The progress of the SALT talks could also have a negative influence: i.e., failure of the talks would strengthen the influence of those resisting change, even if Brezhnev should decide to change priorities. It is important to assess whether Brezhnev was influenced by the interpretations placed on the Interim Agreement by members of Congress who insisted on future parity in the number of strategic weapons as a precondition for SALT and for a comprehensive agreement on offensive weapons. The Soviet press has been critical of congressional reservations on the SALT agreements. It was also critical of Secretary of Defense Melvin Laird's view that an acceleration of certain weapons systems development was necessary to assure parity and stability. This critical reaction points to some uncertainty among Soviet leaders on future military spending.

History has provided two scenarios which suggest alternative courses for the present Soviet leadership—one in 1956 which led to a reduction in the emphasis on defense, and one in 1962, an upgrading of the defense priority. In 1956 Nikita Khrushchev, Minister of Defense Zhukov, and the Party leadership agreed to reduce military manpower and modernize the Soviet armed forces. The stimulus to economic growth from the release of resources was a factor in the continued high growth rates and may have led Khrushchev subsequently to promise to overtake and surpass the United States. It was only later, after the first Kennedy budget and the Cuban missile crisis, that Khrushchev apparently reversed these priorities, initiating the buildup of some of the weapons now deployed by the Soviet Union and temporarily stopping the progress of military manpower reduction. This reversal and the concurrent, and possibly resultant, poor economic performance may have been a factor in Khrushchev's removal from power.

The interrelationship of political and economic variables in these two scenarios may be relevant to the current scene. Leonid Brezhnev is certainly no Khrushchev in power or personality, but the political context in which he perceives himself may influence his interpretation of economic alternatives, as an earlier political context influenced Khrushchev. Is Brezhnev emulating the Khrushchev of 1956 or the one of 1962? Some evidence suggests the 1956 scenario: (1) the apparent commitment of a very high priority to the West Siberian development; and (2) repeated evidence that Western technology is highly valued and required for completion of civilian programs.

The Soviet leadership's policy in the West Siberian development best illustrates how military and civilian claimants may be competing for scarce investment funds. The explicit Party and Government directive of January 1970 on the West Siberian development called for coordination of many Ministries, *including the Ministry of Defense Industries* (a rare public reference), to bring about the expeditious completion of the regional development.[51] Moreover, the number of projects related to the West Siberian development specifically mentioned in the Plan Directives suggests continuing high priority consideration in 1972. In the Ninth Five-Year Plan a good portion of the identified, large projects are directly related to the West Siberian complex.[52] To have effective priority, the particular new claims of the Siberian projects would appear to be competitive with military hardware output

[51] *Pravda*, Jan. 15, 1970, p. 1.
[52] *Voprosy ekonomiki*, No. 6 (June 1971), p. 3; *Pravda*, Apr. 11, 1971.

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SCIENCE, TECHNOLOGY, AND AMERICAN DIPLOMACY

U.S.-SOVIET COMMERCIAL RELATIONS: THE INTERPLAY OF ECONOMICS, TECHNOLOGY TRANSFER, AND DIPLOMACY

PREPARED FOR THE

SUBCOMMITTEE ON NATIONAL SECURITY POLICY AND SCIENTIFIC DEVELOPMENTS

OF THE

COMMITTEE ON FOREIGN AFFAIRS
U.S. HOUSE OF REPRESENTATIVES

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(As part of an extended study of the interactions of science and technology with United States foreign policy)

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[1] Documents now out of print and not available from the Foreign Affairs Committee or the Government Printing Office.
[2] Documents available from the Foreign Affairs Committee only.

Brezhnev's past record. During the period preceding the announcement of the Plan (i.e., 1969–1971), Brezhnev voiced his displeasure over the performance of the economy, but committed himself firmly to neither a reform of planning and management, nor a new set of priorities. Indeed, he advocated a variety of programs in the pre-Congress period. He favored the military in a speech at the Dvina River Maneuvers in February 1970; he favored agricultural investment in the July 1970 Party Plenum and at the meeting of the Collective Farmers (Kolkhozniki) Congress; he apparently approved a call for more housing in a February 1971 revision of the Plan; and he identified himself with technological change by personally signing the Plan Directives that same month. Finally, he approved the publication of the Ninth Five-Year Plan, under the editorship of his State Planning Committee Chairman, N. K. Baibakov, in April 1972. In short, on the allocation of resources, he behaved like a politician who was securing his position by supporting everyone's programs. But the grim fact faced by all politicians, whether the President of the United States or the Prime Minister of the United Kingdom, is that *choice* is the inexorable requirement of political economy. Especially when growth is slow, a leader must be *against* some programs to be *for* others. Specifically, there was no indication that the high military priority of the 1960's was being scaled down as it had been by Khrushchev in 1959.

If expensive development of weapons systems is to continue, the level of military claims on resources will then be at least equal to past levels and will probably require a large share of the new resources generated by modest economic growth. Unless military spending is curtailed, increased requirements for modernization and consumer improvement must lead to overcommitment in the Ninth Five-Year Plan. Brezhnev's dilemma illustrates that the two central economic policy issues in Soviet politics remain civilian investment versus military output, and the question of changes in planning and management.

In view of Brezhnev's equivocation on economic issues in the past, why should he be expected to pursue the politically risky changes in economic policy projected by the Ninth Five-Year Plan? A possible answer is that Brezhnev for the first time is able and willing to convince conservative Party interests to permit such change. The General Secretary appears to have emerged from the 24th Party Congress with more power and responsibility than he enjoyed in the pre-Congress Brezhnev-Kosygin collegial leadership.[50] At the same time, Brezhnev's future tenure in office and position of power are likely to depend to a large extent on economic performance. Thus, there is a more persuasive post-Congress logic for Brezhnev to make firm decisions and reasonable commitments that he judges will facilitate improved economic performance. A stronger power base might enable Brezhnev to overcome Party conservatives who oppose economic change and to resist greater military outlays to compete with the United States, to meet the Chinese threat, and to exploit the opportunities of Middle Eastern instability. A decision to change priorities would be reinforced by success in the SALT talks, by possible European troop cuts, and by other post-Summit developments.

[50] See Myron Rush, "Brezhnev and the Succession Issue," *Problems of Communism*, vol. XX, No. 4 (July–August 1971), pp. 9–15.

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which inhibit Western businessmen from dealing with Soviet foreign trade organizations.[49]

Soviet economic reforms center on adoption of modern mathematical methods, improved computer capability, and new management techniques. Systems analysis in regional planning, and input-output analysis in national economic planning, are examples of the new trend. More computer capability is required to support the more sophisticated economic analysis. If, or as, the change proceeds, more application of Western techniques, analysis, and hardware will become relevant. The professional bridge between Soviet and Western economists, statisticians, and management science specialists will likely follow economic reform in the Soviet Union. At the same time, industrial cooperation or joint ventures of industrial nations with the Soviet Union may encourage and facilitate these reform trends.

In this early stage of expanding U.S.-Soviet commercial relations, the correlation between domestic economic reform and foreign economic policy cannot be tested empirically. It could be argued that the trends are offsetting rather than complementary. Thus, it may be that Soviet awareness of a need for technological change and improved efficiency in the domestic economy has convinced the leadership that they should turn to foreign technological assistance as a substitute for domestic reform. Only future experience in East-West economic cooperation will resolve the question of the interrelationship of foreign involvement and domestic reform in the Soviet economy.

Changing Priorities in Resource Allocation: Growth Versus Defense

The technological priorities in the Ninth Five-Year Plan, which are designed to modernize the civilian economy, improve the quality of living, and raise the efficiency of planning and management, imply a shift in resource allocation policy from military to civilian investment and consumption. These goals are suggested in the detailed publication of planned targets. An increase in civilian programs above past levels suggests a decrease in the prior defense priorities. The specific goals for increased energy output—focusing on the West Siberian oil-gas complex—provide evidence of a reordering of priorities.

The Soviet leadership's commitment to new priorities in resource allocations, if sustained, will have important implications for Soviet foreign economic relations. Increased expenditures on major investment projects, such as oil and gas exploration, and on consumer goods, such as quality foods and automobiles, will increase Soviet demand for imports of foreign technology. Presumably, Western technology is needed less during a defense-priority period, since Soviet military technology is widely considered to be near parity with that in the West, and, in any event, military technology is not generally transferred to the Soviet Union in normal commercial transactions. Thus, in assessing future Soviet needs for U.S. technology, it is important to evaluate the prospects for a reorientation of Soviet priorities.

A firm commitment to new priorities runs counter to the traditional policy of the Party and is also uncharacteristic of Party Secretary

[49] See below, pp. 62–64.

FOREWORD

The May 1972 summit meeting between President Richard Nixon and General Secretary Leonid Brezhnev represented a significant step forward in the normalization of relations between the United States and the Soviet Union. During the discussions of that historic conference a linkage was established between diplomacy, economics, and technology transfer. This study, *U.S.-Soviet Commercial Relations: The Interplay of Economics, Technology Transfer, and Diplomacy*, offers the Congress and the public an assessment of that development. It is intended to provide a deepened understanding of the new opportunities in U.S. foreign policy and to minimize any risks to U.S. national interests.

This study, the 10th in the series on "Science, Technology, and American Diplomacy," differs somewhat from earlier portions of the series in that it deals with a current issue of developing importance. Its authors are John P. Hardt, Senior Specialist in Soviet Economics, and George D. Holliday, Research Analyst in Economics, both of the Congressional Research Service, Library of Congress.

Dr. Hardt has a Doctorate in Economics from Columbia University (1955) and a Certificate from Columbia's Russian Institute (1950). His research has focused on Soviet economic policy, industrial investment, energy economics, and trade. In November–December 1972 he served as technical adviser to a congressional delegation to the Soviet Union, Poland, West Germany, and the United Kingdom. Mr. Holliday expects to receive his doctorate from George Washington University upon completion of his dissertation.

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and planning and management reform in the formulation of the Plan. Yet the Plan Directives and the leadership speeches at the Congress were disappointing as blueprints of the future course of reform in the Soviet economy.

In the debate on planning and management, Party General Secretary Leonid Brezhnev identified himself with a variety of differing positions. He appeared to bless a conference chaired by Academician Fedorenko in April 1970 which featured more professional techniques in planning.[45] He also supported the extension of market simulating enterprise reforms, such as the Shchekino chemical plant experiment, to all industrial enterprises. At the same time, by rhetoric, if not by direct support, he aligned himself with traditional views of management by criticizing labor disciplining and supporting the revival of the revolutionary *subbotnik* (an unpaid "voluntary" Saturday workday by workers organized by the Party).[46] Thus, Brezhnev was not to be tacked down to any firm commitment on the system of planning and management.

The evidence of the Congress or the pre-Congress deliberations did not suggest that Soviet leaders were undertaking serious changes in planning and management. Although the leadership was pushed by the logic of rationalization to develop better models for forecasting and to favor market simulating enterprise reforms, it apparently found the political-economic cost of change unacceptable. At some point, the cost of not changing may be perceived by the Soviet leadership to be greater than the cost of change. Whether the need for change is fully perceived by the leadership is unclear.

Alec Nove has suggested that the apparent setbacks of the reformers or economic modernists are only temporary. Time, he claimed, is on their side, and the search for a synthesis between a market and planned economy must begin again.[47] An important article written by Soviet Academician T. S. Khachaturov shortly after the 24th Party Congress provides some substantiation of Nove's view.[48] Khachaturov's article, which argued in favor of planning and management reforms, may have indicated the beginning of a policy swing of the Brezhnev leadership back to reform. If it did, it may yet result in significant changes during the Ninth Five-Year Plan.

How do the discussions of economic reform relate to Soviet foreign economic relations? While Soviet reformers have not emphasized the international implications of the reforms, it is clear that a more rational economic decision-making structure would facilitate the integration of the Soviet economy into the international economic system. Rationalization of Soviet prices would encourage the importation of goods produced inefficiently by domestic industries. At the same time, by fostering efficiency in domestic enterprises, the Soviet Union may be able to expand its exports to Western markets. Moreover, economic reform would remove many of the features of Soviet central planning

[45] *Pravda*, Apr. 14, 1970; *Ekonomika i matematicheskie metody*, vol. VI, No. 4, 1970, pp. 631–638.
[46] *Pravda*, Apr. 14, 1970; Jan. 13, 1970.
[47] See *Neue Zuercher Zeitung*, April 5, 1970; and T. Kirstein, "The Controversy over the Market and the Plan in the Soviet Union." *Neue Zuercher Zeitung*, March 31, 1971.
[48] *Pravda*, May 15, 1970. T. S. Khachaturov is a member of the Academy of Sciences and editor of one of its publications, *Voprosy ekonomiki* (Problems of Economics).

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Improvements in Soviet transportation have depended heavily on imports of technology from abroad. Cooperative ventures with Western European companies have aided in the construction of pipelines from Siberia to Europe. The Soviet automotive industry is importing large quantities of Western machinery, equipment, and know-how. Major imports of Western technology, including American, have aided in building the Kama River Truck Plant. The Kama Plant, currently under construction, is a massive project which will produce 150,000 trucks a year plus 250,000 diesel engines. About three-fourths of all the machinery, equipment, and technology for the project is expected to come from Western firms.[42]

Improvement in Planning and Management

Soviet interest in foreign technology extends to planning and management techniques. Moreover acceptance of the conditions required in joint ventures with Western market economies will tend to push the Soviet economy further in the direction of economic change needed to improve performance.

A new Five-Year Plan and a Soviet Party Congress are the usual occasions for an assessment of past performance, current problems, and future prospects of the world's second largest economy. The discussions preceding the Ninth Five-Year Plan were of particular interest because of the Party leadership's preoccupation with lagging economic performance. The discussions in Party and professional circles ranged from issues relating to resource allocation policy to changes in the system of planning and management.[43] While plan figures provide evidence of Soviet resource allocation policy, it is difficult to assess the leadership's dedication to economic reform.

The key elements in the economic reform discussions are the creation of a new role for economic enterprises and a new approach to central planning.[44] The reformers propose more independence for enterprise managers to decide on what and how to produce. Fewer guidelines and success indicators would be handed down to enterprise managers from the central bureaucracy. One new indicator would be profitability; each enterprise would be required to take demand factors into consideration and to generate sufficient sales to earn a profit. An important aspect of the reforms is a renewed emphasis on material incentives—profit incentives to encourage enterprise efficiency and wage incentives to stimulate worker productivity. New planning techniques, a more flexible price system, and increased reliance on market forces are key aspects of the reforms.

The reform proposals represent a dramatic departure from past Soviet practices and have predictably run into opposition from conservative elements in the Party and government bureaucracies. The Party Congress was apparently delayed from the fall of 1970 to the spring of 1971 to accommodate further debates on resource allocation

[42] Imogene Edwards, "Automotive Trends in the USSR," in U.S. Congress. Joint Economic Committee. *Soviet Economic Prospects for the Seventies.* 93d Cong., 1st sess. Washington, D.C., U.S. Govt. Print. Off., 1973.

[43] *Pravda* Feb. 4. 1970: Interview of Mr. Goreglad of Gosplan. *Moskovskaia Pravda,* Feb. 21, 1971; *Pravda,* July 4, 1971; *Pravda,* Feb. 14, 1971; *Sovietskaia Rossiia,* Feb. 4, 1970.

[44] See Richard Judy, "The Economists," and John Hardt and Theodore Frankel, "The Industrial Managers," in H. G. Skilling and Franklyn Griffith, eds., *Interest Groups in Soviet Politics* (Princeton: Princeton University Press, 1971).

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sion of the Tol'iatti and other automobile factories is expected.[40] More importation of foreign equipment and more industrial cooperation with Western firms will undoubtedly be necessary for further progress. In addition to assisting in Soviet automobile production, Western companies are likely to participate in related activities, such as road building and construction of repair facilities.

Housing construction has been a treadmill for Soviet planners. Urban growth accounts for most of the expansion in space. The increase from about 6 to 7.5 square meters per capita for 1960–1970 is not likely to be improved on much by 1975. Still more important is the availability of reliable consumer durables and bathroom and kitchen space. In 1972, Soviet citizens had about one-third to one-half of the number of refrigerators, washing machines, and television sets per capita found in American households. Moreover, many urban apartments in the U.S.S.R. require the sharing of bathrooms and kitchens,[41] and many household durable goods sold to Soviet consumers are apparently of inferior quality. Much can be gained from technology transfers from other industrial nations. For example, Soviet officials arranged for adoption of French color television in 1965. As it has not yet been perfected at competitive cost, the Soviets may have to look elsewhere for assistance.

TRANSPORTATION

A key element in Soviet plans to modernize industry and improve consumer welfare is the modernization of the Soviet transportation system. Increases in pipeline construction and in auto transport (for both freight and passengers) are highlighted in the Ninth Five-Year Plan. (See Table 3.)

TABLE 3.—TRANSPORTATION IN THE 9TH 5-YEAR PLAN

	1970		1975 (planned)		
	Billions of ton kilometers	Percent of total	Billions of ton kilometers	Percent of total	1975 as a percentage of 1970
Freight transport:					
Turnover of freight transport (ton kilometers)	3,829.2	100.0	5,171.9	100.0	135
railroad	2,494.7	65.1	3,050.0	59.0	122
sea	656.1	17.1	918.6	17.7	140
lake	174.0	4.5	217.3	4.2	125
automobile	220.8	5.8	338.0	6.5	153
air	1.9	.1	3.0	.1	161
pipeline	281.7	7.4	645.0	12.5	229
	Billions of passenger kilometers	Percent of total	Billions of passenger kilometers	Percent of total	1975 as a percentage of 1970
Passenger transport:					
Turnover of passenger transport (passenger kilometers)	548.9	100.0	782.3	100.0	143
railroad	265.4	48.3	330.0	42.2	124
sea	1.6	.3	1.9	.2	119
lake	5.4	1.0	6.4	.8	118
automobile (bus)	198.3	36.1	311.0	39.8	157
air	78.2	14.3	133.0	17.0	170

Source: Planovoe khoziaistvo (Planned Economy). No. 5, 1972, p. 16.

[40] A large increase in passenger car production was projected in the Ninth Five-Year Plan. An output of 1,335,000 cars is planned for 1975, compared with 392,000 in 1970. See Baibakov, op. cit., p. 126.

[41] Peterson Report (1972), op. cit., Annex A, p. 22.

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Soviet agriculture suffered a very bad weather year in 1972, Soviet leaders appear committed to retain their livestock expansion plans.[35]

Increases in output of other consumer goods, such as clothing, shoes, and household goods are also projected in the Ninth Five-Year Plan. However, recent experience indicates that increases in output alone will not satisfy the growing needs of Soviet consumers. Since the early 1960's, poor quality, rather than insufficient quantity, of consumer goods has been the major irritant to Soviet citizens. In the past, increased output of consumer goods frequently resulted in increased stocks and inventories. Soviet consumers refused to buy shoddy consumer goods, choosing instead to put their money into savings accounts. One attempt to solve this problem has been enterprise management reform:[36] consumer industries were among the first to experiment with market-oriented reforms. Another possible approach to improving light industry performance lies in importing foreign technology. The 1972 agreement to purchase designs, engineering services and equipment from two American firms for building tableware factories in the Soviet Union[37] is an example of the latter approach.

The problem of low-quality consumer goods has also been attacked by changing priorities on the types of consumer goods produced.[38] Instead of further rapid expansion of inferior consumer goods, Soviet officials have begun to rely more on production of key commodities, in which quality is still not a major factor in the Soviet Union. Some commodities, such as meat and automobiles, are so highly valued by Soviet consumers that high prices and low quality are not likely to deter them from spending their rubles. The manner in which automobile sales can be used to absorb excess spending power can be readily comprehended by comparing the price of Soviet cars with Soviet wages. Whereas the average industrial worker's gross monthly pay is 135.4 rubles, he must pay 9,250 rubles for a new Volga automobile.[39] Still, current payments are being offered against future delivery for automobiles. The chronic repair problems for Soviet domestic brands is presumably a reason why foreign producers were sought to facilitate the current expansion. But even Soviet-produced Fiats must meet problems of inadequate repair facilities and mechanics. Domestic requirements for meat and automobiles underlie Soviet interest in foreign animal husbandry and automobile technology.

Passenger car production in the Soviet Union is far below the level needed to satisfy consumer demand. The Volga Automobile Plant in Tol'iatti, a cooperative venture between the Italian firm of Fiat and the Soviet automobile industry, produced its first cars in 1970. While the Fiat plant represents a significant increase in Soviet automobile production, output will still fall short of Soviet needs. Future expan-

[35] A January 1973 inventory indicated that cattle holdings had increased by 1.6 percent in 1972, while swine holdings showed only a 7 percent decline. See *Pravda*, Jan. 30, 1973.
[36] See below, *Improvement in Planning and Management*, pp. 22–24.
[37] Richard S. Frank, "Trade Report: U.S. Sees Surplus, More Jobs in Early Years of Expanded Trade With Soviet Union," *National Journal*, vol. 4, No. 48 (Nov. 25, 1972), p. 1800.
[38] Douglas B. Diamond, "Principal Targets and Central Themes of the Ninth Five-Year Plan," in Norton T. Dodge, ed., *Analysis of the USSR's 24th Party Congress and 9th Five-Year Plan* (Mechanicsville, Md.: Cremona Foundation, 1971), p. 52.
[39] *Narodnoe khoziaistvo SSSR, 1922–1972 gg.* (Moscow, Tsentral 'noe Statisticheskoe Upravlenie, 1972, p. 350; Keith Bush, "Soviet Inflation," *Radio Liberty Dispatch*, Jan. 5, 1973, p. 5.

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I. Introduction

The general purpose of this study is to examine the interaction of science and technology—including agricultural, commercial, managerial, and industrial technology—with diplomacy, in the context of the current and potential growth of U.S.-Soviet commercial relations. A more specific purpose is to assess the prospects for future U.S.-Soviet economic relations, primarily in terms of costs and benefits to the United States, as a subject of importance and immediate concern in itself.

The establishment of the Joint U.S.-U.S.S.R. Commercial Commission at the May 1972 Summit Conference and the signing of a comprehensive set of trade agreements on October 18, 1972 opened a promising new period of economic relations between the two nations. The agreements provided a mechanism for removing many of the barriers to normal economic interaction. More importantly, the agreements on economic matters represented another step toward general rapprochement between the United States and the Soviet Union. While the agreements were limited to questions of foreign trade and payments, officials of both countries asserted that they would influence the broader spectrum of diplomatic relations.

A New Opportunity for U.S.-Soviet Relations

The creation of a new U.S.-Soviet commercial relationship was an important event with historical parallels. In the 1920's and 1930's, a number of U.S. companies established close commercial ties with Soviet industries. After the two countries established diplomatic relations in 1933, the U.S. Export-Import Bank was created to finance U.S.-Soviet trade and a trade agreement was signed in order to expand commercial relations. During World War II a key aspect of the alliance between the United States and the Soviet Union was the delivery of U.S. military and civilian goods to the Soviet Union through the Lend-Lease program. Again, at the end of World War II, steps were taken to involve the Soviet Union in the world economic community and to improve U.S.-Soviet economic relations.

None of these earlier attempts to normalize East-West economic relations was successful. In each case, a change in the international political environment destroyed the basis for long-term economic cooperation.

Now, once more, a favorable political and economic climate exists for progress in Soviet–U.S. relations. The new commercial relationship is one vehicle for progress in relations between the two major world powers. The October 1972 commercial agreement was but one of a series of agreements, with others on science and technology, nuclear weapons, space cooperation, medical science, and the environment. In previous attempts to improve U.S.-Soviet relations, political understandings were followed by improved commercial relations

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which, in turn, were expected further to facilitate improved political relations. On those earlier occasions the seeming reconciliation of the differences between the two systems led to an apparent assumption in the United States that Soviet leaders would be willing to modify their system for economic gains. In this earlier adversarial relationship Soviet political concessions appeared to be equated with political gains to U.S. interests. Now the idea that their loss is our gain—a zero-sum game approach—has given way in official thinking to Dr. Henry Kissinger's notion of mutual interest and constraint. In reference to the Joint Commercial Commission and the Summit accords, Mr. Willis C. Armstrong, Assistant Secretary of State for Economic and Business Affairs, observed:

> ...These programs are leading us into a stage of practical forms of intimate cooperation with the Soviet Union for years ahead. They constitute a framework of interlocking agreements to build a vested interest on both sides in reducing tensions and freeing us from confrontation.[1]

The linkage of the new commercial relationship to U.S.-Soviet political relations highlights the need for careful scrutiny by the U.S. Congress. Members of Congress have expressed interest in improved East-West trade relations in a series of legislative proposals and hearings dealing with import restriction, export controls, and credits. Congress has already acted to reduce substantially the impact of export controls on U.S.-Soviet trade. As of May 1973, other issues of East-West trade await congressional action. The most important of these is consideration of the President's request for authorization to extend most-favored-nation (MFN) status to the Soviet Union. Favorable congressional action on the President's proposal is necessary for the trade agreement to enter into force. Congress may also be asked to consider Export-Import Bank (Eximbank) financing of U.S.-Soviet trade. While no additional authorization is needed for Eximbank participation in trade with the Soviet Union, it is likely that Congress will be asked to increase the Bank's overall lending authority and terms of loans so that it may accommodate some proposed large transactions between U.S. companies and Soviet foreign trade organizations.

A Net Assessment of U.S. Interests in Expanding Commercial Relations With the U.S.S.R.

This study will consider U.S. policymakers' expectations of diplomatic, national security, and economic gains to the United States from expanded economic exchanges with the Soviet Union, and will attempt to assess the net advantage to the United States. Are the projected changes likely to be in the best economic interests of the United States? What effect are increased economic exchanges, especially in technology-intensive products, likely to have on U.S. foreign policy goals and on U.S. national security?

