been taking. And, so, we welcome that.

Obviously the people who decided it are the new leadership. Whether the old leadership would have made the same decision or not, I don't know. There's no way to tell. I do think that the situation, as a situation, should call forth efforts on both sides to try to get firmer control over nuclear arsenals and get them down to more manageable shape—and as the President has emphasized and as the Soviets have said—eventually to get them down to zero, eliminate them.

Q. Would you call this counterproposal a dramatic departure?

A. I'm not going to characterize it, other than to say it's a change in their position. And we welcome that. And it will be put on the table in Geneva in much more full form than it's possible to do in a meeting such as we had. And we'll have to evaluate it when we see its full detail.

Q. Could you at least clarify if the way the proposal is different concerns their attitudes about SDI [Strategic Defense Initiative]?

A. I don't want to go into detail about it. I can say that the President is the same in private as he is in public. That is, he insists on the importance of finding out whether, through the needed research and testing, it is possible to defend against ballistic missiles. And we are doing so in a manner that is perfectly consistent with the ABM [Antiballistic Missile] Treaty. The President has said that publicly, as you know. And I can tell you that he says that privately as well.

Q. Could you just explain if the Soviets have changed their position?

A. I don't want to describe the Soviet position or get started conducting a negotiation, so to speak, in public. I think the place to do it is in Geneva.

Q. You said that Mr. Gorbachev, through his Foreign Minister, had a chance to express the prospects and how he views the prospects. Are those prospects coincident with the views of this Administration, or do you see someplace where there is an obstacle or a hurdle?

A. In terms of words, I think both say that we recognize the great difference between the systems, as represented by the Soviet Union and the United States. We're very different economies, different societies, different political systems, and so on.

But it is important, if we can do so, to work out a way in which we have a more stable relationship between us. The President says that and, through his Foreign Minister, Mr. Gorbachev said that here today.

I can't really characterize the letter. I probably shouldn't anyway, because we haven't got it translated and read yet.

Q. A senior Administration official, in this room yesterday, said that even if the Soviets were to bring a fresh proposal today, it was unrealistic to expect that it might be acted on and resolved before the meeting. Have you heard at least a general outline of this fresh proposal? And do you share that assessment?

A. The subject is complicated, and the amount of time between now and the middle of November is not very large. Nevertheless, as far as the United States is concerned, we are there in Geneva, our negotiators are very well prepared, and we're ready to work at this and achieve as much as can possibly be achieved, although we don't believe in getting put in the position where, because of the deadline of a meeting, we are tempted to agree to something that we might think is unwise. We'll push the negotiations as hard as we can, get as far as we can, and we'll just have to wait and see. But certainly we want to see the November meeting be as productive a one as possible.

Q. Along with this difference in the substance of their proposal, was there also a difference in mood, in atmosphere, that they brought to this meeting?

A. The discussions were very straightforward discussions, and I think that what problems we have are not problems of inability to communicate.

Mr. Shevardnadze is a very easy person to talk to. In terms of atmosphere there are no special problems.

Q. Is there an agreement now, pretty much, on what the agenda at the meeting will be?

A. I think broadly as I outlined it. And, of course, we'll have to work in more details. I think also, as I think we have said and as I think they also have said, in addition to discussing current things and whatever may be accomplished to ratify there, we also want to focus on the future and try to set out an agenda for the future. That, in a general way, is the overall shape of it.

Q. Does the general agreement on the agenda extend to the Soviets agreeing that human rights should be discussed, and could you characterize in more detail today's discussion on human rights?

A. I think it's better not to get into detail on the subject, but I would only say to you that it is a subject that the President and all of us feel very strongly about and so it will be discussed by us.

Q. Was there a substantive discussion of bilateral and regional issues today and could you discuss that for us?

A. It was impossible to get into any particular detail on any of those matters, except to take note of them, of their importance, the role they play in this meeting. Of course, in the bilateral area there are some readily identifiable matters that you're familiar with, where we are working, and I think there is—should be—an ability to come to some conclusion. You never know until you've got it, but certainly the ingredients are there to do so.

Q. Without going into detail on the Soviet counterproposal, could you at least tell us whether it encompasses both offensive and defensive weapons?

A. I'm not going to characterize it at all. I'm just going to leave it in the posture that I left it.

Q. Could you tell us if the President said anything about the United States continuing to abide by the terms of the ABM Treaty, and whether that was a subject raised by the Soviets?

A. We discussed the ABM Treaty and various aspects of it. The President has said many times that the program that we're conducting is, in our view, consistent with the ABM Treaty.

Q. Who raised the matter?

A. I can't say for sure just who raised the matter, but it was discussed. Whether it came up in terms of the ABM Treaty or the Krasnyarsk radar, or just how—but anyway, we discussed it for a little bit.

Q. Is it your understanding that as a result of this meeting, the arms control discussions have moved out of the public realm and into a more serious realm at this point? Do you expect the public discussions of the various proposals in the propaganda battle that's been going on to be over now?

A. I believe that the chances of success in negotiations are maximized by having them take place privately in Geneva. Whether that is what will happen remains to be seen. That's the way we're going about it. We have basically said publicly the broad nature of what we have on the table, but we are prepared for those discussions in Geneva, and we think that's the place to hold them. If we wind up with public discussion and negotiation through press statements and so forth, I think it's not as likely to be productive. I'm on instructions from the President of not doing so.

Q. Was there any exploration today of Mr. Shevardnadze's comment in his UN speech that under certain conditions they might accept international as well as national means of verification?

A. We discussed the subject of verification and its importance and agreed on the importance of that subject and the need to address it. The President welcomed that.

Q. Do you see any shift in the Soviet position, in Mr. Shevardnadze's comments?

A. You'd have to get into much more detail than we did today to see the extent to which particular kinds of verification might be possible, including more intrusive kinds. Those are the ones that are ticklish.

Q. Did you discuss SALT II?

A. What the President has said consistently is that the research program that we have underway is concistent with the terms of the ABM Treaty. We're not contemplating an amendment to it.

Q. Did Mr. Shevardnadze indicate any new flexibility on their part on what they would accept as research?

A. I'm not going to discuss the possible negotiating elements in the nuclear and space arms talks. Whatever nuances there may be, it's up to the negotiators to talk about.

Q. But since you've said over and over again that we think it important not to publicly negotiate this issue and that whole idea's been expressed many times in statements from here in the last few weeks, did the President raise this as an objection in the meeting or voice the same sort of expressions of disappointment that have been voiced by spokesmen here about public Soviet proposals as opposed to presenting them in Geneva?

A. I think he used the word TASS once or twice and there was discussion of that.

Q. When you said there was a discussion about things, are you suggesting that things didn't follow along a very carefully scripted format? In other words, there just wasn't reading back and forth, but real deal dialogue.

A. What we had was a presentation by the President; it was a comprehensive presentation—a presentation by Mr. Shevardnadze that followed his presentation of the letter and which was, in a sense I suppose, a description of the letter. I can't say that because I haven't read it yet, but that is the general idea. Then there followed a conversation for quite a while, I suppose about half of the time in the Oval Office, and the conversation went from one subject to another as the two principles wished. Others in the meeting interjected now and then. What we had was a general sort of discussion of various topics and in a mode where people said something and you said something back. In other words, people weren't just making random declaratory sentences. In that sense it was an exchange and that's good.

Q. Did they discuss SALT II and possible extension of SALT II?

A. No.

Q. Were those two presentations read and did the two men at the end of the session spend time alone without the rest of you with just the translators?

A. Each person had some notes or cards and talked—in other words, had thought through beforehand what each was going to say, but talked in a conversational way. They weren't just reading things. As far as the format is concerned, the President did spend

some private time after the general meeting concluded with Mr. Shevardnadze alone with the interpreters and then came over—

Q. How much time?

A. I think 10 or 15 minutes, something like that.

Q. Can you give us any general characterization of what they discussed during that time?

A. No, I can't.

Q. The same things the President discussed with Mr. Gromyko—the same general area of the personal view of world peace and what needed to be done?

A. I don't have any characterization of it.

Q. The United States seems to be preoccupied with the prospect of new mobile missiles in the Soviet Union almost as much as they are with the prospect of SDI. Did the President raise that concern, and what did you say about it?

A. We are concerned, of course, about the implications for strategic stability of the increased accuracy with MIRVed [multiple independently-targetable reentry vehicles] missiles that are mobile and, in fact, that set of developments is one of the motive powers for seeking a defense against ballistic missiles. That is part of the presentation that we've made to the Soviet Union quite a number of times.

Q. Was there a suggestion in those remarks that if they move or agree to move more slowly on that or to make changes in their program so that the United States would find a defensive program less urgent?

A. I'm not going to discuss the question of proposals and counterproposals and what might be said. I think that kind of thing is for the people in Geneva to talk about. But the President has, as I said before, said in public and in private that he feels it is absolutely necessary to find out whether or not it is possible to defend against ballistic missiles and the program of research and testing that we contemplate, we believe, is consistent with the ABM Treaty.

Q. You have said, the President said, that the program that he has fits under the ABM Treaty. The Soviets have said it doesn't. Is there any narrowing of the gap in terms of our interpretations of what's legal under the treaty from your talks on Wednesday and from the talks today?

A. No, this is the sort of thing that, it seems to me, deserves intensive discussion in Geneva.

Q. You said no, that there hasn't been any narrowing?

A. The subject has been discussed, and there was no resolution to it, obviously.

Q. Do you expect the defection of the KGB agent to have any impact on U.S.-Soviet relations?

A. I have no comment on that subject.

[1]Press release 232 of Oct. 1. ■

Visit of Danish Prime Minister

(White House photo by Mary Anne Fackelman)

Prime Minister Poul Schluter of the Kingdom of Denmark made an official visit to Washington, D.C., September 9–11, 1985, to meet with President Reagan and other government officials.

Following are remarks made by President Reagan and Prime Minister Schluter at the arrival ceremony on September 10.[1]

President Reagan

Prime Minister Schluter, Mrs. Schluter, today it's a great pleasure to welcome you.

Denmark is an old friend and an ally, in NATO and an active trading partner; ties between our two countries run long and deep. Denmark recognized the United States as a free and independent nation shortly after our Declaration of Independence. Ever since that act of friendship, relations between the Danish and American people have continued to grow to our mutual benefit. Commerce between our two countries, for example, has been a boon on both sides of the Atlantic, underscoring the need for free and open international trade.

I look forward to discussing with you the need to strengthen and broaden the international trading system, perhaps through a new round of comprehensive trade negotiations. At a time when our countries are enjoying improving economic conditions, protectionism looms as a threat. Working together, we can see to it that our international markets stay open and that this avenue to progress and well-being is not blocked.

In the past century, many Danes immigrated here to look for the American dream. With their hard work and good citizenship, they not only made that dream real, they helped build a great nation as well. So many Danes came here around the turn of the century, in fact, it's said that every Dane in Denmark has a relative in America. Whether that's true or not, clearly we are of the same family of free peoples. We're bound together by our common dedication to the principles of human liberty and our mutual commitment to the preservation of peace. Our countries have both recognized that the blessings of peace can only be secured by free peoples who are strong and stand together. This fundamental truth is at the heart of the NATO alliance in which Denmark has played an active role for nearly four decades. The collective deterrence of NATO has given Denmark and all of Europe 40 years of peace. We in the United States are proud to have played a role in preserving European peace and are grateful that Denmark has committed its moral weight and made a military contribution to the success of the Western alliance.

As we face new and complex challenges to our mutual security, it is ever more important that we reaffirm the trust and friendship which has served us so well. By strengthening our common defense and standing united in our efforts to achieve effective and verifiable arms reductions, we can make ours a safer planet. We can, must, and will have not just four decades of peace but a century of peace—a more stable peace which is what we want most next

to the preservation of our own freedom. And independence will not be secured by wishful thinking or public relations campaigns; free people must be mature, vigilant, and stand in solidarity.

We have already reached out in the cause of a safer world on numerous occasions, and we will continue to do so. We have offered to reduce the number of intermediate-range missiles in Europe to zero. We have offered major reductions in strategic and intermediate weapons as well as a lowering of the level of conventional forces. We look forward to the coming meeting in Geneva, not for an end of all that has been wrong between East and West but a beginning point for better relations, a starting point for progress.

I'm certain you agree with me that democratic governments are naturally inclined toward peace. Freedom brings people of diverse backgrounds together as friends. I hope that during the time you spend in the United States you'll feel, through our welcome to you, the warmth and friendship that Americans share for the Danish people.

Perhaps something that best exemplifies this is the unique Fourth of July celebration that takes place every year in Denmark. In the hills of Rebild, thousands of Danes and Americans celebrate together the birth of the United States and the values we share. The American and Danish flags fly together in honor of democracy and freedom.

We had the wonderful pleasure—Nancy and I—of sharing that day in Denmark in 1972 when we personally participated in the Rebild Fourth of July festivities. And the warmth and friendship we felt that day reflected something between our two peoples that is very special, and we shall never forget it.

It's an honor for me at this time to return to you the good will and hospitality that was extended to us then. On behalf of all of our citizens, welcome to America.

Prime Minister Schluter

I wish to thank you for your very kind words of welcome.

