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THE DEPARTMENT OF STATE BULLETIN

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THE DEPARTMENT OF STATE **BULLETIN**

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

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Secretary Kissinger Interviewed for "Bill Moyers' Journal"

Following is the transcript of an interview with Secretary Kissinger by Bill Moyers on January 15 for the Public Broadcast Service series "Bill Moyers' Journal: International Report."

Press release 16 dated January 16

Mr. Moyers: Mr. Secretary, I was thinking coming down here of a conversation we had when you were teaching at Harvard in 1968, six months before you came to the White House. You had a very reasonably clear view, a map of the world in your mind at that time, a world based on the stability brought about by the main powers. I am wondering what that map is like in your mind now of the world.

Secretary Kissinger: Well, I thought at the time, and I still do, that you cannot have a peaceful world without most of the countries, and preferably all of the countries, feeling that they have a share in it. This means that those countries that have the greatest capacity to determine peace or war—that is, the five major centers—be reasonably agreed on the general outlines of what that peace should be like. But at the same time, one of the central facts of our period is that more than 100 nations have come into being in the last 15 years, and they, too, must be central participants in this process. So that for the first time in history foreign policy has become truly global and therefore truly complicated.

Mr. Moyers: What about the flow of wealth to countries in the Middle East? Hasn't that upset considerably the equilibrium that you thought would be possible between the five centers of power?

Secretary Kissinger: Well, the world that we all knew in 1968, when you and I talked, is extraordinarily different today. At that time we had the rigid hostility between the Communist world and the non-Communist world. At that time Communist China, the People's Republic of China, was outside the mainstream of events. And at that time, you are quite right, the oil-producing countries were not major factors. The change in influence of the oil-producing countries, the flow of resources to the oil-producing countries in the last two years in a way that was unexpected and is unprecedented, is a major change in the international situation to which we are still in the process of attempting to adjust.

Mr. Moyers: All of these changes brought to mind something you once wrote. You said "statesmen know the future, they feel it in their bones, but they are incapable of proving the truth of their vision." And I am wondering, what are your bones telling you now about the future, with all of these new forces at work?

Secretary Kissinger: Well, I feel we are at a watershed. We are at a period which in retrospect is either going to be seen as a period of extraordinary creativity or a period when really the international order came apart, politically, economically, and morally.

I believe that with all the dislocations we now experience, there also exists an extraordinary opportunity to form for the first time in history a truly global society, carried by the principle of interdependence. And if we act wisely and with vision, I think we can look back to all this turmoil as the birth

pangs of a more creative and better system. If we miss the opportunity, I think there is going to be chaos.

Mr. Moyers: But at the same time the opportunity exists, as you yourself have said, the political problem is that the Western world—and this is a direct quote of yours—is suffering "from inner uncertainty" and a sense of misdirection.[1] *What is causing that inner uncertainty? Is it external, is it internal, or is it simply we don't know what we really want to do?*

Secretary Kissinger: Bill, I think you are quite right. The aspect of contemporary life that worries me most is the lack of purpose and direction of so much of the Western world. There are many reasons for this. The European countries have had to adjust in this century to two world wars, to an enormous change in their position, to a dramatic, really social revolution in all of them—and now to the process of European unification.

The new countries are just beginning to develop a coherent picture of the international world, having spent most of their energies gaining independence.

And in the United States, we have had a traumatic decade—the assassination of a President and his brother, the Viet-Nam war, the Watergate period.

So we have this great opportunity, at a moment when the self-confidence in the whole Western world has been severely shaken.

On the other hand, as far as the United States at least is concerned, I believe we are a healthy country, and I believe we are capable of dealing with the problem that I have described creatively.

Mr. Moyers: But you also used a "perhaps" in that statement. You said that every country in the Western world is suffering from inner uncertainty with the exception perhaps of the United States. And I am wondering why you brought in the "perhaps."

Secretary Kissinger: Because no country can go through what the United States has gone through without suffering, on the one hand, some damage but also gaining in wisdom. I think it is the process of growing up to learn one's limits and derive from that a consciousness of what is possible within these limits.

Through the greater part of our history we felt absolutely secure. In the postwar period we emerged from a victorious war with tremendous resources. Now the last decade has taught America that we cannot do everything and that we cannot achieve things simply by wishing them intensely. On the other hand, while that has been a difficult experience for us, it also should have given us a new sense of perspective.

So I used the word "perhaps" because our reaction to these experiences will determine how we will master the future. But I am really quite confident that if we act in concert, and if we regain—as I think we can and must—our national consensus, that we can do what is necessary.

Progress Toward Consensus on Energy

Mr. Moyers: In the postwar world, the consensus between Europe and America was built around a common defense against a mutual danger. That has disappeared. The defense structure is very weak in the West at the moment, and a new factor, the economic imperative, has arisen. Europe and Japan are much more dependent, for example, on Middle Eastern oil than we are. Doesn't that make them less dependable as members of this new consensus?

Secretary Kissinger: I would not, Bill, agree that the defense is weak. Actually, we have had considerable success in building a quite strong defensive system between us and Europe and between us and Japan—especially between us and Europe. The difficulty is that the perception of the threat has diminished and so many new problems have arisen that simply a common defense is not enough by itself to provide the cement of unity.

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[1] For the transcript of an interview with Secretary Kissinger for Business Week magazine, see BULLETIN of Jan. 27, 1975, p. 97.

You pointed out the economic problem. It is an interesting fact that in April 1973 I called for the economic unity of the industrialized countries. At that time this was rejected as carrying the alliance much too far. Today every one of our friends insists that we coordinate our economic policies, because they recognize that their prosperity depends on our economic programs.

Now, the problem of relations to the oil producers, for example, has in Europe and in Japan evoked a much greater sense of vulnerability than in the United States, because it is based on fact.

Mr. Moyers: Wouldn't we be worried if we were in their position?

Secretary Kissinger: Absolutely. I am not criticizing either the Europeans or the Japanese for their reaction. We have attempted to create in them a sense that together with us we can master the energy problem. And in all the discussions of conservation, recycling, alternative sources of energy, financial solidarity, there are many technical solutions. We have always chosen the one that in our judgment has the greatest potential to give our friends a sense that they can master their fate and to overcome the danger of impotence which is a threat at one and the same time to their international as well as to their domestic positions. This process is not yet completed. And as we go through it, there are many ups and downs.

On the other hand, we have to remember it is only one year since the Washington Energy Conference has been called—less than a year. In that time an International Energy Agency has been created, a conservation program has been agreed to, emergency sharing has been developed for the contingency of new embargoes.

I am absolutely confident that within a very short time, a matter of weeks, we will have agreed on financial solidarity. And within a month we will make proposals on how to develop alternative resources.

One of the problems is that each country is so concerned with its domestic politics that these very important events are coming to pass in a very undramatic manner and in a way that does not galvanize the sort of support that the Marshall plan did. But the achievements, in my view, have not been inconsiderable and may be in retrospect seen as the most significant events of this period.

Mr. Moyers: Is it conceivable to expect Europe and Japan to go with us on our Middle Eastern policy when they have to get most of their oil from the OPEC [Organization of Petroleum Exporting Countries] countries and we do not?

Secretary Kissinger: I think it is not only conceivable—I think it is, above all, in their own interests. Because we have to understand what is our Middle East policy.

Our Middle East policy is to enable Europe and Japan to put themselves into the maximum position of invulnerability toward outside pressures but at the same time to engage in a dialogue with the producers to give effect to the principle of interdependence on a global basis.

We recognize—in fact, we were the first to advance the proposition—that the oil producers must have a sense that the arrangements that are made are not only just but are likely to be long lasting.

We have pursued a dialogue with the producers on the most intensive basis. We have set up commissions with Iran and Saudi Arabia, and we have very close relationships in economic discussions with Algeria and other countries in which we are trying to relate our technical know-how to their resources and in which we are attempting to demonstrate that jointly we can progress to the benefit of all of mankind.

Now, we are prepared later this year, as soon as some common positions have been developed with the consumers, on the basis of the discussions we had with the French President at Martinique, to have a multilateral talk between consumers and producers. And therefore our vision of what should happen is a cooperative arrangement between consumers and producers. And I believe that it is in the interests of Europe

and Japan to participate in this, and their actions indicate that they believe that, too.

Relations With Developing Countries

Mr. Moyers: Does your concept of interdependence stop with the regional interdependence of the industrial world, the industrial consumers, or do you go far enough to include the global interdependence that comes from the billion people in the southern half of the globe who feel excluded from the discussions that are going on with the oil-producing countries?

Secretary Kissinger: Well, first, our idea includes as an essential component the billion people in the southern half of the globe. And again, if I may remind you, at the Washington Energy Conference we made clear that the cooperation among the consumers should be followed by immediate talks, first with the consuming less developed countries and then with the producing countries. So the idea of a consumer-producer dialogue was first advanced by us.

But we are happy to go along with the French proposal if and when, which we believe will be fairly soon, the essential prerequisites have been met.

But obviously a world in which the vast majority of mankind does not feel that its interests and purposes are recognized cannot be a stable world. And therefore we have continually supported foreign aid. We have this week put before the Finance Ministers of the International Monetary Fund that is meeting here the importance of creating a special trust fund for the less developed countries that have been hard hit by rising oil prices. And we believe that they must be an essential part of the community I am talking about.

Mr. Moyers: Our foreign aid program, which you raised, has been about constant the last few years and therefore in real dollars is down.

Secretary Kissinger: I agree.

Mr. Moyers: We—almost virtually alone among the industrial nations—have not helped the underdeveloped world with its manufactured goods on our tariff policy. A lot of the food that we are giving right now is going into political areas, strategical areas, rather than humanitarian areas. The Brazilians and Indians say we are excluding them from the definition of "consumer." And the impression you get from talking to representatives of the developing world is that they really do not agree that we are very conscious of their consideration and needs.

Secretary Kissinger: Well, I think quite honestly there is a difference between what they say publicly and what they say privately.

It is a fact that in many of the less developed countries it is politically not unhelpful to seem to be at least aloof from the most powerful country in the world and to give the impression that one is not dominated by this colossus. And therefore the rhetoric of many of these countries is much more strident than the reality of their foreign policy.

Now, it is true that the American people have been disillusioned by some of their experiences in international affairs. And inevitably during a recession it is difficult to mobilize public support for a very large foreign aid program. And these are obstacles with which we contend.

Now, with respect to the tariff preferences. More restrictions were put on them by the Congress than we thought wise. And some of the penalties that were attached to particular groupings affected countries like Ecuador which really are members of the oil-producing cartel by courtesy only or countries like Venezuela with which we have a long tradition of Western Hemisphere solidarity. And we have regretted these particular limitations. In addition, there have been restrictions on certain products about which Brazil and India complain that affect these countries unfavorably.

We have indicated that after we have had an opportunity to study it we would bring to the attention of the Congress the special inequities that have been caused by this legislation.

On the other hand, I cannot accept your statement that this legislation does not permit additional access of industrial goods. For example, Mexico, which yesterday pointed out some of the inequities to us, nevertheless benefits to the extent of $350 million of its products in the U.S. market by the new Trade Act. And I am sure a similar study could be made for Brazil and India and other countries.

So while we don't think the Trade Act went as far as we should have wished, I think it went generally in the right direction. And we are determined to work with Congress to improve it.