A crucial consideration for U.S. policymakers is the Soviet leadership's motivation for seeking better economic ties with the United States. Consequently, this study will also attempt to provide a rationale for the apparent Soviet change in foreign economic policy. How is the

[1] Speech before the World Trade Institute of the World Trade Center at New York, N.Y., on November 28, 1972 (State Department press release 294 dated November 29).

The Directives of the Party Congress and the Five-Year Plan specifically refer to "speeding the technological progress in machine-building.[30] Among the indicators of technological success for the machine-building industry are lowering weight-to-power ratios, raising capacity and efficiency levels, and improving reliability. Some 26 lines of machines and equipment are listed as specific objects for technological change in the period 1971–1975.[31]

Other industries, such as chemicals and petrochemicals, are a part of the technological plan, but with less specific technological targets.

QUALITY OF SOVIET LIFE

The Ninth Five-Year Plan projected significant improvements in the quality of consumer goods; it stressed the need for better diets, clothing, personal transportation, and housing for the Soviet citizen. The proposed improvements require not only increased output, but also technological change in consumer industries.

The quality of the Soviet diet had been gradually improving for several years before the Ninth Five-Year Plan, but the Plan's projections of considerable increases in quality foods underlie Soviet claims that it is more consumer-oriented. (See Table 2.)

TABLE 2.—CONSUMPTION OF SELECTED FOODS IN THE SOVIET UNION

[Yearly, per capita, in kilograms]

	1965	1970	1975	1975 as a percentage of 1970
Meat and meat products	41.0	48.0	59	123
Milk and milk products	251.0	307.0	340	111
Eggs	124.0	159.0	192	121
Fish and fish products	12.6	15.4	22	143
Sugar	34.2	38.8	43	111
Vegetable and melon products	72.0	82.0	109	133

Source: Baibakov, p. 300.

In spite of an impressive increase of 14 percent in meat output from 1965 to 1971, the Soviet citizen averaged just one-third of the quantity of meat consumed by his counterpart in the United States.[32] Moreover, if the ambitious increase—about twice the earlier rate—is achieved, the meat output per capita in 1975 will only approach the level common in Eastern Europe today.[33] In order to reach this goal, improvement in animal husbandry, as well as a significant increase of feed grain output and feed grain imports for a number of years, is required. Foreign technology—the animal husbandry of American agricultural business—could greatly assist Soviet agriculture. Specific Soviet import needs include high-protein feed grains, better breeding stock, and livestock raising and processing equipment.[34] Although

[30] Ibid., pp. 121ff.
[31] Ibid., pp. 124–5.
[32] Peterson Report (1972), op. cit., p. 23.
[33] Comecon, *Statisticheskii ezhegodnik*, 1970, p. 300.
[34] See Hubert H. Humphrey and Henry Bellmon, *Observations on Soviet and Polish Agriculture, November–December, 1972*. A trip report prepared for Committee on Agriculture and Forestry of the U.S. Senate (Washington, D.C.: U.S. Government Printing Office, 1973).

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tion goes according to the Plan, but at a diminished rate—another 5 to 6 percent reduction. (See Table 1.)

Success in this modest improvement in the energy balance will depend on Soviet ability to expand hydrocarbon output in Western Siberia, where two-thirds of the increased output is projected for the Ninth Five-Year Plan.[26] The West Siberian development, in turn, requires considerable importation of extraction, transmission, and refinery equipment. Moreover, the technology of construction in permafrost may dictate some industrial cooperation with American firms familiar with Alaskan Northern Slope technology. The projected expansion of the West Siberian energy project would require a huge investment. Consequently, Soviet decision makers may have to choose between a major economic growth and modernization project and costly defense programs.[27]

TABLE 1.—SOVIET ENERGY PRODUCTION, 1970 AND 1975

	1970			1975			
		Percentage of			Percentage of		
	Extraction and production	Fuel resources	Fuel and power resources	Extraction and production	Fuel resources	Fuel and power resources	1975 as percentage of 1970
Oil, including condensed gas (million metric tons)	352.6	41.0	39.6	505.0	44.1	42.4	143.2
Gas, natural (billion cubic meters)	198.0	19.4	18.6	320.0	23.3	22.4	161.6
Coal (million metric tons)	624.1	35.9	34.6	694.9	29.5	28.4	111.3
Peat, for fuel (million metric tons)	57.3	1.5	1.4	78.3	1.5	1.4	136.6
Oil shale (million metric tons)	24.3	.7	.7	32.7	.7	.7	134.6
Firewood, for fuel (million cubic meters)	69.0	1.5	1.4	55.5	.9	.9	80.4
Fuel resources—total (million metric tons of conventional fuel)	1,227.0	100.0	96.3	1,639.0	100.0	96.2	133.6
Hydroenergy (billion kWh)	124.4	.....	3.6	165.0	.....	3.3	132.6
Atomic energy (billion kWh)	3.5	.....	.1	25.0	.....	.5	700.0
Fuel and power resources—total (million metric tons of conventional fuel)	1,274.3	.....	100.0	1,703.5	.....	100.0	133.7

Source: Baibakov, p. 98.

In metal output, non-ferrous metals are particularly important in the Ninth Five-Year Plan. In 1969 non-ferrous metals represented only 8.75 percent of the total value of base metals in the Soviet Union (as compared with 20 percent in the United States).[28] An effort is currently underway to increase the proportion of non-ferrous metals: output of most important metals in this category are projected to increase by 50 percent.[29] Development of the aluminum, copper, and other metal sources which are abundant in East Siberia, close to the Soviet Union's low-cost hydroelectric system, is particularly attractive. Increases in non-ferrous metal production are projected to provide valuable inputs for modernizing other industrial sectors. A shift in building materials to non-ferrous metals, paralleling the pattern in other industrial countries, is prescribed.

[26] The first published Soviet plan in 30 years provides some detailed insights on projected Soviet energy consumption: N. K. Baibakov, *Gosudarstvennyi pyatiletnyi plan razvitiia narodnogo khoziaistva SSSR na 1971–1975 gody.* (State Five-Year Plan for Development of the USSR National Economy for the Period 1971–1975) (Moscow, Gosplan, April 1972). (Hereafter cited as Baibakov.)

[27] For a discussion of this Soviet dilemma see below, *Changing Priorities in Allocation: Growth vs. Defense*, pp. 24–29.

[28] Alexander Sutulov, *The Soviet Challenge in Base Metals* (Salt Lake City: The Univ. of Utah Printing Service, 1971), 183.

[29] Baibakov, p. 115.

new policy related to Soviet military-strategic goals? Does the Soviet leadership's interest in economic ties with the United States portend a new era of international stability and cooperation, or is it merely an effort to gain temporary economic advantage? Are there changes in Soviet security and foreign policy concomitant with expanding commercial relations which are likely to provide net benefit to the United States? Are there elements in the situation which could lead to potentially dangerous forms of interaction and interdependence in future U.S.-Soviet relations? If U.S. and Soviet leaders decide that expanded economic relations are mutually advantageous, major institutional changes may have to be made.

Trade and Technology

A central feature of Soviet economic relations with Western industrial countries, including the United States, has always been the transfer of technology from highly advanced Western industrial sectors to relatively backward Soviet industries. The Soviet Union has traditionally paid for its imports of technology primarily by exporting valuable raw materials, including energy resources. Despite important Soviet advances in certain industrial sectors, the technology gap between the Soviet Union and the West persists. Consequently, the basic structure of U.S.-Soviet trade is likely to remain unchanged in the foreseeable future.

Technology is transferred between countries in a number of ways. Flows of published information, such as technical journals and books, the foreign travel of students, scientists and engineers, technical aid and cooperation programs arranged by governments, and foreign commerce, are frequently-used channels for transferring technical information. While all of these channels may be used in future U.S.-Soviet relations, commercial exchanges of technology—the importation of machinery, equipment, and relevant literature, agreements on patents, licensing and know-how, and direct foreign investments and operations of multinational corporations—are the focus of this study.

A wide variety of U.S.-Soviet commercial exchanges are likely to involve technology transfers. Transfers may take place in new, dynamic industries, such as those producing computers, chemicals and electronics, or in traditional sectors, such as agriculture. Consequently, while giving special attention to prospective technological transfers, the study will consider the broad range of U.S.-Soviet economic relations.

Current projections indicate a substantial increase in U.S.-Soviet economic exchanges. Improved economic relations are officially considered to be part of a pattern of changing U.S.-Soviet relations in many areas. The trade agreement, along with the Summit agreements on strategic arms limitations and other matters, links national security considerations, economic relations, technology policy, and the conduct of diplomacy between the two major powers.[2] President Richard Nixon

[2] The interaction of various aspects of U.S.-Soviet relations is perhaps best demonstrated in the Joint U.S.-Soviet Communique issued at the conclusion of President Nixon's visit to the Soviet Union on May 29, 1972. The communique enumerates a number of areas in which the prospects for greater cooperation seemed favorable. See "Joint Communique," in *President Nixon in Moscow* (Washington, D.C.: United States Information Service, 1972), pp. 18–24.

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and Soviet Communist Party Secretary Leonid Brezhnev both postulate that the changes occurring in U.S.-Soviet relations will influence the stability of the international community for some years to come.

The prospect of increased U.S.-Soviet technology transfers raises important questions of national security and creates special requirements for institutional changes that can insure mutual benefits in future economic interactions. U.S. policymakers, legislative as well as executive, will be faced with hard questions: What kinds of U.S. technology do Soviet leaders want to import? Can such technical information be safely exported to the Soviet Union without enhancing its military capabilities? What technological contributions will U.S.-Soviet commercial exchanges make to U.S. industry? What risks will these exchanges pose to specific U.S. industries and industrial corporations? Such questions suggest some of the complex and difficult problems which continue to be involved in the growing interaction of U.S. foreign economic policy, technology policy, and diplomacy.

Increased output of the more efficient hydrocarbon fuel sources, such as petroleum and natural gas, is particularly important. Soviet energy consumption in 1971 was about half that of the United States—1,291 as compared with 2,130 million metric tons of coal equivalent—while the respective GNPs of the two countries were 548.6 and 1,000.4 billion 1970 U.S. dollars. However, the structure of primary energy consumption in the U.S.S.R. is less developed: coal still supplied 44 percent of the energy as compared with 19 percent in the United States. (See Figure 2.) Petroleum and natural gas accounted for all but about one percent of the remainder in each case, with hydro and nuclear power of negligible importance.

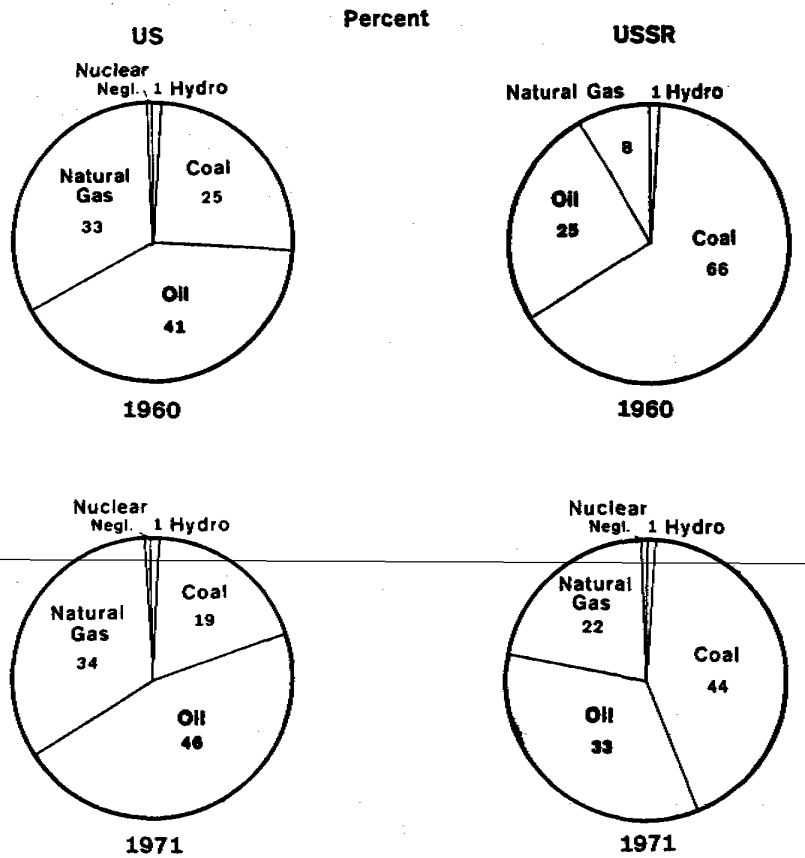


FIGURE 2.—Primary Energy Consumption, United States and U.S.S.R.
Source: Peterson Report (1972). Annex A, p. 14.

The trend toward reduced coal utilization (from 66 to 44 percent from 1960–1971) may continue if petroleum and natural gas produc-

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Another indicator of the technology gap is the difference in factor productivity—the amount of output generated per unit of capital and labor input. One comparison showed overall productivity in the Soviet economy to be about one-third of that in the United States in the mid-1960's. (See Figure 1.)

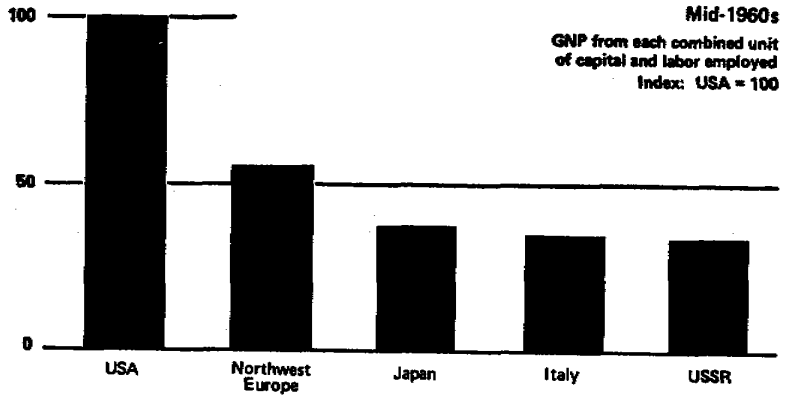


FIGURE 1.—The Levels of Technological Development: The U.S.S.R. Compared With Other Developed Countries.

Source: Peterson Report, 1972. Annex A, p. 34.

The lower level of Soviet civilian technology is surprising in view of a consistently higher share of Soviet GNP devoted to investment than in the United States—33 and 17 percent, respectively, in 1971.[24] Presumably, both the military burden and the inefficiency in utilization of investment had something to do with the disproportion. Likewise, labor productivity in Soviet industry and agriculture were a fraction of the U.S. level—41 and 11 percent, respectively, in 1971.[25]

Technological Requirements of the Ninth Five-Year Plan

The Ninth Five-Year Plan enumerated several sectors of the economy which were to receive primary attention for technological change. Most of the proposed changes have important implications for Soviet foreign economic relations.

MODERNIZATION OF SOVIET INDUSTRY

Soviet ability to stimulate economic growth through technological change will depend largely on expansion of energy from hydrocarbon sources. The exploitation of hydrocarbon resources with American assistance would facilitate technological change in the Soviet Union in at least three important ways: (1) it would bring in advanced U.S. technology for the Soviet oil and gas industry; (2) it would provide critically needed energy supplies to Soviet industry; and (3) it would provide a source of foreign exchange earnings, which are needed to import Western technology for other branches of Soviet industry.

[24] Peterson Report (1972), op. cit., p. 32.
[25] Ibid., p. 33.

II. SETTING

The signing of the U.S.-Soviet trade agreement in Washington, on October 18, 1972, represented the culmination of a gradual change in U.S. foreign economic policy toward the Soviet Union. It came after several years of discussion and review of a foreign trade policy designed in the early years of the Cold War. The new commercial arrangements are a part of an overall change in U.S.-Soviet diplomatic relations. The political detente between the two countries has provided a favorable atmosphere for long-term and mutually beneficial technology transfers. At the same time, the evolving commercial and technological relationship is likely to influence political decisionmaking in both the United States and the Soviet Union.

U.S.-Soviet Commercial Relations After World War II

The central feature of U.S. foreign trade policy toward the Soviet Union during the Cold War period was an attempt to deny the Soviet Union the benefits of trade with the more advanced industrial West. Those who advocated restrictions on U.S.-Soviet trade argued that the United States should not contribute to the economic and military power of a country whose domestic and foreign policies were inimical to U.S. interests. This argument was based on the assumption that the United States could retard the growth of Soviet economic and military power by preventing U.S. companies from trading with the Soviet Union. Exports of U.S. technology were considered to be particularly important to the Soviet Union and were therefore singled out for extremely strict controls.

Another major argument against trading with the Soviet Union was the alleged existence of unethical Soviet foreign trade practices. Among the charges directed at Soviet foreign trade organizations were those of dumping, pirating of foreign inventions, disruption of Western markets for political purposes, and use of slave labor. Such arguments were widely accepted in the early days of the Cold War. As a result, numerous artificial barriers were erected to inhibit normal economic ties between the United States and the Soviet Union. Economic rationality gave way to national security considerations as a major determinant of U.S.-Soviet economic relations in the early postwar period. The curtailment of commercial transactions with the Soviet Union was consequently made an important U.S. foreign policy goal.

U.S.-imposed restrictions were not the only causes of Soviet economic isolation. To a large extent, Soviet foreign economic policy in the late 1940's and early 1950's was a continuation of its prewar strategy of minimizing its economic ties to the industrial West. During the 1930's, Soviet foreign economic relations had been characterized by a policy of self-sufficiency or autarky. Although the importation of

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high-technology products and, for a time, the services of foreign engineers were permitted to meet high-priority, short-run needs, minimum reliance on the non-Communist world economy was a primary indicator of economic success. Throughout his rule, Soviet Party Leader Joseph Stalin adhered to the principle that the world was divided into two hostile camps—the capitalist and socialist economic and political systems.

The Soviet leadership's ideological hostility toward the United States and the unresolved issue of Tsarist and Russian Provisional Government debts (which Soviet leaders refused to pay) inhibited economic relations between the two countries. The situation was exacerbated by a sharp fall in the world market prices for Soviet raw materials, which accounted for most of Soviet exports to the United States. Despite these problems, the establishment of diplomatic relations in 1933 and the signing of bilateral trade treaties in 1935 and 1937 provided the basis for some expansion of trade. However, the Soviet Union's general pattern of autarkical foreign trade and isolation from the West did not change.

The interwar policies were interrupted only temporarily by Soviet alliances with Western countries during World War II. Expectations that the wartime alliance might be followed by peacetime cooperation proved unfounded. Discussions of U.S. aid and credits to the Soviet Union and Soviet participation in a new multilateral world economic system came to an end with the emergence of the Cold War. The Soviet leadership's suspicion of Western "capitalist" countries and the Soviet predilection for comprehensive planning and control of the domestic economy probably led them to revert to a deliberate policy of economic independence. The economic isolation of the U.S.S.R. from the West reached a peak in the early 1950's, when less than 20 percent of its foreign trade was conducted with countries outside the Communist area.

In the late 1950's and throughout the 1960's attitudes toward U.S.-Soviet trade gradually changed in both countries. In the Soviet Union, the post-Stalin leadership began actively to seek business deals with Western industrial countries. Soviet Party Leader Nikita Khrushchev, in his travels abroad, personally lobbied for improved economic relations. Typical was his appearance at the Leipzig Trade Fair in 1959, where he presented himself as a businessman rather than a political leader. The West European countries and Japan took advantage of this economic opening to the East. Reduced trade restrictions, liberal credit policies, and participation in joint industrial ventures allowed them rapidly to expand their trade with the Soviet Union and other East European countries. The attitudes of U.S. policymakers toward East-West trade, however, tended to be more sensitive to political differences with the Soviet Union. The Cuban crisis, the Vietnam War, and the invasion of Czechoslovakia set back efforts to improve economic ties with the Soviet Union.

In spite of the unfavorable political climate, small but significant steps were made to remove some of the impediments to U.S.-Soviet trade. Several administrative changes, such as loosening export controls and extending credits for Soviet agricultural purchases from the United States, facilitated a gradual increase in U.S.-Soviet trade during the 1960's. Moreover, the rationale for East-West trade restrictions

III. The Soviet Rationale for Expanded Foreign Economic Relations

The Ninth Five-Year Plan Directives discussed at the Twenty-Fourth Soviet Party Congress in March-April 1971 called for many advances in technology. Technological change was projected to modernize the Soviet civilian economy, improve the quality of consumers' real income, and raise the efficiency of economic planning and management. Meeting the targets in each of these areas required technological assistance from abroad, including the United States. This reordering of priorities underlies Soviet interest in increased commercial relations with the United States.

The Soviet leadership's emphasis on technological change in the Soviet economy reflects a growing concern that Soviet technology lags considerably behind that in the industrial West. While there are no precise measures of technology levels, there is much evidence that a technology gap between the Soviet Union and the West does exist. Michael Boretsky, for example, examined a number of key technological innovations in the Soviet economy and concluded that the overall level of Soviet technology in 1962 lagged behind that in the United States by some 25 years.[21] The existence of a technology gap has been confirmed by many others, including Soviet observers. Premier Alexei Kosygin asserted in 1965: "The pattern of production of machinery and equipment being turned out by the many branches [of Soviet industry] does not conform to modern standards." [22] Three Soviet scientists who have been critical of the leadership's policies described the technology gap in more detail:

> When we compare our economy with that of the United States, we see that ours is lagging behind, not only quantitatively, but—and this is the saddest part—also qualitatively. The more novel and revolutionary the aspect of the economy, the wider becomes the gap . . . We are ahead of the U.S. in the production of coal, but behind in the production of oil, gas, and electric power, ten times behind in chemistry, and immeasurably behind in computer technology . . . .
>
> In the late 1950's, our country was the first to launch a sputnik and to send a man into space. By the end of the 1960's, we have lost the lead in this field (as in many others). The first men to set foot on the moon were Americans. This is one of the outward signs of an essential and ever-growing gap between our country and the West extending through the whole spectrum of scientific technological activity.[23]

[21] Michael Boretsky, "Comparative Progress in Technology, Productivity, and Economic Efficiency: U.S.S.R. Versus U.S.A.," in U.S. Congress. Joint Economic Committee. *New Directions in the Soviet Economy.* Part II–A. *Economic Performance.* 89th Cong., 2d sess. Washington, U.S. Govt. Print. Office, 1966, p. 149.

[22] Alexei Kosygin, "On Improving Management of Industry, Perfecting Planning and Enhancing Economic Incentives in Industrial Production," in *New Methods of Economic Management in the USSR.* Moscow, Novosti Press Agency Publishing House, 1965, p. 19.

[23] "Appeal of Scientists A. D. Sakharov, V. F. Turchin and R. A. Medvedev to Soviet Party and Government Leaders," March 19, 1970. Translated in *Survey,* Summer, 1970, pp. 160–170.

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benefits to the United States must by their nature be uncertain of fulfillment, especially in the short run. On the other hand, the economic benefits to the Soviet Union from improved commercial relations may be certain and significant, even in the short run. Thus, the risk of unfulfilled expectations appears greater for the United States than for the Soviet Union. More specifically, increased technology transfers to the Soviet Union may show only long-term benefits to the United States in the diplomatic and political area.

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slowly eroded. Restraints on U.S.-Soviet trade were criticized on several grounds. Advocates of expanded East-West trade claimed that U.S. controls were not effective. Communist countries which were denied certain U.S. goods could often import the same products from other Western countries. It was argued that U.S. companies were needlessly forced to forego mutually advantageous trade opportunities. Those who favored more trade with the Soviet Union also claimed that such trade would improve political ties between the two countries and would help to achieve a more stable international order. President Lyndon Johnson appointed a special committee, headed by J. Irwin Miller, to reexamine U.S. trade policy toward the Soviet Union and other East European countries. The committee recommended several trade liberalization measures and concluded:

> The intimate engagement of trade, over a considerable period of time, when taken with the process of change already under way, can influence the internal development and the external polices of European Communist societies along paths favorable to our purpose and to world peace. Trade is one of the few channels available to us for constructive contacts with nations with whom we find frequent hostility. In the long run, selected trade, intelligently negotiated and wisely administered, may turn out to have been one of our most powerful tools of national policy.[3]

Such arguments led President Johnson to urge increased economic exchanges in order to "build bridges" to the East European countries.

Soviet-American Trade Prospects Come of Age

The U.S. domestic economic recession of 1969–70 and the recurring balance-of-payments deficits gave rise to a far-reaching review by the Nixon Administration of foreign economic policy. Expanded trade with Communist countries was considered as a means of increasing U.S. exports and stimulating domestic production and employment. Initially, however, the administration made no major effort to increase U.S.-Soviet trade. The report of the Commission on International Trade and Investment Policy, established by the President in May 1970 to study major problems in the field of U.S. foreign trade and investment, was cautious in its appraisal of U.S. foreign trade policy toward the Communist world:

> We see few economic problems in our trade relations with Communist countries. The course of these relations is mostly determined by political factors. The volume of U.S. trade involved is small and is likely to remain so for the 1970's.[4]

While recommending change, the Commission expressed specific reservations on expanding technological transfers and on the use of bilateral arrangements in trade:

> Within the bounds set by strategic considerations, the United States should attempt to expand its trade with the Communist countries. To this end, we should align our export restrictions and related regulations with those of other Western nations.
>
> However, transfers of technologies, production processes, and/or assistance in the establishment of manufacturing facilities should continue to be subject to

[3] "Report of the Special Committee on U.S. Trade With East European Countries and the Soviet Union," *Department of State Bulletin*, May 30, 1966, p. 855.