Relations between Denmark and the United States of America have always been close and friendly. When Denmark, as early as in 1801, established diplomatic relations with the United States, we were among the very first countries to do so. Over the years, the dynamic creativity of the new nation tempted, as you mentioned, thousands of Danes looking for challenges and opportunities. The contribution by Danish immigrants to the building of America has been one of the pillars of Danish-American relations.

The American engagement in Europe in two World Wars and American support for European recovery after World War II have become basic elements in our relationship in the second half of the 20th century. The presence of American troops in Europe is visible proof of the U.S. commitment to the Atlantic alliance, which, for almost four decades now, has protected its members against war and secured their freedom. The solidarity of the Atlantic alliance has also provided the necessary background for our endeavors to seek a more secure and confident relationship between East and West.

We wish that the upcoming meeting in November with General Secretary Gorbachev will lead to the beginning of a more constructive East-West relationship, benefiting the United States, the Soviet Union, the alliance, and the world.

We all have, as you also expressed, one major goal in common—survival. As free societies, we have always been able to discuss openly; a free and open debate serves mutual understanding and unity in cooperation.

You have not only been a strong supporter of NATO; I would also like to pay tribute to your support of our economy. Protectionism is indeed, as you have said, destructionism.

I'm looking very much forward to our talks today and to meet members of the American Administration.

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[1]Held at the South Portico of the White House, where the Prime Minister was accorded a formal welcome with full military honors (text from Weekly Compilation of Presidential Documents of Sept. 16, 1985). ■

23d Report on Cyprus

MESSAGE TO THE CONGRESS, SEPT. 3, 1985[1]

In accordance with Public Law 95-384, I am submitting herewith a bimonthly report on progress toward a negotiated settlement of the Cyprus question.

Since my previous report, United Nations Secretary General Perez de Cuellar has continued his efforts, begun last fall, to obtain the two Cypriot communities' acceptance of an agreement containing the elements of a comprehensive Cyprus settlement. He endeavored to overcome the difficulties that had arisen during the January 1985 summit meeting by incorporating components of the documentation into the consolidated draft agreement. His expressed intention was to bring greater clarity to its various elements and to devise procedural arrangements for follow-up action, while preserving the substance of the documentation. The Secretary General reported to the Security Council in June, a copy of which is attached, that the Greek Cypriot side had replied affirmatively to his revised documentation and that he was awaiting the Turkish Cypriot response to his efforts. The Secretary General added that, "provided both sides manifest the necessary goodwill and co-operation, an agreement can be reached without further delay."

The Turkish Cypriots postponed replying to the Secretary General while they proceeded with a constitutional referendum on May 5, a presidential election on June 9, and parliamentary elections on June 23. The Turkish Cypriots stated that the referendum and elections would not preclude their participation in a federal Cypriot state. We have repeatedly registered with both communities our conviction that actions which might impede the Secretary General's efforts to negotiate an agreement should be avoided and have reiterated our policy of not recognizing a separate Turkish Cypriot "state."

Since my last report to you, American officials in Cyprus have met regularly with leaders of both Cypriot communities. Department of State Special Cyprus Coordinator Richard Haass visited Cyprus, Greece, and Turkey in July. He discussed the Cyprus issue with the two Cypriot parties and the Governments of Greece and Turkey and expressed our support for the Secretary General's initiative. We continue to urge flexibility by all parties and are encouraged that they continue to support a negotiated settlement under the Secretary General's good offices mandate.

Sincerely,

RONALD REAGAN

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[1]Identical letters addressed to Thomas P. O'Neill, Jr., Speaker of the House of Representatives, and Richard G. Lugar, Chairman of the Senate Foreign Relations Committee (text from Weekly Compilation of Presidential Documents of Sept. 9, 1985). ■

Human Rights and U.S.-Soviet Relations

by Michael H. Armacost

Address before the International Council of the World Conference on Soviet Jewry on September 9, 1985. Ambassador Armacost is Under Secretary for Political Affairs.

It is a great honor to be your speaker this evening. I bring you greetings from the Secretary of State who, along with all Americans, shares your deep concern about the plight of Soviet Jewry. I should like to address my remarks this evening to the human rights situation in the Soviet Union and the impact this has on U.S.-Soviet relations.

The State of U.S.-Soviet Relations

First, a comment about the state of U.S.-Soviet relations. The world is awash with commentary on the subject as preparations intensify for the November meeting between President Reagan and General Secretary Gorbachev. The question leaders on both sides must address is whether the basis for a more durable U.S.-Soviet rapprochement can be established. A distinguished Harvard historian, Adam Ulam, has recently commented that: "What concretely upsets . . . Americans about the U.S.S.R. is what the Kremlin *does*, and what must be a continuing source of apprehension to the latter springs from what America *is*."

American hopes for detente in the 1970s foundered on Soviet efforts to achieve geopolitical advantage in Indochina, Angola, Ethiopia, and Afghanistan; to back anti-American forces in Central America and the Caribbean; to quash attempts at liberalization in Poland; and to build military forces beyond any reasonable need for defense.

If there is to be real improvement in the relationship, these underlying difficulties must be addressed. For our part, we are determined to make such an effort. The task is great.

- A basis must be found for resolving through political means such regional issues as Afghanistan. It is not, after all, weapons themselves that cause wars but political actions.
- In coping with problems of arms competition, propagandistic offers of moratoria are not the answer. The test is whether we can achieve major, stabilizing reductions in offensive nuclear arms now, while examining whether in the future deterrence can rely more heavily on defense than on threats of mutual annihilation.
- In our bilateral relations the range of mutually beneficial contacts and exchanges must be expanded.

Moreover, there is the burden on our relations imposed by the way Soviet authorities treat their own people. We raise human rights questions with our Soviet counterparts not to score debating points, nor to achieve political advantage, but because of the kind of people we are. Freedom is fundamental in our society. Americans have always attempted to hold the torch of freedom alive not merely for themselves but for others around the world. It is to this subject that I would like to turn.

Deterioration of the Human Rights Situation

In recent years the Soviet human rights situation has deteriorated sharply. In 1980, Andrey Sakharov was exiled from Moscow and placed under house arrest, Jewish emigration was cut in half, and the KGB began moving even more freely against dissident activists.

The KGB, under Chairman Yuri Andropov, refined existing techniques of repression and developed more sophisticated but no less harsh measures.

- Many prominent dissidents were allowed or forced to emigrate.
- Others were arrested on criminal charges or confined in psychiatric hospitals.
- Induction of would-be Jewish emigrants into the military enabled authorities cynically to claim reasons of "state security" to deny them permission to leave the U.S.S.R.
- The criminal code was revised to make repression of dissidents less cumbersome and more brazen.
- Intimidation of Western journalists was stepped up to stop their reporting about dissidents.

Why was the repression intensified? Internal and external causes seem to have been at play. At home, Moscow faced serious problems—an inefficient economy, social malaise, troubles in the empire from Poland to Afghanistan, and, until recently, immobility in the leadership. Abroad, the Soviet regime faced more steadfast resistance by the West and in the Third World following its invasion of Afghanistan and crackdown in Poland.

One way Soviet authorities reacted to these problems was to intensify control and repression at home and cut back contacts between their citizens and the outside world. Arrests of dissidents increased. All forms of emigration were reduced dramatically. Jewish emigration—which peaked in 1979 at over 51,000—had fallen by last year to below 900. A similar fate befell Germans and Armenians living in the U.S.S.R.

Soviet leaders sanctioned renewed manifestations of anti-Semitism. In cutting off the safety valve of Jewish emigration, Soviet authorities may have brought upon themselves a new upsurge of religious and national consciousness in one of the U.S.S.R.'s most assimilated minority communities.

They embarked on a campaign of arresting and convicting teachers of the Hebrew language and others in the forefront of this new awareness and identity. Since July 1984 at least 16 Jewish cultural activists, including 9 Hebrew teachers, have been arrested. Thirteen have been convicted, several on crudely trumped-up criminal charges. Soviet authorities have planted drugs in the apartments of two of them, a pistol and ammunition in the apartment of a third. Yet another was convicted for stealing books he had borrowed from a synagogue library. Three were beaten following their arrests; one, Iosif Berenshtein, was virtually blinded.

Many Jews have also been fired from their jobs or had their apartments searched, phones disconnected, or mail seized. Soviet newspapers and television have branded Hebrew teachers and other Jewish cultural activists as "Zionist" subversives. Zionism has been equated with nazism. World War II Jewish leaders have been accused of helping the Nazis round up Jews for the death camps.

A notorious episode in this campaign was the recent stage-managed television recantation of convicted Moscow Hebrew teacher Dan Shapiro. Shapiro was given a suspended sentence after agreeing to condemn publicly the movement with which he had become so closely associated. Reportedly, he did so after threats to charge him with treason and sentence him to death. The choice that Dan Shapiro faced was an extreme form of the dilemma facing Soviet Jews today. How does one survive in an environment in which the authorities are not constrained by the rule of law?

Unofficial religious activity is currently the most vigorous form of dissent in the U.S.S.R., but it has been hit hard across the board. In addition to Jews, the Ukrainian Uniates, Lithuanian Roman Catholics, and unregistered Baptists and Pentecostalists have come in for severe repression.

Nor has there been progress on the cases of major human rights figures such as Andrey Sakharov and his wife, Yelena Bonner, Anatoliy Shcharanskiy, and Yuriy Orlov. Dr. Sakharov, in forced and isolated exile in the closed city of Gorkiy, was apparently abducted from his apartment last spring after beginning another hunger strike, this time to resurface in a cynical yet sadly poignant KGB film showing him eating in a hospital bedroom. What his true condition is today we cannot say. Just last week Vasyl Stus, a leading member of the Ukrainian Helsinki Monitoring Group, died tragically in a Soviet labor camp.

We look for signs of progress on human rights, but the evidence is not encouraging. Monthly emigration figures this year have been up slightly one month and down the next—to be sure, all at a very low level. Whether these fluctuations represent anomalies or a deliberate tease is unclear.

In a slightly more positive vein, one of our long-time dual national cases was resolved this spring, and three long-standing cases involving the spouses of American citizens have also been resolved. While we welcome these gestures—however calculated or isolated—many more cases remain unresolved. Meanwhile, the arrest of Hebrew teachers, religious believers, and human rights activists persists.

Impact on Bilateral Relations

Why do we attach such importance to Soviet human rights performance? First, human rights abuses have major impact on American perceptions of the Soviet Union. When Americans hear that Soviet authorities have abducted an Andrey Sakharov from his home, planted drugs on Hebrew teachers, or treated their own citizens as captives in their own country, they wonder about the possibilities for constructive relations between our two governments. In this way, Soviet human rights abuses influence U.S. public opinion and circumscribe the flexibility of any U.S. administration to deal with the Soviet Union on a pragmatic basis.

Soviet leaders allege that expressions of our concern amount to interference in their internal affairs. They claim that human rights issues are not legitimate topics for dialogue between governments. Yet, the Soviet Union assumed solemn international obligations, such as the 1975 Helsinki Final Act, to respect specific human rights of their citizens. Violations of these obligations cannot but affect perceptions of Soviet willingness to abide by other accords and erode political confidence needed to make progress on a variety of issues.

At meetings of the Conference on Security and Cooperation in Europe (CSCE), such as the recent one in Ottawa of human rights experts, we have pressed vigorously for Soviet compliance with the human rights provisions of the Final Act. We hope progress can be made soon in the Stockholm conference. A unique aspect of the Final Act is its recognition that respect for human rights is essential to development of security and cooperation in Europe. In pursuit of this commitment to balanced progress in the CSCE process, we are sending a distinguished delegation, led by former Deputy Secretary of State Walter Stoessel, to the Budapest Cultural Forum this autumn. There, and at the Human Contacts Experts Meeting in Bern, we will continue to press our concerns.

While we have not hesitated to speak out in international meetings, we have also consistently raised our concerns in confidential channels. We have made human rights a prominent part of our dialogue with Soviet leaders. We have detailed our specific concerns, including those about Soviet Jewry, and made clear their importance to the U.S.-Soviet relationship. We tell Soviet leaders that our relations cannot be put on a long-term, constructive basis without significant gains in this area.

On some occasions, we have presented the Soviets with representation lists of persons denied permission to leave the Soviet Union. One list names about 20 U.S.-Soviet dual nationals, another about 20 Soviet spouses of U.S. citizens, and still another over 100 Soviet families denied permission to join their loved ones in the United States. Many individuals on these lists are Soviet Jews. We also regularly present a list of over 3,400 Soviet Jewish families who have been refused permission to emigrate to Isarel.

U.S. Repeats Call for Sakharovs Release

DEPARTMENT STATEMENT, SEPT. 11, 1985[1]

We continue to be greatly disturbed about reports reaching the West concerning the health and whereabouts of the distinguished Soviet scientist and Nobel Peace Prize winner, Dr. Andrey Sakharov, and his wife, Yelenna Bonner. For well over a year, the Soviets have kept them in Gorkiy, isolated from direct contact with their family or independent Western observers. Our Embassy in Moscow is making a high priority effort to try to locate the Sakharovs, but information about their current situation is difficult to verify. The Soviets have turned a deaf ear to the outpouring of international concern and outrage about their treatment.