But your question suggests a more fundamental problem. Many of these new countries —this doesn't apply to the Latin American countries—but many of the new countries formed their identity in opposition to the industrial countries, and they are caught in a dilemma. Their rhetoric is a rhetoric of confrontation. The reality is a reality of interdependence. And we have seen in the United Nations and elsewhere that the rhetoric doesn't always match the necessities. And one of the problems of international order is to bring them closer together.

Approaches to World Food Problem

Mr. Moyers: One of the issues they point to, for example, is the fact that the oil-producing countries have recently allocated some $2 billion in aid to these 40 or so poor countries in the world. That is roughly the amount of the increase in the price these countries are paying for oil. They are paying us about a billion dollars more for food and fertilizer. And yet we have not adjusted our assistance to them to compensate for this. So they say they are being driven into a "tyranny of the majority" by turning to the OPEC countries for the kind of assistance that interdependence makes necessary.

Secretary Kissinger: Well I don't think it is correct that we are not adjusting. For example, our P.L. 480 program, which is our food contribution, is on the order of about $1.5 billion, or almost that large. And we have opted, after all the discussions, for the highest proposal that was made, or substantially the highest proposal.

I also don't agree with you that we are giving most of our food aid for strategic purposes.

Mr. Moyers: I didn't say "most." I didn't mean to say "most." I mean a substantial amount.

Secretary Kissinger: We are giving some in countries in which political relationships are of importance to us. And it stands to reason that when a country has a vital resource that it keeps in mind the degree of friendship that other countries show for it before it distributes this resource, essentially on a grant basis.

But the vast majority—the considerable majority of our food aid goes for humanitarian purposes. And even in those countries where political considerations are involved, those are still countries with a very real and acute food shortage.

Mr. Moyers: You said recently that we have to be prepared to pay some domestic price for our international position. More food aid is going to mean increased prices at home. And I am wondering what are some of the other prices you anticipate Americans are going to have to be paying because of this international position.

Secretary Kissinger: Well, I think first of all we have to understand that what seems to be a domestic price in the long term is the best investment we can make, because if the United States lives in a hostile world, the United States lives in a depressed world; then inevitably, given our dependence on the raw materials of the world and given our essential interest in peace, in the long term we will suffer.

We have to recognize domestically, first of all, that foreign aid programs, as they are now being developed, are in our interest; secondly, that in developing such programs as financial solidarity and conservation of energy, even though they are painful, they

are absolutely essential for the United States to be able to play a major role internationally and to master its domestic problems. And of course we have to be prepared to pay the price for national security.

Mr. Moyers: In Europe recently I found some feeling of concern that the emphasis on interdependence, and because of the economic and energy crisis in particular, is going to bring an alignment of the old rich, the industrial nations, against the new rich, the oil nations and commodity nations, at the exclusion of the poor. And if I hear you correctly, you are saying we cannot let that happen.

Secretary Kissinger: Well, first of all, we are not talking of an alliance of the old rich against the new rich, because we are seeking cooperation between the old rich and the new rich. Both need each other. And neither can really prosper or, indeed, survive except in an atmosphere of cooperation. And it seems to us that the old rich and the new rich must cooperate in helping the poor part of the world.

Take the problem of food, which you mentioned. There is no way the United States can feed the rest of the world. And from some points of view, the level of our food aid has mostly a symbolic significance, because the ultimate solution to the food problem depends on raising the productivity of the less developed countries. This requires fertilizer, help in distribution, and similar projects. This in turn can only be done through the cooperation of the technical know-how of the old rich with the new resources of the new rich.

And we will, within the next two months, make a very concrete proposal of how all of this can be put together to increase drastically the food production in the poor part of the world.

Dislocations Caused by High Oil Prices

Mr. Moyers: What about the psychological adjustment that all of this is causing us to make? Does it disturb you that a handful of Arab sheikhs in a sense have so much new power and so much dominance on the world scene?

Secretary Kissinger: It is a new fact to which we all have to adjust, including the oil-producing countries. But I think that, on the whole, everybody is trying to deal with these long-range problems in a cooperative spirit, although of course obviously the level of experience in dealing with global problems differs between various nations.

Mr. Moyers: Is our specific purpose of our policy toward the oil-producing countries to arrest the flow of wealth to them?

Secretary Kissinger: No. Our concern is that the flow of wealth, which is inevitable, is channeled in such a way that it does not disrupt the international—the well-being of all the rest of the world.

If you take countries like Iran, for example, or Algeria, that use most of their wealth for their own development, which means in effect that they are spending the energy income in the industrialized part of the world, this is not a basically disruptive effect. It has certain dislocations. But I think this is not basically disruptive.

What presents a particular problem is in those areas where the balances accumulate and where the investment of large sums or the shifting around of large sums can produce economic crises that are not necessarily intended; this makes the problem of finding financial institutions which can handle these tremendous sums—$60 billion in one year, which is more than our total foreign investment over 100 years, just to give one a sense of the magnitude—to have those sums invested in a way that does not produce economic chaos.

Mr. Moyers: What are the consequences if we don't find those international monetary structures?

Secretary Kissinger: Well, I think the consequences will be rampant inflation, the potential economic collapse of some of the weaker nations, and the long-term backlash, economically, will be on the oil producers as well as on the consumers. But I am confident

we will find the institutions, and I think you will find that the discussions of the Finance Ministers taking place this week are making very substantial progress in developing these financial institutions.

Mr. Moyers: Some people have said that we are on the edge of a global economic crisis akin to that of the 1930's. I know you were just a boy in the 1930's. But that part of your life you remember quite well. Do you see similarities?

Secretary Kissinger: I didn't understand too much about economics at that time. I was better versed in football than economics. But I think there are similarities in the sense that when you are faced with economic difficulties, you have the choice of retreating into yourself or trying to find a global solution. Retreating into yourself is a defensive attitude which, over a period of time, accelerates all the difficulties that led you to do it in the first place.

I think our necessity is to find a global solution. It is our necessity and our opportunity. And in many ways we are on the way to doing it. Although with all the debates that are going on, this is not always apparent.

Mr. Moyers: Isn't what is happening in the Middle East, and particularly the flow of wealth to the Middle Eastern oil-producing countries, simply an adjustment of history? Isn't it a rhythm of history? Wasn't it natural that when they finally got control of their own oil production they would use it for their own benefits?

Secretary Kissinger: That was inevitable. I don't know whether it was inevitable that God would place the oil in exactly those places.

Mr. Moyers: Or that he would place the Arabs there.

Secretary Kissinger: But once it was placed there, it was inevitable that sooner or later these trends would develop. And we are not fighting these trends.

Mr. Moyers: But the price was kept down for four decades by Western control of the production of oil. That is gone.

Secretary Kissinger: Well, I don't want to speculate about what kept the price down, because it could happen that the price will go down again. This depended on the relationship of supply and demand in a very important way. The oil resources of the Middle East were so vast compared to the energy requirements of the world that that kept the price down. It was only in the last decade—when I came to Washington in 1969 people were still talking about oil surplus, and they were still talking about how to restrict the importation of foreign oil lest the prices go down even more—it is only in the last six years that there has been such a dramatic increase in the energy requirements that the opportunity for raising the prices existed.

I believe that before then there was—it was roughly in balance between supply and demand.

Mr. Moyers: You talk about the solidarity of consumers in dealing with and negotiating with the oil-producing companies. What will that solidarity produce; what economic pressure, Mr. Secretary, do we have on the Arabs?

Secretary Kissinger: I don't think it is a question of economic pressure. I think there are two possibilities. Right now every consumer, or every group of consumers, has its own dialogue going on with the producers. It is not that there is no dialogue going on. There is a European dialogue with the Arabs. There is an American dialogue going on with both Arab countries and with Iran. The question is whether a multilateral conference, that is to say, getting all consumers together with all of the producers, how that can advance matters. In our view it can advance matters only if the consumers do not repeat at such a conference all the disagreements that they already have. I believe that in such a conference, if both sides are well prepared, one should address the question of long-term supply. That is to give the oil producers an assurance that they will have a market for a fairly long future.

There has to be some discussion about price. There has to be some discussion about international facilities, both for the benefit of the poor countries and to make sure that the investments are channeled in such a way that they do not produce economic crisis.

We are working hard on all of these issues, and we believe all of them are soluble in a constructive manner.

Mr. Moyers: And you don't believe that pressure is the way.

Secretary Kissinger: I do not believe that pressure will—that in such a negotiation, that such a negotiation can be based upon pressure. But each side, obviously, has to be aware of its own interests and has to defend its own interests in a reasonable manner. We don't blame the producers for doing it, and they cannot blame the consumers for doing it. But the attitude must be cooperative, conciliatory, and looking for a long-term solution.

Mr. Moyers: Do you think the oil-producing countries have an interest in that kind of negotiation—dialogue?

Secretary Kissinger: I believe that the vast majority of them do.

Question of Use of Force

Mr. Moyers: Well, if pressure isn't that important a part of the scenario, I need to ask you what did you have in mind when you gave that interview to Business Week and talked about the possible strangulation of the West? What was going through your mind at just that minute?

Secretary Kissinger: Well, first of all, the sentence that has attracted so much attention is too frequently taken totally out of context, and it was part of a very long interview in which I put forward essentially the conception that I have developed here; that is to say, of a cooperative relationship between the consumers and producers. In addition, I made clear that political and economic warfare, or military action, is totally inappropriate for the solution of oil prices, recycling problems, et cetera. The contingency, and the only contingency, to which I addressed myself was an absolutely hypothetical case in which the actual strangulation of the entire industrialized world was being attempted; in other words, in which the confrontation was started by the producers.

I have said repeatedly, and I want to say now, I do not believe that such an event is going to happen. I was speaking hypothetically about an extreme situation. It would have to be provoked by other countries.

I think it is self-evident that the United States cannot permit itself to be strangled. But I also do not believe that this will really be attempted. And therefore we were talking about a hypothetical case that all our efforts are attempting to avoid and that we are confident we can avoid.

We were not talking, as is so loosely said, about the seizure of oilfields. That is not our intention. That is not our policy.

Mr. Moyers: What intrigues so many people, it seems to me, was that, a few days before, you had given a similar interview to Newsweek and much the same thing has been said with no particular alarm. Then a few days later a similar statement is made, and it is seized upon. And some of us thought perhaps you had calculated between the first interview and the second interview to be more precise in some kind of message.

Secretary Kissinger: I was astonished when this was seized upon. We were not the ones who spread it. I think there are many people who have spread this around, frankly, in order to sow some dispute between us and the oil producers.

Our whole policy toward the producers has been based on an effort of achieving cooperation. We have spent tremendous efforts to promote peace in the Middle East precisely to avoid confrontations. We were talking about a very extreme case, about which only the most irresponsible elements among producers are even speaking, and it is not our policy to use military force to settle any of the issues that we are now talking about.

Mr. Moyers: But neither, if I understand your philosophical view of diplomacy, can a power ever rule out any contingency.

Secretary Kissinger: Well, no nation can announce that it will let itself be strangled without reacting. And I find it very difficult to see what it is that people are objecting to. We are saying the United States will not permit itself or its allies to be strangled.

Somebody else would have to make the first move to attempt the strangulation. It isn't being attempted now.

Mr. Moyers: Well, I was in Europe about the time and some of them almost came out of their skins, because depending as they do on Middle East oil, and with our troops on their soil, they could see a confrontation between us and the oil-producing countries that would have them the innocent bystander and victim. That is why they seized upon it.

Secretary Kissinger: I find it difficult to understand how they would want to announce "please strangle us." We did not say —and I repeat here—that any of the issues that are now under discussion fall into this category. There would have to be an overt move of an extremely drastic, dramatic, and aggressive nature before this contingency could ever be considered.