[4] A. L. Williams (Commission Chairman), *United States International Economic Policy in an Interdependent World* (Washington, D.C.: U.S. Govt. Print. Off., July 1971), Vol. I, p. 10. [Hereafter cited as: Williams Report.]

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careful review by appropriate government agencies to ensure that they do not contribute significantly to the military capabilities of Communist countries.

The President should be given authority to remove the existing tariff discrimination against imports from Communist countries, in return for appropriate benefits for the United States.

We should explore with other Western governments possible multilateral arrangements designed to loosen the existing bilateral constraints on East-West trade.[5]

The Nixon Administration's "New Economic Policy," inaugurated in August 1971, proposed a program for attacking foreign, as well as domestic, economic problems. With the new initiative in foreign trade matters, interest in East-West trade grew. The issue of expanding East-West trade ties became more closely linked to the broader range of security and political issues that were to make up the agenda of the May 1972 Summit meeting of President Nixon and Party Secretary Brezhnev. In December 1971, Mr. Peter G. Peterson, Assistant to the President for International Economic Affairs (later Secretary of Commerce), issued a report ranging broadly over the foreign economic policy interests of the United States. The *Peterson Report* called for a new U.S. approach to Communist trade in order to improve the trade prospects of the United States and to open the way for the Communist countries to join the world trading and monetary community.

Relations with the Communist world are now opening up rapidly. The United States has a long way to go in matching the trade levels of East and West Europe with each other. Presently, much of European trade with Eastern Europe and the Soviet Union is on the basis of bilateral agreements. A major effort may now be needed to see how to fit the non-market Communist countries into the multilateral framework of economic exchange among the Western economies. We shall also have to review at home the kinds of guidelines to apply in trading with non-market enterprises.[6]

Mr. Peterson noted that the share of the United States in Western trade with the U.S.S.R. and Eastern Europe was about 3 percent of exports and 2 percent of imports—roughly unchanged from 1960. With the tripling of total Western exports to the Soviet Union and Eastern Europe during the period 1960–1970 (from $3.7 to $10.0 billion), Western European and Japanese exports accounted for most of the increase.[7]

The trips to Moscow by Maurice Stans, Secretary of Commerce, in November 1971 and Earl Butz, Secretary of Agriculture, in April 1972 resulted in optimistic appraisals of the future course of U.S.-Soviet economic relations. Secretary Stans predicted that the level of U.S.-Soviet trade would rise substantially in the next few years. Secretary Butz was also optimistic, suggesting that significant grain sales to the Soviet Union might take place for a number of years.

The Summit agreements in May 1972 did not, however, include a commercial agreement. Instead, the Joint Commercial Commission was set up to negotiate:

(a) an overall trade agreement including reciprocal most-favored-nation agreement;

(b) arrangements for the reciprocal availability of government credits;

[5] Ibid., pp. 15–16.
[6] Peter G. Peterson, *A Foreign Economic Perspective* (Washington, D.C.: U.S. Govt. Print. Office, December 1971), p. 28. [Hereafter cited as Peterson (1971).]
[7] Ibid., p. 23.

of the United States with respect to such advances in weaponry as the Multiple Independently Targetable Reentry Vehicle (MIRV).

(b) *On internal moderation or reform.*—Some observers point to a continuing need for moderation to encourage professionalism and accommodate modernization. Others, however, point to the restrictions on civil liberties, religious freedom, the right to emigrate, and access to foreign media as evidence of a retrogression or toughening of the Stalinist elements in the system.

(c) *On the control of the bloc.*—Some observers maintain that the relaxation of Soviet-U.S. tensions, the potential reordering of Soviet priorities, and a moderating of domestic controls may permit more foreign policy independence and internal reform in Eastern Europe. On the other hand, the Soviet Union, given some relaxation of tensions vis-a-vis the West, may decide it can get away with perpetuating the post-Czech invasion "Brezhnev Doctrine," which severely limits Eastern European independence from Moscow.

Recent expressions by Dr. Henry Kissinger appear to incline toward the more hopeful, less threatening interpretation of the progress toward detente to date, while accepting the view that opposing trends and pressures exist. The Soviet leadership, Dr. Kissinger pointed out in a congressional briefing in June 1972, is responding to the pressures which make for detente as well as to the older, conservative pressures:

. . . Some factors—such as the fear of nuclear war, the emerging consumer economy, and the increased pressures of a technological, administrative society—have encouraged the Soviet leaders to seek a more stable relationship with the United States. Other factors—such as ideology, bureaucratic inertia, and the catalytic effect of turmoil in peripheral areas—have prompted pressures for tactical gains.[17]

Earlier in the same briefing, Dr. Kissinger noted:

But now both we and the Soviet Union have begun to find that each increment of power does not necessarily represent an increment of usable political strength.[18]

Dr. Kissinger also saw enhanced security in the collective benefits or linkage among various agreements such as those on arms limitations, trade, and the environment:

We hoped that the Soviet Union would acquire a stake in a wide spectrum of negotiations and that it would become convinced that its interests would be best served if the entire process unfolded. We have sought, in short, to create a vested interest in mutual restraint.[19]

. . . The SALT agreement does not stand alone, isolated and incongruous in the relationship of hostility, vulnerable at any moment to the shock of some sudden crisis. It stands, rather, linked organically to a chain of agreements and to a broad understanding about international conduct appropriate to the dangers of the nuclear age.[20]

The process of creating a "vested interest in mutual restraint" is likely to be a very gradual and protracted one. Moreover, future changes in Soviet foreign policy and the motivations of Soviet leaders in their conduct of diplomacy will not be easily discerned. The political

[17] Kissinger briefing to Congressional leaders, *Congressional Record*, June 19, 1972, p. S9600.
[18] Ibid.
[19] Ibid., p. S9600.
[20] Ibid., pp. S9599–9600.

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nied any assistance in development of capabilities which might be a threat to U.S. security. Although somewhat inconsistent in application, a policy of reward-penalty appeared to be followed by the United States, apparently with three main objectives:

(1) to encourage detente by reducing weapons development, lowering force levels, and moderating crisis management;

(2) to encourage detente through moderation and reform of the Soviet regime's domestic policies, including religious tolerance, economic reform, freedom of expression, and the right to emigrate;

(3) to encourage polycentrism in the Communist world, detente in the foreign policies of the individual Communist countries other than the U.S.S.R., and moderation in their domestic policies. The importance of these several objectives has varied over time, but each appears relevant today.

Although the United States and the Soviet Union still have political differences in various world crises, there is some evidence of a moderating of international tension. The U.S.-Soviet Strategic Arms Limitation Talks (SALT) provide a mechanism for moderation in the development of both strategic offensive and defensive weapons; the Treaty on the Limitation of Anti-Ballistic Missile Systems and the Interim Agreement on Certain Measures with respect to the Limitation of Strategic Offensive Arms signed in Moscow on May 26, 1972, are evidence of apparent progress.[15] The multilateral European Security Conference (ESC) and discussions of mutual and balanced force reductions (MBFR) may reflect a similar development in the area of military force reductions.[16]

At the same time, questions remain on the significance and enduring character of the change in relations. In the three areas of detente—hostilities and security, internal moderation and reform, and easing of the control system in Eastern Europe—opinions vary on the changes to date and future prospects. Indeed, quite divergent views on these various aspects of the new relationship are expressed by different observers:

(a) *On hostilities and security.*—Some observers argue that the Soviet Union acts as a moderating influence on North Vietnamese and Middle Eastern leaders and uses its leverage to dampen tensions and hostilities. Others maintain that the Soviet Union fosters proxy wars to its own benefit, and that the continuations of the Arab-Israeli and Indochinese conflicts are not incompatible with Soviet aims.

Moreover, some argue that Soviet leaders have a pressing need to reorder priorities and that the SALT agreements permit them to proceed on badly needed civilian programs for modernization of the technologically backward Soviet economy. Others contend that the Soviet Union, with a well-developed military research and development base, will seek to turn its numerical advantage in strategic offensive weapons into a position of overall superiority by closing the technological lead

[15] The ABM Treaty limits the deployment of anti-ballistic missile systems to two designated areas in the United States and the Soviet Union, and at a low level. The Interim Agreement limits the overall level of strategic offensive missile forces.

[16] Preliminary talks on the European Security Conference began in Helsinki on November 22, 1972. The purpose of the Conference, which will include most of the countries of East and West Europe, the United States, and Canada, is to attempt to solve problems of European security and cooperation. Negotiations on mutual and balanced force reductions began on January 31, 1973 in Vienna. The purpose of the talks is to negotiate a reduction of military forces in Europe.

(c) provisions for the reciprocal establishment of business facilities to promote trade;

(d) an agreement establishing an arbitration mechanism for settling commercial disputes.[8]

The Joint Commercial Commission has no precise parallels in earlier periods of temporary improvement in U.S.-Soviet relations, although it does parallel recent Soviet arrangements with the Japanese and West Europeans. The Commission consists on each side of one principal, three deputies, and staff. The U.S. Secretary of Commerce and the Soviet Minister of Foreign Trade, Mr. Peter G. Peterson and Mr. Nikolai Patolichev, respectively, were the first principals.[9] The U.S. staff for the new commission was supplied by a component of the new East-West Trade Bureau of the Department of Commerce.

On March 6, 1973 an East-West trade policy committee was created with George Shultz as chairman, and Frederick B. Dent, Secretary of Commerce, as vice chairman. Other members are Secretary of State Rogers, presidential assistants Henry A. Kissinger and Peter M. Flanigan, and Ambassador William D. Eberle, Special Representative for Trade Negotiations. James E. Smith, Deputy Under Secretary of Treasury is the executive secretary of the Committee.[10]

Even though the problems and issues of U.S.-Soviet trade were not resolved at the May 1972 Summit meeting, there appeared to be a serious disposition on the part of Soviet authorities to press for their early resolution. New York Times reporter Theodore Shabad reported a discussion with Mikhail Misnik, deputy chairman of the Soviet State Planning Commission, in which Mr. Misnik said:

> It's about time we moved beyond the Stone age practice of, say, bartering a sheep for half a camel . . . if we advance beyond that stage into large-scale arrangements in which the United States would provide plant and equipment and we would pay with raw materials and the end products of such plants, then the possibilities are indeed immense.
>
> . . . Once we feel that there is serious interest in a joint venture, the problem of access can be overcome.[11]

The issues were formally joined again during the summer. In a report released by Secretary Peterson on his return from the first meeting of the U.S.-U.S.S.R. Commercial Commission, he suggested that the United States was also willing to compromise—even in the area of high technology transfers formerly restricted by association with national security.

> With the industrial and technological development of other major economies, the U.S. no longer has the monopoly it once enjoyed in the production of certain goods. Our overall trade balance is a melancholy reminder of these changed circumstances. The increased availability of high technology products elsewhere rendered some of our original curbs on exports to the Soviet Union increasingly anachronistic. The real loser from these particular restraints would have increasingly been the U.S. producer and worker, not the Soviet consumer or the Soviet economy. There comes a point at which we must face the fact that business

[8] "Communique Regarding Joint U.S.-U.S.S.R. Commercial Commission, May 26, 1972," *Department of State Bulletin* (June 26, 1972), p. 898.

[9] On March 6, 1973, George Shultz, Secretary of the Treasury, was designated to succeed Mr. Peterson.

[10] *Washington Post*, Mar. 7, 1973.

[11] *New York Times*, May 30, 1972, p. 19.

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is business, and, if it is going to go on in any event, we might as well have a piece of the action.[12]

The new attitudes expressed by Mr. Misnik and Mr. Peterson provided the impetus for conclusion of a series of agreements regulating and promoting U.S.-Soviet trade. On July 8, 1972, an agreement was reached providing credit through the U.S. Commodity Credit Corporation for Soviet purchases of American grain. A maritime agreement was concluded on October 14, 1972, which removed several barriers to commercial shipping between the two countries. On October 18, 1972, a commercial agreement and a settlement of the Soviet Lend-Lease debt were signed. The commercial agreement projected a tripling of U.S.-Soviet trade within a three-year period and provided a number of regulatory measures. The Lend-Lease settlement arranged a repayment schedule for the Soviet World War II debt to the United States.

The Disengagement of Congress From U.S.-Soviet Trade Negotiations

Dealing with the broad question of American international economic policy, the *Williams Commission Report* in July 1971 made clear that a major and direct role of Congress in trade negotiations was necessary and desirable:

> . . . The U.S. Congress has the constitutional responsibility for regulating trade. It delegates the administration of this responsibility to the Executive, which has the constitutional responsibility for negotiations with foreign governments. This makes it all the more important that we do our utmost to provide for continuous, close communications between the Executive and the Congress, so as to ensure the effective pursuit of our national objectives.
>
> We recommend that the negotiations be buttressed in advance by appropriate congressional action. In some areas, such as tariffs, a specific delegation of authority to negotiate and proclaim changes in U.S. restrictions will be needed. In other areas, the Administration should negotiate on the basis of a congressional declaration of intent; the results of the negotiations would be submitted to Congress, either for affirmative action, or preferably subject to an understanding that they could be implemented by the Executive unless rejected by Congress within, say, 60 days. Furthermore, some Congressmen should be included in the United States delegations to the negotiations.[13]

The *Peterson Report* in December 1971 also referred to a special congressional role in fashioning a new international economic order:

> Of critical importance in our efforts will be the new legislation needed to equip American negotiators with the tools for constructing a new, open and fair world trading system. *Defining the negotiating authority we need will require* close collaboration with the Congress. In the international negotiations undertaken with this authority, our intention will be to construct a new trading system to take the place of the old.[14]

However, no effort was made to involve Congress in U.S.-Soviet trade negotiations. Congress did not pass enabling legislation to facilitate a trade agreement between the two countries. Only after the trade agreement had been concluded did the Nixon Administration turn to

[12] Peter G. Peterson, *U.S.-Soviet Commercial Relationships in a New Era* (Washington, D.C.: Department of Commerce, August 1972), p. 13. [Hereafter cited as Peterson Report (1972).]
[13] Williams Report, op. cit., pp. 16–17.
[14] Peterson (1971) op. cit., p. v.

Congress for enactment of a law providing most-favored-nation treatment for the Soviet Union.

The various executive department delegations to the Soviet Union did not include congressional representation, nor was the Summit meeting attended by representatives of Congress. Moreover, the bipartisan official visits to China by congressional leaders were not repeated in the wake of the Moscow Summit, and the Joint U.S.-U.S.S.R. Commercial Commission set up at the Summit did not include congressional representation. Finally, the Peterson Report in August 1972 on the first meeting of the Commission made no direct reference to Congress.

The absence of congressional participation in U.S.-Soviet negotiations was in contrast with trade negotiations conducted under the authority of the *Trade Expansion Act of 1962* (19 U.S.C. 1873). Section 243 of that Act stipulated that four members of Congress (two members of the House Committee on Ways and Means and two of the Senate Committee on Finance) must be accredited as members of the U.S. delegation to trade negotiations authorized by the Act.

Congress necessarily will be involved in certain aspects of U.S.-Soviet economic relations in the future. Congressional approval is required for extension of MFN treatment to the Soviet Union. Moreover, Congress may be asked to consider new arrangements to facilitate U.S.-Soviet trade, such as expansion of U.S. Government credit facilities.

Trade and Diplomacy

Increased trade has generally been assumed to encourage more amicable and stable relations among nations. U.S. economic relations with the Soviet Union and Eastern Europe have specifically been assumed to be an effective lever to further U.S. national interests. For example, after World War II, U.S. leaders proposed including the Soviet Union and East European countries in the Marshall Plan for European recovery, presumably in return for adherence to U.S. views on the political settlements in Eastern Europe and other matters. U.S. leaders also specifically linked economic benefits from trade to assured access routes in the settlement of the 1948 Berlin Crisis. Again, Communist countries were apparently denied equal commercial relations because of their participation in the Korean War and their repressive domestic policies. Withdrawal of MFN status and imposition of export controls were among the penalties applied by U.S. policymakers. Later Yugoslavia and Poland were rewarded for their independence from Soviet domination and for a degree of moderation in domestic policies by a moderating of U.S. foreign trade policy. Romania has also been singled out on various occasions for less restrictive commercial treatment in recognition of its relatively independent foreign policy. Thus, changes in U.S. foreign economic policy toward the Soviet Union and Eastern Europe have been used for a number of political ends deemed consistent with U.S. foreign policy. Overarching the specific applications of economic leverage has been the general attitude that the Communist nations were enemies of the United States and should be de-

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its programs may play a particularly important role in future Soviet-American trade.[97] Eximbank extends direct credits and serves as guarantor and insurer only when private financial institutions are unable or unwilling to do so. As some private institutions may balk at dealing with Soviet foreign trade enterprises because of inadequate credit worthiness information or because of general unfamiliarity with the Soviet economy, frequent Eximbank participation may be required.

The Eximbank extends credits at a favorable rate of interest—currently 6 percent on direct loans to foreign borrowers. This practice has raised some controversy over whether such credits are a form of export subsidy.[98] The question of whether the Soviet Union should continue to receive such low-cost credits is certain to be an important issue when Congress is asked to extend the Eximbank's franchise. (It is currently authorized to operate through June 1974.)

That the Eximbank, with its present resources, can fill all Soviet credit needs is unlikely. Its current overall operational authority is $20 billion, and its largest exposure to any single country is about $1.3 billion.[99] Soviet negotiators have indicated that they hope to attract huge sums of American capital—far more than Eximbank could provide—for projects in the Soviet Union.[100] Such large-scale financing is available only from private institutions in the United States. Furthermore, no Government program is available for insuring large, long-term capital investments in the Soviet Union. Government programs such as those of the Overseas Private Investment Corporation are denied to the Soviet Union, unless a Presidential waiver is granted, by Section 620(f) of the *Foreign Assistance Act of 1961* as amended (22 U.S.C. 2151 et seq., 1970).

Despite these problems, the removal of restrictions on Eximbank and private credits represents a major step toward improved U.S.-Soviet economic relations. The Soviet Union is expected to run heavy deficits in its balance of trade with the United States, and U.S. credits will be needed to help finance them. Soviet trade with most other Western industrial countries has followed a similiar pattern: imports from these countries have continually exceeded exports in recent years, and liberal credit policies have been necessary. If U.S. exporters are to compete effectively with other Western exporters to the Soviet Union, large amounts of credits will have to be made available.

Shipping Arrangements in U.S.-Soviet Trade

Various shipping regulations have been issued by U.S. Government agencies in their administration of legislative restrictions on commerce with the Soviet Union. Department of Commerce Transportation Order T–1 regulates the transport by U.S. ships or aircraft of certain controlled commodities (even though originating in a foreign port) to

[97] While the Eximbank's operations have generally been credited with increasing the level of U.S. exports, this view was disputed in a 1972 article. See Douglas R. Bohi, "Export Credit Subsidies and U.S. Exports: An Analysis of the U.S. Eximbank," in U.S. Congress. Joint Economic Committee. *The Economics of Federal Subsidy Programs.* 92d Cong., 2d sess., 1972, pp. 157–175. For a contrasting view, see Howard S. Piquet, *The Export-Import Bank of the United States: An Analysis of Some Current Problems.* (Washington, D.C.: National Planning Association, 1970).

[98] See articles by Bohi and Piquet, Ibid. Also see *Congressional Record,* Jan. 23, 1973, pp. S1179–S1183.

[99] Peterson Report (1972), op. cit., p. 20.

[100] Ibid., p. 20.

for high test metals, sophisticated machines, manpower, and other important inputs. Military leaders would thus appear to have an interest in downgrading the priority for the Siberian projects.

Significant progress could perhaps be made in critical military areas, such as installation of MIRV warheads for the existing Soviet ICBM inventory, without new construction of either silos or missiles. This alone would tend to convert numerical advantage into a strategic advantage by offsetting the technological leadership of the United States. In this special sense, it is conceivable that the Soviets could continue to improve their strategic position *and* reorder priorities. However, MIRV retrofitting may not be a low-cost operation, if the Soviet military is not already well developed in this area.

The potential competition between military projects and the West Siberian development has a special time dimension to it. The longer the Siberian development proceeds in time, the more compelling the logic to allocate the necessary resources to bring it to full effectiveness. If the development of new strategic systems, e.g., the SS–9, SS–11, and SS–17 ICBMs, should involve a long, risky, and expensive process—the gestation period for such systems is said to be 8–10 years—the question would arise as to whether the two patterns of resource allocation could be simultaneously supported. If both military and civilian projects were begun, at what point could overcommitment be perceived and resources shifted to bring the effort having first priority to timely completion? Underfunding and delay of both military and civilian programs would not be an attractive prospect to the Party or its leader.

Moreover, if overcommitment should be permitted, it might be difficult, even technologically impossible, to shift resources from one program to the other. The long completion times required for such sophisticated military and civilian projects create both technological and management problems in conversion, and the ability to shift resources committed to these projects becomes increasingly limited over time.

Brezhnev may soon have to act decisively in order to avoid overcommitment on two competitive, nonconvertible patterns of resource allocation. If Brezhnev views the West Siberian development and the deployment of SS–9 and SS–11 missiles as competitive patterns of resource allocation, and if some relatively irreversible decisions on allocations are necessary, he may be inclined to divert resources from the potential military program to bring to fruition the civilian investment project. At present, it appears that there may be a delay in the program for further buildup of the SS–9 and SS–11.[53] Commitments may not yet be made to a new round in strategic weapons buildup. On the other hand, the West Siberian oil-gas complex appears to be moving ahead, possibly with support from the military industries.

Although oil and gas targets were not met in the 1972 Plan, and the 1973 Plan has scaled down targets, the West Siberian priority appears intact. A four-day visit by Premier Kosygin to the Siberian oil and gas fields in January 1973 may have been intended to give further evidence of the leadership's support for the Siberian project.[54]

[53] *New York Times,* Mar. 8, 1971, p. 1 and Mar. 27, 1971, p. 1. Some indications suggest the MIRV-equipped SS–11s are being tested. *New York Times,* Oct. 9, 1972.

[54] *New York Times,* Jan. 15, 1973.

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Another problem area in the Soviet leadership's dilemma over resource allocation is the chronic manpower shortage in the Soviet economy. Although only limited information is available, the Plan directives indicate the severity of the problem. Increased labor productivity is planned to account for 87–90 percent of the total increment in output during the Ninth Five-Year Plan. While the total labor force is to increase at an annual rate of 1.7 percent, the key industrial force is stipulated to grow by only one percent. This modest increase in the industrial labor force is about one-third the rate realized during the Eighth Five-Year Plan (1.0 percent as compared to 2.8 percent). In the past, overambitious plans for increased labor productivity were offset by higher-than-planned expansion of the industrial labor force at the expense of "buffer" sectors such as agriculture and services. However, shifts from low priority sectors are becoming more difficult. As noted by Murray Feshbach of the Commerce Department, "in most years prior to the 1960's the planned number of workers and employees was met, and in industry the actual number frequently was 200,000–300,000 persons above the plan. In 1965, however, the actual number for industry was barely 25,000 above the plan, and by 1967 there was a shortage of 125,000 industrial-production personnel relative to plan requirements." [55] This fact graphically measures the end of "buffer" sectors to cover shortfalls in industry manpower needs.

At present, not only is labor unlikely to be released from other sectors to meet industrial needs, but in the current Plan, income, investment, and administrative policy are designed to keep skilled workers in agriculture from migrating to urban industrial jobs. Nonetheless, 90 percent of the high school graduates from rural schools still seek urban employment.[56] Shortfalls in the improvement in labor productivity are likely to aggravate the labor shortage. While labor productivity was scheduled to rise by 6.1 percent in 1972, it grew by only 5.2 percent.[57] Improvement in labor productivity may turn on technological change in output—better energy and equipment—and such improved managerial techniques as the Shchekino experiment and the agricultural *zveno*.[58]

Demobilization of some 3 million members of the armed forces in the late 1950's (from 5.8 to 3.0 million in the period 1955–1961) eased Khrushchev's labor problem and coincided with rather good years of economic performance.[59] Although the reduction in military manpower may have been facilitated by technological modernization of the military forces and a reduction of such missions as the withdrawal from Austria, it may provide a precedent for current Soviet policy. Again, at a time when manpower deficiencies are becoming more serious, no ready major source of labor—especially young males to meet civilian needs—is available other than the military forces. Military demobilization would probably be stoutly resisted but not necessarily with suc-

[55] Murray Feshbach, *Manpower Trends in the USSR* (Washington, D.C.: Department of Commerce, Bureau of Economic Analysis, May 1971), pp. 1, 18.
[56] Ibid., p. 12.
[57] *Izvestiya*, Jan. 30, 1973, p. 1.
[58] The Shchekino experiment provides a set of incentives which encourage the enterprise to fulfill its plan without increasing employment or by reducing it. At the 24th Party Congress, Brezhnev specifically endorsed the Shchekino experiment. The *zveno* provides a continuous relationship of the work unit and the common plot—a partial property right.
[59] John Godaire, "The Claim of the Soviet Military Establishment." U.S. Congress, Joint Economic Committee, *Dimensions of Soviet Economic Power*, 87th Cong., 2d sess., 1962, p. 43.

were delivered under Lend-Lease and remained in the hands of the Soviet Union after World War II. The major element in the disparity between the U.S. and Soviet figures was the determination of which goods were essential to the Soviet war effort—the United States did not try to collect for those goods—and which were civilian goods not consumed by the end of the war. In addition, there were problems in setting an appropriate rate of interest and repayment schedule for the Lend-Lease debt. The U.S. negotiating position was recently summarized by Sidney Weintraub, Deputy Assistant Secretary of State for International Finance and Development:

> The original value of all lend-lease equipment provided the Soviet Union during World War II is estimated at $10.8 billion. This figure excludes both merchant and naval vessels which, for technical reasons, were not included under the lend-lease agreement.
>
> In lend-lease settlement negotiations with all our allies including the Soviet Union, it was our policy to seek payment only for those goods which had usefulness in the civilian economy. After repeated requests for an inventory of these "civilian-type" articles in the Soviet Union went unanswered, the United States estimated their value at approximately $2.6 billion.
>
> In reaching agreements with our other World War II allies, we settled for a percentage of the value of the "civilian-type" equipment. As noted in this testimony to which this explanation is appended, the U.S. Government has made specific settlement offers of $1.3 billion and $800 million. Both offers were rejected by the Soviet Union. Our present negotiations are approaching a figure which will compare favorably with the final terms reached with other lend-lease recipient countries.[95]

The Soviet Union and the United States agreed on the amount of the Soviet Lend-Lease debt on October 18, 1972. The total debt was finally assessed at $722 million, of which the Soviet Union paid $12 million on the day of the agreement. $24 million is to be paid on July 1, 1973, $12 million on July 1, 1975, and the balance in 28 equal annual installments of $24,071,429 through the year 2001. The Soviet Union is permitted four postponements provided interest is paid at an additional three percent a year. The settlement covers all Soviet World War II indebtedness to the United States. However, Soviet repayment of the debt is contingent on U.S. extension of MFN status to the Soviet Union. At the same time, the Soviet Union executed an operating agreement with the Eximbank which provides that its foreign trade enterprises would receive equal treatment with those of other U.S. trade partners in all credit matters—amount of credit, interest rate and repayment provisions.