We remain profoundly concerned about their health and welfare, and we will continue to do everything we can to try to help these courageous people. We have raised the issue of the Sakharovs in our high level meetings with Soviets; we will continue to do so until there has been a satisfactory resolution of this case. In fact we have done so again in the past few days. We have specifically urged them to permit family members to visit them.

The Soviets are fully aware of our views on this issue. We have told them repeatedly that human rights is inseparable from other areas of the relationship.

We again call on the Soviet leadership to end the isolation of Dr. Sakharov and his wife and to permit family members and independent observers to meet with them. As President Reagan stated on May 15, "Let all who cherish Dr. Sakharov's noble values, both governments and individuals, continue to press the Soviets for information about the Sakharovs and for an end to Soviet persecution of two of its most distinguished citizens."

[1]Made available to news correspondents by State Department spokesman Bernard Kalb. ■

It is our hope that Soviet authorities are coming to recognize that human rights will remain central to the U.S.-Soviet agenda. We are not asking Soviet authorities to do the impossible but only to live up to their international obligations and loosen the screws of repression tightened so cruelly in recent years. We watch the patterns of Soviet Jewish emigration, as you do. We are prepared to respond as improvements occur. On this score, we appreciate your counsel and that of others interested in Soviet Jewry.

We do not expect miracles overnight. But Soviet leaders must surely be confident enough to be able to lessen repression and increase emigration without endangering the so-called "leading role of the Communist Party." We repeatedly make the point to Soviet leaders that this could benefit our relations.

Soviet officials hint that improvements in human rights, including Jewish emigration, can follow an upward swing in overall relations. There are those who believe that at times in the past better relations meant more emigration. Whether or not this was true, we reject the notion that improvements in human rights can come last. The reality is that Soviet abuses of human rights undermine the political confidence needed to improve relations, negotiate arms control agreements, and cooperatively lessen regional tensions.

Soviet leaders seek to create the impression that they are more serious than American leaders in seeking to improve relations. They aver that better relations depend on U.S. and Western political "will," not on changes in Soviet behavior. They are mistaken. Let us look at what the United States has tried to accomplish and what it seeks for the future.

Steps Toward Improved Relations

We will start with bilateral issues. Last year following the commencement of NATO missile deployments in Europe, the Soviets tried to freeze bilateral relations. Nevertheless, we persevered and ultimately signed modest accords on consular affairs and hotline modernization. This year there has been slightly more progress, mainly the conclusion of the North Pacific air safety agreement and visits of legislative delegations and Secretary [of Agriculture] Block. We look forward to better exchanges in these areas and to making progress in maritime boundary talks and peaceful space cooperation.

Finding ways to reduce regional tensions could have enormous benefit. Over the past year, teams of U.S. and Soviet experts have had talks on the Middle East, southern Africa, and Afghanistan and will hold them this week on East Asia. These talks have not yet, however, met our expectations.

A continuing exchange of views can help avoid misunderstandings. But specific steps are needed, too. For example, the Middle East remains a tense area that affects directly the interests of the Soviet Union and the United States.

Fifth Anniversary of Solidarity

PRESIDENT'S STATEMENT, AUG. 31, 1985[1]

In the history of Eastern Europe since World War II, there have been few events whose anniversaries can be celebrated with any sense of pride or satisfaction. The lot of these countries has been one of repression, of sacrifice, of waiting for a better day that never comes. Five years ago, however, in a unique, spontaneous, and overwhelming expression of the public will, the working people of Poland exacted from their government the right to form their own free trade unions. The myth of the "worker state," as communist governments so misleadingly characterize themselves, was thereby shattered for all time.

During the ensuing 15 months, some 10 million Polish citizens banded together under the banner of the Solidarity movement, to be joined by 4 million farmers, who created their own union along similar lines. Their goals were no different from those of the working class throughout the world—decent working conditions, a fair wage, an economic system that works, and a genuine voice in shaping the society of which they form the foundation. They pursued those goals then, as they do today, not with force, for they had no weapons other than indomitable courage, steadfast will, and a readiness to accept high risks in pursuit of their cause. Not one drop of blood was shed when Polish workers gained their victory, and Solidarity has consistently eschewed violence in any form ever since.

These brave aspirations were brought to a temporary standstill in December 1981, when, pressured by Moscow, Gen. Wojciech Jaruzelski used the Polish Armed Forces to impose martial law on his own people, to arrest most of Solidarity's leaders and many of the rank and file, to force others into hiding, and to withdraw from the union its legal right to exist. Since that day, the alienation of the Polish Government from the people it professes to represent has become all too evident.

But Solidarity has not died, nor have the principles for which it came into existence become any less urgent in the minds of the Polish people. Despite all oppressive measures, provocations, imprisonment, police brutality, and even killings, this, the only free trade union in the entire communist world, has continued its struggle by peaceful means to persuade its government to provide all elements of the society a role in shaping Poland's destiny. Although Solidarity's voice has been muted by being forced underground, its message, whether via underground radio, clandestine publications, public demonstrations, or by simple word of mouth, continues to be heard clearly throughout Poland and throughout the world, wherever there are people who value freedom.

We here in the United States have also heard Solidarity's message and respond to it with all our hearts. We call upon the Polish Government to do likewise. This is not a subversive organization. It asks only that basic human rights be observed and that Poland be governed by responsible and responsive leaders. It asks those leaders to seek participation of workers, managers, and technocrats, academicians and intelligentsia, and the cohesive strength of the church in grappling with the massive economic and societal problems which must be solved if Poland is to assume its rightful place within the brotherhood of nations. Should such a reconciliation take place, the traditional hand of American friendship will be ready and unreservedly extended to Poland, just as it has been throughout the last 200 years. Meanwhile, we shall continue to support the legitimate hopes of our Polish brothers and sisters who are defending our common values.

[1]Text from Weekly Compilation of Presidential Documents of Sept. 9, 1985. ■

The Soviet Union seeks a greater role in the peace process, yet has offered nothing but procedural suggestions. One immediate step it can take is to lessen its unremittingly hostile propaganda directed against Israel. It should also call upon its friends in the PLO [Palestine Liberation Organization] to forswear violence.

Afghanistan may be the most pressing regional issue for the new Soviet leadership. Moscow's brutal occupation and continuing repression spur resistance, not acquiescence, from the brave Afghan people. Informed Soviets ought to realize by now that the hope of building communism in Afghanistan, even in the long term, is futile. In our view it should be possible to find a solution which protects the legitimate interests of all parties, the right of the Afghan people to live in peace under a government of their own choosing, and the Soviet interest in a secure southern border. Soviet commitment to early troop withdrawals would be a good beginning and would promote progress in the UN negotiations on Afghanistan.

The arms control dialogue was revived earlier this year when the two sides agreed to commence nuclear and space arms talks in Geneva. The United States is prepared for concrete progress on arms control, based on an enduring and realistic foundation. The President is fully committed to achieving major, stabilizing reductions in nuclear arsenals. He has given our negotiators great flexibility to achieve this end.

We welcome General Secretary Gorbachev's expressed interest in achieving radical reductions, but we must also explore the potential of strategic defenses to strengthen deterrence. Our research in this field is vital to the long-term prospects for maintaining the peace. Soviet work on strategic defenses has long been greater than our own. The Soviets would gain from engaging us on how strategic defenses—if they prove feasible—might play a greater role in the future, to our mutual benefit.

We would like to believe the Soviet Union wants improved relations with the United States. For our part, we are taking steps that can lead to that end. In the months ahead, and at the meeting of President Reagan and General Secretary Gorbachev in Geneva this November, we hope political confidence can be developed that will lead to concrete progress in all areas—arms control, regional and bilateral issues, and human rights.

Human rights is an essential part of this process. We are willing to discuss our human rights concerns with the Soviets in an atmosphere free from rancor and recrimination. If the new leadership shows the foresight and the confidence to improve the human rights situation, important political confidence can be generated. Certainly, our willingness to improve trade and other aspects of our relationship would be enhanced. Let us hope that Soviet leaders will take advantage of this opportunity. Both our peoples and people everywhere will benefit if they do. ■

Terrorism: Overview and Developments

by Robert B. Oakley

Address before the Issues Management Association in Chicago on September 13, 1985. Ambassador Oakley is Director of the Office for Counter-Terrorism and Emergency Planning.

It was 15 years ago today that a major new chapter in international terrorist spectaculars literally exploded on the world scene. Palestinian terrorists from the radical PFLP [Popular Front for the Liberation of Palestine] faction hijacked four airliners and forced the pilots to fly three of them to a former World War II RAF [Royal Air Force] base in Jordan—Dawson Field. On September 13, 1970, they blew the planes up before the cameras. A fourth plane already had been blown up in Cairo. Those blazing explosions marked a new dimension in the ability of terrorists to catch our attention and make terrorism an act of macabre theater as well as deadly crime.

That mass hijacking attack brought the terrorist groups to the front pages—and, more important to them—to the prime-time evening television news around the world.

That spectacular did not benefit the terrorists in the short term. It led to King Hussein's expulsion of the PLO [Palestine Liberation Organization] from Jordan amid heavy fighting which cost hundreds, if not thousands, of Palestinian lives. However, the events of September 1970, which prompted one terrorist group to take on the name "Black September," set into motion a chain of events in Lebanon and elsewhere which are still unfolding. These range from the 1972 Olympic tragedy in Munich, the attack upon Lod Airport in Israel, all the way to current terrorist actions by Palestinians in the Middle East and Europe. Some of them are Palestinian vs. Palestinian, with mainline PLO and Jordanian officials targeted by dissident Palestinian groups, some of which receive help from Syria.

During the 1970s, West European terrorists struck at their own targets—the IRA [Irish Republican Army] assassinated Lord Mountbatten and killed hundreds of innocent people in Northern Ireland and Britain. Italian terrorists, notably the Red Brigades, killed former Prime Minister Moro, and scores of Italians became innocent victims. West German terrorists—the Red Army Faction—robbed banks, planted their bombs, killed, and kidnapped.

Today, new groups which were virtually unknown on the international terrorist scene a few years ago have suddenly emerged alongside the older groups to take their toll of lives.

- Muslim fundamentalist Shi'a terrorists, inspired by the Ayatollah Khomeini's "Islamic revolution" and supported by the Iranian Government, have committed suicide bombings against the U.S. Marine barracks and Embassy buildings in Lebanon and carried out attacks in Kuwait, including the U.S. Embassy, the French Embassy, and Kuwaiti facilities.
- Sikh terrorists have assassinated Prime Minister Indira Ghandi and several other Indian officials, apparently planted the bombs which blew up the Air India 747 in mid-air and exploded at Tokyo's Narita Airport, and tried to conduct assassinations in the United States.
- In Latin America, leftist guerrilla groups and narcotics traffickers have used terrorists to attack and threaten U.S. ambassadors and other officials as well as local government leaders in several Latin American countries.

Some forms of terrorism had appeared to be on the decline, such as aircraft hijacking. But Shi'a terrorists last year revived that technique, which had been used by the Palestinians. Two

American Government employees were killed when the terrorists hijacked a Kuwaiti airliner to Iran last December. A Jordanian airliner was hijacked and—in echoes of Dawson Field—blown up at Beirut airport this summer. And, of course, there was the hijacking of TWA 847 in June—the first time an American plane had been hijacked in the Middle East since a Pan Am plane was blown up during that September 1970 attack. Kidnappings had also appeared to be on the decline, but in the past 2 years seven Americans have been kidnapped in Beirut and remain as captives. A U.S. businessman was kidnapped in Bogota, Colombia, last month. And President Duarte's daughter has just been taken this week in El Salvador.

Nevertheless, the principal terrorist tactics in the past 2 years have been bombings and armed attacks with an increasing intent to kill, maim, and injure—not merely to frighten or inflict property damage. We have seen this in West Germany where a Red Army Faction car bomb, 5 weeks ago, killed and injured Americans and Germans alike at a U.S. Air Force base near Frankfurt, and an American serviceman was brutally murdered for his identification card. In Madrid this week, an American businessman died of injuries received while jogging nearby as Basque terrorists set off a bomb which wounded some 16 Spanish policemen.

I mention these points not with the intention of providing a comprehensive overview—it would take more time than you have and a better memory or files than I have. Nor do I want to scare you into abandoning travel or business operations abroad for a retreat into fortress America. Rather, this brief introduction is meant to help illustrate one of the major problems in countering international terrorism—its shifting patterns and cycles—as well as to accentuate the need for security preparedness. Terrorism is a form of warfare in which unpredictability and surprise are major weapons. Those who indulge in this form of ripping at the thin veneer of civilization hide behind sneak attacks and faceless phone calls. Their favorite targets are usually not military or police installations but unarmed and unsuspecting civilians, particularly diplomats—and businessmen.

Terrorism is not a new scourge. It is too easy to forget that even terrorism has a history and that some of the terrorists of today are following trends set hundreds of years ago and set in the same part of the world. In the Middle East, terrorism has been known at least since the 1st century A.D. during the Zealots' struggle against the Romans in ancient Palestine. In the 11th century A.D., the Assassins sect emerged in Persia and spread to Syria where they attacked the Christian crusaders as well as other local officials.