Mr. Moyers: Who, Mr. Secretary, has a stake in division between us and the oil-producing countries?

Secretary Kissinger: Oh, I think there are many forces, and I don't want to speculate on that.

Middle East Diplomacy

Mr. Moyers: Let me ask you this. I am curious not about how you see a possible final solution in the Middle East but by what in history and in your own philosophy makes you believe that people who have fought so bitterly over so long a period of time can ever settle a conflict like that peaceably.

Secretary Kissinger: If you are in my position, you often find yourself in a situation where as a historian you would say the problem is insoluble and yet as a statesman you have absolutely no choice except to attempt to settle it. Because what is the alternative? If we say there is no solution, then another war is guaranteed. Then the confrontation between oil producers and consumers that it is our policy to attempt to avoid will be magnified—the risk of this will be magnified. The danger of a confrontation between the Soviet Union and the United States will be increased.

And therefore, with all the difficulties and with all the anguish that is involved, we must make a major effort to move step by step toward a solution. And some progress has already been made that most people thought was difficult. And we find ourselves often in a situation, and many national leaders do, where if you attempt something new, there is no historical precedent for it, and you have to go on an uncharted road.

Mr. Moyers: You never announce that you are giving up hope.

Secretary Kissinger: Not only can you not announce you are giving up hope; you must not give up hope. You must believe in what you are doing.

Mr. Moyers: Is our step-by-step diplomacy on the Middle East on track?

Secretary Kissinger: Our step-by-step diplomacy is facing increasing difficulties. As one would expect, as you make progress you get to the more difficult circumstances.

I believe we have an opportunity. I believe that progress can be made. And I expect that over the next months progress will be made.

Mr. Moyers: In the ultimate extremity of war, wouldn't the level of violence be increased by the sale of arms we have made to the Arabs and the arms we have shipped to Israel? Aren't we in a sense guaranteeing that any war—

Secretary Kissinger: Well, none of the states that are likely—none of the Arab states likely to fight in a war have received American arms. The sale of arms to Israel is necessitated by the fact that the Arab

countries are receiving substantial supplies from the Soviet Union and because the security of Israel has been an American objective in all American administrations since the end of World War II.

Mr. Moyers: There is some confusion out there as to whether or not you have systematically excluded the Soviets from playing a peacekeeping role in the Middle East and whether, if you have, this is to our advantage. Is it possible to have a solution there that does not involve the Soviets?

Secretary Kissinger: A final solution must involve the Soviet Union. And it has never been part of our policy to exclude the Soviet Union from a final solution. The individual steps that have been taken have required—have been based on the methods which we judge most effective. And at the request of all of the parties. We have proceeded in the manner in which we have, but we have always kept the Soviet Union generally informed of what we were doing.

Mr. Moyers: Is there any evidence that under the general rubric of détente the Soviets have been playing adversary politics in the Middle East?

Secretary Kissinger: I think the Soviet Union has not been exceptionally helpful, but it has also not been exceptionally obstructive. And I do not believe it is correct to say they have been playing adversary politics.

Detente With the Soviet Union

Mr. Moyers: On the word "détente," I wish you would define it for us.

Secretary Kissinger: Well, the problem of détente is often put as if the United States were making concessions to the Soviet Union in order to achieve peace. Basically the problem of détente, the necessity of détente, is produced by the fact that nuclear war in this period is going to involve a catastrophe for all of humanity. When the decision of peace and war involves the survival of tens of millions of people, you are no longer playing power politics in the traditional sense. And for this reason, every American President in the postwar period, no matter how different their background, no matter what their party, has sooner or later been driven to making the problem of peace the central preoccupation of his foreign policy. This is the case also, obviously, in this administration.

We would like to leave a legacy of having made the world safer than when we found it, as must every administration. To conduct confrontation politics where the stakes are going to be determined by nuclear weapons is the height of irresponsibility. This is what we mean by détente. We have sought systematically to improve political relations, to increase trade relations in order to produce a maximum number of links between us and the Soviet Union, and to create a cooperative environment to reduce the dangers of war.

Mr. Moyers: But in the 20 years immediately after World War II there was nuclear peace, one could say. Every Secretary of State has said "That is my objective—not to have a nuclear war." What are the special reasons for détente as a systematic policy? What have we got from it, beyond nuclear peace?

Secretary Kissinger: What we have got from détente is—first of all, the situation in Europe is more peaceful than it has ever been. As late as the Kennedy administration, in the 1960's, there was a massive confrontation over Berlin between the United States and the Soviet Union. Throughout the sixties there was a confrontation between the United States and the Soviet Union over the question of nuclear arms, over the question of the ultimate shape of the European arrangements, and over the whole evolution of world policy.

In the last three years, European issues have been substantially, if not settled, I think substantially eased. In all parts of the world except the Middle East, the United States and the Soviet Union have pursued substantially compatible and, in some cases, cooperative policies. A trade relationship has developed for the first time that would give

both countries an incentive—and especially the Soviet Union—an incentive to conduct moderate foreign policies. And most importantly, two major steps have been taken to arrest the nuclear arms race. For the first time, agreed ceilings exist to reduce the danger—to eliminate the danger, in fact, or at any rate to substantially reduce it—that both sides will be raising or conducting an arms race out of fear of what the other side will do.

I think these are major steps forward which must be built upon and which I am confident will be built on, no matter who is President in this country.

Mr. Moyers: I would like to come back in just a moment to the Vladivostok agreement. But before we leave détente, we seem to be leaving it on very precarious legs, with the announcement this week—if trade is important—that the Soviet Union was not going to fulfill the recent agreement on trade.

Secretary Kissinger: Well, I don't think it is correct to say that the Soviet Union will not fulfill the recent agreement on trade. Unfortunately, the Congress has seen fit to pass legislation that imposed on the Soviet Union special conditions which were not foreseeable when the trade agreement was negotiated in 1972 and which the Soviet Union considers an interference in its domestic affairs.

We warned against this legislation for two years. We went along with it only with the utmost reluctance. And I think that this event proves that it is absolutely essential for Congress and the executive to work out a common understanding of what is possible in foreign policy and what can be subject to legislation and what must be subject to other forms of congressional advice and consent.

Mr. Moyers: Did Congress kill the agreement by imposing too strict a limitation?

Secretary Kissinger: I don't want to assess blame. I believe that the legislative restrictions, coupled with the restriction on Exim [Export-Import Bank] credits, had the effect of causing the Soviet Union to reject the agreement. We shared the objectives of those in Congress who were pushing this legislation. We differed with them as to tactics and as to the suitability of enshrining these objectives in legislation. We were prepared to make them part of our executive negotiations, and we had in fact brought about an emigration of 35,000 before this legislative attempt was made, and the emigration now is lower than this.

But I repeat, as I said yesterday, that we will go back to the Congress with the attitude that both sides should learn from this experience and with the recognition that as a coequal partner they must have an important part in shaping American foreign policy.

Mr. Moyers: Is détente on precarious legs as a result of the events this week?

Secretary Kissinger: I think détente has had a setback. But I think the imperative that I described earlier—of preventing nuclear war, which in turn requires political understanding—will enable us to move forward again, and we will immediately begin consultations with the Congress on how the legislative and executive branch can cooperate in implementing this.

Mr. Moyers: What is the proper relationship between Congress and the conduct of foreign policy? If I were a member of Congress, I would be very wary, after the Bay of Pigs and after the Gulf of Tonkin resolution, of giving the administration a blank check.

Secretary Kissinger: I think the Congress is absolutely correct in insisting on legislative oversight over the conduct of foreign policy. And I would say that no President or Secretary of State, if he is wise, would ask for a blank check, because the responsibility is too great and in a democracy a major foreign policy requires public support. You cannot have public support if you do not have congressional support. So it is in our interests to work in close partnership with Congress.

What we have to work out with Congress is the degree of oversight that a body that, after all, contains over 550 members, or over

500 members, can properly exercise. I think on the major directions of policy, congressional oversight, even expressed in legislative restrictions, is essential. We disagree with those in the Congress who want to cut off or limit aid to Viet-Nam, but we do not challenge that this is a legitimate exercise of congressional supervision.

The difficulties arise when the Congress attempts to legislate the details of diplomatic negotiations, such as on the trade bill, on Vladivostok, and other matters. There we have to work out not a blank check but an understanding by which Congress can exercise its participation by means other than forming legislation.

Vladivostok Agreement on Strategic Arms

Mr. Moyers: We have just a few minutes left, Mr. Secretary. You raised the Vladivostok agreement that puts a ceiling on the number of launchers and MIRV'ed [multiple independently targetable reentry vehicle] missiles that both the Soviet Union and the United States can have. The question being raised is what you have done is escalate the equilibrium, the military equilibrium, at what appears to many people to be an unnecessarily high level. Why couldn't we just stop?

Secretary Kissinger: Well, I would say that the people who say "unnecessarily high" have never negotiated with the Soviet Union. The level at which that has been set is 200 delivery vehicles below what the Soviet Union already has. And therefore I find it difficult to understand how they can say it was escalated.

If we were willing to live with our present forces when the Soviet Union had 2,600 missiles and bombers, then we should be able to live with our present forces when the Soviet Union will have under the agreement only 2,400 missiles and bombers.

So there is nothing in the agreement that forces us to build up. And there is something in the agreement that forces the Soviet Union to reduce. Whether we build up or not is a strategic decision which we would have to make in any event and which would face us much more acutely under conditions of an arms race.

So we put a ceiling on the Soviet arms deployment below their present level, and therefore it enables us to consider our ceilings with less pressure than would be the case otherwise.

Secondly, once a ceiling exists, both military establishments can plan without the fear that the other one will drive the race through the ceiling, which is one of these self-fulfilling prophecies which has fueled the arms race.

Thirdly, once you have ceilings established, the problem of reductions will become much easier. The reason reductions are so difficult now is when both sides are building up, you never know against what yardsticks to plan your reductions. And I am confident that if the Vladivostok agreement is completed, it will be seen as one of the turning points in the history of the post-World War II arms race.

Mr. Moyers: What is the next step?

Secretary Kissinger: The next step is to complete the Vladivostok agreement, on which only a general understanding exists up to now. Once that is completed, we will immediately turn to negotiations on the reduction of armaments—

Mr. Moyers: The reduction of the ceilings?

Secretary Kissinger: The reduction of the ceilings, both of MIRV's and of total numbers, and actually I believe this will be an easier negotiation than the one which we have just concluded at Vladivostok, because it is going to be difficult to prove that when you already have an enormous capacity to devastate humanity, that a few hundred extra missiles make so much difference.

Mr. Moyers: The Vladivostok agreement would run until 1985. Is it possible that reductions in the ceilings could begin many years before that?

Secretary Kissinger: In the aide memoire that has been exchanged between us and

the Soviet Union, it has been agreed that reduction in—that the negotiations on reductions can start immediately upon the completion of the other agreement. They can start at any time before. They must start no later than 1980, but they can start at any time before then.

Mr. Moyers: To set aside the figures for a moment, and put it in the way that laymen ask me, why do we keep on? This is going to mean, even if it does have a ceiling, more money for defense—we are going ahead with—

Secretary Kissinger: Excuse me. The agreement doesn't mean more money for defense. More money for defense was inherent in the arms race. The question that the agreement poses is whether more should be spent on top of what was already planned. I do not believe that the agreement will make it easier to reduce the spending.