Settlement of the Soviet debt and the President's determination that Eximbank financing for the Soviet Union is in the national interest removed most major governmental restrictions on credit transactions. Not only are direct Eximbank credits available, but the way is now open for private individuals and institutions to extend Eximbank-guaranteed credits—both short term and long term—to the Soviet Union.[96] Because of Eximbank's unique role in U.S. foreign trade,

[95] U.S. *Congress. House. Committee on Government Operations*, Delinquent International Debts Owed to the United States, Hearings before a subcommittee of the Committee on Government Operations, House of Representatives, 92d Cong., 1st and 2d sess., 1972, p. 125.
[96] The Jackson Amendment and similar legislation could prohibit the Soviet Union from participating in U.S. Government credit operations. See above, *U.S. Restrictions on Imports from the Soviet Union; the Issue of Most-Favored-Nation Treatment*, p. 53.

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In 1971, the *Export Expansion Finance Act* (85 Stat. 345) removed the absolute prohibition on Eximbank credit operations in trade with those Communist countries not in armed conflict with the United States. Only North Vietnam is currently prevented by legislation from receiving Eximbank credits. All other Communist countries are eligible for such credits if the President determines that credit transactions with a specific Communist country would be in the national interest. In conjunction with the comprehensive U.S.-Soviet trade agreement of October 18, 1972, the President used the authority of the Export-Import Bank Act of 1945, as amended, to allow Eximbank credits and credit guarantees to the Soviet Union.

The *Johnson Debt Default Act of 1934* (18 U.S.C. 955, 1970) as amended, prohibits private persons or institutions in the United States from extending loans to, or purchasing or selling bonds, securities or other obligations of a foreign government which is in default on obligations to the United States (unless the country is a member of the International Monetary Fund and the International Bank for Reconstruction and Development). At the time of the bill's passage, the Attorney General found that the Soviet Union was among those countries in default in their payments of obligations to the United States. In October 1963, in connection with the proposed sale of wheat to the Soviet Union, the Attorney General issued an Opinion to the effect that the intent of the Johnson Debt Default Act was to prohibit the extension of financial loans to countries in default, but that it did not intend to rule out supplier's credit, which he defined as "the assignment or negotiation by an American seller, in the ordinary course of business, of contract rights or commercial paper resulting from sales of goods on normal commercial terms." [94] This Opinion was reaffirmed by the Attorney General in 1967.

The Attorney General Opinions and the settlement of the Soviet Lend-Lease debt in 1972 have left some questions about the applicability of the Johnson Act to U.S.-Soviet transactions. The Soviet Union is still technically in default on Russia's World War I debt to the United States. Therefore, private long-term loans are illegal. Private commercial credits, or loans made directly by Government agencies or with the participation of Government agencies (e.g., Eximbank guarantees) are permitted under the Act. The distinction between private loans and commercial credits is not always clear and is subject to legal interpretation. Generally, any financial arrangement which has an underlying business transaction and is made on normal commercial terms is considered exempt from the Johnson Act.

In past negotiations on credit matters the U.S. position has been that no major concessions were possible until the Soviet Lend-Lease debt was settled. The debt proved to be a major stumbling block to expanded U.S.-Soviet trade. The two Governments unsuccessfully attempted to negotiate a settlement on several occasions. Negotiations took place in 1960 and broke up after only two weeks. At that time, the U.S. representatives demanded $800 million and Soviet negotiators offered $300 million. The U.S. assessment of the debt was based on the value of civilian goods or military goods usable in the civilian economy, which

[94] U.S. House of Representatives, Committee on Agriculture, *Communication from the President of the United States*. Document No. 163, 88th Cong., 1st sess., Oct. 29, 1963.

cess. Indeed, demobilization was apparently quietly resumed after 1961, as noted by Nikita Khrushchev in 1963 at the Party Plenum; by 1965 his original target of 2.4 million in military manpower reduction was reached.[60] Soviet military leaders probably did not favor the reduced term of service in the 1967 draft reform, but they were overridden by the Brezhnev-Kosygin leadership. With the China border crisis and the Czech invasion, the strength is apparently again above the 1961 level of about 3 million, possibly as high as 3.6 million (including the border guards and internal security forces).[61] The logic for reduction in the size of the military force might now again be based on improved economic performance, especially if Soviet leaders decide to reduce substantially the number of Soviet forces in Eastern Europe. However, the Sino-Soviet border situation would seem to preclude a massive cutback in military manpower.

Thus, three options for economic change open to the Soviet leadership are, in order of probability: (1) a reduction of the priority for new strategic weapons systems; (2) a cutback in military manpower; and (3) a withdrawal of Party control and involvement in the economy so as to permit improved efficiency through economic reform. All are issues which will be influenced by both the international situation and domestic political considerations. A downward revision in the priority for further military weapons buildup, for example, is likely only if the economic rationale is persuasive and the domestic political and international climate are favorable.

The Moscow Summit agreements, the Vietnam settlement, and progress in solving other political problems in East-West relations should help to provide the basis for a change in Soviet domestic economic priorities. Increasing Soviet interest in technologically oriented trade may be evidence that the Soviet leadership is indeed committed to a reordering of priorities. The linkage of moderation in the strategic arms race and settlement in Vietnam to a mutually beneficial trade agreement, as described by Dr. Kissinger, may be a valid interconnection, especially in the minds of Leonid Brezhnev and Richard Nixon.

U.S.-Soviet Technology Transfers

Secretary Peterson remarked on his return from the first meeting of the Joint U.S.–U.S.S.R. Commercial Commission in August 1972 that the United States had let the other industrial countries steal a march on trade with the Soviet Union, and that U.S. businessmen are now anxious to get "a piece of the action." This "action" includes technological transfers and industrial cooperation that was characteristic of Soviet-U.S. relations before but not after World War II. The prospect of resuming the pre-World War II relationship raises important questions. What contribution will U.S. technology make to Soviet economic and military development? In the past, U.S. export control legislation was enacted under the assumption that controls would retard Soviet development by limiting transfers of U.S. technology to Soviet industry. Soviet achievements in military technology

[60] Confirmed in an interview of Marshal Sokolovsky. See *New York Times*, Feb. 18, 1965, p. 6.
[61] Institute of Strategic Studies, *The Military Balance 1970–1971*, London, 1972, p. 6.

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Another important question involves the ability of U.S. companies assessing that assumption.

Another important question involves the ability of U.S. companies to compete with other Western exporters in sales of high-technology products to the Soviet Union. In view of evidence of the loss of American technological leadership in many areas to Japan and Western Europe, why should Soviet importers prefer the United States to other Western sources? Two hypotheses may help to explain an apparent Soviet inclination to expand trade with the United States—especially in high-technology products. First, there is a traditional Soviet view that American technology is the best. Second, and perhaps more persuasive, U.S. technology and the ability of U.S. industry to deal in large projects is attractive. Specifically in areas such as petroleum and natural gas development, computer systems, and agribusiness the ability of the United States to supply the latest technology and the necessary credit facilities are demonstrably superior.

U.S. TECHNOLOGY AND SOVIET ECONOMIC DEVELOPMENT PRIOR TO 1946

Most students of Soviet economic development agree that foreign technology played an important role in Soviet industrialization. In the pre-World War II period, Soviet industries imported advanced Western machinery and equipment, purchased foreign technical information, and employed industrial specialists from the West. American technology was imported and applied in many sectors of the Soviet economy. The U.S.-Soviet technology transfer continued during the war, largely through the Lend-Lease program.

Antony Sutton, who has published comprehensive studies on Western technology and Soviet economic development, has concluded that "Western technical assistance was the major causal factor in Soviet economic growth for the period 1928–1945." [62] Sutton's conclusion differs somewhat from the findings of other scholars and may overstate Soviet dependence on Western technology. Richard Moorsteen and Raymond Powell, for example, concluded in a 1966 study that the major part of Soviet economic growth can be attributed to increments of capital and labor, rather than technological progress.[63]

Nevertheless, the importance of the technology transfer from the United States and other Western countries is undeniable. Certainly, the high regard for U.S. technology is well documented in Soviet sources. For example, the admiration of the American engineer Hugh Cooper, who supervised the building of both Muscle Shoals (a dam on the main stream of the Tennessee River) and the Dnepr River hydroelectric system (a key project in the Soviet First Five-Year Plan) was symbolic of the Soviet view of American technical assistance. Moreover, the American approach to mass production in machine-building was chosen in the First Five-Year Plan over the European small-scale operations. The Soviet tractor and automobile industry were applications of American mass production techniques.[64] U.S. technological contributions were frequently acknowledged by

[62] Antony Sutton, *Western Technology and Soviet Economic Development*, vol. II: *1930–1945* (Stanford: Hoover Institution Press, 1971), p. 339.
[63] Richard Moorsteen and Raymond P. Powell, *The Soviet Capital Stock, 1928–1962* (Homewood, Ill.: Richard D. Irwin, Inc., 1966).
[64] David Granick, *Soviet Metal-Fabricating and Economic Development* (Madison: University of Wisconsin Press, 1967), pp. 24, 40, 41.

By facilitating imports of Soviet machinery and industrial products, the United States might reap an unexpected benefit from expanded trade ties with the Soviet Union, namely, the acquisition of new Soviet technology in a few industrial sectors. In certain high-priority industries, the Soviet Union has devoted considerable resources to research and development. Some Soviet industries have made important technological innovations which could prove very valuable to U.S. firms. The steel and aluminum industries and certain mining industries are examples of U.S. sectors which could benefit from such an exchange of technology.

The structure of Soviet exports to other industrial nations does not, however, suggest that a dramatic shift in the pattern of Soviet-American trade would follow tariff concessions. While the volume of trade between the Soviet Union and Western industrial nations increased in the 1960s, the structure of trade remained fairly stable. Although some new Soviet products will inevitably be sold to U.S. buyers, past experience indicates that the pattern of U.S.-Soviet trade outlined by Secretary Peterson and others of U.S. exports of capital-intensive products in return for Soviet raw materials will dominate U.S.-Soviet economic relations in the near future.

U.S. Restrictions on Credit Transactions With the Soviet Union

In trade negotiations with the United States, Soviet representatives have indicated that the availability of credits is an indispensable condition to expanded U.S.-Soviet trade. Because of the Soviet Union's shortage of foreign exchange reserves and its limited export possibilities, the availability of credit is, in fact, crucial to expanded commercial relations. Soviet leaders are seeking two types of credit from the United States. First, Soviet trade enterprises need deferred-payment credits for specific transactions. These are routine, short- or medium-term loans which are commonplace in all foreign trade transactions. Secondly, the Soviet government wants long-term "project loans" for such large-scale projects as the exploitation of Siberian mineral reserves. U.S. Government restrictions have, in the past, inhibited both types of credits.

The Export-Import Bank plays an important and expanding role in most U.S. foreign trade. However, past legislation has restricted its participation in the extension of credits to the Soviet Union. Title III of the *Foreign Assistance and Related Agencies Appropriation Act of 1965* (P.L. 88–634) prohibited the Eximbank from lending or in any other way participating in the extension of credits to any Communist country except when the President made a determination that credits to a particular Communist country would be in the national interest. This prohibition was later included in Section 2 of the *Export-Import Act of 1945* (12 U.S.C. 635, 1970), by an amendment approved on March 13, 1968. The 1968 legislation added an absolute prohibition on Eximbank participation in the extension of credit to any country furnishing by direct government action "goods, supplies, military assistance or advisers" to a nation which engages in armed conflict with the armed forces of the United States. The latter prohibition was not subject to Presidential waiver.

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legislation to the first session of the 93rd Congress to extend most-favored-nation treatment to the Soviet Union. The agreement enters into force only after such legislation is enacted. While the issue of reciprocity was not explicitly addressed in the agreement, perhaps in deference to Soviet views, the agreement included several features which were undoubtedly related in part to the MFN question. The Soviet agreement to repay the Lend-Lease debt, the assurance that business facilities would be provided in Moscow for American businessmen, and the understanding that the level of U.S.-Soviet trade would expand rapidly may all be interpreted as reciprocal concessions.

These provisions are intended to assure that the United States will receive reciprocal benefits in future U.S.-Soviet economic relations. The new business facilities to be established in Moscow for U.S. businessmen should provide them with some of the necessary trade infrastructure to expand their operations in the Soviet Union. Furthermore, the understanding that the level of U.S.-Soviet trade will triple over the next three years and the Soviet Government's announced intention to place "substantial" orders for U.S. machinery, plant and equipment, agricultural products, industrial products, and consumer goods portend considerable benefits for U.S. exporters.

Soviet leaders also expect considerable economic benefits from MFN treatment. Some Soviet exports currently face very high U.S. tariffs which would be substantially reduced if the U.S.S.R. received MFN status. The Soviet Union will need to increase its exports to the United States if it is to pay for the American technology and agricultural products it apparently needs. The effect of MFN treatment on Soviet exports is uncertain. In the past, most Soviet exports to the United States have consisted of raw materials and primary products. Such goods are largely unaffected by the absence of MFN treatment because the rates of duty in the U.S. tariff schedules tend to escalate according to the degree of processing. A recent U.S. Tariff Commission study suggests that, with the current structure of exports by the Soviet Union to the United States, no significant increase in exports would result from MFN treatment.[92]

However, if the structure of Soviet trade should change—for example, if some industrial products of advanced technology and Soviet manufactured goods were available for export—MFN status might bring significant advantages. Given the Soviet Union's chronic need for hard currency, Soviet foreign trade enterprises might be expected to take advantage of lower tariff rates and make a vigorous effort to export machinery and manufactured goods to the United States. In some lines, this effort might be successful. For example, businessmen in the United States and other developed countries have already shown an interest in advanced Soviet metal-working machinery, machine-building and electronics industries, electrical engineering technology, and other areas. Furthermore, some low and medium quality machinery and consumer manufactures may become competitive in segments of the U.S. market.[93]

[92] Anton F. Malish, Jr., *United States-East European Trade Considerations Involved in Granting Most-Favored-Nation Treatment to the Nations of Eastern Europe* (Washington, D.C.: United States Tariff Commission, 1972).
[93] See above, pp. 78–79.

Soviet political and industrial leaders. Even Joseph Stalin paid homage to American work techniques:

> American efficiency is that indomitable force which neither knows or recognizes obstacles; which with its businesslike perseverance brushes aside all obstacles; which continues at a task once started until it is finished, even if it is a minor task; and without which serious constructive work is inconceivable.[65]

Sutton claimed that Soviet industry generated very little technology of its own in the period prior to 1946:

> No major plant under construction between 1930 and 1945 has been identified as a purely Soviet effort. No usable technology originated in Soviet laboratories except in the case of synthetic rubber. . . .[66]

Soviet achievements since World War II in military and space technology, presumably independent of technology transfers from the West, raise doubts of the current validity—even accepting its earlier basis—of the view that Soviet industry is incapable of generating necessary technological change. Certain civilian sectors have also made important technological innovations. Huge Soviet expenditures on research and development have apparently created a new capability for generating technology. Thus, while Soviet officials are again showing an interest in importing U.S. technology, the present situation differs somewhat from that of the prewar period.

CURRENT SOVIET TECHNOLOGICAL REQUIREMENTS

In official negotiations of the Joint U.S.-U.S.S.R. Commercial Commission and in private talks with U.S. businessmen, Soviet officials are again expressing an interest in importing various kinds of U.S. technology. Soviet representatives have shown most interest in those areas in which the United States appears to have a legitimate claim to world technological leadership:

(1) large-scale petroleum and natural gas extraction, transmission, and distribution systems, including special permafrost problems and oil recovery systems;
(2) management control systems utilizing computer facilities;
(3) mass production machinery output, such as of trucks and cars;
(4) animal husbandry as characterized by U.S. agricultural business; and
(5) tourist systems including hotels, packaged tours, and transport.

Each of these technological areas requires large-scale financing, consortium operations, and marketing systems. The experience of U.S. multinational corporations might lend itself to industrial cooperation with the Soviet Union.

European and Japanese firms may wish to limit their commitments to the Soviets. For example, Italian Fiat and French Renault involvement in the Tol'iatti and Kama plants, respectively, may be as far as they wish to go. Japanese leaders may prefer some joint U.S.-U.S.S.R.-Japanese arrangements.

For political reasons, the Soviet leadership may wish to spread the participation of non-Communist countries to minimize outside leverage. Japan, the United Kingdom, and Germany have been the lead-

[65] Joseph Stalin, *The Foundations of Leninism* (Moscow: Foreign Languages Publishing House, 1950), p. 160.
[66] Sutton, op. cit., p. 346.

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ing non-Communist trading partners with the U.S.S.R. (See Table 4.) It may well be that a more balanced pattern—with the share of the United States increasing—is in line with Kremlin policy.

TABLE 4.—SOVIET TRADE WITH SELECTED WESTERN COUNTRIES AND JAPAN[1]

[In million U.S. dollars]

	1966	1967	1968	1969	1970	1971
Japan:						
Exports	239	353	391	357	379	419
Imports	224	166	185	264	345	396
Turnover	463	519	576	621	725	815
United Kingdom:						
Exports	330	303	367	427	465	452
Imports	169	197	273	240	248	222
Turnover	499	501	640	667	713	674
West Germany:						
Exports	189	196	215	229	257	292
Imports	144	176	242	350	375	484
Turnover	333	372	457	579	632	776
Finland:						
Exports	257	244	244	262	287	359
Imports	217	269	266	294	303	273
Turnover	474	513	510	556	590	632
Italy:						
Exports	155	233	232	232	212	259
Imports	95	154	208	317	313	291
Turnover	251	387	441	548	524	550
France:						
Exports	130	145	137	141	140	216
Imports	160	188	294	323	319	313
Turnover	290	333	432	464	459	529
United States:						
Exports	47	39	43	61	64	60
Imports	63	63	57	117	115	143
Turnover	110	102	99	177	179	203
Canada:						
Exports	15	23	20	12	8	18
Imports	346	141	126	33	131	151
Turnover	361	163	146	45	139	164
Total Soviet trade with the developed countries:						
Exports	1,711	1,886	2,051	2,230	2,345	2,712
Imports	1,742	1,782	2,144	2,495	2,780	2,859
Turnover	3,453	3,668	4,195	4,725	5,125	5,571

[1] Components may not add to the totals shown because of rounding.

Source: Peterson report (1972), annex B, p. 13.

Soviet Balance-of-Payments Potential

For the past few years, Soviet exports to the United States have lagged far behind imports (see Table 4). While Soviet exports to the

New legislation would be required to extend MFN treatment to the Soviet Union. Such legislation is certain to run into strong congressional opposition. Many congressmen have opposed trade concessions to the Soviet Union because of repressive Soviet domestic policies. Soviet policy of restricting emigration of Soviet citizens has become the focal point of recent efforts to block MFN status for the Soviet Union. The proposed "Jackson Amendment," endorsed by a majority of the members of the Senate, ties trade concessions to Soviet domestic policies:

> . . . no nonmarket economy country shall be eligible to receive most-favored-nation treatment or to participate in any program of the Government of the United States which extends credits or credit guarantees or investment guarantees, directly or indirectly, during the period beginning with the date on which the President of the United States determines that such country—
>
> (1) denies its citizens the right or opportunity to emigrate; or
>
> (2) imposes more than a nominal tax on emigration or on the visas or other documents required for emigration, for any purpose or cause whatsoever; or
>
> (3) imposes more than a nominal tax, levy, fine, fee, or other charge on any citizen as a consequence of the desire of such citizen to emigrate to the country of his choice. . . .[91]

The issues of tariff discrimination and most-favored-nation treatment were among those discussed at the 1972 U.S.-Soviet trade negotiations. Tariff negotiations between the United States and Communist countries tend to be more complex than others because of the differences in the conduct of foreign trade in the two economic systems.

Since 1923, U.S. policy has been to extend MFN treatment to its trade partners automatically and unconditionally. Such treatment assures equal access to the domestic market for all trade partners. Generally, the United States expects only equivalent treatment, assuring non-discrimination against U.S. exports. The Soviet Union also accords its trade partners MFN treatment. However, under the Soviet system of state-directed foreign trade, a grant of MFN tariff treatment does not guarantee access to its domestic market. Soviet enterprises do not purchase freely abroad according to their production needs and cost limitations. Imports are planned by government agencies and are purchased by government-controlled foreign trade enterprises. Thus, when the Soviet Union reduces its tariffs on U.S. exports, purchases of American goods do not automatically increase.

Consequently, in trade negotiations with the U.S.S.R. the United States has traditionally taken the position that MFN status is a negotiable trade concession which requires some special form of reciprocation from the Soviet Union. Soviet leaders, however, regard MFN status as a symbol of good will and friendship; they believe that the Soviet Union is entitled to the same treatment as other U.S. trade partners. For this reason, they have taken the position in trade negotiations that MFN status is not a matter for *quid pro quo* bargaining, but a natural concomitant to improved diplomatic relations.

As part of the comprehensive trade agreement between the two countries, concluded on October 18, 1972, the President agreed to submit

[91] Amendment No. 1691 to S. 2620, 92d Cong., 2d sess., Oct. 4, 1972. 260 members of the House of Representatives cosponsored similar legislation (the "Mills-Vanik Amendment") in the first session of the 93rd Congress (H.R. 3910).

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commodities embodying modern technology will undoubtedly make U.S. exports more attractive to Soviet buyers. At the same time, the changes will allow the Soviet Union to import needed technology for certain sectors of its economy.

U.S. Restrictions on Imports From the Soviet Union; the Issue of Most-Favored-Nation Treatment

U.S. tariff discrimination against Communist countries has its origin in the *Trade Agreements Extension Act of 1951* (65 Stat. 72). Section 5 of that Act directed the President to:

> . . . suspend, withdraw or prevent the application of any reduction in any rate of duty, or binding of any existing customs or exercise treatment, or other concession contained in any trade agreement . . . to imports from the Union of Soviet Socialist Republics and to imports from any nation or area dominated or controlled by the foreign government or foreign organization controlling the world Communist movement.

Section 11 directed the President to prevent the importation of ermine, fox, kolinsky, marten, mink, muskrat, and weasel furskins from the Soviet Union and Communist China. The rationale for section 5 was grounded in heightened international tensions, particularly during the Korean War. The position was taken that Communist nations which were aiding aggression in Korea should not share in the benefits of trade concessions made by the U.S. to other countries. Section 11 may have been enacted in part to protect domestic producers from foreign imports.

In accordance with the law, all concessions granted by the U.S. in trade agreements with Communist countries (except Yugoslavia) were suspended. With respect to U.S.-Soviet trade, this measure resulted in abrogating the trade agreement concluded between the two countries on August 4, 1937. That agreement had, in effect, granted conditional most-favored-nation (MFN) treatment to the Soviet Union in return for Soviet guarantees to import specified quantities of American goods.[90]

The denial of trade concessions to Communist countries and the ban on the importation of certain furskins were later embodied in section 231 of the *Trade Expansion Act of 1962* (19 U.S.C. 1861, 1970) and the *Tariff Act of 1930* (19 U.S.C. 1202, Schedule 1, Part 5, Subpart B, 1970). The MFN provision of the Trade Expansion Act differed somewhat from the 1951 legislation. While the original law in effect applied only to countries that, in the President's opinion, were controlled by the world Communist movement, the 1962 Act was made applicable to all Communist countries. Therefore, Yugoslavia and Poland, which had previously enjoyed MFN treatment, were no longer eligible for it. However, this provision was relaxed in 1963 to allow those two countries to regain their MFN status. Subsequently, in the late 1960s and early 1970s, unsuccessful attempts were made to extend MFN status to Romania and Czechoslovakia. The prohibition against trade concessions to the Soviet Union remains in effect, despite several attempts at repeal (most recently, in the proposed "East-West Trade Relations Act of 1971").

[90] See Vladimir N. Pregelj, *"Most-Favored-Nation" Principle: Definition, Brief History, and Use by the United States.* (Washington, D.C.: The Library of Congress, Congressional Research Service, Oct. 26, 1972, Report No. 72-226E).