The Barbary pirates conducted their own form of terrorism, operating from what is now Libya and leading to the landing by the U.S. Marines on the shores of Tripoli a century and a half ago. The forerunner of the car bomb, the cart bomb, was reported in Napoleonic times.

The more modern versions of terrorism and its ideological underpinnings emerged in the latter part of the 19th century, particularly in Russia and other European countries. The German radical, Karl Heinzen, of the mid-19th century wrote: "If you have to blow up half a continent and pour out a sea of blood in order to destroy the Barbarians, have no scruples of conscience." The leftist terrorist groups in Europe, such as the German Red Army Faction, appear to have inherited this sort of pseudo-intellectual rationalization for their violent attacks upon society.

Current Trends

Terrorism has ebbed and flowed, but today the number of incidents is greater than before, and it is increasingly a worldwide phenomenon. In 1984, there were more than 600 international terrorist incidents, a 20% increase over the average level of the previous 5 years. The number of incidents is up further this year—480 for the first 8 months, compared with 382 for the same period last year.

Here are some of the trends we are likely to see over the next few years:

First, international terrorism is and will remain a prominent factor on the international political landscape, despite the intensified efforts we and other governments are making. Terrorism will not easily disappear for many reasons: a worldwide system of competitive arms sales makes modern weapons available more easily to terrorist groups; mass communications assure instantaneous publicity for terrorist acts; travel is easier between different countries, and border controls are diminishing, particularly in Western Europe; the copycat phenomenon causes more and more desperate or amoral individuals and groups to adopt terrorism; and, most important, in an age when weapons of mass destruction as well as increasingly lethal conventional armaments have made regular warfare too costly, terrorism is viewed by certain countries as a cheap way to strike a blow at their enemies with little or no retaliatory action.

Second, for the United States the problem is likely to continue to be much more external than internal. Incidents within the United States, especially externally connected terrorism, have been decreasing, altogether representing less than 1% of the world total, whereas the United States abroad has been the number one target for terrorists. This is due, in large part, to the exceedingly effective work of the FBI [Federal Bureau of Investigation], generally tighter controls on visas and at U.S. points of entry, and an aversion by the American people to foreign-inspired violence.

Domestic terrorism is a serious problem, with the principal threats coming from Puerto Rican terrorists plus individuals and groups, often loosely linked, who reflect inchoate neo-Nazi, white supremacy attitudes. But the effective work of the FBI and local law enforcement agencies has kept it from getting out of hand.

There is a potential foreign terrorist threat of major dimensions within the United States, particularly from several Moslem and other ethnic groups (e.g. Libyan, Iranian, Palestinian, Sikh, Armenian, etc.). Excellent work by the FBI, other law enforcement agencies, and our intelligence community, plus fear by the state sponsors of terrorism of the consequences were they to be caught supporting attacks within the United States, have kept this threat under control so far. However, we can never feel safe, never slacken vigilance, as shown by the FBI prevention this spring of planned attacks in this country by Sikh and Libyan terrorists and its arrest last month of Puerto Rican terrorists linked to Cuba.

Third, open societies will remain the principal targets of terrorists, although no societies are immune. Democratic societies are vulnerable to terrorism, on the one hand, because the terrorists might succeed more easily in bringing the democratic governments to their knees due to their very openness and concern for their citizens; or, on the other hand, overreaction by a democratic state to the threat could destroy the very nature of the society. Terrorists would welcome either outcome.

The means of attack which are increasingly available to the opponents of democratic states are also available, to a

lesser degree, to the opponents of dictatorships. They may have tighter controls at home where basic freedoms do not count, but they are vulnerable abroad, and during 1984 the Soviet Union ranked number seven on the international terrorist victim list. This is far behind the United States and other free countries, probably because most groups abroad are vaguely leftist or Marxist in ideology. We have little evidence of direct Soviet support to such terrorist groups. However, their objectives clearly parallel those of the U.S.S.R., and they receive indirect support and encouragement.

Fourth, there has been an unmistakable rise in state-supported terrorism over the past few years, with Iran, Libya, Syria, Cuba, and Nicaragua as the most active, determined, systematic supporters of terrorist groups and activities. The combination of direct government assistance in arms, explosives, communications, travel documents, and training with fanatic individuals or groups goes a long way to explaining the shift in tactics toward bombing and armed attack and the accompanying increase in the casualty rates from terrorist attack. The fact that the states I have mentioned—except Iran—receive large quantities of Soviet arms, which, in turn, flow directly to the terrorists, is hardly coincidental.

Fifth, there is a trend toward greater lethality. To date, terrorists have, by and large, used conventional methods of attack (high explosives, firearms, hand grenades, car bombs, etc.) with great effect. However, as our defenses against conventional weapons improve, so does the likelihood that terrorist groups will move to more sophisticated and esoteric methods of attack. The potential impact to our society and to our national security is catastrophic in nature. (In recognition of the enormity of the potential, we have been developing interagency plans for the response to and the countering of plausible terrorist threat in either nuclear or chemical/biological attack.

The Current International Terrorist Scene. Looking behind these trends in more detail at the international terrorist scene, we note that the Middle East has become the primary source of international terrorism, accounting for about 35% of the incidents. But international travel has permitted the export of Middle Eastern terrorism elsewhere. There are two main categories of Middle Eastern terrorists:

First, fanatical Palestinians who have split off from the mainline PLO led by Arafat and often have the direct support of Libya and Syria; and

Second, Shi'a zealots residing in many Arab countries, especially Lebanon, who are inspired, trained, and often armed, financed, and, to varying degrees, guided by Iran. They have bombed the U.S. Embassy and Marines and the French military in Beirut, hijacked U.S. and French aircraft, and taken U.S., French, British, and other nationals hostage. They are responsible for terrorist activities against various Arab states.

In addition, Libya is becoming an increasing threat to its neighbors in North Africa, to many states in black Africa, and to peace and stability in the Middle East, using propaganda and subversion or overt military attempts as well as terrorism. Moreover, Qadhafi's worldwide ambitions—which strongly resemble those of the U.S.S.R. and certain of its close allies—have brought Libyan agents and money to terrorist operations in the Carribean, Central America, New Zealand, and even the South Pacific island of New Caledonia. At present, the greatest Libyan threat is to the moderate and black states of Africa—mostly Tunisia, Algiers, Egypt, Sudan, Chad, and others further south. The United States is working with these states to help them resist Libyan aggressive plans.

The targets of Middle East terrorism fall principally into four groups: Israel; Western governments and citizens, particularly France and the United States; moderate Arab governments and officials, including the mainline PLO as well as Jordan, Egypt, Kuwait, and Saudi Arabia; and critics of radical regimes, particularly Libyans, who are targeted by their own governments.

While the Middle East might be the source of most terrorism, Europe is the location of the largest number of incidents, ranging from 36% to 53% of the total during each of the past 5 years. Nearly 25% of these incidents, however, are of Middle Eastern origin. Indigenous European terrorists consist of:

- Elements of ethnic groups, such as Corsicans, Basques, Croatians, and Armenians, which have been fighting for autonomy or to redress reputed grievances; in particular, the Armenian groups which have waged a deadly and relentless campaign, both here in the United States and in Europe, against Turkish interests in an effort to establish an Armenian state.
- Leftist groups such as the Red Brigades in Italy, Direct Action in France, Red Army Faction in Germany, the CCC [French acronym for Fighting Communist Cells] in Belgium, Grapo in Spain, and November 17 in Greece.
- Special note should be made of the Provisional Irish Republican Army, the PIRA, which is both ethnic and leftist. It is the most deadly of all European groups, having killed some 50 people in 1984. This group should be distinguished from the IRA of earlier days.

For many years these groups pursued their separate targets independent of each other, but a new phenomenon developed during late 1984 among some of the European leftist groups. Aside from an apparent increase in mutual logistical and propaganda support, groups in Germany, Belgium, and France all attacked NATO-related targets over a period of several months. This resurgence accounted for most of the increase in the total number of incidents in Europe during the past year. There was a lull at the end of the hunger strike by jailed terrorists in Germany, followed by a rash of incidents preceding the annual summit meeting in Bonn. Experts expect that we will see similar outbreaks during future months.

Latin America is the third great center of terrorist incidents, accounting for approximately 20% of the events worldwide. Social, economic, and political turmoil have served to prolong existing patterns of insurgency, which have assumed terrorist dimensions in some countries—particularly Colombia, El Salvador, Guatemala, and Peru. There has been some spillover into Latin America from terrorism in the Middle East and Europe, particularly Iran and Libya. Cuba and Nicaragua provide the strongest encouragement and direct support for terrorist activities in other Latin American countries, particularly those with insurgency situations. They, of course, receive support from the Soviet bloc. In addition, Italian and possibly other leftist terrorists have found refuge in Nicaragua.

U.S. Actions

What is the United States doing to defend itself and its citizens abroad, unilaterally and in cooperation with other governments? Has this been, will it be successful? Given the current preoccupation with the use of force to counter terrorism and the controversy over the lack of U.S. military retaliation to terrorist acts, it may surprise you to learn that there have been successes.

We have identified over 90 planned attacks upon U.S. citizens or facilities abroad during the past year which we are satisfied have been preempted by improved intelligence, stronger security, and cooperation from other governments. There are unconfirmed reports of additional incidents which may have been planned against the United States, but they are not counted because we are uncertain of their validity. There are undoubtedly other incidents of which we are completely unaware. But only terrorist successes receive public attention, leaving the impression that they are all powerful and always successful. Obviously we cannot divulge too much about our successes and about where and why the terrorists failed. This would give the enemy our game plan and the means to overcome our defenses. However, there are several illustrative incidents from the 90 successful cases which can be cited:

- Last fall, the Italian Government prevented a group of Shi'a terrorists from blowing up our Embassy in Rome and arrested the terrorists.
- Our Ambassador and Embassy in Colombia avoided several specific terrorist attacks, including a bomb attack which was stopped short of the Embassy and several bombs destined for U.S. business concerns.
- We have preempted several specific plans to bomb the Embassy residence in Beirut and assassinate or kidnap the Ambassador and other senior officials.
- We detected and defused a large car bomb which would have caused dozens of casualties at a U.S. and NATO training facility in Oberammergau, West Germany.
- The United Kingdom avoided a series of Brighton-type bombings and arrested 14 IRA terrorists in June.

To improve security of diplomatic installations, a new approach was set in motion after the 1983 bombings in Beirut and funded by Congress last fall. Some $55 million has been spent to enhance physical and operational security of our diplomatic posts abroad in the past year. In fiscal years (FY) 1986 and 1987, budget requests for overall security resources total $391 million and $331 million respectively. The number of professional State Department security officers abroad will double during the 1985–86 period and the Marine security guard complement has been augmented. Seventy major perimeter security enhancement projects are scheduled for FY 85–86, and a dozen new Embassies are being built to replace those in high-threat countries which are far below acceptable standards. New turnkey procedures involving joint action by the Department of State and private business have been adopted in order to cut completion time to one-third of what it once was.

The Inman panel, headed by Admiral Robert Inman, the former Deputy Director of the CIA, recently proposed a large expansion of the Embassy security program. For the 1986 fiscal year, six specific areas are highlighted for increased security enhancement. These are:

- Construction, relocation, and renovation of scores of buildings that will meet new physical and technical security standards;
- Residential security (to include guard services and field support);
- Perimeter security program;
- Technical countermeasures and counterintelligence programs;
- Foreign Service security training (security training development, overseas guard and post security officer, general security, Federal law enforcement, coping with violence abroad, and firearms and evasive driving); and
- Protective security resources, additional personnel.

Other Developments

It is important to note that in countering terrorism abroad the United States is limited in what it can do alone because we must rely very heavily upon the cooperation of foreign governments who control the countries from which the terrorists come and those in which they operate. We are working hard to increase this cooperation and have made progress. But much more remains to be done.

- The recent series of hijackings, aircraft and airport bombings, as well as the attacks against targets in Western Europe associated with the NATO alliance, has spurred moves toward greater cooperation with our European allies. We are working with friendly countries in Europe and elsewhere to improve sharing of information and techniques in dealing with terrorists.
- In Latin America, progress has also been made, although the travel threat remains very high. For example, during the past year, a coordinated interagency counterterrorist program in Colombia has helped that government regain the initiative from the terrorists and narcotics traffickers.

We will soon be requesting funds urgently for a similar but larger Administration counterterrorism program for Central America. The threat there is becoming more serious. For example, in El Salvador, the guerrillas and terrorists have decided to move into the cities, reacting to successes of U.S.-supported counterinsurgency programs in rural areas. As the assassinations of the American marines and the kidnapping of President Duarte's daughter have indicated, the same trend is likely to continue. This means that the police, who have been getting almost no assistance and are in poor shape, must bear the burden of defending their governments—and U.S. personnel—from terrorist attack. It is essential that Congress act to approve the Administration request for carefully controlled counterterrorist assistance to Central American police forces, administered by the State Department and coordinated with military programs administered by the Defense Department.