Mr. Moyers: Do you see any end in the foreseeable future to the arms race, both nuclear and conventional?

Secretary Kissinger: One of my overwhelming preoccupations has been to put an end to the arms race. And the reason I have been such a strong supporter of the SALT [Strategic Arms Limitation Talks] negotiations is to turn down the arms race. And I believe that the Vladivostok agreement will permit over the 10 years—will lead to reductions that could involve substantial savings. And that will be our principal objective.

Morality and Pragmatism in Foreign Policy

Mr. Moyers: Just a couple of more questions. You wrote once, "An excessively pragmatic policy will be empty of vision and humanity . . . . America cannot be true to itself without moral purpose." [2]

One of the chief criticisms of your tenure as Secretary of State in the last several years has been that we have been long on expediency and pragmatism, and it may have helped us strategically, but we have been short of humanity—the invasion of Cambodia, the bombing of Hanoi at Christmas, the tilting in favor of Pakistan, the maintenance of a constant level of foreign assistance, our preference for a change in the Allende government [Salvador Allende of Chile]. These all add up, your critics say, to an excessively pragmatic policy, devoid of humanity and vision.

Secretary Kissinger: Any statesman faces the problem of relating morality to what is possible. As long as the United States was absolutely secure, behind two great oceans, it could afford the luxury of moral pronouncements—divorced from the reality of the world in which other countries have to make the decisions, or to make an important part of the decisions, which determine whether you can implement them.

I still agree with the statement that I made some years ago. A purely pragmatic policy is unsuited to the American character and in any event leads to paralysis.

An excessively moralistic policy would be totally devoid of contacts with reality and would lead to empty posturing.

In foreign policy, you always face difficult choices. And you always face the problem that when you make your decision, you do not know the outcome. So your moral convictions are necessary to give you the strength to make the difficult choices when you have no assurance of success.

Now, the particular events which you mentioned, one could go into—it would be impossible to do justice to it in the limited time we have.

Several of them had to do with the conduct of the war in Viet-Nam. And there really the criticism is between those who wanted to end it more or less at any price and those who believed that it was essential to end it in a manner so that the American people did not feel that all these efforts had only led to a turning over by the United States of people who had depended on it to

[2] For Secretary Kissinger's address before the Pacem in Terris Conference at Washington, D.C., on Oct. 8, 1973, see BULLETIN of Oct. 29, 1973.

outside invasion. It is an issue that we will not settle in this debate. But this was our judgment from which the various military moves flowed.

On the issue of how to vindicate human rights in foreign countries, I think we have never denied their importance. We have, however, always claimed that we could achieve our objectives more effectively, quietly, without making it a confrontation. This is why we never made anything of the fact that between 1969 and 1973 we increased Jewish emigration from the Soviet Union from 400 to 35,000 without ever announcing it. And I believe when all the facts are out, it will turn out that a substantial number of the releases from Chilean prisons were negotiated by the United States without ever making anything of it, not because we did not believe in these human rights, but because we believed it would facilitate the objective of implementing these human rights if we did not make an issue of it. So some of it concerns methods toward agreed objectives.

Mr. Moyers: I think what concerns a lot of people is that we are liable in our search for stability to be linked with strong, authoritative, unrepresentative governments at the expense of open and more liberal governments. You say that is a necessity sometimes?

Secretary Kissinger: I think it is very difficult to make an abstract pronouncement on that. Ideally we should be able to achieve our objective by working with governments whose basic values we support. But just as during World War II we became allies of Stalin, even though his values were quite different from ours, so in some concrete situations we occasionally find ourselves under the necessity of choosing whether we want to achieve important objectives with governments of whose domestic policies we do not approve or whether we sacrifice those interests.

Sometimes we can make the wrong choice. But it is important to recognize that it is a difficult choice. Everybody in his own life knows that the difficult issues are those when two desirable objectives clash, or two undesirable objectives clash, and you have to choose the less undesirable. It is not a black and white problem.

I understand the criticism that is being made. But I think the critics should understand that the day-to-day conduct of foreign policy is more complex than can be encapsuled in a slogan.

Mr. Moyers: Finally, you have talked about stable structures of peace, and you have talked about institutionalizing the conduct of foreign policy. But if you are not the Secretary of State for life, what will you leave behind, and what do you care the most about?

Secretary Kissinger: Well, what I would care most about is to leave behind a world which is organically safer than the one I found. By organically safer, I mean that has a structure which is not dependent on constant juggling and on tours de force for maintaining the peace. But just as in the period from 1945 to 1950 it can be said that the United States constructed an international system that had many permanent features, as permanent features go in foreign policy—say a decade is a permanent feature in foreign policy—so it would be desirable to leave behind something that does not depend on the constant management of crisis to survive.

And within this Department I would like to leave behind an attitude and a group of people committed to such a vision, so that succeeding Presidents can be confident that there is a group of dedicated, experienced, and able men that can implement a policy of peace and stability and progress. I think we have the personnel in this Department to do it.

And when I say I want to institutionalize it, I don't mean lines on an organization chart. I mean a group of people that already exist, that work to the full extent of their capabilities. And this is why sometimes I drive them so hard.

President Ford's News Conference of January 21

Following are excerpts relating to foreign policy from the transcript of a news conference held by President Ford in the Old Executive Office Building on January 21.[1]

. . . . .

Q. On recent occasions, several times you have warned of the serious possibility of another war in the Middle East. Why, then, is the United States contributing so heavily to the military buildup there? And I have a followup.

President Ford: The United States does feel that the danger of war in the Middle East is very serious. I have said it repeatedly, and I say it again here today. But in order to avoid that, we are maximizing our diplomatic efforts with Israel as well as with several Arab states.

In order to maintain the internal security of the various countries, in order to maintain equilibrium in arms capability, one nation against the other, we are supplying some arms to various states in that region. I think, while we negotiate, or while we expand our diplomatic efforts, it is important to maintain a certain degree of military capability on all sides.

Q. Mr. President, both you and Secretary Kissinger have said that in case of strangulation of the West by oil producers you would use military force, and you were hypothetically speaking. I think on that same basis the American people would like to know whether you would require a congressional declaration of war or whether you would bypass that constitutional process as some of your predecessors have done.

President Ford: I can assure you that on any occasion where there was any commitment of U.S. military personnel to any engagement we would use the complete constitutional process that is required of the President.

. . . . .

Q. Mr. President, are there circumstances in which the United States might actively reenter the Viet-Nam war?

President Ford: I cannot foresee any at the moment.

Q. Are you ruling out the possibility of bombing, U.S. bombing, over there or naval action?

President Ford: I don't think it is appropriate for me to forecast any specific actions that might be taken. I would simply say that any military actions, if taken, would be only taken following the actions under our constitutional and legal procedures.

. . . . .

Q. Mr. President, I would like to follow up on Helen Thomas' question. There has been considerable discussion, as you know, about this question of military intervention in the Middle East, and you and others have said that it might be considered if the West's economies were strangled. Mr. President, as you know, the Charter of the United Nations says that all members shall refrain in their international relations from the threat of the use of force against the territorial integrity or political independence of any state. Now, Mr. President, I would like to know whether this section of the Charter of the United Nations was considered, taken under consideration before these statements were made by members of the administration, and if not, why not?

President Ford: Well, the hypothetical question which was put to Secretary Kissinger, a hypothetical question of the most extreme kind, I think called for the answer that the Secretary gave and I fully endorse that answer.

I can't tell you whether Secretary Kissinger considered that part of the U.N.

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[1] For the complete transcript, see Weekly Compilation of Presidential Documents dated Jan. 27, 1975.

Charter at the time he made that comment, but if a country is being strangled—and I use "strangled" in the sense of the hypothetical question—that, in effect, means that a country has the right to protect itself against death.

Q. Mr. President, would a new oil embargo be considered strangulation?

President Ford: Certainly none comparable to the one in 1973.

. . . . .

Q. Mr. President, does the state of the American economy permit additional military and economic aid to Viet-Nam or Cambodia?

President Ford: I believe it does. When the budget was submitted for fiscal 1975, in January of 1974, the request was for $1.4 billion for military assistance. The Congress cut that to $700 million.

The request that I will submit for military assistance in a supplemental will be $300 million. I think it is a proper action by us to help a nation and a people prevent aggression in violation of the Paris accords.

. . . . .

Q. Mr. President, could you bring us up to date with an evaluation of the state of détente with the Soviet Union in the light of what happened to the Trade Agreement?

President Ford: It is my judgment that the détente with the Soviet Union will be continued, broadened, expanded. I think that is in our interest, and I think it is in the interest of the Soviet Union.

I of course was disappointed that the Trade Agreement was canceled, but it is my judgment that we can continue to work with the Soviet Union to expand trade regardless. And I would hope that we can work with the Congress to eliminate any of the problems in the trade bill that might have precipitated the action by the Soviet Union.

. . . . .

Q. Mr. President, a two-part followup on Viet-Nam. What is your assessment of the military situation there, and are you considering any additional measures, beyond a supplemental, of assistance to the South Vietnamese Government?

President Ford: The North Vietnamese have infiltrated with substantial military personnel and many, many weapons, in violation of the Paris accords. They are attacking in many instances major metropolitan areas and province capitals.

The South Vietnamese are fighting as skillfully and with firmness against this attack by the North Vietnamese. I think it is essential for their morale as well as for their security that we proceed with the supplemental that I am recommending, which will be submitted either this week or next week.

Now, I am not anticipating any further action beyond that supplemental at this time.

. . . . .

Q. Mr. President, in your state of the Union message, you urged Congress not to restrict your ability to conduct foreign policy. Did you have in mind Senator Jackson's amendment on the emigration of Soviet Jews, and do you consider this to be an example of the meddling by Congress in foreign policy?

President Ford: I don't wish to get in any dispute with Members of Congress. I think that such restrictive amendments as the one that was imposed on the trade bill and the Eximbank [Export-Import Bank] legislation and the limitation that was imposed on several pieces of legislation involving the continuation of military aid to Turkey—those kinds of limitations, in my judgment, are harmful to a President in the execution and implementation of foreign policy.

I don't think that I should speculate as to what actually precipitated the action of the Soviet Union in the cancellation of the Trade Agreement.

Q. Mr. President, in an earlier Viet-Nam question you left open the option for yourself of possibly asking Congress for the authority to engage in bombing or naval action in the future. In light of the lengthy involvement by the United States in Viet-Nam and the pains that that created, can you say now

whether or not there are any circumstances under which you might foresee yourself doing that, or would you care to rule out that prospect?

President Ford: I don't think it is appropriate for me to speculate on a matter of that kind.

. . . . .

Q. Mr. President, in view of the rapport you seem to have established with Mr. Brezhnev [Leonid I. Brezhnev, General Secretary of the Central Committee of the Communist Party of the Soviet Union] at Vladivostok, can you shed any light on the conflicting reports about his current political and personal health? Specifically, have you had any direct contact with him since your trip?

President Ford: I have not had any direct contact. We have communicated on several occasions, but we have had no personal or direct contact.

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U.S. and Federal Republic of Germany Hold Talks on Cultural Relations

Joint Statement, January 20

Press release 22 dated January 21

Delegations from the Federal Republic of Germany and the United States met in Washington January 20 for the third in a series of annual talks on Cultural Relations.

The German delegation was led by Dr. Hans Arnold, Director for Cultural Relations at the German Foreign Office; the American group was headed by Assistant Secretary of State John Richardson, Jr.