United States expanded significantly in 1972, they still totaled only $95 million, and the trade deficit worsened (imports from the United States were $547 million). In 1973, the imbalance is likely to be at least as great because of the large amounts of grain purchased by the Soviet Union. Thus, Soviet obligations to the United States can be expected to grow at a rapid rate. How will these obligations be met? The following are areas in which increases in Soviet dollar earnings are possible:

(1) Increased Soviet exports of raw materials, such as energy sources and metals, and industrial goods;
(2) Gold sales;
(3) Non-trade income, such as tourism and shipping;
(4) Multilateral relations, such as balancing a trade deficit with the United States by a trade surplus with Japan;
(5) Cooperative ventures; and
(6) Credits (only a short-term consideration, as eventual repayment is required, plus interest).

SOVIET EXPORT POTENTIAL

Soviet exports to the developed West (see Table 5) appear to include several commodities with inelastic demand, i.e., regardless of the price of Soviet exports, the foreign demand is unlikely to change much. Foreign demand for Soviet furskins, for example, appears to be inelastic. Other commodity exports such as petroleum, natural gas, and some non-ferrous metals face more elastic demands. For this latter group, development of rich Soviet sources in Siberia may facilitate a reduction in price and an increase in supply. If the Northern Sea Route in the Arctic Ocean should become economically usable on closer to a twelve-month basis, the transport by water of wood and wood products, coal and coke, and some other raw materials to Europe, the United States, and Japan might help to expand Soviet exports.

Metal products such as nickel, palladium, platinum, and chrome ore have been the Soviet Union's biggest exports to the United States (see Table 6). An expansion of U.S.-Soviet trade would bring some increase in Soviet exports of these commodities, as the demand of certain U.S. industries for them is growing. Palladium and platinum, for example, are becoming increasingly important in the automobile industry for antipollution catalytic exhaust devices. Chrysler Corporation reportedly contracted to import 100,000 ounces of Soviet palladium in 1973 at a price of $60 an ounce.[67] U.S. imports of nickel, traditionally important in U.S.-Soviet trade, are also increasing.

[67] *U.S. News and World Report*, Oct. 16, 1972.

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TABLE 5.—SELECTED SOVIET COMMODITIES TRADED WITH THE DEVELOPED WEST [1]

[Amount in millions of U.S. dollars]

Commodity	1966		1967		1968		1969		1970		1971	
	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percent	Amount	Percen
Exports:												
Total	1,711	100.0	1,886	100.0	2,051	100.0	2,230	100.0	2,345	100.0	2,710	100.0
Crude oil and petroleum products	366	21.4	446	23.6	506	24.7	468	21.0	528	22.5	757	29.0
Coal and coke	100	5.8	104	5.5	100	4.9	115	5.2	131	5.6	158	5.8
Wood and wood products	298	17.4	322	17.1	338	16.5	346	15.5	386	16.5	380	14.0
Cotton fiber	80	4.7	107	5.7	102	5.0	77	3.5	37	1.6	88	3.2
Base metals and manufactures	246	14.4	204	10.8	210	10.2	168	7.5	209	8.9	252	2.3
Food	115	6.7	145	7.7	143	7.0	198	8.9	121	5.2	182	6.7
Furs and pelts	63	3.7	55	2.9	54	2.6	49	2.2	46	2.0	48	1.8
Other	261	15.2	306	16.2	314	15.3	299	13.4	336	14.3	367	13.5
Unspecified [2]	183	10.7	195	10.3	285	13.9	510	22.9	551	23.5	478	17.7
Imports:												
Total	1,742	100.0	1,782	100.0	2,144	100.0	2,495	100.0	2,780	100.0	2,860	100.0
Machinery and equipment	560	32.1	670	37.6	896	41.8	1,118	44.8	1,099	39.5	1,042	36.4
Base metals and manufactures	91	5.2	132	7.4	157	7.3	177	7.1	337	12.1	386	13.5
Chemicals	142	8.2	166	9.3	195	9.1	215	8.6	214	7.7	215	7.5
Wheat and wheat flour	413	23.7	147	8.2	121	5.6	28	1.1	122	4.4	170	5.9
Other consumer goods	116	6.7	219	12.3	259	12.1	276	11.1	280	10.1	381	13.7
Other	375	21.5	406	22.8	422	19.7	500	20.0	593	21.3	495	17.1
Unspecified	43	2.5	40	2.2	92	4.3	180	7.2	135	4.9	171	6.0

[1] Components may not add to the totals shown because of rounding.

[2] Largely platinum group metals, nickel, and gem diamonds.

Source: "Peterson Report" (1972). Annex B, p. 14.

The Export Administration Act has effected significant changes in the U.S. administration of export controls. In the first year after its passage, 1,550 commodities were made available under general license for countries in Group Y. Trade with Romania was further liberalized, and in 1971 the President relaxed the U.S. embargo on Communist China, freeing many nonstrategic goods for export to China under general license. Since passage of the law in 1969, there has been a sustained effort to remove controls from most items not controlled by other COCOM countries. Most of the export license applications for Eastern Europe that have been denied by the U.S. Government have been for items also under COCOM controls. In its 100th quarterly report, for example, the Commerce Department reported that all applications that were denied for the second quarter of 1972 involved commodities subject to COCOM controls.[88] The reduction of the number of embargoed items has been accompanied by new export clearance procedures to expedite the licensing process.

The U.S. exporter to Communist countries is still confronted with greater barriers than his counterparts in other Western countries. U.S. businessmen complain that tighter U.S. controls and time-consuming procedures for licensing exports of technology give other Western companies a considerable advantage. Foreign competitors sometimes obtain information on pending U.S. exports which puts them in a favorable competitive position. Approval of applications of export licenses can take from a few weeks to several months.

Nonetheless, evidence suggests that relaxation of controls has rapidly expanded opportunities for sale of American technology to the Soviet Union. In 1971, for example, there was a significant increase in the dollar value of export licenses for the Soviet Union: the total dollar value in 1971 was $1.27 billion, compared with only $1.51 million the year before.[89] The bulk of the increase was attributable to the licensing of U.S. machinery and technology for the Soviet automotive industry. In accordance with the Export Administration Act, the Department of Commerce has narrowed the range of exports subject to controls. Many items embodying modern technology but having no direct military significance are now exportable to the Soviet Union under general licenses. Among the items decontrolled in recent months are construction and agricultural equipment, electronic equipment, selected synthetic rubber manufactures, selected metals and metal manufactures, chemicals, and photographic equipment. Moreover, many exports of technical data, blueprints, and patented processes which were formerly controlled are now exportable under general licenses.

In the past, export controls have been the most direct barrier to the transfer of technology from the United States to the Soviet Union. However, changes brought about by the Export Administration Act have minimized the effect of export controls on U.S.-Soviet economic relations. In conjunction with other changes in Soviet-American trade relations, export control liberalization paves the way for U.S. exporters to expand their sales in the Soviet Union. The ability to export

[88] *Export Control*, 100th Quarterly Report, 2d Quarter 1972. Washington, D.C., U.S. Dept. of Commerce, 1972, p. 7.

[89] *Export Control*, 99th Quarterly Report, 1st Quarter 1972. Washington, D.C., U.S. Dept. of Commerce, p. 8.

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been used to regulate trade with North Korea, the People's Republic of China, and North Vietnam (it no longer applies to trade with China).

On August 29, 1972, the Export Administration Act was extended and amended. The new law called for further relaxation of controls on exports freely available from sources outside the United States. It also directed the Secretary of Commerce to report to the President and to the Congress on the progress of export control liberalization.

A number of laws regulate the export of specific commodities to the Soviet Union and other Communist countries. Among these are the *Mutual Security Act of 1954* (22 U.S.C. 1934, 1970) which authorizes the President to restrict the exportation to any nation of arms, munitions, implements of war, and related technology. Another such law is the *Agricultural Trade Development and Assistance Act of 1954*, as amended (7 U.S.C. 1691–1736d, 1970) which prohibits sales agreements on agricultural commodities for local currencies or long-term dollar credit to some Communist countries.

The United States also attempts to coordinate its strategic export controls with the foreign trade policies of its NATO allies (except Iceland) and Japan. In 1949, a Consultative Group of seven countries (later increased to 15) set up the Coordinating Committee (COCOM) to discuss the embargo and control lists that the members were to apply in their trade with the Soviet Union and other Eastern European countries. The *Mutual Defense Assistance Control Act of 1951* or "Battle Act" (22 U.S.C. 1611 et seq., 1970) provides the legislative basis for U.S. support of the coordinated approach to export controls.

The Battle Act (subsequently amended in 1961) not only prohibits the export of implements of war, atomic energy materials, and other strategic commodities to Communist countries, but also provides that all U.S. military, economic, or financial assistance be denied to any nation that knowingly permits shipment of such goods to the Communist Bloc. Although the President may waive this provision if he finds it in the national interest, its enactment provided him with a bargaining tool for persuading other countries to apply the strategic embargo.

As COCOM has no formal charter, its decisions are not binding on member countries. Rather, it is an advisory board which issues recommendations of goods to be embargoed or controlled. These are regarded as minimum lists to which each member might add commodities. Since its inception, COCOM has steadily reduced its list of embargoed items. The U.S. Commodity Control List has considerably more controlled items than COCOM's International List. Perhaps because of their traditional trade ties with the Soviet Union and other East European Communist countries, the other members of COCOM have consistently lobbied for fewer controls, while the United States has favored more. For example, Japan and the European NATO countries have exported advanced electronics, communications and transport equipment, and many other items that are still prohibited for export in the United States.

The COCOM liberalization of export controls has been paralleled (at a much slower rate) by the trend in U.S. export control policy.

TABLE 6.—U.S. IMPORTS FROM U.S.S.R.

[In thousands of dollars]

Major commodity type [1]	1966	1967	1968	1969	1970	1971
Crude materials	16,377	14,410	15,505	14,470	18,314	15,388
Furskins	6,302	4,227	4,633	5,059	3,334	2,731
Chrome ore	6,323	6,785	7,297	7,807	13,691	11,147
Nonferrous metal scrap	739	914	1,332	700	767	1,292
Mineral fuels and related materials	2	5	5	1,777	2,807	652
Chemicals	1,387	1,125	1,017	1,312	913	1,062
Organic chemicals	9	98	8	429	399	220
Inorganic chemicals	1,208	822	857	727	143	584
Manufactures	30,251	21,725	39,969	32,079	46,451	35,725
Glass	931	1,050	1,264	1,315	1,492	1,614
Diamonds and precious stones	3,542	6,810	10,828	11,018	13,439	11,244
Platinum, etc	19,048	10,725	24,963	14,063	22,887	19,515
Nonferrous base metals	1,041	2,993	2,228	5,295	7,996	2,728
Miscellaneous	459	557	1,071	1,610	2,666	3,044
Manufactured articles: Jewelry and precious metal articles				943	1,872	1,973
Total imports	49,414	41,046	58,357	51,504	72,312	57,598

[1] Subcommodity types may not add to total because of omission of insignificant items.

Source: "Peterson Report" (1972), Annex B, p. 16.

Other products which the Soviet Union now exports in large quantities to the industrial West are crude oil and petroleum products and wood and wood products. The United States currently imports relatively little of these two categories from the Soviet Union. (See Tables 5 and 6.) With a relaxation of barriers to U.S.-Soviet trade, the Soviet Union is unlikely to increase substantially its sales of wood products to the United States (a net exporter of wood); probably, only small quantities of certain types of wood not produced in the United States would be sold. However, rising prices and timber product shortage in the United States may generate a greater demand for Soviet wood. On the other hand, Soviet exports of petroleum products (which the United States imports in ever increasing quantities) would undoubtedly expand rapidly if the Soviet Union could produce sufficient surpluses.

A major hard-currency earner for the Soviet Union is diamonds. Although Soviet foreign trade officials do not reveal the value of diamonds sold to Western countries, it is reported to be quite large. For example, the Soviet Union reportedly sells up to $200 million worth of diamonds every year through a London bank.[68] Other sales have been reported in New York, Frankfurt, and Amsterdam.[69] Because the Soviet Union does not enjoy MFN status, Soviet diamonds are at present subject to high U.S. tariffs. If MFN status is granted, Soviet exporters will undoubtedly increase their sales of diamonds in the United States.

The potential for Soviet exports of high-technology industrial products to the United States remains uncertain. Unlike that of most industrialized countries, the structure of Soviet exports remains heavily biased toward raw materials, foodstuffs, and semi-manufactures. The commodity composition of Soviet exports may result from the leadership's priorities—that is, potentially exportable, technologically advanced products may be reserved for high-priority domestic civilian

[68] *Economist*, Jan. 6, 1973, p. 18.
[69] "The USSR's Undisclosed Assets," *Radio Free Europe Research*, Jan. 11, 1973.

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and defense programs. Conceivably, Soviet leaders might change priorities and concentrate on development of high-technology products for export, as the Japanese have done.

Soviet foreign trade organizations have demonstrated their ability to export high-technology products in certain sectors. Those exports demonstrate that the Soviet Union now has the capacity to generate technology. Some Soviet industries have undoubtedly benefited from technological spin-off of high-priority military and space programs. Other industries may have developed independent technologies in response to foreign export control policies which deprived them of some technical information from the West.

Listed below are some types of Soviet machinery and equipment—the most technologically intensive category of exports—which have been exported by the Soviet Union, or which Soviet officials have said they want to sell:[70]

Machinery and mechanical equipment.—Forging and pressing equipment; rolling equipment; mining machinery; power equipment—hydraulic and steam turbines; machinery for food preparation; textile machines; printing equipment; road-building machinery; and parts of machines—anti-friction bearings.

Electrical machinery and equipment.—Generators, transformers: radio receivers and components; and electronics components.

Transportation equipment.—Aircraft—supersonic airplanes, helicopters; motorcycles; seagoing freighters—tankers, dry cargo; seagoing passenger ships—hydrofoils; and tractors.

Miscellaneous equipment.—Measuring instruments—optical, meteorological, et cetera; medical equipment; tools, watches and components; cameras, photographic accessories; and movie projectors and accessories.

While many of these items will probably prove noncompetitive in the U.S. market, some of them should find buyers. Soviet ability to export machinery and equipment to the United States will depend largely on whether the Soviet Union receives most-favored-nation treatment.[71]

One very marketable commodity of the Soviet Union is its gold stock. Soviet state gold reserves in 1972 were estimated to be 1800 metric tons, and annual gold production was believed to be about 220 metric tons.[72] Gold has been exported in large quantities when Soviet hard currency needs were particularly pressing, as in 1964, 1965, and 1972, to pay for large grain imports. (See Table 7.) It is uncertain how much gold Soviet leaders will be willing to export in the future; they appear to share the "Midas complex" of their Western counterparts in associating great value to a substantial gold stock. As large sales of gold in 1972 and 1973 have reduced state reserves. Soviet officials may be reluctant to export gold in future commercial transactions. They may prefer to accumulate gold in the event of another

[70] See, for example, Hubert H. Humphrey and Henry S. Reuss, *Observations on East-West Economic Relations: U.S.S.R. and Poland.* A trip report prepared for the U.S. Congress Joint Economic Committee (Washington, D.C.: U.S. Government Printing Office, 1973).

[71] See below, *U.S. Restrictions on Imports from the Soviet Union; the Issue of Most-Favored-Nation Treatment,* pp. 52–55.

[72] Keith Bush, "The Best Western Estimates on Soviet Gold," *Radio Liberty Dispatch,* Aug. 29, 1972; "The USSR's Undisclosed Assets," op. cit.

Most U.S. exports are made under general licenses. Validated licenses are required for commodities and technical data of a more sensitive nature which may not be exported freely to designated countries. To administer the program the Department of Commerce maintains the Commodity Control List which identifies, for each listed commodity, the destinations to which a validated license is required. For export control purposes, the Soviet Union is classified in Country Group Y with most of the Eastern European countries, Mongolia, and the People's Republic of China. Other Government agencies, such as the Department of State, the Federal Power Commission, and the Atomic Energy Commission, exercise authority (under other legislation) for regulating exports of specialized commodities and technical data. The most important criteria for approval or denial of a commodity for export to Communist countries are: (1) the military applicability of the item; (2) the nature of the technological contribution which the item is likely to make to the military or economic potential of the country; and (3) the availability of the item from other countries.

In March 1951, all general licenses to export to the Soviet Union were revoked. This requirement for validated licenses was relaxed somewhat in 1956, when a number of specified items was again made exportable to the U.S.S.R. under general licenses. Since that time, there has been a gradual trend toward relaxation in the licensing of exports to Eastern Europe. Poland, in 1957, and Romania, in 1964, were placed in a separate category for which validated licenses for fewer exports were required. In 1966, the requirement for validated licenses for exports to the other Eastern European countries, including the Soviet Union, was removed for over 400 items. In subsequent years, several hundred more commodities were placed in the general license list for export to Eastern Europe.

This trend toward relaxation accelerated in the late 1960s, particularly after passage of the *Export Administration Act of 1969* (50 U.S.C. App. 2401 et seq., 1970), which replaced the Export Control Act. The new Act maintained export controls, but called for a review of control regulations and control lists. It called on the Commerce Department to lift controls on commodities freely available to Communist countries from non-U.S. sources and on items that are only marginally of military value. In short, the 1969 legislation represented a congressional mandate for a new direction in export controls. Whereas the thrust of the Export Control Act of 1949 was to limit East-West trade, the new legislation was designed to foster such trade. The Export Administration Act expired on June 30, 1971, but Congress enacted resolutions (twice in 1971, once in 1972) extending export controls to August 1, 1972.

Upon expiration of the Export Administration Act on August 1, 1972, the President invoked the authority of Section 5(b) of the *Trading With the Enemy Act of 1917* (50 U.S.C. App. 5(b) 1970) to continue the export control program. That Act authorized the President to prohibit all private financial and commercial transactions with U.S. enemies and their allies during time of war or during any period of national emergency. In the postwar period, this law had previously

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V: Restrictions on Soviet Trade With the United States

The Nixon Administration and the Congress are considering steps that would bring U.S. trade policy toward the Soviet Union more closely into line with those of other Western industrial nations. Among the changes which are under active consideration or which have already been made are: reducing tariffs on imports from the Soviet Union to the same level as those of other trade partners, i.e., granting most-favored-nation treatment; making available more credits, at better terms; limiting export controls to items with direct military applications; and reducing restrictions on shipping between the two countries. What impact will such changes have on the volume of U.S.-Soviet trade? The answer hinges on a number of economic and political variables—Soviet export capabilities, Soviet preference for U.S. technology over that of other Western countries, the willingness of the U.S. business and banking community and the Export-Import Bank to finance transactions with the Soviet Union, and the ability of the Soviet Union to adapt its institutions and practices to new roles in expanded U.S.-Soviet economic relations.

The following is a discussion of past obstacles to U.S.-Soviet trade and of the likely consequences of prospective changes.

U.S. Controls on Exports to the Soviet Union

Several legislative enactments since 1945 have provided the authorization for the U.S. export control program. Their original purpose was primarily to deny the Soviet Union and other Communist countries exports which could facilitate their industrial growth and enhance their military potential. The following text describes the major acts which have regulated U.S. exports to the Soviet Union.

The Export Control Act of 1949 (50 U.S.C. App. 2021 et seq., 1964) authorized the President to "prohibit or curtail" all commercial exports except shipments to U.S. territories and most exports to Canada. The purpose of the Act was to use export controls: (1) to prevent domestic economic shortages; (2) to protect the national security; and, (3) to promote the foreign policy of the United States. The Act was extended several times through December 1969, with some modifications. The 1962 extension of the Act specified that its intent was to prevent a significant contribution not only to a Communist country's military potential, but also to its economic potential.

To regulate U.S. exports, a licensing system was established. Under this system, which is still in effect, the Office of Export Control of the Department of Commerce regulates virtually all U.S. exports by granting (or not granting) one of two types of licenses: a general authorization which permits shipment of certain types of goods to certain destinations without a specific application by the exporter, or a validated license to an individual exporter for a specified export.

agricultural crisis. The Soviet preference for maintaining considerable state reserves may preclude a policy of continuous export of gold.

TABLE 7.—ESTIMATES OF SOVIET GOLD OUTPUT AND DISPOSITIONS (METRIC TONS)

Year	Output	Domestic consumption	Sales to Comecon	Sales to West	Changes in reserves
1964	145	12	5	401	−272
1965	156	14	5	488	−351
1966	167	16	5	(1)	+146
1967	177	19	5	13	+140
1968	188	22	6	10	+151
1969	198	36	6	(1)	+157
1970	208	42	6	(1)	+160
1971	212	52	6	20[2]	+134
1972	220	(3)	(3)	250	−90

[1] Negligible.
[2] Samuel Montagu & Co. Ltd., "Annual Bullion Review 1971," London, 1972, p.6 suggests a figure closer to 65 tons.
[3] No estimates available.

Sources: Michael Kaser, "Soviet Gold—Production and Use," Gold 1971 and "Soviet Gold Production and Sales in 1971," Gold 1972; "The U.S.S.R.'s Undisclosed Assets," Radio Free Europe research, Jan. 11, 1973.

SOVIET EARNINGS FROM INVISIBLE TRADE

Yugoslavia and other East European countries have demonstrated that a rapid expansion in tourism is possible even for Communist countries. In Yugoslavia, for example, the tourist business is thriving. In recent years, tourism has been a major factor in improving the Yugoslav balance of payments; $335 million was earned in the first nine months of 1972.[73] Perhaps the uneven quality of Intourist, Aeroflot, and other Soviet tourist facilities will continue to restrict tourism in the Soviet Union to a more modest scale. However, there are signs that the Soviet Union may try to capture a larger share of the tourist trade. Arrangements have been made with Western airlines and hotel chains to provide better facilities for foreign visitors. Further Soviet changes, such as a relaxation of travel restrictions and security harassment, could lead to a substantial increase.

Tourism has already brought a small, but significant, inflow of hard currency. Intourist claimed that 2.5 million visitors would visit the Soviet Union in 1972, an increase of 12 percent over 1971.[74] Generally, a larger number of tourists travel from hard currency countries to the Soviet Union than vice versa.[75] Thus, the Soviets have a considerable positive balance in the tourist trade. Without major changes in present policies, the Soviets are unlikely to be as successful as their East European neighbors in promoting tourism.

Soviet merchant shipping has expanded at an impressive rate in recent years. The merchant marine now totals over 16 million gross registered tons, and is the sixth largest fleet in the world. During the current five-year plan, 1971–1975, the Soviet merchant marine plans to add five million tons. Soviet ships now carry most goods shipped to and from the Soviet Union, and Soviet shipping officials have recently begun to compete for cargoes in other parts of the world. For example, they now do a considerable amount of business on the Australia-to-Europe shipping routes.

[73] Zdanko Antic, "Yugoslav Balance of Payments Improving," *Radio Free Europe Research*, Nov. 29, 1972.
[74] "The Tourist In Russia," *Washington Post*, Sept. 3, 1972.
[75] For Soviet travel statistics, see International Union of Official Travel Organizations, *International Travel Statistics*.

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Its enlarged fleet gives the Soviet Union the capacity to earn substantial sums of hard currencies. Since the early 1960s, Soviet merchant shipping has made net contributions to the Soviet balance of payments with hard currency countries. One estimate, for example, put the Soviet merchant marine's net hard currency earnings in 1966 at 106 million rubles.[76] Its earning capacity is undoubtedly growing. However, the Soviet fleet's contribution to its balance of payments in Soviet-American trade will be limited by the terms agreed to in the recently signed maritime agreement. The agreement stipulates that vessels of each country would have the opportunity to carry one-third of all cargoes between the two countries. Moreover, the Soviet Union contracted to pay higher than world rates for shipments of agricultural goods in U.S. ships.

MULTILATERAL RELATIONS

Although the Soviet Union has shown a preference for bilateral trade in the past, it could conceivably attempt to use multilateral balancing arrangements to alleviate its negative trade balance with the United States. The Soviet Union has enjoyed a favorable balance of trade with some of the major trade partners of the United States, including Japan and the United Kingdom. Ideally, it could transfer its positive balances with those countries to pay for needed imports from the United States. A precedent for multilateral balancing in East-West trade is the pattern of Soviet trade with the Sterling Area. The Soviet Union has used its earnings from trade with the United Kingdom to buy from other countries in the Sterling Area.

However the potential for multilateral balancing arrangements is limited at present. The Soviet Union does not have many positive balances in its trade with hard-currency countries, partly because some hard-currency countries are unwilling to accept deficits in their trade agreements with Communist countries. Generally, the Soviet Union runs an overall deficit in its trade with Western industrial countries.

COPRODUCTION AGREEMENTS[77]

New forms of industrial cooperation between Soviet state enterprises and Western firms help the Soviets to import high-technology machinery and equipment without large outlays of hard currency. Most joint ventures in the Soviet Union involve the technical and financial participation of Western firms in the exploitation of natural resources or the construction of plants. The Western partners generally

[76] Robert E. Athay, *The Economics of Soviet Merchant-Shipping Policy* (Chapel Hill: The University of North Carolina Press, 1971), p. 68.

[77] A distinction is sometimes made between the terms "coproduction arrangement" and "joint venture" on the grounds that the latter involves equity ownership and more control by the foreign investor. In this paper, the terms are used synonymously.

volves travel facilities, hotels, and a tourist agency to arrange the trips. Aeroflot, Soviet hotels, and Intourist are not the greatest stimulants to tourism; such comparable Western concerns as Pan American Airlines, Holiday Inn, and Cooks, Ltd. might be more conducive to foreign travel in the Soviet Union. The opening of direct Pan Am flights to Moscow and the Soviet agreement in principle with Occidental Petroleum Corporation to build a Holiday Inn facility suggest that this sort of development is possible. The easing of Soviet restriction on internal travel, the availability of tourist credit facilities such as American Express, and improved facilities for foreign sales of Russian goods might stimulate the development of tourism.