- In the Middle East, we will continue our efforts to release the seven Americans still held hostage by Iranian-supported Shi'a terrorists. We will also continue to work with Israel, Jordan, Egypt, and the moderate states of the gulf in opposing terrorism as well as helping them face the threat of conventional attack instigated by Libya, Iran, or Syria. We will not change our policies, give up on the peace process, or be driven out of the region, despite the threats to U.S. facilities and citizens.
- In the civil aviation field, the Departments of State and Transportation have taken several important steps, unilaterally and with other governments, to improve security. These include air marshalls, better security screening at U.S. airports and for U.S. airlines abroad, and pressure on other governments to tighten their own security. We are also providing training and technical assistance to some 20 governments in this field. We will not hesitate to act, as we did with Greece and Lebanon, where foreign governments refuse to provide adequate security.

Training Cooperation

Since most terrorism takes place abroad, it is obvious that cooperation with other governments is extremely important in combating this menace. We work on this in many different ways, from publicized, top-level meetings between chiefs of state to unpublicized

liaison contacts between the CIA [Central Intelligence Agency] and FBI and services of other governments. The Anti-Terrorism Assistance (ATA) Program has been in operation for only 16 months but is paying big dividends in improved cooperation and support from foreign governments. In the past year we have held high-level, interagency policy consultations on how better to combat terrorism and how to improve bilateral cooperation with a range of governments such as the United Kingdom, Italy, Israel, Egypt, Turkey, Greece, Colombia, Honduras, and Denmark. India, Pakistan, the Netherlands, and France are among those planning to participate. The ATA Program provides training for foreign, civilian law enforcement agencies, focusing upon such fields as civil aviation and airport security, bomb detection and disposal, and hostage negotiation and rescue. Metropolitan police forces in such cities as New York, Los Angeles, Boston, Washington, D.C., Miami, and Chicago have participated, as well as numerous law enforcement organizations. By January 1, 1986, the program will have had almost 2,000 participants from 32 countries.

We also are increasing cooperation with American businesses operating overseas. The Threat Analysis Group of the Office of Security in Washington and the regional security officers at posts overseas encourage contact with the private sector on security issues. The Secretary announced in February the formation of the Overseas Security Advisory Council. It is now operating to bring public sector and private sector officials together to exchange information on security issues and make recommendations for closer operational cooperation.

We continue to explore and develop a number of other multilateral, bilateral, and unilateral options, including the potential use of military force. Secretary of State Shultz has been foremost among those who have said that we need to consider the use of military tools when appropriate. Each terrorist event presents a different situation, however; and while our military forces have been in a high state of readiness in recent crises, the situation has not been appropriate to their actual employment. We must be and we are willing to use force, carefully, if the circumstances call for it.

Although sometimes the media seems to assume that the use of U.S. military force for retaliation is the only means to fight terrorists, this is usually not the case. We and other governments have made preventive strikes through police action—arresting terrorists before they can attack, as was done in Rome. And as we recently saw in El Salvador, where effective action has been taken against some of those responsible for killing American servicemen and civilians in June, military action does not necessarily require the use of American forces. That is one reason why we place so much emphasis upon military and police training and assistance programs for other countries and on closer intelligence and law enforcement cooperation with them.

Conclusion

This overview is by no means the complete story of international terrorism. Books have been written on this subject, and more will be. The same goes for TV. But, I hope it has been useful. On closing, it is important to keep a few things clearly in mind.

The United States must not take a defeatist attitude toward international terrorism. We can make and are making progress. But it will be long and difficult; it takes a great deal of effort and requires cooperation by other nations; and there will be occasional incidents, because the United States is the number one target.

It also is costly. There are the costs of improving the physical security of our Embassies and other installations overseas. Private business must also increase expenditures for security, at home and abroad. Using economic pressures or not shipping arms has an impact on governments such as Libya and Iran and others who support terrorism, although it may result in financial pain to individual companies who hope to make lucrative sales.

But we must not and will not retreat, close our military bases, abandon our businesses, change our policies, let down our allies, because of terrorist threats and attacks. That would be much more costly, economically as well as in political and strategic coin. It would also lead to still more terrorism.

Terrorism, as many experts have said, is a form of low-intensity warfare. It is not an easy one to fight. There are no magic weapons—there are no quick fixes. However, I assure you that we are in the struggle for the duration. With your support and that of other sectors of the American public, we will continue to make progress, and the chances for still more success will continue to improve. ■

Terrorists Arrested in El Salvador

Following is the text of President Reagan's letter to El Salvador's President Jose Napoleon Duarte of August 29, 1985.[1]

Dear Mr. President:

I was gratified to hear from you of the important accomplishments of your government's ongoing investigation of the murder of thirteen persons, including American and Salvadoran citizens, in a brutal raid in San Salvador on June 19, 1985. I congratulate you on the speed and professionalism of the arrest of William Celio Rivas Bolanos, Juan Miguel Garcia Melendez, and Jose Abraham Dimas Aguilar. On behalf of the victims' families and the United States, I personally thank all involved.

Terrorism is the antithesis of democracy. By brutal acts against innocent persons, terrorists seek to exaggerate their strength and undermine confidence in responsible government, publicize their cause, intimidate the populace, and pressure national leaders to accede to demands conceived in violence. Where democracy seeks to consult the common man on the governance of his nation, terrorism makes war on the common man, repudiating in bloody terms the concept of government by the people.

I am proud that the Special Investigative Unit, which we in the U.S. worked with you to develop, is playing an active role in the investigation. I shortly will be consulting with Congress to find new ways to assist Central American nations in their laudable efforts to overcome the scourge of terrorism. I hope that, with the support of the Congress, we can help police and military units to respond consistently with the maturity, professionalism, and respect for the law shown by your police in this case. We must not compromise with criminals. Appeasement only invites renewed attack. Terrorists merit only swift, certain justice under the rule of law.

The people of El Salvador and the people of the United States stand together against terrorism. Each defeat for the terrorist makes the world safer and more just for everyone.

Sincerely,

RONALD REAGAN

[1]Text from Weekly Compilation of Presidential Documents of Sept. 2, 1985. ■

The U.S. and the United Nations

by Vernon A. Walters

Statement before the Subcommittees on Human Rights and International Organizations and on International Operations of the House Foreign Affairs Committee on September 18, 1985. Ambassador Walters is U.S. Permanent Representative to the United Nations.[1]

It gives me very great pleasure to be here with you this morning in what is my first appearance before a congressional committee as the U.S. Ambassador to the United Nations. It seems to be particularly fitting that your two subcommittees hold this joint session now—the day after the formal opening of the 40th General Assembly of the United Nations—in order to consider where the United Nations is going, where it should be going, and what the role of the United States in the United Nations ought to be. I expect to be engaging in many discussions of this nature during the forthcoming General Assembly session, so the advice I receive from members of these two subcommittees today will be of great help to me. I am particularly pleased that Chairman [of the Subcommittee on International Operations Daniel] Mica and Congressman [Gerald B.] Solomon will be members of our delegation at the United Nations this fall.

The UN's Role and Effectiveness

In his 1985 report on the work of the United Nations issued just 2 weeks ago, Secretary General Perez de Cuellar had this to say:

> . . . . we must also consider the many precarious balances of the claims and ambitions of nations; the unresolved disputes we carry with us into the future; the many smouldering conflicts of ideas, beliefs and interests in the world; the dizzy pace of the technological revolution both in production and in weapons; the widening gulf between abundance and absolute poverty; the web of economic ties which locks all parts of the world together; and the steadily increasing dangers of deep harm to the biosphere on which life depends. Such a list—and it could easily be made longer—makes it clear that international cooperation, however complex and difficult to organize, is not a choice for the nations of the world, but a necessity.

But in the very next sentence of his report, the Secretary General goes on to say:

> However, if the United Nations is fully to play the role I have indicated in the development of the international system, it has to become a more effective institution.

I think that both halves of this statement by the UN Secretary General are true. The United Nations is essential to us. But if the United Nations is to function as it should, if it is to play the role it should play, it must become a more effective institution.

The General Assembly

We should not forget just how important the United Nations is to us as a people and a nation. Even though we may be distracted from time to time by what goes on in the General Assembly—and what goes on there sometimes is far from pretty—we need to remember that the General Assembly is not all there is and that the totality of the organization is far larger and far more complex. The United Nations is also the Security Council with its peacekeeping mission. It is the World Health Organization, which essentially has eliminated smallpox from the planet. It is the work of the High Commissioner for Refugees in caring for more than 10 million refugees around the world—a figure which is twice the population of Israel and Jordan combined. It is the work of UNICEF [UN Children's Fund] saving the lives of children and the role of the International Atomic Energy Agency as a watchdog against nuclear weapons proliferation.

Some have suggested that the General Assembly, in fact, may be the price we have to pay for the rest of the organization. I would not go that far. I think the United Nations has to remain a place where nations of a billion and nations of a hundred thousand can come together to express their opinions and their grief and maybe even their outrage—even if we in this country may not always agree. But I also think that the General Assembly can be and should be a place of more responsible debate, more impartial and more informed debate, and I think it is our business to work to make it so.

In recent years, thanks in large part to the outstanding efforts of my predecessor, Dr. Kirkpatrick, we have seen some very encouraging demonstrations of the General Assembly's willingness to deal with political reality in keeping with the spirit of the Charter. I refer to the approval by overwhelming majorities of resolutions calling for the withdrawal of foreign troops from Cambodia and the end of foreign occupation of Afghanistan. I also refer to the rejection by the General Assembly of the outrageous Cuban effort to designate as a colonial territory Puerto Rico, whose citizens enjoy freedoms—including the right to determine their own political leadership—that Fidel Castro and his Soviet masters have not permitted the unfortunate people of Cuba. I refer particularly to our success at the last session of the General Assembly in repulsing attempts to charge us with actions we have never committed. I will have more to say about name-calling in a few minutes.

I think the General Assembly can and should aim at economic ideas more meaningful than the ritualistic assertion that if poverty exists anywhere in the world it is due to the evil machinations of the industrialized West. It should understand that slogans are not solutions and that difficult, protracted problems probably will require complex and sustained efforts at solution and, in any case, are not likely to be solved by excluding from the discussion all the parties to the problem.

There is another aspect of General Assembly behavior I particularly want to point out, and that is the practice of scapegoating—what my colleague, the French Ambassador, refers to as "le name-calling." Over the years, there has grown up the nasty habit of singling out the United States for special condemnation in resolutions. It is a transparent ploy promoted by the Soviet Union and its henchmen, and they usually throw Israel in with the United States in order to attract Arab votes.

This vituperation is a departure from normal UN behavior—for example, the resolution which the General Assembly adopts each year on the situation in Afghanistan always calls for the removal of "foreign troops" without mentioning that they are Soviet troops, and the one it adopts on Cambodia similarly does not mention that the foreign troops there are Vietnamese. Moreover, this name-calling almost always lacks any basis in

fact. One of these resolutions, for instance, accuses the United States of helping South Africa to develop nuclear weapons. As you, the lawmakers of the nation, know better than anyone else, under American law that would be a felony.

Another example is the resolution which accuses the United States of selling arms to South Africa in defiance of the UN embargo. In point of fact, our own U.S. embargo on weapons sales to South Africa went into effect during the Kennedy Administration, 7 years before the UN's first embargo, and the terms of our embargo were and remain more restrictive.

Last year, we were successful for the first time in eliminating this kind of lynch language from General Assembly resolutions. It continues to be the number one priority with me, and I can assure you that as the U.S. representative in the United Nations, I will reply, and reply sharply, to attacks on the United States. But I also want to say, as one who has visited 108 countries in the last 4 years and logged a million and a half miles in doing so—and, in fact, as having just 2 weeks ago returned from a trip to a dozen countries precisely to consult on UN-related matters—that there is enormous good will for the United States out there. We need to do a bit more to explain our case and our positions in the nonaligned countries and the Third World generally and try to make sure they understand. In the General Assembly, as elsewhere in the United Nations, we need to do the hard, laborious, day-in and day-out work of building the coalitions that bring success, just as you gentlemen and ladies do here on the Hill.

The Security Council

Let me say a few words about the Security Council—the organ of the United Nations which, under the Charter, has unique responsibility for the maintenance of international peace and security and for the pacific settlement of disputes. A few moments ago I quoted from Secretary General Perez de Cuellar's 1985 report. Here is what he had to say a year earlier about the work of the Security Council.

> In recent years the collective capacity and influence of the Security Council have been insufficiently tested. There are important issues where the members of the Council, including the permanent members, hold substantially similar views. And yet other factors not directly related to those problems inhibit the Council from exerting collective influence as envisaged in the Charter.
>
> The same consideration applies to peacekeeping. We are often urged to strengthen the peacekeeping capacity of the United Nations, the implication being that this is a matter that can be handled without regard to the political relations of Member States and particularly of members of the Security Council. A number of lessons have been learned recently about the nature of peacekeeping, but it is essential to re-emphasize the fundamental issue. Peacekeeping is an expression of international political consensus and will. If that consensus or will is weak, uncertain, divided or indecisive, peacekeeping operations will be correspondingly weakened.