As in previous years, the talks were informal and covered a wide array of subjects. The two delegations focused considerable attention on the recommendations of a Conference on German-American Cultural Relations held under the auspices of the Ford Foundation and the two governments at Harrison House, Glen Cove, Long Island, New York, January 16-18, which had assembled a group of private citizens from the two countries, including representatives of organized labor, youth, women's groups, the communications media and the fields of art and literature. In their talks in Washington, the government representatives reviewed the results of the Conference and decided that they would encourage increased interaction between groups and individuals in both countries. Each government also plans to review the results of the Conference and any follow-on activities with the nongovernmental participants later this year. In the view of the two governments, the Conference acted as a useful stimulant for more specific exchange activities and it is their intention to encourage the holding of a similar conference every two to three years.

The two government delegations also reviewed plans for the celebration of the American Revolution Bicentennial both in the United States and Germany. They also agreed to continue the study, initiated last year, looking toward new guidelines in the application of the equivalency of academic degrees.

America's Foreign Policy Agenda: Toward the Year 2000

Address by Joseph J. Sisco
Under Secretary for Political Affairs[1]

There is an inscription on the Chapel of Saint Gilgen near Salzburg which states that man should not look mournfully into the past because it does not come back again; that he should wisely improve the present because it is his; and that he should go forth to meet the future, without fear, and with a manly heart. We have now passed the threshold into the last quarter of the 20th century, and it is a good moment for Americans to ask basic questions about the future.

With the energy crisis, the food crisis, the recession-inflation dilemma, the new relationships with China and the Soviet Union, we are all conscious that this nation and the world are experiencing rapid and radical change; each of us is asking what is the direction this change is taking, what kind of world is coming into existence, and what are the prospects for the future. The challenges we face are complex as well as perplexing, but they also offer us historic opportunities to create a more stable and equitable world order. We are at a watershed—we are at a new period of creativity or at the beginning of a slide to international anarchy. America has faced great and seemingly overwhelming challenges before in its history and has shown its inherent capacity to overcome them and, indeed, to create something new from the old. This is the critical task before us.

We face new realities.

[1] Made at San Diego, Calif., on Jan. 23 before a regional foreign policy conference cosponsored by the World Affairs Council of San Diego and the Department of State (as delivered).

We have gone through a very difficult period. Here at home:

—We have witnessed the assassination of a President and other leaders, the decision by another President not to run again, and the forced resignation of another.

—We have experienced the pain and anguish of Viet-Nam and the ignominy of Watergate.

—We have the sense that perhaps we are less in control of our destiny than in the past.

—There is perhaps, too, a certain loss of purpose and direction, of self-confidence.

—But I hope we've gained some added wisdom as well.

Abroad, there have also been dramatic changes. We are living in an interdependent world, living literally in each other's backyards. What happens here has effect on others, and what happens overseas affects us. Moreover, no longer can we make the distinction between domestic and international policies as was the case in the 19th century.

—For most of the postwar period America enjoyed predominance in physical resources and political power. Now, like most other nations in history, we find that our most difficult task is how to apply limited means to the accomplishment of carefully defined ends.

—While we are no longer directly engaged in war, we know that peace cannot be taken for granted. The new nuclear equation makes restraint imperative, for the alternative is

nuclear holocaust. While maintaining a strong national defense, we have come to realize that in the nuclear age the relationship between military strength and politically usable power is the most complex in history.

—We have learned, I believe, that our resources are not unlimited, that there cannot be a Washington blueprint or panacea for every international problem. It is within this context we face the very profound and awesome task of achieving a stable and peaceful world order.

—For two decades the solidarity of our alliances seemed as constant as the threats to our security. Now our allies have regained strength, and relations with adversaries have improved. The perception of the threat has diminished. All this has given rise to uncertainties over the sharing of burdens with friends and the impact of reduced tensions on the cohesion of alliances.

—Since World War II the world has dealt with the economy as if its constant advance were inexorable. Now the warning signs of a major economic crisis are evident. Rates of recession and inflation are sweeping developing and developed nations alike. The threat of global famine and mass starvation is an affront to our values and an intolerable threat to our hopes for a better world. The abrupt rise of energy costs and the ensuing threats of monetary crisis and economic stagnation threaten to undermine the economic system that nourished the world's well-being for over 30 years.

In other areas, chronic conflicts in the Middle East, the eastern Mediterranean, and Indochina threaten to erupt with new intensity and unpredictable results.

And as if the situation were not complicated enough, most of these problems are dealt with in a clearly inadequate framework. National solutions continue to be pursued when, manifestly, their very futility is the crisis we face.

In the face of these challenges we must ask ourselves, What is America's response? Our traditional confidence that we can solve all problems has been shaken, and we seem less certain of our purposes. To some extent this may be a sign of growing maturity in a nation which no longer possesses unlimited power. But it must be seasoned, it seems to me, with an equal awareness of what is required to protect our welfare and our security and what the consequences would be for ourselves and for the world of a largely passive foreign policy, one geared to withdrawal rather than creation.

Moreover, let us remind ourselves that we've got plenty going for us. We are still blessed with great natural resources, regardless of our wasteful tendencies. We are still a hard-working people, even though, unfortunately, our work ethic in recent years has been weakened. We are still the strongest military and economic power in the world, even though we exist in a world of nuclear parity rather than one of nuclear superiority. And Watergate must not be permitted to undermine our historical role as a bulwark of stability and security, a beacon of political freedom, of social progress and humanitarianism.

It's important to recall that:

—We are the only nation in the world which can engage the Soviet Union in the essential task of halting and reversing the nuclear arms race.

—We, as the leading industrial nation, with large natural, economic, and social resources, can provide the example and the initiatives to unite the industrialized nations, prevent a slide into global depression, and shape a new economic order.

—We are the only nation which can deal with both Arabs and Israelis, attempting to eliminate the greatest immediate threat to world peace.

We have recognized these new realities, and I believe it is fair to say that we have already achieved some positive results:

—Who just five years ago would have predicted that summits between our President and the Soviet leaders would be regular events on the international agenda? Despite

our differences with the Soviets, which will persist, who would have imagined the progress we have made in mutual understanding, arms control, and cooperation?

—Who five years ago would have predicted that China and the United States would have ended two decades of estrangement and made such progress in normalizing relations?

—Who five years ago would have predicted that while maintaining our close relations with Israel we could contribute so significantly to nurturing the negotiating process and have improved relations with key Arab nations at the same time?

As we look ahead it is clear that the world to which we have grown accustomed over the past quarter century is giving way to something quite different. At the same time, I am confident that America's contribution can be major, even decisive. It must, however, be a role not of withdrawal or looking inward, but of *selective engagement*; and we must be fully aware of the potential and limits of power, aware that we are neither omniscient nor omnipresent.

Let us look ahead to the next quarter century.

First, over the next 25 years our values, our interests, and our purposes will continue to be most closely aligned with the industrialized democracies of *Europe, Canada, and Japan*. We are convinced that at the very heart of a stable world must be a community of nations sharing common goals, common ideals, and a common perspective of how to deal with problems and threats confronting us.

New relationships with countries with different systems and ideologies are only possible if old relationships with allies remain strong. A central goal of our foreign policy must be to strengthen cooperative endeavors with a unifying Europe and to revitalize Atlantic ties. Success in building a stable and creative world order will be measured in many respects by the progress we achieve in preserving and enhancing cooperation among the great democracies.

Second, over the next 25 years I believe the relationship between the United States and the *Soviet Union* will determine more than any other single factor whether our hopes for peace and stability in the world are realized. This is not intended to derogate from the fact that since World War II about 100 countries have come into being and want a piece of the action. We know there cannot be a peaceful world unless most of the nations feel they have a share in it. But our relations with the Soviets are key.

Our relationship with the Soviet Union, once characterized simply by the degree of hostility, is now defined by a complex mixture of competition and cooperation. Détente—the relaxation of tensions and the exercise of mutual restraint—is an imperative in a nuclear world. From the ideological point of view, there can be no compromise. However, coexistence of two essentially different social systems is the essential element of world peace in the next quarter century. There is simply no rational alternative to the pursuit of a relaxation of tensions. For this reason, we are engaged with the Soviets in an unprecedented range of negotiations, such as the Strategic Arms Limitation Talks, Mutual Balanced Force Reduction negotiations, and the European Conference on Security and Cooperation, which address the hard political and security issues confronting us and which seek to provide greater stability. There is continuing need from now to the end of the century of a system of security which our peoples can support and which our adversaries will respect in a period of lessened tension.

Third, over the next 25 years *Asia* will increasingly shape global hopes for peace and security. Half of mankind lives in Asia. The interests of four of the world's powers intersect in the Pacific. Three times in a single generation this nation has been drawn into Asian conflict. It is important that the region continue to evolve in the direction of greater stability and increased cooperation, that the major powers respect each other's legitimate interests, and that the United States and China continue to deepen mutual understanding and deepen our ties. There

cannot be a stable peace in Asia, or in the world, without a pattern of peaceful international relationships that includes this powerful and talented nation.

Fourth, over the next 25 years there will continue to be *local flash points* which could ignite world war if steps are not taken now to defuse them. The Arab-Israeli dispute is a prime example.

The Middle East problem is one that has occupied my attention for many years. For too long, the peoples of the area have been locked in incessant struggle, a cycle of wars followed by uneasy cease-fires, followed again by bloodshed and tragedy. Thus two peoples were thrown together in what history will undoubtedly recall not as a series of wars but as one long war broken by occasional armistices and temporary cease-fires. It has been a history of lost opportunities.

The interests and concerns of two global powers meet in the Middle East. It is an area of vital interest to the United States. A stable and lasting peace in the world requires a stable and durable settlement in the Middle East. When war came again to the Middle East in October 1973, we had two immediate objectives: First, to bring about a cease-fire and, second, to do so in a manner that would leave us in a position to play a constructive role with both the Arabs and Israelis in shaping a more secure peace. It was evident that the search for peace would be arduous and that a lasting settlement could only be approached through a series of limited steps in which the settlement of any particular issue would not be dependent upon the settlement of all issues. What have we accomplished?

—For the most part, but not entirely, the guns are silent. Disengagement agreements between Israel and Egypt and Israel and Syria in 1974 have been completed. They have provided more time to explore further possibilities for practical progress toward peace; they were important first steps.

—We have demonstrated that the United States can maintain its support for Israel's survival and security and have relations of understanding with Arab nations. This will require careful and continuous nurturing. We have helped both the Arabs and Israelis to move at least the first difficult steps toward mutual accommodation. The situation was defused somewhat; however, the risk of renewal of hostilities remains unless more progress can be made.

—The focus of discussion is still on progress on a step-by-step basis toward peace. This was made possible because most of the countries in the area have adopted a more moderate course. Instead of concentrating solely on preparations for war, a number have demonstrated that they are ready to consider, however tentatively, the possible fruits of peace. Most of the people of the Middle East are plain tired and fed up with the cycle of violence and counterviolence and recurrent wars, and the October 1973 war changed the objective conditions in the area. The Arabs no longer feel they need to go to negotiations weak and with head bowed; the 1973 war in their eyes erased the shame of the 1967 war. And in Israel the shock and trauma of the October war gave new impetus to support for negotiations.

—We are convinced that there must be further stages in the diplomatic process. While in a sense it will be even more difficult as we approach the more fundamental issues of an overall settlement, it is also true that each step creates a new situation that may make it less difficult to envisage further steps. To this end, discussions with both sides are being actively pursued, the most recent being those held with Israeli Foreign Minister Allon in Washington last week. These talks were useful, and while a number of key problems remain to be solved, some progress was made in defining a conceptual framework for the next stage of the negotiating process.