Such an arrangement would not lend itself to short-term advantages for the Soviet Union. However, if the political costs of tourism could be tolerated, the advantages would build over time. A Soviet decision to accept the political costs and promote tourism could create a demand for more goods and services from the U.S. tourist industry.

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able to maintain and expand on its advantages. Transfer of this sort of technology appears to create markets for export rather than satisfy them.

(2) *Mass Production Machinery Output.*—Traditionally, the Soviet machine-building industry has patterned itself after the large-scale industries of the United States. The Gorki auto works, patterned after the Ford Plant in Michigan in the 1930s, was an example of this pattern. Although the Soviets are at present relying on Italian and French assistance in auto and truck production, there is still a major role for U.S. technology. Some of the key equipment for the new Soviet auto and truck plants was purchased from the United States by European companies for installation in the Soviet Union. The trade agreement includes a special arrangement for a Soviet purchasing office in New York to buy American equipment for the new Kama River Truck Plant. If the Soviet economy is "entering the automotive age," then a continuing requirement may be expected. Likewise, in other areas where production for the large American market justifies assembly line and mass production techniques, the machinery outputs of the United States may find an expanding market.

(4) *Agribusiness: A System and A Technological Development.*—If the Soviet planners are serious in seeking a qualitative improvement in the diet by increased meat output, the agricultural approach prevalent in the United States—the so-called "agribusiness"—would be an appropriate approach for them to adopt. The performance of Soviet leaders after the poor 1972 harvest suggests a genuine commitment to attain their new goals for food output. It was estimated that nearly $24 billion was shifted to agriculture because of the crop failures.[87] The Soviet Union also exported substantial quantities of gold. Major outlays of scarce hard currency were made in order to import feed grains and wheat. While purchases on the 1972 scale are unlikely to recur, large imports of agricultural commodities and technology will be needed.

A new system of animal husbandry for the Soviet Union would involve imports of soybean products, feed grains, breeder stock, and technical advice. Also, improved meat supplies would require storage, transport, and sales facilities. These needs add up to a sizeable investment over time. Nikita Khrushchev attempted to increase meat production by introducing a new program for corn and pig production. But discovery of the corn-hog cycle was not enough to raise the meat supply, particularly when livestock holdings were sharply diminished in the poor crop year of 1963. The Soviet livestock inventory was again threatened during the even more extreme crop failure in 1972, but survived without major reductions.

(5) *Tourist Systems.*—With better facilities, Soviet tourist income from the United States, Western Europe, and Japan might rise substantially. Judging by the changes in tourism in developing countries—including Yugoslavia—a consortium or Western-Soviet joint venture approach seems most appropriate. The tourism package in-

[87] *New York Times*, Oct. 31, 1972.

supply equipment and technical services on credit and are repaid by deliveries of raw materials or commodities produced in the joint ventures. Western European shipments of gas pipeline in return for natural gas, and joint Soviet-Japanese exploitation of Siberian timber resources, are examples of East-West coproduction arrangements.

Representatives of several American companies have discussed coproduction ventures with Soviet officials. By far the largest project envisioned at present is a bid by several U.S. and Japanese companies to help finance development of Soviet natural gas reserves. The transaction could reportedly result in repayment delivery of $45.6 billion of natural gas to the United States and Japan.[78] Several other large projects for raw material development have been discussed. If U.S.-Soviet cooperative ventures on this scale should be established and the central problem of credits resolved, the U.S.-Soviet balance of payments would look quite different. For a number of years, large U.S. surpluses in the trade balance would be offset by outflows of U.S. credits. Some of the projects now being discussed would increase Soviet export capabilities only after an extended development period.

Potential Level of U.S.-Soviet Trade

A number of optimistic estimates have been made on the future expansion of U.S.-Soviet trade. The former Secretary of Commerce Maurice Stans predicted that Soviet-U.S. trade turnover increases might cumulate $5 billion from 1971–1975.[79] This would imply a trade turnover of over $1 billion in 1975, as compared with $200 million in 1971. The U.S.-Soviet commercial agreement more modestly forecast a threefold cumulative increase in three years (1972–75), over the previous three years (1969–71).

Mr. Steven Lazarus, Director of the Bureau of East-West Trade in the Department of Commerce, speaking in Houston in January 1973 stated:

> We hope the volume of U.S. East-West trade will approach 4 billion and will yield a positive contribution to our trade balance of approximately one billion annually by the end of the decade.[80]

The trade imbalance of a billion dollars implies U.S. exports of $2.5 billion and imports of $1.5 billion with Communist countries. How much of the trade was projected for the U.S.S.R. and how much for the East European countries and the People's Republic of China in 1980 is not clear.

The Lazarus projection may well be very conservative. Preliminary estimates of individual analysts in the Department of Commerce indicate that U.S. exports to the Soviet Union and other Eastern European countries might reach $2.6 billion in 1978.[81] (See Table 8.)

[78] *Washington Post*, Nov. 3, 1972 and Dec. 26, 1972.
[79] *New York Times*, Nov. 18, 1971, p. 1.
[80] World Trade Club, Houston, Tex., Jan. 16, 1973.
[81] Erast Borissoff and Stephen Sind, Projections of U.S. Exports to U.S.S.R. and Eastern Europe. U.S. Department of Commerce, Bureau of East-West Trade. Research Note No. 3, May 1973.

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TABLE 8.—TOTAL PROJECTED U.S. EXPORTS TO EASTERN EUROPE AND THE SOVIET UNION (UNDER VARYING CONDITIONS)

[Millions of U.S. dollars]

	1972 actual exports	Classification	1972, if trade were "normalized"	1973, if trade is "maintained"	1973, if trade were "normalized"	1978, if trade is "maintained"	1978, if trade is "normalized"
Total Eastern Europe/U.S.S.R	816.45	High	1,272.83	530.03	1,441.60	964.04	2,601.13
		Middle					
		Low	1,103.07	439.10	1,183.91	588.52	1,572.34
Eastern Europe	269.84	High	804.61	348.64	905.97	607.39	1,550.32
		Middle	736.03	309.50	806.94	464.52	1,238.54
		Low	654.83	273.64	696.40	356.40	888.42
U.S.S.R.[1]	[2] 546.61	High	468.62	181.79	535.63	356.65	1,050.81
		Middle					
		Low	448.24	165.46	487.51	232.12	683.92

[1] Projections exclude any possible grain deals of the type concluded in July 1972, whose nature and causes prevent them from being estimated.
[2] 1976 actual includes grain.

Source: Office of East-West Trade Analysis, Bureau of East-West Trade, Department of Commerce.

This estimate suggests a trade turnover of over $5 billion in 1978 and presumably larger by 1980. If U.S.-Chinese trade is added to this figure,[82] total U.S. trade with Communist countries might exceed $7 billion by the end of this decade.

The basis for such optimistic estimates appears to be the large import requirements of the Soviet Union and other Communist countries for Western goods and services. A 1973 estimate by a Soviet observer confirms that these requirements are substantial. The Soviet projection placed import requirements in 1980 (from Western industrial countries) at $7–7.5 billion for the U.S.S.R. and $17–18 billion for all of the nations of Comecon,[83] also from Western industrial countries.

However, in 1972 the Soviet trade deficit with the United States was $452 million (Soviet imports totaled $547 million, while exports were only $95 million). It is unlikely that the Soviets will be able or willing to maintain such deficits in future trade with the United States. Thus, in order to rapidly expand their trade with the United States, the Soviets must either increase their commodity exports or offset the imbalance with invisible trade earnings from tourism, gold sales and shipping, or with credits from the Export-Import Bank or private commercial banks.

In assessing these projections, it is best to concentrate on Soviet ability to export to the United States, because Soviet dollar earnings will be a major constraint on future trade. Soviet dollar earnings from tourism, shipping, and gold sales are likely to grow in the next few years; but without changes in present policies, these items may add only several hundred million dollars to Soviet hard-currency holdings. If the Soviet Union adopts a new policy of maximizing income in dollars from gold sales, tourism, and shipping, annual earnings of nearly $500 million do not seem unattainable. This amount would involve

[82] James B. Stepanek cites estimates of U.S.-Chinese trade in 1980 of $500 million to $1 billion. *Sino-American Trade* (Washington, D.C.: Library of Congress, Congressional Research Service, May 1973), p. 54.
[83] N. Shmelev, "Novye gorizonty ekonomicheskikh sviazey" (New Horizons of Economic Relations), *Mirovaia ekonomika i mezhdunarodnye otnoshenia*, No. 1, January 1973, p. 13.

technology transfers produce long-term advantages for the U.S. economy? The Soviet leadership may be intent on absorbing U.S. technology in as short a time and as inexpensively as possible. Thus, in assessing the net benefit of increasing transfers of technology to the Soviet Union, U.S. policy makers must attempt to answer the question of whether or not Soviet leaders are reordering priorities toward a civilian economy that is increasingly linked to the world economic system. The question may be raised in different contexts: (1) Do Soviet requirements for U.S. technology require longer periods of commitment that was the case in the past? (2) Does the trade agreement represent a part of a new pattern of relationship between the Soviet Union and the United States? and (3) Does the agreement presage a new relationship between the Soviet economy and the non-Communist world economic system? If these questions can be answered affirmatively, the outlook for political and economic net benefits to the United States will be favorable.

High Technology Trade and a Pattern of Economic Involvement

Current Soviet requirements for high technology assistance from the United States appear to represent a pattern of technical and managerial interrlatedness that would limit the ability of Soviet leaders to take short-term advantages, borrow technology, and then withdraw from continued U.S.-Soviet economic relations in particular lines. Formal agreements, such as the arrangements with Fiat and Renault in auto and truck production, respectively, extend for a decade. Informal continuity derives from a continued need for technology transfer. Some examples follow:

(*1*) *Advanced industrial systems.*—Several kinds of U.S. technology might be applied in the Soviet Union's oil and natural gas industry: Alaska Northern Slope technology, advanced drilling techniques, transmission and construction materials, and oil recovery systems (especially applicable in the Soviet Union's older Caucasian fields). Presumably, agreements on cooperation in this field will involve a degree of joint managerial responsibility, a definite period of repayment—largely in natural gas and oil deliveries—and a continuing technological interdependence.

(*2*) *Management-Control-Communications Systems.*—The Soviets are clearly interested in advanced American computer and electronic hardware, but they also seem to be interested in the systems that the hardware represents. The Soviet postal, telephone, and telegraph system will be improved by installation of an electronic message switching system valued at $1.3 million from a French subsidiary of the International Telephone and Telegraph Corporation. The system will process six million messages a month and will be in operation by the end of 1973.[86]

Computer-assisted systems would appear to have a wide application throughout the Soviet economy. The many Soviet managerial service specialists studying the United States may stimulate Soviet interest in this area. European experience suggests that the field is one in which the United States not only has the leadership, but seems

[86] *Wall Street Journal*, Oct. 23, 1972.

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led to a further revision in Soviet economic priorities, and large orders for British textiles were not forthcoming.

The traditional Soviet foreign trade policy of autarky or self-sufficiency seems to foster instability in foreign trade relations. Soviet leaders who advocated an autarkical foreign trade policy believed that continued reliance on foreign sources would be politically undesirable and economically hazardous. There was a tendency among Soviet policy makers to overestimate the political and economic dangers of trading in the "anarchic" capitalistic markets. The present Soviet leadership appear to be willing to reassess the ideological underpinnings of the traditional policy of autarky; if so, the Soviet Union may become a steadier customer over time.

Certainly, the new policy of industrial cooperation with Western industrial countries would suggest a change in policy. Coproduction ventures with Western firms to develop oil and gas resources in Siberia would presumably be negotiated to continue for a decade or more. Moreover, feed grain sales and other agricultural exports to extend over multiple years—three at the outset—may create a more stable pattern of trade.

Increasing U.S. sales in agribusiness facilities, petroleum and natural gas equipment, computer systems, and a variety of other high-technology lines may be an effective wedge into the Soviet market; once begun, these sales tend to accelerate over time. Soviet purchases of U.S. computers, for example, may lead to follow-up sales of software, to new Soviet requirements for peripheral equipment, and to broader Soviet requirements for managerial expertise. The complexity of modern technology transfer creates a need for long-term commitments. In many cases, the Soviet Union will be required to make substantial purchases over a number of years in order to receive and continue to benefit from U.S. technology. Thus, requirements for long-term technological transfers will tend to stabilize the pattern of Soviet foreign trade.

Technological Export Policy

Increased Soviet demand for U.S. high-technology products should help to achieve the U.S. goal of increasing that type of export. Such industries as electronics, agribusiness, petroleum refining, and automotive tooling and forging equipment are characterized by economies of scale, i.e., the larger the volume of production, the lower the per unit cost. At a time when government investment, subsidies, and tax incentives are being used to ensure that U.S. prices are competitive in the world market, an expansion of foreign markets is a factor that may facilitate reductions in cost and presumably prices. The opening of the Soviet market to U.S. businesses may provide the basis for a larger, more economical scale of domestic output. Moreover, an expanding market may encourage research and development on a scale that would help U.S. industries maintain their competitive position.

Two important considerations should be kept in mind in assessing the advantages of increased U.S.-Soviet technology transfers. First, does the sale of high-technology products to the Soviet Union encourage or discourage Soviet military preparedness? [85] Second, will such

[85] See above, *Changing Priorities in Resource Allocation: Growth vs. Defense*, pp. 24–29.

sales of the bulk of the U.S.S.R.'s annual gold output, a more effective system of attracting American tourists, and a full exploitation of the new shipping opportunities for both freight and passengers. Joint ventures in the tourist and shipping areas would probably be necessary to reach the higher levels.

In assessing Soviet export trade potential, the following variables are most relevant:

(1) Soviet willingness to shift exports of oil and gas from other markets, including domestic and Comecon, to the United States;

(2) the size of U.S. Government (Export-Import Bank and Commodity Credit Corporation) and private credits to the Soviet Union as part of large-scale joint ventures for raw material extraction processing, transportation, and marketing. Without large-scale projects, potential energy, metal, timber and other raw material resources may not be economically exploitable. Moreover, without Western capital, credit, and technology, many of the rich potential Siberian resources may not be exploited for decades. Increased output marketed by Western multinational corporations may permit a significant net increase in export capability above that required to repay the financing.

(3) U.S. willingness to extend most-favored-nation treatment to the Soviet Union;

(4) Soviet ability to launch a major effort to produce industrial products for the Western market facilities that provide efficient marketing not subject to market disruptions problems. Use of such multinational companies, as International Telephone and Telegraph Corporation, which might involve trade of machine tools for electric equipment—an industrial version of the Pepsi for vodka barter arrangement—could prove attractive.

These variables will largely determine the size of total U.S.-Soviet trade turnover in the years ahead. With current Soviet priorities for technologically advanced goods, the detente environment, and the equalization of U.S. commercial policy toward the U.S.S.R. with that of other industrial countries through liberalized export control and credits, the Soviet demand for U.S. imports is likely to run ahead of their ability to pay. Therefore, the Soviet-U.S. trade turnover may be expected to maintain its current level, increase modestly, or rise significantly, depending on the above noted variables.

These three steps in potential turnover of 1980 may be illustrated by the following estimates:

(1) A diversion of Soviet oil and gas exports and other hard currency earning exports to the United States and modest credit allowances, for example, might lead to an expansion of trade to an average annual level of $700–800 million.

(2) If the Soviet Union receives MFN status and liberal credits and initiates an aggressive industrial product sales effort, a $2–3 billion trade turnover is possible.

(3) A projection of $4–5 billion annual trade turnover is conceivable if negotiations on joint U.S.-Soviet development of Siberian natural gas resources are successful. The two Liquified Natural Gas (LNG) projects under discussion could total investments of $5–6 billion each with repayment presumably over an 8–10 year period (the presumed Export-Import Bank maximum).

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IV. U.S. Interest in Expanded Economic Relations With the Soviet Union

In assessing the new U.S.-Soviet commercial relationship, the primary task for U.S. policymakers is to determine its effect on the U.S. economy and on U.S. foreign policy goals. The United States has an obvious interest in importing valuable raw materials and selected manufactured goods from the Soviet Union. But how will U.S.-Soviet trade influence the U.S. economy as a whole? In view of the small volume of trade, can U.S. consumers and producers expect significant benefits? Administration officials have frequently cited improved U.S.-Soviet diplomatic relations as a primary motivation for expanding commercial relations. What diplomatic benefits will the United States reap, in terms of specific U.S. foreign policy goals?

Economic Benefits for the United States

The economic advantages of Soviet-U.S. economic relations are likely to be significant in particular sectors, rather than for the national economy as a whole. Grain traders and petroleum companies, for example, may benefit, but the overall effect on the national economy will be modest.

U.S. trade with the Soviet Union represented less than 1 percent of total U.S. foreign trade in 1971. In 1972, trade turnover increased substantially. However, if U.S.-Soviet trade should increase in eight years to $3 billion—a remarkable attainment—it would still be only about 2 percent of U.S. foreign trade. Currently, the United States imports as much in a week from Canada as it imports in a year from the Soviet Union.[84] As a result, a major relative change or increase in trade with the Soviet Union could be offset by a relatively minor change in U.S. trade relations with its major trading partners. Moreover, job creation, economic growth, and other economic benefits associated with increased trade would be modestly affected by Soviet or East-West trade.

Furthermore, the U.S. trade and balance-of-payments deficits will probably not be substantially reduced by increased Soviet trade. Although the United States is likely to have considerable surpluses in its trade with the Soviet Union, they will be small in comparison with overall U.S. deficits.

Stability of U.S. Trade Gains

Soviet foreign trade organizations have frequently been criticized by Western businessmen as erratic and unreliable trade partners. Indeed, several aspects of past Soviet practices support this notion:

[84] Peterson (1971), op. cit., Appendix II, pp. 18, 23.

agricultural trade is periodic, depending on the grain harvest; trade may take place in technologically advanced products, to fill short-run, non-recurrent needs; and some trade is required to meet unexpected bottlenecks in Soviet domestic plans.

Soviet imports of cereal grains are particularly unstable. The Soviet Union changes from a net exporter in good weather years to a substantial net importer in bad years. (See Table 9.) The United States exported large amounts of grain in 1964 and in 1972–1973. However, in the intervening years, exports were negligible, as the Soviet Union returned to its role as a net grain exporter. Moreover, the Soviet Union may not buy from the United States even when it is a net importer (as in 1965 and 1966). In 1972–1973, the Soviet Union might have traded more extensively with Canada, Australia, or France, if those countries had not already exhausted their export capability. France exported a million tons to the Soviet Union in 1972. Canada and Australia reportedly could not take any more orders because of grain shortages and saturation of their transport facilities.

TABLE 9.—SOVIET EXPORTS AND IMPORTS OF GRAIN (EXCLUDING GROATS AND FLOUR)

[In thousands of metric tons]

	1963	1964	1965	1966	1967	1968	1969	1970	1971
Cuba	462	516	464	492	513	481	526	550	574
Czechoslovakia	1,501	900	1,169	1,242	1,349	1,422	1,383	1,378	1,489
Egypt					1,000	298	301		
GDR	1,577	1,191	1,054	1,148	1,187	1,256	1,488	1,596	1,913
Hungary	141	15	378		101	277	288	114	426
North Korea	50		100	118	251	105	130	247	152
Poland	820	110	491	504	1,042	830	1,272	1,073	2,133
United Kingdom	276				49	224	404	302	283
Total exports including	6,260	3,514	4,330	3,557	6,248	5,406	7,205	5,698	8,640
Argentina	6	106	763	1,443	21	30	165		196
Australia	273	1,402	1,239	137					277
Canada	2,323	3,885	3,310	4,494	1,613	1,289	30	1,634	1,805
France			834	1,168	171			1	437
United States		1,785							
Total imports including	3,103	7,287	6,375	7,746	2,185	1,606	639	2,200	3,500
Net exports	3,157				4,063	3,800	6,566	3,498	5,140
Net imports		3,573	2,045	4,189					

Sources: U.S.S.R. Ministerstvo Vneshnei Torgovli. "Vneshniaia torgovlia za 1964–71 god; statisticheskii obzor, Moscow 1965–72, and "The Soviet Grain Trade Balance," Radio Liberty Dispatch, Aug. 30, 1972.

Soviet imports of other goods may also be sporadic. In the past, the Soviet Union has occasionally chosen to import, rather than tool up, to meet short-run, high-technology requirements. The short-term requirement of diesel locomotives in the 1959–1965 Seven-Year Plan, imported largely from France, is a case in point. The Soviet reluctance to manufacture large-diameter gas transmission pipe may be another example. Pipe is currently imported from West Germany and Italy.

The Soviet Union also imports to meet unexpected bottlenecks in high-priority economic activities. Once this type of requirement is satisfied, it may not recur. Such unforeseen requirements may be caused by shifts in priorities, rather than technical bottlenecks. A classic example occurred in 1954: the British textile industry tooled up to meet an apparent Soviet demand for consumer goods brought on by Premier Malenkov's new economic policies. However, another change in leadership, the replacement of Premier Georgi Malenkov by Khrushchev,

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exports of soybeans, feed and cereal grain, and computers, and other high-technology products. The balance of payments deficit of the United States and our program for expanding the export of high technology may receive benefits which are, at best, only marginal compared to those which may derive from potential changes in economic relations with non-Communist countries.

At the same time, if the Soviet Union should reorder its priorities and permit more foreign decisionmaking involvement in domestic cooperative ventures, significant long-run benefits of a predominantly political nature might accrue to the United States such as: a) the potential reduction of the Soviet threat to our security from reordered Soviet priorities; b) a degree of Soviet acceptance of the international system, implied by the U.S.S.R.'s permitting domestic involvement of foreign corporations as partners; and c) political advantages inherent in increasing international commercial and financial intercourse. Overall, such political gains might far outweigh the relatively modest economic returns.

RELATIVE INCREASE IN U.S.-SOVIET TRADE MAY BE IMPRESSIVE BY 1980

Still, the relative increase in trade may be impressive. From a level of about $200 million (exports plus imports) before the commercial agreement, the exchange may rise by the end of the decade to between $800 million and $5 billion if the presently favorable environment for expanding commercial relations continues. Three alternative dollar-volume levels seem possible, depending on key variables in trade.

a. *Projection of Current Trends.*—Up to $800 million average annual turnover through expansion of Soviet raw material exports, including diversion of oil and gas sales from other developed economies to the United States, additional Commodity Credit Corporation credits for agricultural imports (feed grains and soybeans), and expansion of tourism.

b. *Changed Credit and Export Structure.*—Up to $2–3 billion if MFN status is granted to the Soviets and if Soviet foreign trade organizations give priority to exporting industrial products. U.S.-Soviet joint ventures in energy and raw material extraction, industrial production, shipping, and development of tourism and increases in Soviet gold exports could also push U.S.-Soviet trade turnover to this level.

c. *Major Joint Venture Development.*—Up to $4–5 billion if (in addition to the activities cited above) the several massive Siberian liquefied gas projects in West and East Siberia are consummated. These would probably bring about a very extensive American involvement in Soviet exploration, construction, and production activity and an equally unprecedented acceptance of risk by the U.S. Government and private banks.

FUTURE U.S.-SOVIET ECONOMIC TIES DEPENDENT ON CONTINUED RELAXATION OF INSTITUTIONAL AND LEGAL BARRIERS

The degree of Soviet flexibility in permitting cooperative ventures to go beyond agreement on U.S. financing and sharing in output, toward managerial and investment decision participation, will determine how broad or narrow are the limits on change. The U.S. relaxation of barriers to East-West trade is symptomatic of a new willing-

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most Communist countries, including the Soviet Union. Such shipments are prohibited unless a validated license (for shipments from U.S. ports) or an authorization issued by the Assistant Secretary (for shipments from foreign ports) has been obtained.

Soviet ships are also affected by U.S. restrictions on shipping to Cuba and North Vietnam. Foreign vessels which call on Cuban or North Vietnamese ports are not allowed to carry U.S. Government-financed cargoes shipped from U.S. ports (pursuant to National Security Action Memoranda No. 220, dated February 5, 1963, and No. 340, dated January 25, 1966). This restriction applies to Commodity Credit Corporation-financed grain shipments to the Soviet Union. Moreover, the sale of petroleum fuels and other petroleum products to vessels and aircraft which have recently called on, or will soon be calling on, Cuban or North Vietnamese ports is prohibited.

Until recently, Soviet merchant shipping in U.S. waters was severely restricted by various port security regulations. For example, Soviet ships were allowed to call on only 15 U.S. ports and were required to give 14 days notice in advance. (The Soviet Union maintained similar restrictions on U.S. shipping.) These restrictions were considerably lightened by the Soviet-American maritime agreement signed on October 14, 1972. The agreement opened ports in each country to the ships of the other upon four days' notice. Soviet ships are now able to call at East and Gulf Coast ports for the first time since 1963.

The maritime agreement also resolved the difficult problem of determining U.S. and Soviet shares of the maritime business between the two countries. In the 1963–64 grain sales to the Soviet Union, shipping was a major problem. Reacting to domestic political pressures, President Kennedy stipulated that 50 percent of all U.S. grain sold to the Soviet Union must be shipped in American vessels. This provision proved to be a barrier to further grain shipments. Because of the high cost of U.S. shipping, U.S. grain shipments to the Soviet Union virtually ceased. President Nixon rescinded the 50 percent requirement in June 1971. The maritime agreement stipulates that each country's ships will have the opportunity to carry at least one-third of the cargoes between the two countries. Third country ships can compete for the remaining third. The agreement also provides that the Soviet Union will have to pay shipping rates that are higher than the world average for goods transported on American ships.