I think we certainly can agree with this analysis. The Security Council is not something above and beyond its membership. It is and will be what its members make of it. In this connection, it seems to me that a major contributor to an ineffective Security Council is the tendency on the part of some, especially on the part of the Soviet bloc and some others as well, to try to turn the Security Council into a miniature version of the General Assembly. So that when a dispute is brought, instead of calm and reasoned discussion by the Council's 15 members after having heard the views of the immediate parties to that dispute, for the past few years we instead have had a procession of speakers—perhaps 30 or 40 in all—who vie with each other in excoriating, in terms of the most extravagant abuse, one of the parties. And all this in the name of conciliation and pacific settlement.

In such a situation, subregional disputes easily become regional, and regional ones become global. As political scientists have pointed out:

> Use of the United Nations is a barometer of the hostility existing between nations. Nations interested in reaching agreement almost always ignore or avoid the UN. Bringing an issue to the UN is likely to be regarded as a hostile act.

I think the analysis is correct and certainly worth pondering. How can the United Nations be, in the words of the Charter, "a center for harmonizing the actions of nations," when bringing an issue to the UN Security Council has been a procedure so misused over the years that it is widely perceived as a hostile act? How can the Security Council function as a body for peacemaking or conciliation under those circumstances?

Evolution of the UN

Over the years, the United Nations has evolved in interesting ways. I'm

Vernon A. Walters was born January 3, 1917, in New York City. He attended St. Louis Gonzaga School in Paris, France, and Stonyhurst College in Great Britain and has received honorary degrees from several universities.

Ambassador Walters served in the U.S. Army from 1941–76, when he retired with the rank of Lieutenant General. In the course of his military career, he served as special aide and interpreter to U.S. general officers, senior diplomats, and to Presidents Truman, Eisenhower, and Nixon on their foreign travels. In 1972 Gen. Walters was named Deputy Director of the Central Intelligence Agency where he served for 4½ years, including a 5-month period as Acting Director. Following his retirement, he was a consultant, lecturer, and author from 1976–81. His memoirs, *Silent Missions*, were published by Doubleday in 1978. His other writings include *Sunset at Saigon*, *The Mighty and the Meek*, and many articles and book reviews.

Prior to his appointment to the U.S. Mission to the United Nations, Ambassador Walters served as senior adviser to former Secretary of State Alexander Haig until his nomination by the President to serve as Ambassador at Large, a position he held from 1981–85. In this capacity he traveled to more than 108 countries as the Reagan Administration's chief diplomatic troubleshooter.

Ambassador Walters is fluent in seven foreign languages: French, Portuguese, Spanish, Italian, German, Dutch, and Russian. He is also the recipient of many honors and distinguished service awards, including the U.S. National Security Medal; the Distinguished Service Medal (two oak leaf clusters); the Legion of Merit (oak leaf cluster); the Bronze Star; the Air Medal; the Distinguished Intelligence Medal; and many campaign medals. He has been decorated by the Governments of France (Legion of Honor), Italy, Brazil, South Vietnam, Spain, Portugal, Morocco, and Peru.

Ambassador Walters was sworn in as U.S. Permanent Representative to the United Nations on May 22, 1985. As chief U.S. representative to the United Nations, he also serves as a member of the President's Cabinet. ■

tempted to say strange ways. On the one hand, we have the world of the UN's technical bodies and specialized agencies—the world I spoke of before when I mentioned the World Health Organization and the elimination of smallpox. This constellation of activities and agencies has worked marvelously well, and we should acknowledge that it has. I think no one could have predicted in 1945 just how well it has worked.

On the other hand, we have main organs of the United Nations like the Security Council, which works half-well, and the General Assembly, which is something of a disappointment. If I were asked what particular thing I hope to accomplish during my tenure as your man in the United Nations, I would say I hope to improve the functioning of the General Assembly and the U.S. role in it. But, above all things, what I would like to do, and what I think needs desperately to be done, is to return the Security Council to the functions given it in the Charter. It is not a court of law, and it certainly should cease to be a theater for psychodrama. It must become precisely the place where disputes among nations can be brought in the expectation of reasonable solutions.

I will work with all my strength to achieve that result—to increase the number of my country's friends and to diminish the number of its enemies.

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

Department Releases Report on Sandinista Intervention in Central America

Following is the summary of a report released by the Department of State on September 13, 1985.

Introduction

The issue in the debate over Central America is not whether outside support for irregular forces fighting their government is legal or not; both the United States and Nicaragua agree that it is a use of force legally identical to open use of regular armed forces. The key issue is whether that use of force is an unlawful act of aggression or a legitimate response in collective self-defense.

Often overlooked in the debate over U.S. policy toward Nicaragua is the fundamentally important fact that the Sandinistas began to intervene in El Salvador, Honduras, and Costa Rica within a year of entering the Nicaraguan Government in July 1979 and that they have actively continued that aggression to the present. In an effort to sustain its carefully fostered image as an innocent and aggrieved victim of unprovoked aggression, Nicaragua denies that it has ever intervened in neighboring countries by supporting antigovernment rebels. (In the case now before the World Court, for example, Nicaragua submitted a sworn statement by Foreign Minister D'Escoto that "my country is not engaged, and has not been engaged, in the provision of arms or other supplies to either of the factions engaged in the civil war in El Salvador.")

The facts, however, show Nicaragua's solemn denials to be untrue. As the Congress has found, the Government of Nicaragua "has committed and refused to cease aggression in the form of armed subversion against its neighbors." (PL 99-83) By the same token, the Sandinistas' claim that U.S. actions, including support for the democratic resistance, constitute aggression against Nicaragua stands the facts on their head. It is Nicaragua, and not the United States and its friends, that committed the aggression that led directly to the actions of which the Sandinistas now complain. And it is the United States and its friends, and not Nicaragua, which are acting in lawful self-defense in countering the Sandinistas' subversion and intimidation.

The United States initially made strong efforts to forge a friendly relationship with Nicaragua after Somoza's ouster, then undertook, by a series of diplomatic efforts directed at inducing the Sandinistas, to halt their policies of subversion and intimidation. Only as those initiatives proved ineffectual did the United States begin, as a means of countering Sandinista actions, to provide limited support to groups engaged in armed resistance to the Sandinista regime. The United States has made clear that in its view, the Contadora 21 objectives create a framework for the resolution of the conflict in Central America that, if fully implemented, would satisfy all U.S. concerns.

Nicaragua's Interventions Against Its Neighbors

The 6-year record of Sandinista behavior, based on many sources (statements of Sandinista officials and defectors, Salvadoran guerrilla defectors, captured documents, physical evidence, intelligence observations, and other evidence), demonstrates several things.

- In mid-1980, the Sandinistas began major assistance to guerrillas aiming at the overthrow of the Government of El Salvador in a "final offensive." Support from Nicaragua and other states operating through Nicaragua transformed the guerrillas from terrorist bands into a major military force able to mount a nationwide offensive. Since the failure of that offensive in 1981, continued Nicaraguan provision of arms, command and control, and logistical assistance has enabled the guerrilla war to continue despite the rejection of the guerrillas by the people. Their policy of "prolonged war" has resulted in thousands of deaths and over $1 billion in direct economic damage to El Salvador.
- The Sandinistas have directly and through local groups in Honduras and Costa Rica engaged in bombings, assassinations, and other attacks against those nations. In Honduras they have attempted to initiate a guerrilla war. They have used Costa Rica as a channel for unlawful assistance to the Salvadoran rebels and have supported terrorist actions in Costa Rica.
- To shield themselves from reprisals for their aggressions, the Sandinistas initiated a massive military buildup beginning in 1979. By mid-1981, a year before the Sandinistas allege any significant military threat came from the resistance, Nicaragua's regular armed forces were already two or three times larger than Somoza's National Guard.

Nicaragua's actions reflect the commitment of the Sandinista front to "revolutionary internationalism." Soon after taking power, the Sandinistas began active contact with Central American "vanguard" groups. With

substantial Cuban assistance, they helped unify guerrilla groups in El Salvador, Honduras, and Guatemala; provision, train, direct, and advise guerrillas in El Salvador; insert guerrilla groups into Honduras; and sustain radical antidemocratic parties, and associated armed elements, in Costa Rica.

In El Salvador, the FSLN's [Sandinista National Liberation Front] first strategy was to help the FMLN [Farabundo Marti National Liberation Front] repeat the pattern of their own final military offensive against Somoza. When that failed, the FSLN-FMLN alliance shifted to a destructive "prolonged war" of attrition against El Salvador's economy, political system, and institutions. Once previously fragmented Salvadoran guerrilla factions joined in a unified military structure, the Sandinistas redirected their original Costa Rican network to provide arms to the Salvadorans. This was followed by FSLN offers of a secure headquarters, material contributions, and an undertaking to assume "the cause of El Salvador as its own." By late 1980, Nicaragua was at the hub of a flow of hundreds of tons of weapons from the Soviet bloc to El Salvador, serving both as warehouse and as staging point for insertion by air, land, and sea routes. By January 1981, the rebels were armed with modern weapons, including M-16s drawn from stocks left behind by the United States in Vietnam.

The nationwide "final offensive" was defeated, but the war continued and expanded through 1983. With the institution of political reforms, the popularity of the elected Duarte government, and the increasing professionalization and effectiveness of the Salvadoran Armed Forces, the popular appeal of the FMLN declined sharply. Continued Sandinista supply, however, enabled the FMLN to continue a war of attrition designed to make the country ungovernable. As of mid-1985, Sandinista support for the FMLN's "prolonged war" continues to include military training in Nicaragua (and assistance to travel to Cuba for more sophisticated training), headquarters and command-and-control support, and provision of arms, ammunition, and logistical support.

Initially Honduras' role in the Sandinista scheme was to serve as a quiet transit route for arms and other supplies from Nicaragua to El Salvador and Guatemala. By 1981, however, active support was being provided to "vanguard" groups. The FSLN-supported "Cinchonero" group conducted a number of terrorist actions, some directly connected with Nicaragua in 1981 and 1982. In 1983 and again in 1984, the Sandinistas infiltrated Honduran guerrilla groups into the Provinces of Olancho and El Paraiso in an attempt to initiate armed activity against the government; both efforts were foiled. In 1985 members of the Nicaraguan Security Service were captured in the same area attempting to smuggle weapons. The Sandinista armed forces have conducted innumerable border crossings over 6 years, by 1985 including mortar and artillery attacks as well as the mining of Honduran roads.

Costa Rica provided crucial support for the Sandinista campaigns against Somoza. In the process of aiding the insurrection, however, democratic Costa Rica unwittingly permitted development of a clandestine arms-trafficking network, later used to assist the FMLN. Participation by members of radical parties in the FSLN war against Somoza was followed by establishment of a "vanguard" brigade of Costa Ricans operating to this day with the Sandinista army on the Costa Rican-Nicaraguan border. From 1981 Sandinista-sponsored terrorism became persistent, leading in 1981 and 1982 to expulsions from Costa Rica of Nicaraguan, Soviet, and Eastern bloc diplomats involved in those activities. The Sandinistas have carried out several attempted assassinations of Nicaraguan opposition leaders in Costa Rica and have conducted frequent cross-border raids and attacks, including shelling and bombing. One such raid this year led to the death of two members of the small police guard which is Costa Rica's only security force.

The evidence speaks for itself. Despite Sandinista protestations, the record is clear that they had engaged in massive armed intervention in the neighboring states well before they allege that the United States or the other Central American states undertook action against them.

The Collective Response

The international community hoped for the best when in July 1979 the junta of the Government of National Reconstruction assumed power on a program of pluralism, nonalignment, and a mixed economy and provided massive support to assist it. The United States was the largest single contributor. In El Salvador, a reformist junta began a program of social reform; Honduras too began a return to electoral democracy. By mid-1980, however, fragmentary intelligence reports indicated that Nicaragua had begun to supply the Salvadoran rebels. U.S. diplomatic efforts to halt that material support were met with denials of such involvement. Despite doubts, President Carter released aid provided in a special appropriation to assist Nicaraguan recovery.

Clear Sandinista involvement in the "final offensive," which aimed at creating a *fait accompli* in El Salvador before the inauguration of President Reagan, led to a Carter Administration decision to provide military assistance to El Salvador and an informal suspension of U.S. aid to Nicaragua. While assisting Nicaragua's neighbors in their programs of social and political reform and defense modernization and professionalization, the United States also intensified diplomatic efforts to persuade the Sandinistas to cease their interference in neighboring countries. In early 1981, the United States presented Nicaragua with evidence that their previous denials of support for the FMLN had been false and made clear that failure to stop their aggression would result in a cut-off of assistance. Despite renewed denials, intelligence confirmed that assistance continued. Upon expiration of a 30-day period designed to give the Sandinistas a "way out" by ceasing such support, the United States finally cut off assistance as required by law. Subsequent repeated U.S. bilateral efforts directed at halting Sandinista aggression were met with refusals to acknowledge, much less address, their attacks on their neighbors.