—In sum, quiet diplomacy is proceeding, and we remain cautiously hopeful that further practical progress is possible. If there is to be peace and stability over the next quarter century, this problem must be solved.

Fifth, over the next 25 years the imbal-

ance between limited resources and unlimited demand will continue and intensify the *economic challenge* before us. The temptation for nations to seek selfish advantage will be great. It is essential that the international community respond to the challenges of energy, food, and inflation with a collaborative approach.

As for our participation in meeting the energy crisis, President Ford has put forward the administration's energy program with a view to ending vulnerability to economic disruption by foreign suppliers by 1985. We cannot afford to mortgage our security and economy to outside forces. There can be no solution without consumer cooperation and solidarity. Equally, it is essential that there be a constructive consumer-producer dialogue and that the rhetoric of confrontation give way to the reality of interdependence. The former is a necessary prerequisite to the latter. Assistant Secretary Hartman has addressed these issues in detail this morning. I will only say that the sacrifices will be required by us all—sacrifices which I believe the American people are ready to make in the overall interest of all citizens.

The food problem also is an important aspect of global interdependence. The fact is that food production has not matched population growth. In our food assistance program, i.e., our Public Law 480 program, we are making a major effort approaching almost $1.5 billion. It is true that we give some of this food aid to countries with which we have important political relationships. However, there and elsewhere the greater part of our food assistance goes for humanitarian purposes.

At the World Food Conference in Rome last November, the United States set forth a comprehensive program to meet man's needs for food. But we cannot do it alone; it is global. No aspect of American foreign policy over the past generation has had greater support than our effort to help avert starvation and increase the poorer countries' production of food. This is not only in the best tradition of America's humanitarian concerns but is essential to the stability of the entire world, for the gap between what the poorest countries produce and what they need is growing. It will require increased food production by us but also by others as well—developed as well as developing nations. Reserves will be needed, and financing. It will require more determined efforts on the population problem. There can be no real stability in the world unless this problem is solved.

Sixth, over the next quarter of a century the success or failure of international institutions such as the *United Nations* to meet global challenges will be of significant importance. Any balanced assessment of the world organization must take into account its capacities as well as its limitations.

We overestimated the potential of the United Nations at its birth in 1945. We tended to view the creation of this institution as synonymous with solutions to the problems. We know better today. At the same time, we must exercise care not to underestimate its positive contributions to peace. The United Nations is not an entity apart from its membership. The U.N.'s imperfections mirror the imperfections of the world in which the United Nations operates. Power and responsibility in the now-inflated General Assembly of 138 is out of kilter; bloc voting has become all too frequent; programs are all too often voted which strain available resources; political issues have tended to deflect the work of many of the specialized agencies. At the same time we must bear in mind that U.N. peacekeeping forces are playing an indispensable role in such trouble spots as Cyprus and the Middle East; the U.N. Development Program has been over the years an unheralded success in helping smaller countries unharness and utilize their resources for the benefit of their peoples. The U.N. specialized agencies are helping make a global attack on the global problems of food, environment, population, and health. They are part of the broad effort of the international community in attacking the underlying root causes of war—poverty, disease, social maladjustments.

These are meaningful contributions to peace. It is not in our interest to turn our back on the United Nations, despite its

obvious shortcomings and our understandable disappointments. Picking up our marbles and going home would only leave the United Nations in the hands of our adversaries to shape it in their own image. In short, for the next quarter century, there is no real alternative but to redouble our efforts to help assure responsible and responsive decisions in the U.N. system; for to try to create something new from scratch would be doomed to fail, leaving the international community weaker rather than stronger to cope with meaningful issues of the future.

Finally, I wish to conclude with an observation closer to home. Our foreign policy, to be effective, must rest on a broad national base and reflect a shared community of values. This does not mean rubberstamping, and we cannot expect unanimity. Responsible people obviously will continue to have serious differences. We are in danger, I believe, of being overly critical of ourselves, overly introspective. We have to recapture the habit of concentrating on what binds us together. It is essential in the present environment that we work together to shape a broad consensus, a new unity, a renewed trust, and fresh confidence.

In this respect, the relationship between the executive and the Legislature is critical. America can only take the initiatives required to protect its interests if we make a new start here at home. A new Congress and a new administration present us with that opportunity. If both branches of the new government engage in a serious dialogue, a new consensus can be reached.

It is essential also that a dialogue be reestablished between the public and the government, for it is through such a process that confidence in our institutions can in time be restored. The most important task we have in foreign policy is to see that it is anchored in the support of the entire American people, and that can only be accomplished through the free and open exchange of ideas. As Adlai Stevenson once stated: In a democracy, "Government cannot be stronger or more tough-minded than its people. It cannot be more inflexibly committed to the task than they. It cannot be wiser than the people."

As we prepare to celebrate America's bicentennial, I hope we can all engage ourselves in the critical effort to build a better future. We are a healthy country capable of dealing with these problems, and I would urge each of you—important leaders of the community—to approach these problems in a hopeful spirit.

Secretary Kissinger Gives Dinner Honoring Visiting Sultan of Oman

His Majesty Sultan Qaboos bin Sa'id of Oman made a private visit to the United States January 9–11. Following is an exchange of toasts between Secretary Kissinger and Sultan Qaboos at a dinner at the Department of State on January 9.

Press release 11 dated January 10

SECRETARY KISSINGER

Your Majesty, Excellencies: It is a great pleasure to welcome His Majesty on his first visit to the United States. Since this is a very special occasion, we have spared him the usual treatment by bureaus, which is to give our visiting guest a toast—which I dare not deliver—giving him the choice of responding to something he has read or to something he has heard.

But Your Majesty comes from an area that is very much on our minds and from a country with which our relationships go back, as it turns out, 140 years.

The Middle East is, of course, an area very much in the news and with very many tensions, and also it contains many of the resources on which the economy of the whole world depends. But it also contains many states that are not directly part of the political conflicts and whose share in the energy problem is not of the largest magnitude. And nevertheless their future depends on the security of the whole area

and their progress depends on the ability of all the nations to work out relationships based on cooperation and conciliation.

As far as the United States is concerned, we will do our utmost to promote peace in the Middle East on the basis of justice and taking into account the aspirations of all of the peoples. And we want to promote an international economic order which is negotiated cooperatively, in which producers and consumers will realize that their joint welfare requires understanding by both sides.

But, finally, we also take a strong interest in the independence and sovereignty and progress of our old friends, such as His Majesty, who faces in his own country some pressures from his neighbors and who nevertheless has striven successfully to bring development and progress and conciliation to his people and to his neighbors.

We have had very warm and friendly and useful talks this afternoon, and I look forward to the opportunity to continue them tomorrow.

So this visit by His Majesty reflects the intense interest of the United States in peace and progress in the Middle East and our dedication to the friendly relations between Oman and the United States.

So I would like to ask you all to join me in drinking to the health, long life, of our honored guest: His Majesty the Sultan of Oman.

HIS MAJESTY SULTAN QABOOS BIN SA'ID

Mr. Secretary, distinguished guests: I am very pleased to be visiting the United States, to acquaint myself with its friendly people and its distinguished leadership.

We appreciate the great efforts your country is making, Mr. Secretary, for the sake of bringing about a just and lasting peace in the Middle East; and we have profound hope that your efforts will be successful.

The relations between Oman and the United States, as you just mentioned, Mr. Secretary, go back to many years. Indeed, Oman was among the first Arab states to have relations with your great country.

My visit today is but an expression of our desire for the continuation of our long-standing good ties and also our hope that these ties would be strengthened even more in the future for the mutual benefit of our two countries.

We realize, as you do, Mr. Secretary, that stability and peace in the world cannot be achieved and strengthened without the combined efforts of all nations, in coping in a positive and cooperative spirit with contemporary world problems, in particular the Middle East conflict, where our joint hope for a just and lasting peace is unfortunately yet to be realized.

We are aware, also, of the serious economic problems which the world is faced with. But we are convinced at the same time that no matter what the differences in the viewpoints regarding causes of the existing economic problems, logical and sound solutions to these problems could only come through negotiation and not through confrontation—which would only aggravate the world economic conditions.

As we mentioned this afternoon during our meeting with His Excellency the President of the United States, I would like to repeat, Mr. Secretary, that Oman, though a developing country, is determined to fully devote its efforts and utilize its natural resources to promote its economic development and thereby raise the standards of living of its people.

In our endeavors to achieve these goals, we shall seek the assistance and avail ourselves of the experience of friendly advanced nations—among which we hold the United States in high regard.

In concluding my remarks, Mr. Secretary, I would like to share your hope for a greater and more dedicated cooperation on the part of all nations toward strengthening world peace and stability and promoting economic prosperity for peoples of all nations.

Our own endeavors to contribute to the realization of this noble hope shall never cease.

Gentlemen, now I propose a toast to the distinguished Secretary of the United States.

The Energy Crisis and Efforts To Assure Its Solution

Address by Arthur A. Hartman
Assistant Secretary for European Affairs [1]

I thank you for your very warm welcome. The interest displayed by San Diego in this conference gives evidence of the close involvement of this community in the foreign policy process; that process today is very close to home indeed. With international events now more than ever intimately related to the activities of our daily lives, such involvement is more essential than ever. If any of us have wishfully believed that the process of détente and a less active American role in many areas of the world have cushioned us from the impact of foreign developments, we must surely see that the energy crisis has disabused us of this pipedream.

As President Ford put it in his state of the Union address last week:

> At no time in our peacetime history has the state of the nation depended more heavily on the state of the world; and seldom, if ever, has the state of the world depended more heavily on the state of our nation.

This fact—the close and inevitable interrelationship between foreign and domestic developments—forms the all-important backdrop to the issue I would like to address today: The impact of the energy crisis and the need for cooperative efforts to assure its solution—cooperative efforts both nationally and internationally.

In April 1973, prior to the onset of the oil crisis in October, Secretary Kissinger called for a creative effort to meet the new challenges faced by the world's major industrial powers. He recalled the security and economic challenges that had been successfully met in the immediate post-World War II period, and he foresaw that without similar common programs the freedom of all our nations could once more be put in jeopardy. Mastering our fate domestically or internationally requires an act of political will, and it was that act of will that he called for.

It took us a year of what seemed unnecessary bickering to produce a declaration of principles with our Atlantic allies.[2] But those discussions about the meaning of consultations and the necessity for common action to govern the détente process and maintain our security also produced new insights into the interrelationships of the economies of Europe, North America, and Japan. It took the concrete illustration of the energy crisis resulting from the October war in the Middle East to remove once and for all the illusory search for go-it-alone policies.

Without exception, the industrialized nations of the non-Communist world now stand face to face with the extraordinary economic problem of burgeoning rates of inflation in the midst of deepening recession. This unprecedented situation—in large measure a product of the international energy crisis—

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[1] Made at San Diego, Calif., on Jan. 23 before a regional foreign policy conference cosponsored by the World Affairs Council of San Diego and the Department of State (text from press release 26).

[2] For text of the Declaration on Atlantic Relations adopted by the ministerial meeting of the North Atlantic Council at Ottawa on June 19, 1974, see BULLETIN of July 8, 1974, p. 42.

continues to be aggravated by oil prices, which are today four times higher than they were just a little over a year ago.