Soviet Institutions and Practices

A major barrier to expanded U.S.-Soviet economic relations is the unfamiliarity of U.S. businessmen with Soviet foreign trade techniques, with Soviet import needs and export possibilities, and with provisions of Soviet law pertaining to foreign trade matters. Serious problems inevitably arise from any attempt to widen commercial ties between two countries with very different political, economic, and legal systems. The U.S.-Soviet trade agreement has provided a mechanism for resolving some of the problems and facilitating commercial exchanges between American companies and Soviet foreign trade organizations. Other important problems remain to be solved.

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By Soviet law, a foreign visitor to the Soviet Union is accorded the same legal rights and obligations that any Soviet citizen enjoys. In actual practice, foreign businessmen enjoy considerably more rights, such as private property ownership privileges denied to the average Soviet citizen. The rights of foreign corporations are somewhat more nebulous. The trade agreement stipulates only that American corporations "shall be recognized as having a legal existence" in the Soviet Union. The Soviet legal code adds little to this. It provides only that "foreign juridical persons" (a term that presumably includes U.S. corporations) may conclude foreign trade transactions with officially designated Soviet foreign trade organizations.[101]

Issues involving Soviet accreditation of foreign corporations, banks, and other commercial institutions are now being negotiated. Currently, accreditation confers no special rights, such as the right to deal directly with Soviet enterprises or to travel freely in the Soviet Union.

In recent years, the Soviet Union has entered into coproduction agreements with Japanese and West European firms. Under such arrangements, foreign companies generally provide machinery and equipment and technical assistance for Soviet projects on long-term credit and receive a share of the output in return. However, direct foreign investments in the sense of equity ownership would appear to be ruled out by Soviet law and by recent Soviet practice. Since the early 1930s, the Soviet Government has prohibited agreements which would allow foreign firms to participate in management or in control over profits of economic activities inside the Soviet Union. A resolution of the All-Union Soviet of People's Commissars on December 27, 1930, discontinued the practice of granting foreign concessions for manufacturing and mining operations in the Soviet Union.[102] Furthermore, private ownership of the means of production is prohibited by the Soviet Constitution.

If future joint Soviet-American projects require very large outlays of American private capital, the usual coproduction arrangement may prove to be inadequate. U.S. companies are unlikely to make huge investments without some managerial control. Soviet willingness to compromise on this issue is one of the important intangibles in future Soviet-American relations. In a recent interview with the West German magazine *Der Spiegel*, Dzherman Gvishiani, deputy chairman of the Soviet State Committee for Science and Technology, suggested that there were no basic obstacles "in principle" to the establishment of foreign owned property in the Soviet Union:

> . . . Even now in our country the trend for multinational property is emerging. For instance, we are ready to set up and organize joint research institutes. In Dubna we have the research institute for atomic energy, which is the property of the countries participating in it. I think that this is no goal in itself. What really matters is to find a favorable form of cooperation with the partners.[103]

However, he added that he saw no practical need for such arrangements at the present time.[104]

[101] James Henry Giffen, *The Legal and Practical Aspects of Trade With the Soviet Union* (New York, Praeger Publishers, 1971), pp. 151–152.
[102] Sutton, op. cit., p. 17.
[103] Dzherman Gvishiani, interview with *Der Spiegel* (May 1, 1972, pp. 67–73), translated in Foreign Broadcast Information Service (Western Europe), May 3, 1972, p. U3.
[104] *Ibid.*, p. U2.

ports of raw materials. But technology transfer on a long-term basis must also be assessed in terms of political costs and benefits. An interesting aspect of both the grain sales and the natural gas negotiations is the suggestion that the Soviet Union may now be receiving preferential treatment in U.S. foreign trade policy. The Soviets purchased U.S. grain at a price that was lower than warranted by the world market situation, and the price which has been mentioned for U.S. purchases of Soviet natural gas seems high. Is preferential treatment for the Soviet Union justified by potential diplomatic gains for the United States?

The following are among the political costs of the new commercial relationships:

1. The risks involved in the unreliability of the Soviet Union as a supplier of important raw materials. Reliance on the Soviet Union as a source for vitally needed energy resources appears to be a particularly risky undertaking.
2. Contributions to the Soviet fund of technical knowledge that could be translated into security programs or which could result in the release of resources for military programs.
3. Potential leverage to the Soviet Union that could result from Soviet control over U.S. investments and personnel—a possible source of economic blackmail, or an economic hostage system.

The following are some of the political benefits:

1. Soviet reliance on the United States as a source of supply and expertise. Soviet dependence on U.S. agricultural products and advanced technology, for example, is a potential source of U.S. political leverage.
2. Encouragement to the Soviet Union to reorder priorities between military and civilian programs. Expanded commercial relations may serve as an economic reinforcement of the arms control and other agreements between the two countries.
3. Encouragement of domestic change in the Soviet Union. The presence of many American citizens in the Soviet Union with some decisionmaking power and a wider exchange of ideas may in the long run contribute to a moderation of the Soviet political control system and command economy.

In summary, expanded economic relations which facilitate massive technology transfer from the United States to the U.S.S.R. may create new, potentially dangerous dimensions in U.S. diplomacy. On the other hand there is at least a possibility that the process of integrating the centrally planned Soviet economy into the market economy of the United States and the rest of the non-Communist world might unleash irreversible forces of constructive change which could, in turn, contribute to international interdependence and stability.

Concluding Observations

POLITICAL GAINS LIKELY TO OUTWEIGH ECONOMIC BENEFITS TO UNITED STATES

The volume of Soviet trade with the United States by any projection is not likely to represent a large share of U.S. trade or GNP. Economic advantages to the United States are likely to be centered on such specific sectors as imports of petroleum and natural gas, and

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U.S. negotiators claim that the price impact on U.S. consumers would be minimal because cheaper U.S. sources would still provide most of the domestic supply and fixed costs make up most of the price. A provision for "rolling in" the foreign gas into domestic supply would prevent large price increases for U.S. consumers.

The large-scale and the long-term nature of the projected natural gas transaction make it especially important that U.S. Governmental and private interests carefully study the terms of the arrangement to insure that the United States receives maximum benefits. The following are some of the important questions which should be examined:

1. What economic benefits will the United States receive? The gas project involves a huge outlay of U.S. investment funds. Will the imports of natural gas and the stimulus to U.S. shipbuilding and other capital goods industries provide an adequate economic return?

2. What are the alternative costs of obtaining the same energy supplies from other sources? Mr. Thornton F. Bradshaw, President of Atlantic Richfield Company, suggested that, at the currently projected price of Soviet gas, the same supply could be obtained from domestic natural gas reserves, gasification of coal, and other domestic sources.[120] Alternative foreign sources also warrant consideration.

3. What are the appropriate roles for the U.S. Government and private industry? How much of the American investment should be financed or guaranteed by the Eximbank? What should the Government's policies be with regard to other aspects of the arrangement, such as shipbuilding subsidies and import regulation?

4. What kinds of commercial arrangements are needed for U.S.-Soviet cooperation in this area? Business facilities in the Soviet Union are inadequate for an operation of this scale. Although private ownership is not likely or necessary, some clear assurances of authority and managerial responsibility will be needed.

5. What are the indirect economic costs of the project? How much would be added to fuel prices for U.S. consumers? Would financing for the Soviet project saturate the U.S. capital market and drive up interest rates for long-term capital?

6. Is the Soviet project a preferred investment, eligible for lower rates, more favorable terms, and higher risks than other investments? If preferential treatment for the natural gas project is warranted by political factors, what are the net political benefits?

POLITICAL BENEFITS FROM EXPANDED U.S.-SOVIET COMMERCIAL RELATIONS

Dr. Kissinger, Mr. Peterson, and other U.S. officials have attached great political significance to expanded commercial relations with the Soviet Union. Both the grain sales and the natural gas negotiations may test the assumption that increased economic ties lead to improved diplomatic relations. The commercial relationships established by U.S. agribusinesses and by the U.S. oil and gas industry with their Soviet counterparts may be long term. The potential gas project would be based on a 25-year contract. While grain sales are unlikely to recur on the 1972–73 scale, considerable sales of feed grains and agricultural technology are likely in the future.

U.S. exports of grain, technical assistance, and capital investment would be balanced in part, on an economic balance sheet, by U.S. im-

[120] Panel Discussion at the National Association of Manufacturers' "U.S.-Soviet Trade Conference," Feb. 28, 1973, Washington, D.C.

The foreign businessman who wants to buy from or sell to the Soviet Union generally conducts his business with a Soviet foreign trade organization which specializes in a given line of imports or exports. The Soviet foreign trade organization has a somewhat ambivalent status. On the one hand, it is an official agency of the Ministry of Foreign Trade which conducts its foreign trade operations in strict accordance with governmental dictates. On the other hand, it is a juridical person under Soviet law which can possess property, acquire rights to property under its name, incur obligations, and sue or be sued.[105] The foreigner may enter contracts with a foreign trade organization, as long as the organization is operating in accordance with the charter which is granted to it by the Soviet Government. In short, the foreign trade organization has a legal status which is somewhat similar to that of Western corporations. Some legal complications may arise in foreign trade transactions, however, because of the Government's foreign trade monopoly. The Ministry of Foreign Trade may refuse to issue or revoke an export license. There are also strict Soviet regulations to prevent the foreign trade organization from making contracts that the state considers contrary to national interests.

Arbitration of foreign trade disputes involving Soviet foreign trade organizations must normally take place under the auspices of the Soviet Foreign Trade Arbitration Commission, a panel of 15 Soviet nationals which convenes in Moscow. While Western specialists acknowledge that the Commission's procedures have been generally fair, the United States has insisted that parties to a dispute should have the right to have arbitrators from a third country, in accordance with the Arbitration Rules of the Economic Commission for Europe. The latter procedure was agreed to in the U.S.-Soviet trade treaty, although parties to a dispute are permitted to decide upon any other form of arbitration which they mutually prefer.

For the American corporation considering the export of commodities embodying new technology, Soviet laws dealing with protection of patents, trademarks, and copyrights are a crucial consideration.[106] Soviet laws and practices have changed considerably in recent years. The widely publicized Soviet practice of buying prototypes and copying them is no longer the most prevalent method of acquiring foreign technology. Soviet leaders have apparently concluded that the older method did not enable Soviet industry to keep pace with the rapid growth of technological innovation in the rest of the world. Not only did it inhibit Western corporations from exporting technology to the Soviet Union, but Soviet enterprises frequently found that by the time a prototype was obtained from the West and readied for production, it was already obsolescent. Moreover, as Soviet expenditures on research and development grew, Soviet leaders became more concerned about protecting Soviet innovations.

Symbolic of the Soviet leadership's new attitude toward the international exchange of technology and know-how was their ratification

[105] Giffen, op. cit., pp. 152–156.
[106] For a more detailed discussion of this aspect of Soviet law, see Samuel Pisar, *Coexistence and Commerce* (New York: McGraw-Hill Book Company, 1970), pp. 336–374.

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in 1965 of the Paris Convention for the Protection of Industrial Property. The terms of the Paris Convention require signatories to extend to individuals and companies of other signatories the same degree of protection as the country provides its own citizens.

Soviet law provides protection for both foreign patents and foreign trademarks. Trademarks may be registered in the Soviet Union and are protected for a specified period of time, in much the same manner as in Western countries. Soviet patent law, however, is quite different from Western laws. Under Soviet law, an inventor is given the option of receiving a patent or an inventor's certificate for his innovation. The foreign inventor who submits an application to the Soviet Union is given the same choice. The certificate gives the inventor recognition for his achievement and assures him of a predetermined financial reward, but vests in the state all rights to use, develop, and exploit the invention. The Soviet patent is similar to its Western counterpart; the patentee gains the right to exploit his invention for his own personal profit, up to a ceiling established by law. As an innovation by a Soviet citizen can generally be exploited only by a state enterprise, the incentive to own a patent is reduced. Moreover, legal requirements for obtaining a patent and various tax benefits and compensation advantages for certificate holders induce most Soviet inventors to apply for certificates.

Most foreign inventors prefer the Soviet patent; they generally consider the certificate's scale of remuneration too small. However, the Soviet patent does not provide the foreigner the same protection as most Western patents. A patented invention can be exploited only by a state enterprise. If the patentee is dissatisfied with the way it is to be used, or with the state enterprise's terms of compensation, he cannot go to a competitor. Furthermore, Soviet enterprises generally have inadequate provisions for the kind of inspection and reporting that could insure the patent-holder's compensation rights. For example, there is often no way for the patent-holder to insure that he is being compensated according to volume of output or the savings his innovation generates. There is also no independent judicial authority to handle disputes involving patents; they are handled by the Soviet Chamber of Commerce. These and other problems involving patents have not been resolved in U.S.-Soviet trade negotiations.

The problem of copyrights was also examined by the Joint U.S.-U.S.S.R. Commercial Commission. Until 1973, the Soviet Union did not belong to the Universal Copyright Convention and had few bilateral treaties dealing with copyrights. Nor did Soviet law provide for protection of copyrights of materials first published outside the Soviet Union. Many U.S. books and articles, especially in the scientific and technical fields, have been published in the Soviet Union without compensation for U.S. authors. The Soviet decision to adhere to the Universal Copyright Convention on May 27, 1973 should help to solve this longstanding problem.

SOVIET STATE TRADING

Some of the barriers to expanded U.S.-Soviet trade arise from the nature of Soviet state trading itself. The essence of the Soviet state trading monopoly is State control over all Soviet foreign business

Of the two projects, the West Siberian development appears closest to realization. Negotiations are currently underway between Soviet officials and a consortium of three American companies—Tenneco, Texas Eastern Transmission Corporation, and a Halliburton Company subsidiary. While all of the details of the transaction are not completed or agreed to and have not been officially announced, some tentative figures have been published, which appear to be the basis of current negotiations.[117] The entire West Siberian development would cost about $7.6 billion. Of that sum, the Soviet Union would invest about $1.5 billion for drilling, gas-gathering, and cleaning equipment. The remainder would be invested by the U.S. consortium for building 20 liquefied natural gas tankers (costing about $2 billion) and for construction of a 1,500-mile pipeline, compressors, a gas liquefication plant, and loading facilities.

The contract would run for 25 years, with gas deliveries to the United States valued at $450 million per year to begin in 1980. The U.S. credit would be repaid over a 12-year period with seventy-five percent of the gas deliveries used to pay off the principal and interest on the loan, and the remaining twenty-five percent used to buy other U.S. capital goods. After the U.S. loan was repaid, the gas deliveries to the United States would continue for the duration of the contract with the proceeds convertible to purchases in the United States.

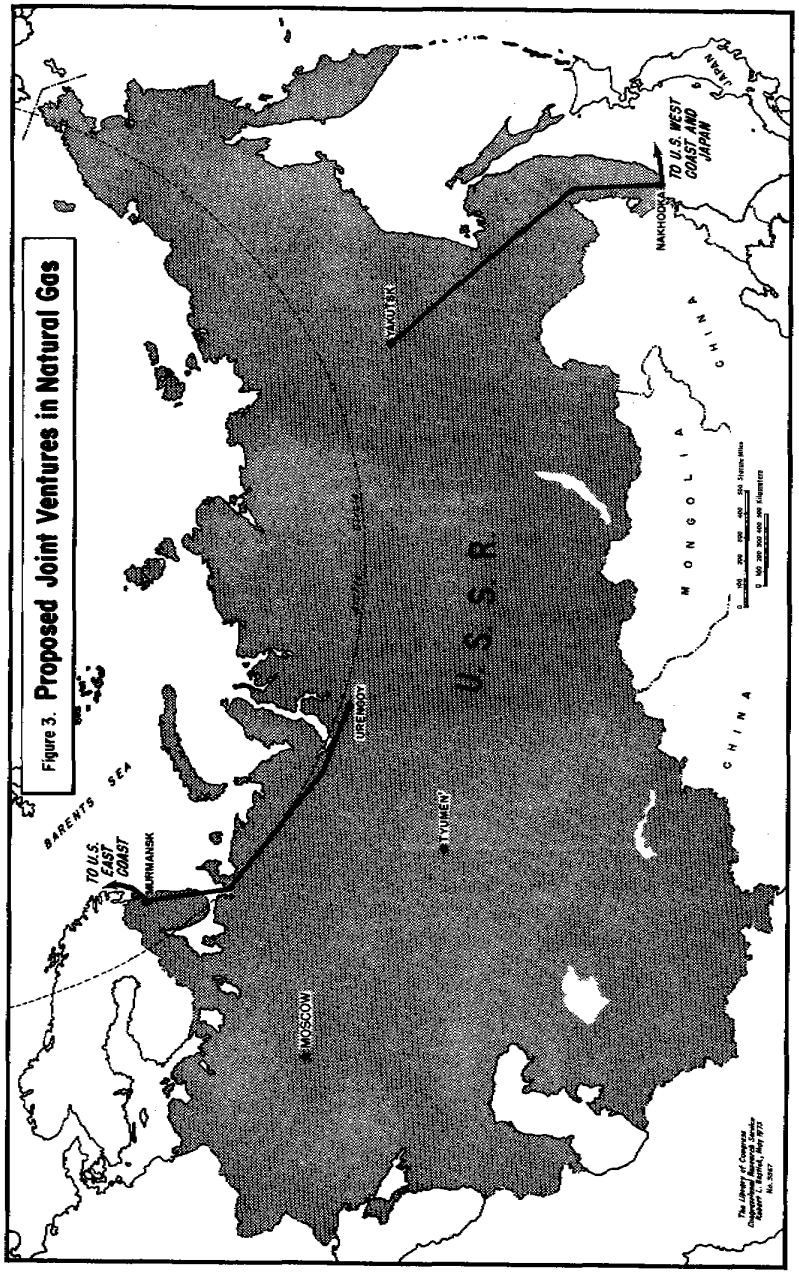
The U.S. Export-Import Bank and a consortium of private U.S. banks could be expected to finance the deal. Under the terms currently being discussed, the Soviet Union would receive somewhat better treatment than other U.S. trade partners. No "progress payments" (i.e. payments made while the project was under construction) would be required. Payments would begin only after construction was completed and the project was in operation. The Soviets might also be granted a longer-than-usual repayment period. Mr. Kearns, chairman of the Eximbank, reported after lengthy discussions with Soviet officials in Moscow that the Eximbank's normal terms and rules of disclosure were posing problems for Soviet officials.[118] Either a U.S. decision to compromise and give the U.S.S.R. preferred status or an unprecedented disclosure of information and acceptance of commercial terms by the Soviets will be required if the transaction is to be financed by Eximbank.

Moreover, the projected cost of Soviet natural gas would be considerably higher than the present U.S. price. The U.S. companies would buy the gas in Murmansk for 60 cents per thousand cubic feet and spend an additional 65 cents to deliver it to an East Coast port.

The total figure, $1.25, compares with a $0.45 delivered price for U.S-produced natural gas in 1972. Although most U.S. energy specialists appear to agree that the current price is too low, few seem to argue that the U.S. price should be raised to $1.25. U.S.-produced gas will be more expensive in the 1980s: a recent estimate which allows for inflation puts the price of U.S. gas in 1985 at about 93 cents.[119] Moreover,

[117] See James Flanigan, "Farewell to Adam Smith," *Forbes*, vol. 110, No. 11 (Dec. 1, 1972), pp. 25–26.
[118] *New York Times*, Apr. 4, 1973, p. 67.
[119] Edward W. Erickson and Robert M. Spann, "Balancing the Supply and Demand for Natural Gas," in *Balancing Supply and Demand for Energy in the United States*. (Denver: Rocky Mountain Petroleum Economics Institute, 1972), p. 105.

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activities. The State not only performs the regulatory function common to all Governments, but also acts as manufacturer, merchant, and banker. A fundamental problem of the U.S. businessman trading with the Soviet Union or of a government agency attempting to regulate and promote such trade is that of operating in an entirely new commercial environment. Westerners who have traded with the Soviet Union frequently complain that Soviet institutions are not conducive to normal commercial ties.

One feature of Soviet state trading to which Western businessmen object is the necessity of dealing with Soviet foreign trade enterprises. The foreign businessman is prevented from conducting business directly with Soviet producers, consumers and distributors. Instead, he must deal with middlemen in the foreign trade apparatus who may lack firsthand information about items being bought or sold. Although Soviet foreign trade enterprises are specialized according to export or import lines, they often cannot give the foreigner exact specifications for the import needs and export offerings of domestic enterprises. In addition, since Soviet foreign trade enterprises have no domestic competitors, they can exercise monopolistic bargaining power when dealing with a single foreign company. The U.S. businessman has the choice of dealing with a Soviet export-import monopoly or not dealing at all. The Soviet foreign trade enterprise, on the other hand, is free to take advantage of the competition among American companies or between American companies and their foreign competitors.

Another Soviet institution which encumbers commercial ties with the West is central economic planning. As Soviet production and consumption are centrally planned, the U.S. businessman cannot estimate potential supply and demand conditions in the Soviet economy. Nor can he judge, on the basis of arbitrary Soviet prices, which goods are marketable in the Soviet Union. Centrally planned foreign trade can also be extremely unstable because the government sometimes uses trade to dispose of unplanned surpluses or to meet unplanned shortages. Furthermore, since there is no necessary link between cost of production and price in the Soviet economy, it is difficult for U.S. Government agencies to regulate dumping or market disruption on the part of Soviet exporters. The U.S.-Soviet trade treaty addresses the latter problem by establishing a procedure for imposing import quotas or other restrictions for preventing market disruptions.

Soviet isolation from the international trade community also creates problems for Western companies seeking to buy from or sell to the Soviet Union. The Soviet Union lacks some of the fundamental requirements for unencumbered foreign trade transactions, such as a convertible currency and a realistic exchange rate. The 1972 agreement in which Pepsi Co., Inc., agreed to market Soviet vodka in the United States in return for a Pepsi Cola franchise in the Soviet Union typifies many Soviet foreign trade transactions. This characteristic often leads Soviet foreign trade enterprises to insist on barter trade, tied transactions, and other clumsy arrangements. Another Soviet deficiency which results from its traditional isolation from Western markets is the lack of a basic foreign trade infrastructure for Soviet-American trade. Such basic requirements as office space, communications services, and advertising facilities are virtually nonexistent. In the 1972 commercial agreement, provisions were made to alleviate this

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deficiency. Business facilities for U.S. companies and a large trade center are to be built in order to facilitate U.S.-Soviet foreign trade transactions.

Another set of problems arising from Soviet institutional arrangements is related to the necessity of dealing with state agencies. As discussed above, trading with a government agency raises a number of difficult legal problems. In addition, state trading can degenerate into politically motivated trading. A state trading monopoly may reward or punish a trade partner for purely political reasons. Among the political devices at the state trading monopoly's disposal are market disruption, preemptive buying, discrimination against imports, and denial of exports. As the State decides what to buy and sell on a somewhat arbitrary basis, the existence of such practices may be difficult to prove and counteract.

Prospects for Removal of Barriers to U.S.-Soviet Trade

A definite trend toward trade liberalization has characterized recent Soviet-American economic relations. U.S. policy changes with regard to exports, imports, credits, and shipping arrangements have removed many of the artificial barriers to normal economic relations with the Soviet Union. Furthermore, the maritime and trade agreements and the agreement on the Soviet Lend-Lease debt have demonstrated a willingness on the part of both countries to make concessions on many substantive matters.

The Nixon Administration took another step toward normalization of U.S.-Soviet trade relations when it submitted the "Trade Reform Act of 1973" to Congress on April 11, 1973.[107] Among the measures in the comprehensive trade legislation were two important sections which are applicable to U.S.-Soviet trade. One proposal would grant the President the power to extend most-favored-nation treatment to countries not now enjoying it (including the Soviet Union). Another would repeal the Johnson Debt Default Act, thus removing another barrier to U.S.-Soviet credit operations.

Some innovations and experiments in the Soviet foreign trade system may in the long run help to normalize U.S.-Soviet commercial relations. Export councils composed of government officials and industry representatives now act as a liaison between domestic industries and foreign trade enterprises. This development could alleviate some of the problems confronted by the foreigner who deals with the Soviet foreign trade apparatus. A small percentage of Soviet foreign trade is now conducted by local officials in border regions of the Soviet Union. Such decentralized state trading is now taking place between outlying regions and neighboring countries including Japan, North Korea, Iran, Turkey, and several European countries adjoining the Soviet Union.[108] Material incentives have been introduced to encourage production for export. Industrial enterprises which successfully fulfill their export targets are allowed to use part of their foreign currency

[107] U.S. House of Representatives. Committee on Ways and Means. *Trade Reform Act of 1973* (Washington, D.C. : U.S. Govt. Print. Off., 1973).
[108] Keith Bush, "A New Impetus for Border Trade," Radio Liberty Dispatch, August 21, 1972.

Government policies and institutions should be reexamined. The grain sales raise questions as to the appropriate role for the U.S. Government in future commercial transactions. What should U.S. pricing policy be? Pricing policy may differ depending on whether the U.S. Government considers the Soviet Union a preferred customer and on what the elasticity of Soviet demand is assumed to be. If credit is necessary, but not commercially available, what Governmental risks and costs are justified? Are there other ways in which the U.S. Government can assist American businesses dealing with Soviet trading monopolies? Each of these questions is relevant to future U.S.-Soviet commercial relations, not only in grain sales but in advanced technology transfers.

JOINT DEVELOPMENT OF SIBERIAN NATURAL GAS RESOURCES

In assessing potential Soviet exports to the United States, there are also important questions on investment, pricing, and supply policy. The proposal for joint development of Soviet Siberian natural gas resources, for example, raises the question, *How good an investment is Soviet energy exploitation?* The two natural gas projects might require a U.S. investment of about $10–12 billion, largely for pipeline and tankers. Upon completion of the projects, gas would flow from Urengoy, in West Siberia, to Murmansk by pipeline; from there it would be shipped to the U.S. East Coast. A second pipeline would carry gas from Yakutsk, in East Siberia, to Nakhodka, where it would be loaded for shipment to Japan and the U.S. West Coast. (See map, Figure 3.)