With steady political and military progress in El Salvador, the focus of U.S. policy on Central America shifted more and more to Nicaragua. A consensus formed that Sandinista intervention

Copies of the Report

Free **single** copies of this 52-page report—titled "Revolution Beyond Our Borders: Sandinista Intervention in Central America" (Special Report #132)—are available from the Correspondence Management Division, Bureau of Public Affairs, Department of State, Washington, D.C. 20520.

in its neighbors' affairs was a fundamentally destabilizing factor in Central American affairs and that this "internationalist" intervention was intimately related to the Sandinista military buildup, ties with Cuba and the Soviet Union, and expanding repression of the domestic opposition. By 1982 the United States began to provide assistance to the armed opposition in an effort to counter Nicaraguan aggression more directly.

A similar consensus began to emerge in other countries as well. Multilateral efforts directed at achieving a lasting Central American peace by comprehensively addressing the social, economic, political, and security problems of the region began in 1982 with the San Jose declaration and continued with the initiation in 1983 of the Contadora mediation effort of Colombia, Mexico, Panama, and Venezuela.

The Contadora process achieved, by September 1983, formal agreement by all five Central American countries—including Nicaragua—on 21 social, political, economic, and security objectives to be negotiated and embodied in a comprehensive Central American treaty. The Contadora mediators presented a draft treaty in September 1984; negotiations since that date have focused on developing its provisions on verification and ensuring that the obligations which fall on Nicaragua come into effect no later than those which fall on its neighbors. The issue should no longer be the legitimacy of the agreed objectives but rather the development of concrete arrangements to implement them.

Nicaragua's initial resistance to any participation in Contadora was followed by a more subtle policy of attempting to pursue issues of interest to the Sandinistas while thwarting progress on other issues. While paying lip service to Contadora, it has repeatedly offered "peace initiatives" inconsistent with the Contadora approach. Those plans have been bilateral rather than multilateral and uniformly address only those security issues in which the Sandinistas have an interest, while studiously avoiding the broader issues of democratization and Sandinista militarization. Nicaragua similarly has attempted to avoid responding seriously to the concern of its neighbors—in light of the Sandinistas' record of failure to comply with its promises to the Organization of American States (OAS) and its persistent denial of any involvement in subversion beyond its borders—that adequate verification of any commitments entered into in a comprehensive treaty be ensured.

The United States has supported these multilateral negotiations, implementation of the goals of which would fully achieve U.S. objectives in Central America. At Contadora request, the United States initiated a series of bilateral discussions with Nicaragua in Manzanillo, Mexico, with the agreed objective of promoting the Contadora process. The U.S. objective was to reach bilateral understandings that, channeled into that process, would facilitate conclusion of a comprehensive Contadora agreement. The talks were suspended when it became apparent that agreement would be possible only if the United States accepted the Nicaraguan position that the September 7, 1984, draft should be left unchanged, without addressing the concerns of Nicaragua's neighbors about verification and simultaneity, or if the United States was willing to jettison Contadora entirely and enter into bilateral agreements which addressed only certain security issues.

By September 1985, El Salvador had made significant progress in the political, social, and military spheres, and the FMLN was sustained increasingly by Sandinista assistance alone. Honduras had weathered Sandinista attempts to foster terrorist and insurgent activities. Costa Rica, too, had survived efforts at destabilization and intimidation but had emerged fearing Sandinista Nicaragua far more than it had ever feared its long-time enemy Somoza.

The record shows the measured and gradual nature of the U.S. response, first in trying to develop a friendly relationship with Nicaragua, then in attempting, through diplomatic and economic pressure and support, for multilateral negotiations to stop Sandinista aggression. Finally the United States became more and more convinced that support for the democratic resistance was a necessary element in placing effective pressure on the Sandinistas to halt their policies of aggression, achieve internal reconciliation, and contribute to regional peace as envisaged in the Contadora 21-point Document of Objectives. ■

Nicaraguan Humanitarian Assistance Office Established

PRESIDENT'S STATEMENT, AUG. 30, 1985[1]

I have signed an Executive order which establishes the Nicaraguan Humanitarian Assistance Office. This office will administer the distribution of humanitarian assistance to the Nicaraguan democratic resistance as provided for in the International Security and Development Cooperation Act of 1985 and the Supplemental Appropriations Act, Fiscal Year 1985.

The democratic resistance in Nicaragua was born and has grown in response to the steady consolidation of a totalitarian and interventionist Marxist-Leninist regime in Nicaragua since 1979. Most of the members of the armed and unarmed opposition supported the overthrow of General Anastasio Somoza and expected that a democratic, pluralist government would follow. Very quickly, however, it became clear that the Sandinistas intended to make Nicaragua a one-party state. There would be no room for those who opposed the Sandinistas or who sought through democratic elections to challenge the Sandinistas' right to absolute rule. There would be collaboration with Cuba and the Soviet bloc in assisting revolutionary groups seeking to subvert and overthrow the democratic governments of neighboring countries. The good will that had existed between the Sandinista front and the Nicaraguan people who had welcomed the new government soon began to crumble. Prominent leaders who served in the government after the revolution and who had led the opposition to Somoza fled the country and broke publicly with the Sandinista regime. By 1982 significant numbers of Nicaraguans were compelled to pursue the last resort for civil resistance of bearing arms against the government because there was no other choice. Their numbers have grown steadily. In recent months, with the resistance forces desperately short of weapons, ammunition, food, and supplies, volunteers kept coming. The resistance could not even provide boots, but people from all walks of life left their homes to join the cause. Tens of thousands of Nicaraguans

have gone to refugee camps in Costa Rica and Honduras rather than continue to live under the Sandinistas. Many of these people are poor, simple peasants—the very people the Sandinistas claim to be helping—yet under the Sandinistas they lost too much. They lost their individuality, they lost their freedom, they lost the opportunity to control their own destiny.

The $27 million appropriated by the Congress for humanitarian assistance to the democratic resistance recognizes the serious nature of the conflict in Nicaragua and the desperate conditions which have forced people to choose armed opposition and the hard life of warfare and refugee camps over the controlled life offered by the Sandinistas. As Americans who believe in freedom, we cannot turn our backs on people who desire nothing more than the freedom we take for granted. By providing this humanitarian assistance, we are telling the people of Nicaragua that we will not abandon them in their struggle for freedom.

This Administration is determined to pursue political, not military solutions in Central America. Our policy is and has been to support the democratic center against extremes of right and left and to secure democracy and lasting peace through internal reconciliation and regional negotiations.

In El Salvador, the opening of the political system has led to impressive reconciliation and the beginning of a dialogue between President Duarte and the Salvadoran guerrillas.

In Nicaragua we support the united Nicaraguan opposition's call for a church-mediated dialogue accompanied by a cease-fire, to achieve national reconciliation and representative government. We oppose the sharing of power through military force, as the guerrillas in El Salvador have demanded; the Nicaraguan democratic opposition shares our view. They have not demanded the overthrow of the Sandinista government; they want only the right of free people to compete for power in free elections. By providing this humanitarian assistance, we help keep that hope for freedom alive.

As with any foreign assistance program, the mandate of the Nicaraguan Humanitarian Assistance Office will be carried out under the policy guidance of the Secretary of State. Program funds will be provided through the State Department, which will also be responsible for providing administrative services and facilities. Other agencies of the U.S. Government will be able to provide advice, information, and personnel; however, by the terms of this Executive order, no personnel from the Central Intelligence Agency or the Department of Defense will be assigned or detailed to this office. I have ordered that the director of the Nicaraguan Humanitarian Assistance Office shall be an officer of the United States designated by the President, and the staff of the office shall be limited to 12 officials, plus support staff. The director will be responsible for assisting the President with reporting requirements, including the detailed accounting required by the law. Authority for this office will terminate on April 1, 1986, or when all the funds to be distributed are disbursed, whichever is later.[2]

I am proud to establish the Nicaraguan Humanitarian Assistance Office by this Executive order and to begin providing the humanitarian assistance needed to help those people who are fighting for democracy in Nicaragua. I value the support that Congress has shown for this important measure and will assure that the implementation of the program is fully in accord with the legislation the Congress has enacted.

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[1]Text from Weekly Compilation of Presidential Documents of Sept. 2, 1985.

[2]On Sept. 6, 1985, the President designated Ambassador Robert W. Duemling to be the director. ■

September 1985

The following are some of the significant official U.S. foreign policy actions and statements during the month that are not reported elsewhere in this periodical.

September 9-13
President Reagan meets with U.S. arms control delegation before its return to the third round of negotiations due to begin Sept. 19 in Geneva.

September 9
President Reagan meets with major NATO commanders and the NATO military committee.

September 12-13
Assistant Secretary Wolfowitz meets with Soviet Foreign Ministry officials in Moscow to exchange views on East Asian and Pacific issues. The meeting is the latest in a series of regional experts' discussions that U.S.-Soviet officials have held in recent months.

September 12
Assistant Secretary Abrams meets with six leaders of Chilean political groups at the State Department to review the development of the national accord for transition of a return to an elected government and full democracy in Chile.

September 13
U.S. successfully conducts its first air-launched miniature vehicle antisatellite (ASAT) test against a target satellite. Specific test results are classified.

Secretary of Agriculture Block announces the sale of 175,000 metric tons of subsidized wheat flour to Egypt for delivery in November and December.

September 14
Reverend Weir is released after 16 months of captivity in Lebanon. He was taken hostage in March 1984.

September 15
U.S. restricts travel of UN employees from the Soviet Union, Afghanistan, Iran, Cuba, Vietnam, and Libya. UN employees from these countries will be required to obtain U.S. approval for personal travel outside a 25-mile (40 kilometer) radius of midtown New York City and must submit a detailed itinerary showing routes, times, and means of travel 2 days in advance.

September 16-19
Under Secretary Armacost visits India and Pakistan to discuss a number of regional and international issues of mutual concern with government officials.

September 17
The following newly appointed ambassadors present their credentials to President Reagan: Frederick Rawdon Dalrymple (Australia), Eulogio Jose Santaella Ulloa (Dominican Republic), Edward A. Laing (Belize), Federico Vargas Peralta (Costa Rica), Padraic N. MacKernan (Ireland), and Hector Luisi (Uruguay).

September 19-20
Under Secretary Wallis meets with Japanese Deputy Prime Minister for Foreign Affairs Teshima to discuss all aspects of mutual economic interests.

September 19
Secretary Shultz meets with New Zealand Deputy Prime Minister Palmer to discuss the ship visit issue and other key issues.

September 25-26
U.S.-Vietnam delegations meet in Hanoi to discuss the recovery of remains of U.S. servicemen listed as missing in action.

September 25
Secretary Shultz meets with Soviet Foreign Minister Shevardnadze at the Soviet Mission to the United Nations in New York.

September 26
U.S., Japan, and Panama sign an agreement to establish an international commission to examine future inter-ocean transit uses of the Isthmus of Panama.

September 27
U.S. and Vietnamese officials meet in New York to discuss POW/MIA matters.

September 30
U.S.-Soviet delegations meet in Geneva for a special joint plenary meeting to allow the Soviet Union to present a counter-proposal to the negotiations on nuclear and space arms. ■

Current Actions

MULTILATERAL

Aviation
Convention on offenses and certain other acts committed on board aircraft. Done at Tokyo Sept. 14, 1963. Entered into force Dec. 4, 1969. TIAS 6768.
Accession deposited: Malaysia, Mar. 5, 1985.

Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591). Done at Montreal Sept. 30, 1977.[1]
Ratification deposited: India, Jan. 31, 1985.

Protocol relating to an amendment to the convention on international civil aviation (TIAS 1591). Done at Montreal Oct. 6, 1980.[1]
Ratifications deposited: Switzerland, Feb. 21, 1985; Tunisia, Apr. 29, 1985.

Coffee
International coffee agreement, 1983, with annexes. Done at London Sept. 16, 1982. Entered into force provisionally Oct. 1, 1983.
Definitive entry into force: Sept. 11, 1985.
Ratification deposited: Brazil, Sept. 11, 1985.

Commodities—Common Fund
Agreement establishing the Common Fund for Commodities, with schedules. Done at Geneva June 27, 1980.[1]
Ratification deposited: Germany, Fed. Rep., Aug. 15, 1985.

Conservation
Convention on international trade in endangered species of wild fauna and flora, with appendices. Done at Washington Mar. 3, 1973. Entered into force July 1, 1975. TIAS 8249.
Accession deposited: Hungary, May 29, 1985.

Amendment to the convention of Mar. 3, 1973 on international trade in endangered species of wild fauna and flora (TIAS 8249). Adopted at Gaborone Apr. 30, 1983.[1]
Acceptance deposited: Belgium, July 30, 1985.

Cultural Relations
Agreement on the importation of educational, scientific, and cultural materials. Done at Lake Success Nov. 22, 1950. Entered into force May 21, 1952; for the U.S. Nov. 2, 1966. TIAS 6129.

Protocol to the agreement on the importation of educational, scientific, and cultural materials of Nov. 22, 1950. (TIAS 6129). Adopted at Nairobi Nov. 26, 1976. Entered into force Jan. 2, 1982.[2]
Accessions deposited: San Marino, July 30, 1985.

Customs
Convention establishing a Customs Cooperation Council, with annex. Done at Brussels Dec. 15, 1950. Entered into force Nov. 4, 1952; for the U.S. Nov. 5, 1970. TIAS 7063.
Accession deposited: Nepal, July 22, 1985.