The mounting bill for oil imports has put a severe strain on the external accounts of all consumer countries as well as on the political cohesion of many nations. For some, the cumulative financial debt will rapidly become unsustainable unless a cooperative answer is found to the problem of world petroleum markets.

The 24-nation Organization for Economic Cooperation and Development (OECD), comprised of advanced industrialized countries, warned in its semiannual survey issued last month that, based on existing policies, its member nations could be headed for the deepest and longest recession since the 1930's, with lower production and growing unemployment continuing into 1976. The industrial democracies face a test, the report concluded, "probably unprecedented outside time of war." Without concerted and effective remedial action, the Organization feared that the economic slippage could develop into an avalanche.

Central U.S. Role in World Economy

This gloomy picture has transformed international economic problems from arcane matters dealt with by obscure experts into the central foreign policy issue of the day. Nor are economic and political issues easily separable. Quite clearly, the strength of particular Western European economies relates directly to the internal political strength of the nations involved and therefore the strength and cohesion of the NATO alliance. Similarly, the tremendous new economic leverage now available to some oil-producing countries has a potential impact on the course of events in the Middle East.

Nor are the poorer nations of the world spared the impact of the crisis. The additional squeeze on some developing countries, whose weak economies were already under stress, poses a specter of economic collapse and starvation.

In the face of this situation, solutions must link our objectives at home to our objectives abroad. They must be posed in terms of both domestic and international goals:

—We must combat rising unemployment while dampening inflation at home.

—We in the United States must work to reduce substantially our external oil bill, which increased by about $16 billion in 1974 to a total of about $25 billion.

—We must continue to insure the economic strength and political cohesion of the Western alliance.

—We must seek to avoid severe disruption in those developing countries seriously affected by the oil crisis.

The President's state of the Union and energy messages provide a clear and forceful set of proposals designed to meet these ends. The domestic aspects of these proposals will be considered in the context of their impact on all strata of our national economy. The international dimension, in addition, must be pursued to a large degree in concert with other nations, most particularly the industrialized countries of North America, Western Europe, and Japan.

These nations hold in their hands the central responsibility for a prosperous world economic system. If our economies slide, others will be drawn down also. America's central role as the industrial base of the world economy imposes a special burden of leadership and example upon us. With our gross national product comprising close to half of the total GNP of the non-Communist world, it is not difficult to see why the measures we take to cure our domestic economic ills are of intense concern to others.

Given this high degree of interdependence among advanced economies, as well as the evolving interrelationships among the members of the European Community as they work at building a more integrated European political structure, the nature of the economic ties among us takes on great sensitivity and importance.

In this connection, you may have heard talk about the concept of "trilateralism" among industrialized countries. There are indeed three concentrations of industrial

power in the non-Communist world—that of Western Europe, North America, and Japan. But beyond that, the relation is anything but a neat geometric design. It is rather an intricate set of interrelationships and interdependencies. It rests on a base of shared political objectives and, of course, includes the Atlantic alliance, which has represented the principal cornerstone of Western security for 2½ decades.

Common Action on the Energy Crisis

The energy crisis is the most severe test of the fabric of this alliance since it was formed. The Atlantic nations, together with Japan, must not only stand firm but take the necessary collective action to overcome the albatross of energy dependence that weighs so heavily on our future. A significant degree of unanimity is required. I am happy to say that the prospects for such common action in the face of the current threat to the world economy are now perceptibly brighter than they were when Secretary Kissinger first called for that creative effort to assert our common political will.

In the period between the Middle East war of October 1973 and last February when the Washington Energy Conference took place, a go-it-alone atmosphere prevailed, with a number of Western nations scrambling to protect their independent sources of supply. Mistrust and bickering continued over the concept and procedures for consultations between the United States and Europe. And at the Washington Energy Conference itself, there was an acrimonious and much publicized split with the French which left an unfortunate residue of ill feeling.

Coming back from that nadir of political relationships a year ago, and demonstrating not only an impressive resilience but also a renewed spirit of constructive compromise, we and our partners in Europe and Japan have moved together in a number of important respects:

—Last May the OECD adopted an important new trade pledge to avoid a self-defeating series of new trade restrictions to offset the oil deficit in one OECD country at the expense of others.

—Practical steps were taken to improve the consultative procedure between the European Community and the United States.

—As a followup to the Washington Energy Conference, a new International Energy Agency was established under the auspices of the OECD. This new Agency is based on a common commitment by major consumers to respond jointly in any future emergency or embargo situation. Under such circumstances, it enables the countries involved to build up their oil stocks, to take mandatory measures curtailing demand, and to pool available resources. The Agency will also act as the principal forum for the development of a broader energy strategy.

—An unusual series of summit meetings among leaders of the major industrialized countries has taken place, leading, I am convinced, to a considerably higher level of confidence and understanding. In recent months, President Ford has discussed domestic and international economic issues with the heads of government of Italy, Canada, Japan, the Federal Republic of Germany, and France. The Martinique meeting with French President Giscard d'Estaing was marked by a new spirit of cooperation and frankness. The United States and France have common objectives in the energy field and in economic policies generally, and we look forward to continued close consultation and joint enterprise with France in the period ahead. Later this month, the President will also meet with Prime Minister Wilson of Great Britain. The very serious expressions of concern about the necessity for common action to avoid world recession expressed during these meetings had, I am certain, an important influence on subsequent decisions reached within the U.S. Government and the governments of these other countries.

—The international financial system has made substantial progress in moving us toward financial solidarity by assuring that necessary funds are available to countries in need of help in funding their balance of payments deficits. At the suggestion of Secre-

tary Kissinger and OECD Secretary General Emile van Lennep, it was agreed just last week at meetings in Washington to create a special new $25 billion facility. This fund would serve as a financial safety net for OECD member nations. It would be available to finance the deficits of countries experiencing difficulties until such time as longer term policies designed to respond to the oil crisis are in effect.

Long-Term Strategy for Reducing Oil Imports

Although this series of actions constitutes, I believe, a very solid list of accomplishments, it represents only a beginning in the solution of the international oil problem. Any long-term strategy for dealing with the energy crisis must reduce the dependence of industrialized countries on imported oil. Only by means of reduced dependence can consumer countries stem the steady outward flow of funds and the accumulation of a staggering financial debt to producer countries. This massive debt is currently running at a rate of some $40 billion a year for the OECD countries and another $20 billion for less developed countries, for an annual total of about $60 billion per year.

Only by reducing their dependency can the industrialized countries establish a stable and equitable long-term relationship with the producing countries. Along with our partners in the International Energy Agency, we are now in the midst of developing methods to achieve this goal. Among the latter are coordinated programs of energy conservation to make possible a reduced demand for oil, and accelerated development of existing fossil fuel resources available outside of the nations belonging to the Organization of Petroleum Exporting Countries, and concerted research and development efforts on new forms of energy.

Instituting this program will not by any means be easy. It will require, among other things, strong internal measures in all consumer nations—measures not calculated to be domestically popular. Included, in other words, are programs that will be tough medicine to swallow politically but which the public of all our countries will see as the necessary underpinning of efforts to control their destinies.

Putting these measures into effect will also take time. The OECD has recently forecast that by 1985 its member countries can reduce dependence on imported oil to 20 percent of total energy consumption. For our part, the President has announced our intention to reduce U.S. imports of oil by 1 million barrels per day by the end of 1975. In addition, we expect further to reduce imports by 2 million barrels per day by the end of 1977. These initiatives are not being taken in isolation. We are seeking an equitable sharing of this burden with other industrial nations.

The institution of measures to gain self-sufficiency can and must be accelerated by the new programs we are developing. In the interim, we must rely on joint financial arrangements to insure that each consumer economy can survive the current trade imbalance caused by high oil prices.

Let me underline, however, this basic fact: There is available no acceptable alternative to the long-term strategy I have outlined. To continue to import large quantities of oil at current high prices will, sooner or later, run some consumer countries into insolvency; they simply will no longer be able to pay for needed oil imports, and this will lead to collapse of their industrial structure and to political turmoil.

The United States is not likely to be the first to reach such a point. Our basic economic and political structure is too sound, and we have a large enough reserve of oil and other fossil fuels to sustain ourselves. But this fact should not make us complacent. Given the interdependence of our economies, we have good reason to make sure a financial collapse does not happen anywhere. The breakdown of any industrialized democracy would constitute an immediate threat to our national interests. It would have adverse consequences on our trade and investments. It could seriously damage the NATO alliance. And certainly it would gravely threaten the entire international structure of peace that we have struggled so laboriously to

construct. If we work together with other industrialized nations, such calamities need not come about. I am confident that with the momentum that now exists, our negotiations with our Western European partners and Japan will soon produce results.

Although some have urged an immediate meeting of producer and consumer countries, we have consistently taken the view that such a multilateral conference cannot be productive until the consumers first consolidate their own positions. Otherwise, various disagreements would simply be repeated and recorded at the conference itself with little or no productive result.

The United States has, instead, urged a procedure involving four interrelated sequential stages: First, the establishment of concerted programs among consumers in the fields of conservation, accelerated development of alternate energy sources, and financial solidarity; second, the convening of a preparatory meeting with producers to develop the agenda and procedures for a consumer-producer conference—the preparatory meeting is tentatively targeted for March—third, the preparation of common consumer positions on the agenda items for the conference; and, finally, the holding of a consumer-producer conference.

The sequence was agreed to by President Giscard d'Estaing and President Ford at their Martinique meeting and was also endorsed at a meeting of the Governing Board of the International Energy Agency last month. We can take satisfaction, therefore, that U.S. proposals for consumer solidarity are going forward before we enter into a conference with producing nations.

In sum, the energy crisis, both in its roots and in its impact, is quintessentially political. It will require both the resolute domestic action called for by the President in his state of the Union address and close collaboration with other industrial nations. Failure to rise to the challenge would pose immense dangers. But, as Secretary Kissinger stated in Chicago last November: "Let there be no doubt, the energy problem is soluble. It will overwhelm us only if we retreat from its reality."

Meetings of IMF Interim Committee and Group of Ten Held at Washington

Following is a Department statement read to news correspondents on January 17 by Paul Hare, Deputy Director, Office of Press Relations, together with the texts of communiques issued on January 16 at the conclusion of a ministerial meeting of the Group of Ten and a meeting of the Interim Committee of the Board of Governors of the International Monetary Fund. Secretary of the Treasury William E. Simon headed the U.S. delegations to the meetings.

DEPARTMENT STATEMENT, JANUARY 17

We are extremely pleased and encouraged by the agreement reached by the Group of Ten Ministers to establish the $25 billion solidarity fund by the end of February. This historic agreement among the Ten Ministers sets the framework for early agreement by all OECD [Organization for Economic Cooperation and Development] countries which choose to participate in the fund arrangement. The agreement of the Ministers in Washington therefore constitutes a decisive step toward establishment of the fund and thereby contributes significantly to prospects for international economic stability.

The underpinning of the international financial system achieved through the fund will give all participating governments greater confidence and flexibility in our collaborative efforts to reinvigorate our economies and meet the energy challenge.

TEXTS OF COMMUNIQUES, JANUARY 16

Ministerial Meetings of the Group of Ten

1. The Ministers and Central Bank Governors of the ten countries participating in the General Arrangements to Borrow met in Washington on the 14th and 16th of January, 1975, under the Chairmanship of Mr. Masayoshi Ohira, Minister of Finance of Japan.

The Managing Director of the International Monetary Fund, Mr. H. J. Witteveen, took part in

the meetings, which were also attended by the President of the Swiss National Bank, Mr. F. Leutwiler, the Secretary-General of the OECD, Mr. E. van Lennep, the General Manager of the Bank for International Settlements, Mr. R. Larré, and the Vice-President of the Commission of the E.E.C. [European Economic Community], Mr. W. Haferkamp.

2. After hearing a report from the Chairman of their Deputies, Mr. Rinaldo Ossola, the Ministers and Governors agreed that a solidarity fund, a new financial support arrangement, open to all members of the OECD, should be established at the earliest possible date, to be available for a period of two years. Each participant will have a quota which will serve to determine its obligations and borrowing rights and its relative weight for voting purposes. The distribution of quotas will be based mainly on GNP and foreign trade. The total of all participants' quotas will be approximately $25 billion.

3. The aim of this arrangement is to support the determination of participating countries to pursue appropriate domestic and international economic policies, including cooperative policies to encourage the increased production and conservation of energy. It was agreed that this arrangement will be a safety net, to be used as a last resort. Participants requesting loans under the new arrangement will be required to show that they are encountering serious balance-of-payments difficulties and are making the fullest appropriate use of their own reserves and of resources available to them through other channels. All loans made through this arrangement will be subject to appropriate economic policy conditions. It was also agreed that all participants will jointly share the default risks on loans under the arrangement in proportion to, and up to the limits of, their quotas.

4. In response to a request by a participant for a loan, the other participants will take a decision, by a two-thirds majority, on the granting of the loan and its terms and conditions, in the case of loans up to the quota, and as to whether, for balance-of-payments reasons, any country should not be required to make a direct contribution in the case of any loan. The granting of a loan in excess of the quota and up to 200 per cent of the quota will require a very strong majority and beyond that will require a unanimous decision. If one or more participants are not required to contribute to the financing of a loan, the requirements for approval of the loan must also be met with respect to the contributing participants.

5. Further work is needed to determine financing methods. These might include direct contributions and/or joint borrowing in capital markets. Until the full establishment of the new arrangement, there might also be temporary financing through credit arrangements between central banks.

6. Ministers and Governors agreed to recommend the immediate establishment of an ad hoc OECD Working Group, with representatives from all interested OECD countries, to prepare a draft agreement in line with the above principles. In their view this work should be concluded in time to permit approval by the OECD Council by the end of February, 1975.

Interim Committee of IMF Board of Governors

Press Communique of the Interim Committee of the Board of Governors on the International Monetary System

1. The Interim Committee of the International Monetary Fund held its second meeting in Washington, D.C. on January 15 and 16, 1975. Mr. John N. Turner, Minister of Finance of Canada, was in the chair. Mr. H. Johannes Witteveen, Managing Director of the International Monetary Fund, participated in the meeting. The following observers attended during the Committee's discussions of the matters referred to in paragraphs 2, 3, and 4 below: Mr. Henri Konan Bedié, Chairman, Bank-Fund Development Committee; Mr. Gamani Corea, Secretary General, UNCTAD [United Nations Conference on Trade and Development]; Mr. Wilhelm Haferkamp, Vice President, EC Commission; Mr. Mahjoob A. Hassanain, Chief, Economics Department, OPEC [Organization of Petroleum Exporting Countries]; Mr. Rene Larré, General Manager, BIS; Mr. Emile van Lennep, Secretary General, OECD; Mr. Olivier Long, Director General, GATT [General Agreement on Tariffs and Trade]; Mr. Robert S. McNamara, President, IBRD [International Bank for Reconstruction and Development].

2. The Committee discussed the world economic outlook and against this background the international adjustment process. Great concern was expressed about the depth and duration of the present recessionary conditions. It was urged that anti-recessionary policies should be pursued while continuing to combat inflation, particularly by countries in a relatively strong balance of payments position. It was observed that very large disequilibria persist not only between major oil exporting countries as a group and all other countries, but also among countries in the latter group, particularly between industrial and primary producing countries. Anxiety was also voiced that adequate financing might not become available to cover the very large aggregate current account deficits, of the order of US$30 billion, in prospect for the developing countries other than major oil exporters in 1975.

3. The Committee agreed that the Oil Facility should be continued for 1975 on an enlarged basis. They urged the Managing Director to undertake as soon as possible discussions with major oil exporting members of the Fund, and with other members in strong reserve and payments positions, on loans by

them for the purpose of financing the Facility. The Committee agreed on a figure of SDR [special drawing rights] 5 billion as the total of loans to be sought for this purpose. It was also agreed that any unused portion of the loans negotiated in 1974 should be available in 1975. The Committee agreed that in view of the uncertainties inherent in present world economic conditions, it was necessary to keep the operation of the Oil Facility under constant review so as to be able to take whatever further action might be necessary in the best interests of the international community. It was also understood that during the coming months it would be useful to review the policies, practices, and resources of the Fund since it would be appropriate to make increased use of the Fund's ordinary holdings of currency to meet the needs of members that were encountering difficulties.

4. The Committee emphasized the need for decisive action to help the most seriously affected developing countries. In connection with the Oil Facility, the Committee fully endorsed the recommendation of the Managing Director that a special account should be established with appropriate contributions by oil exporting and industrial countries, and possibly by other members capable of contributing, and that the Fund should administer this account in order to reduce for the most seriously affected members the burden of interest payable by them under the Oil Facility.

5. The Committee considered questions relating to the sixth general review of the quotas of members, which is now under way, and agreed, subject to satisfactory amendment of the Articles, that the total of present quotas should be increased by 32.5 per cent and rounded up to SDR 39 billion. It was understood that the period for the next general review of quotas would be reduced from five years to three years. The Committee also agreed that the quotas of the major oil exporters should be substantially increased by doubling their share as a group in the enlarged Fund, and that the collective share of all other developing countries should not be allowed to fall below its present level. There was a consensus that because an important purpose of increases in quotas was strengthening the Fund's liquidity, arrangements should be made under which all the Fund's holdings of currency would be usable in accordance with its policies. The Committee invited the Executive Directors to examine quotas on the basis of the foregoing understandings, and to make specific recommendations as promptly as possible on increases in the quotas of individual member countries.

6. I. The Committee considered the question of amendment of the Articles of Agreement of the Fund. It was agreed that the Executive Directors should be asked to continue their work on this subject and, as soon as possible, submit for consideration by the Committee draft amendments on the following subjects:

(a) The transformation of the Interim Committee into a permanent Council at an appropriate time, in which each member would be able to cast the votes of the countries in his constituency separately. The Council would have decision-making authority under powers delegated to it by the Board of Governors.

(b) Improvements in the General Account, which would include (i) elimination of the obligation of member countries to use gold to make such payments to the Fund as quota subscriptions and repurchases and the determination of the media of payment, which the Executive Directors would study, and (ii) arrangements to ensure that the Fund's holdings of all currencies would be usable in its operations under satisfactory safeguards for all members.

(c) Improvements in the characteristics of the SDR designed to promote the objective of making it the principal reserve asset of the international monetary system.

(d) Provision for stable but adjustable par values and the floating of currencies in particular situations, subject to appropriate rules and surveillance of the Fund, in accordance with the Outline of Reform.

II. The Committee also discussed a possible amendment that would establish a link between allocations of SDRs and development finance, but there continues to be a diversity of views on this matter. It was agreed to keep the matter under active study, but at the same time to consider other ways for increasing the transfer of real resources to developing countries.

7. The Committee also agreed that the Executive Directors should be asked to consider possible improvements in the Fund's facilities on the compensatory financing of export fluctuations and the stabilization of prices of primary products and to study the possibility of an amendment of the Articles of Agreement that would permit the Fund to provide assistance directly to international buffer stocks of primary products.

8. There was an intensive discussion of future arrangements for gold. The Committee reaffirmed that steps should be taken as soon as possible to give the special drawing right the central place in the international monetary system. It was generally agreed that the official price for gold should be abolished and obligatory payments of gold by member countries to the Fund should be eliminated. Much progress was made in moving toward a complete set of agreed amendments on gold, including the abolition of the official price and freedom for national monetary authorities to enter into gold transactions under certain specific arrangements, outside the Articles of the Fund, entered into between national monetary authorities in order to ensure that the role of gold in the international monetary system would be gradually reduced. It is

expected that after further study by the Executive Directors, in which the interests of all member countries would be taken into account, full agreement can be reached in the near future so that it would be possible to combine these amendments with the package of amendments as described in paragraphs 6 and 7 above.

9. The Committee agreed to meet again in the early part of June, 1975 in Paris, France.

TREATY INFORMATION

Current Actions

MULTILATERAL

Biological Weapons

Convention on the prohibition of the development, production and stockpiling of bacteriological (biological) and toxin weapons and on their destruction. Done at Washington, London, and Moscow April 10, 1972.[1]
Ratified by the President: January 22, 1975.

Gas

Protocol for the prohibition of the use in war of asphyxiating, poisonous or other gases and of bacteriological methods of warfare. Done at Geneva June 17, 1925. Entered into force February 8, 1928.[2]
Ratified by the President: January 22, 1975 (with reservation).

Genocide

Convention on the prevention and punishment of the crime of genocide. Done at Paris December 9, 1948. Entered into force January 12, 1951.[2]
Accession deposited: Lesotho, November 29, 1974.

Narcotic Drugs

Protocol amending the single convention on narcotic drugs, 1961. Done at Geneva March 25, 1972.[1]
Accession deposited: Iceland, December 18, 1974.

Space

Convention on international liability for damage caused by space objects. Done at Washington, London, and Moscow March 29, 1972. Entered into force September 1, 1972; for the United States October 9, 1973. TIAS 7762.
Accession deposited: Australia, January 20, 1975.

Wheat

Protocol modifying and extending the wheat trade convention (part of the international wheat agreement) 1971. Done at Washington April 2, 1974. Entered into force June 19, 1974, with respect to certain provisions; July 1, 1974, with respect to other provisions.
Ratification deposited: Luxembourg, January 21, 1975.

Protocol modifying and extending the food aid convention (part of the international wheat agreement) 1971. Done at Washington April 2, 1974. Entered into force June 19, 1974, with respect to certain provisions; July 1, 1974, with respect to other provisions.
Accession deposited: Luxembourg, January 21, 1975.

BILATERAL

Khmer Republic

Agreement amending the agreement for sales of agricultural commodities of August 10, 1974. Effected by exchange of notes at Phnom Penh January 14, 1975. Entered into force January 14, 1975.

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[1] Not in force.
[2] Not in force for the United States.

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Check List of Department of State Press Releases: January 20–26

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

Releases issued prior to January 20 which appear in this issue of the BULLETIN are Nos. 11 of January 10 and 16 of January 16.

No.	Date	Subject
†20	1/20	U.S. and Canadian officials meet on West Coast tanker traffic: joint statement.
*21	1/21	Leigh sworn in as Legal Adviser (biographic data).
22	1/21	U.S.-Federal Republic of Germany cultural talks: joint statement.
†23	1/21	U.S.-India Economic and Commercial Subcommission: joint communique.
*24	1/23	Walentynowicz sworn in as Administrator of the Bureau of Security and Consular Affairs (biographic data).
*25	1/23	Sisco: Regional Foreign Policy Conference, San Diego (as prepared for delivery).
26	1/23	Hartman: Regional Foreign Policy Conference, San Diego.
†27	1/24	Kissinger: Los Angeles World Affairs Council.
*28	1/24	Ocean Affairs Advisory Meeting, Feb. 27.
†29	1/24	"Foreign Relations," volume IX, 1949, the Far East: China (for release Jan. 31).

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