Financial Institutions
Articles of agreement of the International Monetary Fund, formulated at Bretton Woods Conference July 1–22, 1944. Entered into force Dec. 27, 1945. TIAS 1501.

Articles of agreement of the International Bank for Reconstruction and Development, formulated at Bretton Woods Conference July 1–22, 1944. Entered into force Dec. 27, 1945. TIAS 1502.
Signature and acceptances deposited: Tonga, Sept. 13, 1985.

Judicial Procedure
Additional protocol to the inter-American convention on letters rogatory, with annex. Done at Montevideo May 8, 1979. Entered into force June 14, 1980.[2]
Ratification deposited: Paraguay, July 5, 1985.

Jute
International agreement on jute and jute products, 1982, with annexes. Done at Geneva Oct. 1, 1982. Entered into force provisionally Jan. 9, 1984.
Acceptance deposited: U.S., Sept. 9, 1985.

Narcotic Drugs
Single convention on narcotic drugs. Done at New York Mar. 30, 1961. Entered into force Dec. 13, 1964; for the U.S. June 24, 1967. TIAS 6298.

Protocol amending the single convention on narcotic drugs, 1961. Done at Geneva Mar. 25, 1972. Entered into force Aug. 8, 1975. TIAS 8118.
Accessions deposited: China, Aug. 23, 1985.

Convention on psychotropic substances. Done at Vienna Feb. 21, 1971. Entered into force Aug. 16, 1976; for the U.S. July 15, 1980. TIAS 9725.
Accession deposited: China, Aug. 23, 1985.

Nuclear Weapons—Nonproliferation
Treaty on the nonproliferation of nuclear weapons. Done at Washington, London, and Moscow July 1, 1968. Entered into force Mar. 5, 1970. TIAS 6839.
Notification of succession deposited: Belize, Aug. 9, 1985.

Pollution
Convention for the protection of the ozone layer, with annexes. Done at Vienna Mar. 22, 1985.[1]
Signature: Austria, Sept. 16, 1985.

Protocol to the convention on long-range transboundary pollution of Nov. 13, 1979 (TIAS 10541) concerning monitoring and evaluation of the long-range transmission of air pollutants in Europe (EMEP), with annex. Done at Geneva Sept. 28, 1984.[1]
Ratification deposited: U.K., Aug. 12, 1985.
Acceptance deposited: Ukrainian SSR, Aug. 30, 1985.

Rubber
International natural rubber agreement, 1979. Done at Geneva Oct. 6, 1979. Entered into force Apr. 15, 1982. TIAS 10379.
Extension of the agreement: Until Oct. 22, 1987.

Terrorism
Convention on the prevention and punishment of crimes against internationally protected persons, including diplomatic agents. Adopted at New York Dec. 14, 1973. Entered into force Feb. 20, 1977. TIAS 8532.
Accession deposited: Spain, Aug. 8, 1985.

Trade
Convention on transit trade of land-locked states. Done at New York July 8, 1965. Entered into force June 9, 1967; for the U.S. Nov. 28, 1968. TIAS 6592.
Accession deposited: Senegal, Aug. 5, 1985.

Agreement on interpretation and application of articles VI, XVI, and XXIII of the general agreement on tariffs and trade (subsidies and countervailing duties code). Done at Geneva Apr. 12, 1979. Entered into force Jan. 1, 1980. TIAS 9619.
Acceptances deposited: Indonesia, Mar. 4, 1985;[2] Israel, Aug. 15, 1985;[3] Philippines, Mar. 15, 1985;[3] Turkey, Feb. 1, 1985.[3]

Treaties
Vienna convention on the law of treaties, with annex. Done at Vienna May 23, 1969. Entered into force Jan. 27, 1980.[2]
Ratification deposited: Liberia, Aug. 29, 1985.

Women
Convention on the elimination of all forms of discrimination against women. Adopted at New York Dec. 18, 1979. Entered into force Sept. 3, 1981.[2]
Ratifications deposited: Guinea-Bissau, Aug. 23, 1985; Mali, Sept. 10, 1985; Tanzania, Aug. 20, 1985.

BILATERAL

Bangladesh
Agreement amending the agreement of Mar. 8, 1982, as amended, (TIAS 10483, 10642) for sales of agricultural commodities. Effected by exchange of letters at Dhaka Aug. 31, 1985. Entered into force Aug. 31, 1985.

Bolivia
Agreement amending the agreement of Feb. 4, 1985, for the sale of agricultural commodities. Effected by exchange of notes at La Paz Aug. 20, 1985. Entered into force Aug. 20, 1985.

Botswana
Agreement concerning the construction, operation, and maintenance of a Voice of America radio relay facility in Botswana, with appendix. Signed at Gaborone Sept. 5, 1985. Entered into force Sept. 5, 1985.

Brazil
Agreement relating to trade in cotton, wool, and manmade fiber textiles and textile products, with annexes. Effected by exchange of notes at Brasilia Aug. 7 and 29, 1985. Entered into force Aug. 29, 1985; effective Apr. 1, 1985.

Colombia
Agreement amending the investment agreement of Apr. 3, 1985. Effected by exchange of notes at Washington July 18 and Aug. 19, 1985. Entered into force Aug. 19, 1985.

El Salvador
Agreement amending the agreement of Nov. 1, 1984, as amended, for the sale of agricultural commodities. Effected by exchange of notes at San Salvador Aug. 8, 1985. Entered into force Aug. 8, 1985.

France
Amendment modifying the agreement of July 27, 1961 (TIAS 4867), for cooperation in the operation of atomic weapons systems for mutual defense purposes. Signed at Paris July 22, 1985. Enters into force on the date on which each government receives from the other written notification that it has complied with all statutory and constitutional requirements.

Guatemala
Agreement for sales of agricultural commodities, with memorandum of understanding. Signed at Guatemala June 6, 1985.
Entered into force: Aug. 7, 1985.

Israel
Agreement on the establishment of a free trade area, with annexes, exchange of letters, and related letter. Signed at Washington Apr. 22, 1985.
Entered into force: Aug. 19, 1985

Memorandum of understanding concerning the installation, operation, and maintenance of a seismic station. Signed at Tel Aviv May 1, 1985. Entered into force May 1, 1985.

Japan
Agreement extending the agreement of May 1, 1980 (TIAS 9760), on cooperation in research and development in science and technology. Effected by exchange of notes at Washington Apr. 26, 1985. Entered into force Apr. 26, 1985.

Agreement concerning the furnishing of launch and associated services for Spacelab mission, with memorandum of understanding. Effected by exchange of notes at Washington Mar. 29, 1985. Entered into force Mar. 29, 1985.

Agreement relating to the reciprocal granting of authorizations to permit licensed amateur radio operators of either country to operate their stations in the other country. Effected by exchange of notes at Tokyo Aug. 8, 1985. Entered into force Sept. 7, 1985.

Agreement concerning Japanese participation in the commission for the study of alternatives to the Panama Canal, with attachments. Effected by exchange of notes at New York Sept. 26, 1985. Entered into force Sept. 26, 1985.

Malaysia
Agreement amending agreement of July 1 and 11, 1985, relating to trade in cotton, wool, and manmade fiber textiles and textile products. Effected by exchange of notes at Kuala Lumpur Aug. 21 and 23, 1985. Entered into force Aug. 23, 1985.

Mauritania
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annex. Signed at Washington Aug. 14, 1985.
Entered into force: Sept. 23, 1985.

Mexico
Agreement amending the agreement of May 17, 1984, relating to additional cooperative arrangements to curb the illegal traffic in narcotics. Effected by exchange of letters at Mexico July 24 and Aug. 20, 1985. Entered into force Aug. 20, 1985.

Morocco
Agreement amending the agreement of Feb. 19, 1985, as amended, for the sale of agricultural commodities. Signed at Rabat July 24, 1985. Entered into force July 24, 1985.

Panama
Agreement concerning establishment of the commission for the study of alternatives to the Panama Canal, with annex and related notes. Effected by exchange of notes at New York Sept. 26, 1985. Entered into force Sept. 26, 1985.

Philippines
Agreement regarding the consolidation and rescheduling of certain debts owed to, guaranteed by, or insured by the U.S. Government and its agencies, with annexes. Signed at Manila July 29, 1985.
Entered into force: Aug. 30, 1985.

Sudan
Agreement amending the agreement of Dec. 27, 1984, as amended, for the sales of agricultural commodities. Effected by exchange of notes at Khartoum Aug. 24, 1985. Entered into force Aug. 24, 1985.

U.S.S.R.
Agreement extending the agreement of Nov. 26, 1976, as amended and extended (TIAS 8528, 10531, 10532, 10696), concerning fisheries off the coasts of the United States. Effected by exchange of notes at Washington July 29 and Sept. 2, 1985. Enters into force following written notification of the completion of internal procedures of both governments.

United Kingdom
Agreement amending the agreement of July 23, 1977, as amended (TIAS 8641, 8965, 9722, 10059), concerning air services. Effected by exchange of notes at Washington May 3 and Aug. 9, 1985. Entered into force Aug. 9, 1985.

Agreement extending the memorandum of understanding of Sept. 24, 1975, as extended (TIAS 9033), relating to the principles governing cooperation in research and development, production, and procurement of defense equipment. Signed at Washington June 28, 1985. Entered into force June 28, 1985.

Yemen
Agreement amending the agreement of Apr. 15, 1985, for the sale of agricultural commodities. Signed at Sanaa July 30, 1985. Entered into force July 30, 1985.

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[1]Not in force.
[2]Not in force for the U.S.
[3]With declaration. ■

Department of State

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

No.	Date	Subject
*211	9/4	Gary L. Matthews sworn in as Ambassador to Malta, Aug. 22 (biographic data).
*212	9/4	U.S.-Mexico agree on measures to resolve the Tijuana sanitation problem.
*213	9/5	Program for the official visit to Washington, D.C., of Prime Minister Poul Schlueter of Denmark, Sept. 9–11.
*214	9/6	U.S. Delegation to Budapest Cultural Forum (Oct. 15–Nov. 25) announced.
*215	9/6	Irvin Hicks sworn in as Ambassador to the Republic of Seychelles, Aug. 9 (biographic data).
*216	[Not issued.]	
*217	9/6	U.S.-Mexico sign Annexes Nos. I and II to border environmental agreement, July 18.
*218	9/11	Shultz: news conference on South Africa, Sept. 9.
219	9/11	Shultz: statement before Senate Committee on Labor and Human Resources.
*220	9/11	Shultz: welcoming remarks before International Communications Technology and Foreign Policy Symposium.
*221	9/12	Shultz: remarks at swearing-in ceremony of the Christopher Columbus Quincentenary Jubilee Commission.
*222	9/16	Program for the official working visit to Washington, D.C. of President Samora Moises Machel of the People's Republic of Mozambique, Sept. 17–21.
*223	9/16	Blair House Restoration Fund.
224	9/17	Shultz: statement before the Senate Judiciary Committee.
225	9/23	Shultz: address before the 40th session of the UN General Assembly, New York.
*226	9/25	Harvey F. Nelson, Jr., sworn in as Ambassador to Swaziland, Aug. 19 (biographic data).
*227	9/25	Edwin G. Corr sworn in as Ambassador to El Salvador, Aug. 23 (biographic data).
*228	10/16	Richard W. Bogosian sworn in as Ambassador to Niger, Aug. 23 (biographic data).
*229	9/30	Indochinese Refugee Panel announced.

*Not printed in the BULLETIN. ■

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President Reagan
South Africa: Presidential Actions (with text of Executive order), Sept. 9, 1985 (Current Policy #735).
The President's Trade Policy Action Plan, business leaders and members of the President's Export Council and the Advisory Committee for Trade Negotiations, Sept. 23, 1985 (Current Policy #745).

Secretary Shultz
The Charter's Goals and Today's Realities, UN General Assembly, Sept. 23, 1985 (Current Policy #743).
Proposed Refugee Admissions for FY 1986, Subcommittee on Immigration and Refugee Policy, Senate Judiciary Committee, Sept. 17, 1985 (Current Policy #738).
U.S. Role in the ILO, Senate Labor and Human Resources Committee, Sept. 11, 1985 (Current Policy #737).

Africa
Southern Africa: U.S. Policy (GIST, Sept. 1985).

Energy
Energy Trade: Problems and Prospects, Deputy Assistant Secretary Wendt, Oxford Energy Seminar, Oxford, England, Sept. 5, 1985 (Current Policy #741).
Oil and Energy (GIST, Sept. 1985).

Europe
CSCE Process: An Overview (GIST, Sept. 1985).

Human Rights
Human Rights and U.S.-Soviet Relations, Under Secretary Armacost, International Council of the World Conference on Soviet Jewry, Sept. 9, 1985 (Current Policy #736).

Middle East
An Overview of Developments in the Middle East, Assistant Secretary Murphy, Subcommittee on Europe and the Middle East, House Foreign Affairs Committee, Sept. 18, 1985 (Current Policy #740).

Narcotics
International Narcotics Control (GIST, Sept. 1985).

South Asia
Afghanistan (GIST, Sept. 1985).

Western Hemisphere
Revolution Beyond Our Borders: Sandinista Intervention in Central America, Sept. 1985 (Special Report #132). ■

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