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Thus, the United States was in a monopoly position, apparently selling to a buyer with inelastic demand (quantity not sensitive to price), and there was little historical evidence that the purchases could be tied to future, continual sales. The 1972–73 situation was probably an ideal one for extracting high profits. Instead, U.S. grain exporters provided a consumer's or purchaser's surplus to the U.S.S.R. A reassessment of the exchange may give insights into the criteria to be employed in future U.S.-Soviet commercial transactions involving high-technology products.

Grain exporters and Agriculture Department officials claimed that Soviet buyers were offered low prices because no one knew the extent of Soviet needs. Soviet agents kept their buying intentions a closely guarded secret. It is interesting to note that the 1963 U.S.-Soviet grain sale was also criticized because Soviet agents, by dealing secretly, were able to buy at low prices. Certainly, a seller can never know precisely the shape of the buyer's demand curve, i.e., the quantity demanded at different price levels. However, he should try to improve his knowledge of the buyer's situation and of world supply and demand conditions. He should also attempt to maximize his return from the sale or, if not, carefully weigh the benefits of a non-profit-maximizing policy.

The grain sales point up the need for the Government's active and impartial participation in trade with centrally planned economies. The role of Government agencies in East-West commercial transactions should be to safeguard the interests of U.S. producers, consumers, and taxpayers. From the standpoint of some exporters and producers, the 1972–73 grain deal may have provided maximum benefits. However, its impact on some farmers, on the U.S. consumer, and on the Federal budget was certainly less than maximally beneficial. Soviet purchases contributed to a sharp rise in U.S. domestic food prices and resulted in high Government subsidy payments to exporters and shippers. Some U.S. farmers, who sold their grain before Soviet needs became known, suffered substantial losses of income. A study conducted by the General Accounting Office faulted the Department of Agriculture for some of these problems.[115] The study found that the Department had not properly used and disseminated available information on Soviet needs for U.S. grain.

Despite these shortcomings, grain exporters and Government officials rightfully claimed that the 1972–73 grain sales brought considerable benefits to the U.S. economy. The balance-of-payments benefits were estimated to exceed $700 million.[116] Many farmers benefited from higher prices and increased sales, and employment and earnings in transportation industries and agribusinesses were stimulated. Moreover, Government expenditures for farm subsidies and grain storage were greatly reduced. Finally, American grain exporters may have established close commercial ties with Soviet importers which could facilitate future sales.

The outcome of the grain sales suggests that the United States can benefit economically by trading with the Soviet Union. However, some

[115] Elmer R Staats, "The Russian Wheat Sales and Agriculture's Role in Expanding U.S. Wheat Exports," in Remarks of Hubert H. Humphrey, *Congressional Record*, vol. 119, Mar. 8, 1973, S4124–S4127.
[116] Ibid., S4124.

earnings for imports of needed machinery and equipment.[109] Such changes may portend a more flexible Soviet foreign trade system for the future. However, the evolution has not proceeded very far.

In recent years, important new practices have helped to expand Soviet commercial ties with the West. Coproduction ventures, joint marketing arrangements, licensing agreements, and other special arrangements play an increasingly important role in East-West trade. Such practices will undoubtedly be used in furthering U.S.-Soviet economic cooperation.

However, many potential roadblocks remain. The trade agreement, Export-Import Bank financing, and the Lend-Lease agreement, for example, are contingent on congressional approval of MFN status for the Soviet Union. Moreover, U.S. financial institutions may be unable to provide sufficient credits to meet Soviet needs. Eximbank's resources are apparently inadequate, and the Johnson Act still restricts private loans to the Soviet Union. Furthermore, considerable differences of opinion remain over interest rates and repayment schedules. Even if all U.S. restrictions should be removed, limited Soviet export capabilities might be a serious constraint on the volume of future trade. Another uncertainty is the adaptability of some Soviet foreign trade institutions to large-scale economic cooperation with the United States.

Furthermore, there is still considerable opposition in the United States to exports of certain kinds of U.S. technology. Although export controls have been relaxed, questions on the national security and industrial espionage aspects of foreign trade continue to be raised. Even technology transfers to long-time allies are sometimes questioned. The sale of the Thor-Delta rocket to Japan, for example, was cited by a representative of the AFL–CIO to Congress as an export of technology with adverse national security implications.[110] Many technology transfers to the Soviet Union are likely to be more controversial.

The changes that have already been made seem likely to strengthen trade ties between the United States and the Soviet Union, but many obstacles to completely normalized economic relations remain. The long-run growth of Soviet-American economic relations will depend in large part on the continuation of the liberalization process.

[109] Nikolai Patolichev, *U.S.S.R. Foreign Trade: Yesterday, Today, Tomorrow* (Moscow: Novosti Press Agency Publishing House, n.d.), p. 131.
[110] Mr. A. Biemiller to the Senate Finance Committee. *Congressional Record*, Mar. 6, 1973, S3977–3982.

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VI. Issues in the Interplay of Technology, Trade, and Diplomacy

U.S. foreign trade policy toward the Soviet Union has always been motivated by a combination of political and economic factors. U.S. policymakers have encouraged trade with the Soviet Union—in the mid-1930s, in the immediate postwar period, and in the past few years—because they believed that benefits would accrue to the U.S. economy and that U.S.-Soviet diplomatic relations would improve. At other times—in the 1920s and early 1930s and in the Cold War period—trade has been restricted in order to discourage Soviet leaders from pursuing policies considered hostile to U.S. interests. Indeed, this inclination to use trade for political purposes is a deeply imbedded tradition in American diplomacy dating back to the earliest years of the republic. Moreover, commercial relations have been used to further foreign policy goals. As observed by Professor Harold Berman,

> Of course, in one sense, all trade is "embedded in politics," but in another sense, trade, like diplomacy and cultural and scientific exchange, is a way of maintaining mutually advantageous relations among countries whether or not they are politically antagonistic to each other.[111]

U.S.-Soviet trade has been characterized by the exchange of U.S. technologically-advanced goods and services for Soviet raw materials. While the absence of normal U.S.-Soviet trade relations has probably been an economic burden to both countries, U.S. leaders have acted under the assumption that the promise of trade (and U.S. technology) to the Soviet Union was an effective lever for exacting political concessions. Denial of trade, on the other hand, has been assumed to be a barrier to Soviet industrial and technological progress.

The U.S.-Soviet technology transfer, the new commercial relationship, and U.S.-Soviet diplomatic relations present an interrelated pattern of policy issues, illustrated by the following questions:

(1) How will the emerging commercial relationship benefit the U.S. economy?

(2) How can economic exchanges with the Soviet Union, particularly those involving technology transfers, be used to further U.S. foreign policy?

(3) What changes are needed in negotiating procedures and commercial institutions necessary to insure that the United States maximizes its political and economic benefits?

Benefits to the United States From Expanded Trade With the Soviet Union

The U.S. grain sales to the Soviet Union in 1972–73 and prospective U.S.-Soviet cooperation in Siberian natural gas exploitation demonstrate some of the potential benefits and costs of expanded U.S.-Soviet commercial relations. Both the 1972–73 grain deal and the potential gas deal have important implications for the U.S. economy and for U.S.-Soviet diplomatic relations.

[111] *New York Times*, Letter to the Editor, Apr. 2, 1973, p. 34.

THE 1972–73 GRAIN SALES

The experience gained in 1972 by private grain exporters and U.S. Government officials should provide valuable guidelines for future U.S.-Soviet transactions. With respect to U.S. economic benefits, the grain sales raised an important question: *How good a market is the Soviet Union?*

In the summer of 1972, the Soviet Union purchased an estimated 440 million bushels of wheat from the United States, about one-fourth of the total U.S. crop.[112] From July 7, 1972, when the Soviet grain sale was first announced, to September, when Soviet agents stopped buying, the price of U.S. hard red winter wheat, the principal kind sold to the Soviets, rose from $1.69 to $2.49 per bushel. The Soviet Union purchased the wheat at approximately $1.63 per bushel. The difference between the price paid by the Soviet Union and the U.S. domestic price was made up by U.S. Department of Agriculture subsidy payments to grain exporters, which totaled approximately $300 million for the July–September period.

The U.S. Government's role in the sales caused considerable controversy. For almost two years prior to the sales, the Department of Agriculture had pegged the world market price of wheat at $1.63 a bushel. However, because of a world shortage of wheat in 1972, the competitive world market price judged by normal commercial practices should have been much higher. In fact, the world price without price supports would have approximated the U.S. domestic price because the United States was the only country exporting significant quantities of wheat. Inasmuch as the United States was the only source for large amounts of wheat and as its domestic price equaled the competitive world market price, the subsidies represented a net price advantage for the Soviet Union.

U.S. grain exporters had been involved in major grain sales to the Soviet Union on one previous occasion in 1963–64.[113] In those sales, as in the 1972–73 sales, the United States appeared to be a source of last resort for the Soviets: Soviet buyers went into the U.S. market only after their traditional sources were exhausted. In 1963 the Soviets had already purchased large amounts of wheat from Australia and Canada.[114] In 1972, France had exported to the Soviet Union, while Canada and Australia had been unable to supply large amounts to the Soviets. Moreover, in the period between the large U.S.-Soviet transactions of 1963–64 and 1972–73, the Soviet Union had chosen to buy from traditional trade partners rather than the United States.[114] (See Table 9, p. 43.)

[112] For a discussion of Soviet agricultural purchases, see Humphrey and Bellmon, op. cit.

[113] For details of the 1963–64 grain sales, see Leon M. Herman, *The 1963–64 Wheat Sales to Russia: A Summary of Major Developments.* (Washington, D.C.: The Library of Congress, Legislative Reference Service, Apr. 7, 1964.)

[114] Correspondence made public by Congressman John Melcher reveals that both the Australian and Canadian Wheat Boards had advised the U.S. Department of Agriculture as early as July 1972 to reduce U.S. export subsidies and allow world prices to rise. The reduction came in September 1972, after most of the Soviet orders were placed. See the *Congressional Record*, Apr. 9, 1973, H2501–2502.

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ness to provide the same trade and credit arrangements other industrial nations have had with the U.S.S.R. for some years. Revision of export controls, restrictive tariffs, and credit constraints will raise the potential for hard-currency earnings (i.e., dollars), and credit arrangements in the joint ventures will influence Soviet decisions to import and ability to expand commercial relations.

NEW SOVIET EMPHASIS ON TECHNOLOGICAL CHANGE AND MATERIAL INCENTIVES STIMULATES TRADE PROSPECTS

The increased Soviet interest in improved economic relations with the United States results from an apparent reordering of Soviet priorities. Reordered priorities appear to favor technological change and an improvement in the availability of desirable consumer goods to the Soviet workers and peasants.

In bringing about technological improvement, energy, especially as supplied by oil and gas, plays a central role. In the development of the rich Siberian resources, Soviet trade with the United States can be expected to expand as to both imports and exports: imports of technologically advanced petroleum and gas extraction, transmission, and processing facilities, and exports of the natural gas and oil produced. Likewise, imports of products such as breeder stock and feed lots which permit Soviet animal husbandry to borrow from U.S. agribusiness are singularly designed to increase meat output, which in turn may facilitate improvement in labor productivity. Few products represent as clear a means of absorbing increased money wages as meat.

DEFENSE AND CONTROL VERSUS ECONOMIC GROWTH AND PROFESSIONAL PERFORMANCE ARE SOVIET CHOICES

The extent to which priorities have been or will be reordered turns, in large part, on how much of the Soviet output goes to defense and on the volume of Soviet trade with other nations. If the Soviet leaders view new strategic systems as characterized by rapidly rising costs and very modest benefits—a post-summit view expressed by Dr. Henry Kissinger—then civilian claimants will probably do better in receiving shares of Soviet economic growth. If, in contrast, the Soviets appear to follow the view expressed by others that the arms race will continue and accelerate in those areas not specifically limited by the SALT agreements, then the reordering of priorities may further strengthen the priority of defense outlays, as in the 1960s. Without change in the traditional defense priority, increases in Soviet-U.S. economic relations may be largely dependent on modest shifts of trade and other activities from other industrial nations to the United States. Only upgraded civilian requirements will generate significant new import needs and provide a basis for releasing resources for export.

COST TO SOVIETS OF SUPPLYING RAW MATERIALS TO EASTERN EUROPE IS HIGH AND RISING

A potential for significant improvement in Soviet export capabilities to the West, especially in petroleum and natural gas, lies in a possible shift away from the current and projected supply to Eastern

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Europe and Cuba—i.e., member nations of COMECON. The Soviets might also find it advantageous to reduce a drain on hard currency by limiting transshipment of grain to Eastern Europe and Cuba on Soviet account. The 1972 Soviet purchase financed by gold sales or dollars of U.S. wheat to meet delivery requirements to Poland is a case in point. This kind of reappraisal, although increasing potential trade with the United States in the short run, poses serious longer-range political and strategic problems of control for the Soviet Union in the Communist world.

STATE TRADING POSES PROBLEMS FOR A COUNTRY WITH A MARKET ECONOMY SUCH AS THE UNITED STATES

Commercial relations between a market economy and a centrally-planned economy with a state trading monopoly pose problems of effective administration and may place the United States at a disadvantage.

Most Soviet-Japanese trade transactions are on a Soviet trading agency—Japanese Corporation basis and are effectively resolved in kind. This Soviet pattern of bilateral trade, accepted not only by Japan but also by European countries, will inhibit a shift of balance-of-payment surpluses from those industrial nations' accounts which could otherwise help to balance possible Soviet deficits on the U.S. account. U.S. trade too is thus likely to be tied to bilateral relations with the Soviet Union. Similarly, these bilateral criteria, in cooperative ventures with other industrial nations like Japan, may in turn restrict the volume of hard-currency earnings available to support a negative Soviet trade balance with the United States.

One approach to trading with the Soviet Union might be the establishment of a governmental trading agency like the Canadian Grain Board. There might also be other agencies, such as a Computer Board. It is of mutual interest to have the most knowledgeable technical people on each side working directly with each other. But there is a possibility that all suppliers would not have equal access to the Soviet market. The Occidental Petroleum Corporation made a commercial agreement without Government help or knowledge. Is this to be discouraged? Government participation runs the risk of Government favoritism, whereby one or more companies might become "chosen instruments." Although such a restraint of trade, under special circumstances where the national interest is involved, might perhaps be permitted by U.S. law, there might also be serious reservations about it in the Congress and in the country as a whole.

The U.S. Government might provide improved information services for U.S. business interests to keep them informed on economic conditions and market prospects in the Soviet Union. It is also important to take measures to protect U.S. citizens and their investments in the Soviet Union. Even formal treaty negotiations on the status of U.S. citizens in the Soviet Union, similar to "Status of Forces" agreements on U.S. troops abroad, might be considered. For example, the U.S. grain exporters and computer corporations should have specific governmental connections with whom they may share information.

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Other industrial nations such as France and Japan have developed counterparts of Soviet institutions in order to accommodate the Soviet state trading monopoly. U.S. leaders may prefer to encourage more institutional changes on the part of the Soviet Union.

IMPROVEMENTS ARE NEEDED IN U.S. PROCEDURES AND INSTITUTIONS FOR ADMINISTRATION AND NEGOTIATION

To maximize the net economic and political benefits to the United States, the negotiating process and the mechanism for commercial relations (i.e., U.S. membership in the Joint Commercial Commission), should be reevaluated. In order to link the broadest security and diplomatic interests with the commercial arrangements, the involvement of high-level policymakers is essential. Specialists on the Soviet Union, foreign trade specialists, and private businessmen are also indispensable to provide guidance in their areas of expertise.

The long-term process of negotiation, its specialized character, and the broad national interests inherent in U.S.-Soviet relations require a permanent working blend of experienced people with the following characteristics:

a. Top politicians from both executive and legislative branches, authorized to speak for the White House and Congress as a whole;

b. Governmental trade specialists from the Departments of Commerce, Treasury, State, and other agencies.

c. Specialists on Soviet political-economic affairs from governmental or academic positions; and

d. Representatives of private business and banking.

The Strategic Arms Limitation Talks team in SALT I was apparently successful in combining the appropriate elements of authority and expertise. The Soviet SALT team was roughly representative of opposite numbers. In negotiations between different systems it is not easy to make such comparisons. For example, the Supreme Soviet, the Soviet legislature, need not be represented, as it does not have the power or responsibility of the U.S. Congress. In the U.S. system of checks and balances, on the other hand, it would be particularly beneficial to include Members of Congress in the commercial negotiations.

Congressional involvement would permit a broader representation of U.S. public opinion and facilitate passage of legislative measures needed to improve U.S.-Soviet commercial relations. Without continuous involvement of the Congress and private interests, it could be difficult to have an informed debate on important issues. The establishment of a special congressional committee or subcommittee to deal with East-West trade, roughly paralleling the Jackson Subcommittee on SALT,[121] might be appropriate. The creation of the Jackson Subcommittee gave evidence of congressional interest, involvement, and authority.

Direct congressional involvement would seem especially desirable in view of the complex, significant, and long-term nature of the U.S.–U.S.S.R. Commercial Commission deliberations. Such involvement on a continuing basis could facilitate effective treatment of issues concerning statutory authority, such as Most-Favored-Nation Agree-

[121] Subcommittee to Strategic Arms Limitation Talks, the Senate Committee on Armed Services, Chaired by Senator Henry M. Jackson.

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ments, and in general those in which congressional interest is high, e.g., export-import credits.

It would also appear desirable that the Joint U.S.–U.S.S.R. Commercial Commission include a blend of political leaders (from both executive and legislative branches), technical trade specialists, and Soviet area specialists. As the effective protection of U.S. interests requires a continued high-level political and lower-level technical involvement, institutional means should be sought for keeping attention at all levels high. Moreover, the principle of professional continuity at the working level should be adhered to in order to meet the level of Soviet competence in negotiations and administration in the Commission.

THE CURRENT OPPORTUNITY FOR IMPROVED SOVIET-U.S. RELATIONS IS CRUCIAL

The present period appears to be a critical one in U.S.-Soviet relations. If the two countries move ahead in developing commercial relations, progress in political, cultural, and other areas may be facilitated. The failure to do so may engender disappointments, frustrations, and suspicions which could ultimately result in a return to the pre-Summit atmosphere. In short, an opportunity is now available to the United States which might conceivably lead to either substantially expanded relations over a 10- to 20-year period or, if the opportunity is not seized and U.S.–U.S.S.R. trade is not now expanded, to continued diversion of the Soviet market to Western European and Japanese suppliers and to a sharp deterioration in Soviet-U.S. relations.

RISKS AND UNCERTAINTIES OF THE NEW RELATIONSHIP CAN BE REDUCED BUT NOT ELIMINATED

Because political benefits are the main measure of net gain to the United States from any pattern of increased U.S.-Soviet trade, careful calibration of the risks and uncertainties is in order.

If the Soviet Union is indeed in the process of reordering priorities and accepting greater involvement in the international political and economic system—i.e., accepting the rules of behavior of that system—a significant reduction of impediments to trade may result; this would be much more beneficial to the United States than would the modest economic gains to be derived from expanding markets.

If, however, Soviet trade overtures do not extend further than a willingness to settle old accounts, such as Lend Lease, and purchase of more grain and technologically advanced equipment, in exchange for relaxation of trade and credit restrictions, U.S. policymakers may be well advised to limit concessions and engage in hard bargaining, with expectation of only modest political and economic benefits.

The policies followed by the United States and the Soviet Union will greatly influence the probabilities of alternative outcomes. As the policy objectives of the Soviet leaders are especially crucial to such a projection, it cannot be known for some time with any certainty which different alternative courses, or what compromise between them, is being followed.

Thus, as knowledge of which of the alternatives will prevail may not be evident for several years, very careful official and public scrutiny of each step in the progress of the Joint U.S.-U.S.S.R. Commercial Commission discussions would appear to be in order for *both* the executive and legislative branches.

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APPENDIX

1. Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics. [May 29, 1972]
2. Maritime Agreement. [October 14, 1972]
3. Agreement on Trade. [October 18, 1972]
4. Agreement on Settlement of Lend Lease, Reciprocal Aid and Claims [October 18, 1972]

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APPENDIX 1. – BASIC PRINCIPLES OF RELATIONS

Text of the "Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics."
May 29, 1972

The United States of America and the Union of Soviet Socialist Republics,

Guided by their obligations under the Charter of the United Nations and by a desire to strengthen peaceful relations with each other and to place these relations on the firmest possible basis,

Aware of the need to make every effort to remove the threat of war and to create conditions which promote the reduction of tensions in the world and the strengthening of universal security and international cooperation,

Believing that the improvement of US-Soviet relations and their mutually advantageous development in such areas as economics, science and culture, will meet these objectives and contribute to better mutual understanding and business-like cooperation, without in any way prejudicing the interests of third countries,

Conscious that these objectives reflect the interests of the peoples of both countries,

Have agreed as follows:

First. They will proceed from the common determination that in the nuclear age there is no alternative to conducting their mutual relations on the basis of peaceful coexistence. Differences in ideology and in the social systems of the USA and the USSR are not obstacles to the bilateral development of normal relations based on the principles of sovereignty, equality, non-interference in internal affairs and mutual advantage.

Second. The USA and the USSR attach major importance to preventing the development of situations capable of causing a dangerous exacerbation of their relations. Therefore, they will do their utmost to avoid military confrontations and to prevent the outbreak of nuclear war. They will always exercise restraint in their mutual relations, and will be prepared to negotiate and settle differences by peaceful means. Discussions and negotiations on outstanding issues will be conducted in a spirit of reciprocity, mutual accommodation and mutual benefit.

Both sides recognize that efforts to obtain unilateral advantage at the expense of the other, directly or indirectly, are inconsistent with these objectives. The prerequisites for maintaining and strengthening peaceful relations between the USA and the USSR are the recognition of the security interests of the Parties based on the principle of equality and the renunciation of the use or threat of force.

Third. The USA and the USSR have a special responsibility, as do other countries which are permanent members of the United Nations

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Security Council, to do everything in their power so that conflicts or situations will not arise which would serve to increase international tensions. Accordingly, they will seek to promote conditions in which all countries will live in peace and security and will not be subject to outside interference in their internal affairs.

Fourth. The USA and the USSR intend to widen the juridical basis of their mutual relations and to exert the necessary efforts so that bilateral agreements which they have concluded and multilateral treaties and agreements to which they are jointly parties are faithfully implemented.

Fifth. The USA and the USSR reaffirm their readiness to continue the practice of exchanging views on problems of mutual interest and, when necessary, to conduct such exchanges at the highest level, including meetings between leaders of the two countries.

The two governments welcome and will facilitate an increase in productive contacts between representatives of the legislative bodies of the two countries.

Sixth. The Parties will continue their efforts to limit armaments on a bilateral as well as on a multilateral basis. They will continue to make special efforts to limit strategic armaments. Whenever possible, they will conclude concrete agreements aimed at achieving these purposes.

The USA and the USSR regard as the ultimate objective of their efforts the achievement of general and complete disarmament and the establishment of an effective system of international security in accordance with the purposes and principles of the United Nations.

Seventh. The USA and the USSR regard commercial and economic ties as an important and necessary element in the strengthening of their bilateral relations and thus will actively promote the growth of such ties. They will facilitate cooperation between the relevant organizations and enterprises of the two countries and the conclusion of appropriate agreements and contracts, including long-term ones.

The two countries will contribute to the improvement of maritime and air communications between them.

Eighth. The two sides consider it timely and useful to develop mutual contacts and cooperation in the fields of science and technology. Where suitable, the USA and the USSR will conclude appropriate agreements dealing with concrete cooperation in these fields.

Ninth. The two sides reaffirm their intention to deepen cultural ties with one another and to encourage fuller familiarization with each other's cultural values. They will promote improved conditions for cultural exchanges and tourism.

Tenth. The USA and the USSR will seek to ensure that their ties and cooperation in all the above-mentioned fields and in any others in their mutual interest are built on a firm and long-term basis. To give a permanent character to these efforts, they will establish in all fields where this is feasible joint commissions or other joint bodies.

Eleventh. The USA and the USSR make no claim for themselves and would not recognize the claims of anyone else to any special rights or advantages in world affairs. They recognize the sovereign equality of all states.

The development of U.S.-Soviet relations is not directed against third

5. Both Governments have agreed that this Agreement covers only rights, claims, benefits and obligations of the two Governments. Further, nothing in this Agreement shall be deemed to terminate the provisions of Article III of the Agreement of June 11, 1942, referred to above.

Done at Washington in duplicate this 18th day of October, 1972, in the English and Russian languages, both texts being equally authentic.

/s/
William P. Rogers
Secretary of State
For the Government of the United States of America

/s/
N. Patolichev
Minister of Foreign Trade
For the Government of the Union of Soviet Socialist Republics

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(b) The Government of the United States of America hereby acquires, and shall be deemed to have acquired on September 20, 1945, all such right, title and interest as the Government of the Union of Soviet Socialist Republics may have in all reciprocal aid materials transferred by the Government of the Union of Soviet Socialist Republics to the Government of the United States of America during the period June 22, 1941 through September 20, 1945.

4. (a) The total net sum due from the Government of the Union of Soviet Socialist Republics to the Government of the United States of America for the settlement of all matters set forth in Paragraph 1 of this Agreement shall be U.S. $722,000,000 payable as provided in subparagraphs (b), (c), and (d) of this Paragraph 4.

(b) (i) Three installments shall be due and payable as follows: $12,000,000 on October 18, 1972, $24,000,000 on July 1, 1973 and $12,000,000 on July 1, 1975.

(ii) Subject to subparagraph (c) of this Paragraph 4, after the date ("Notice Date") on which a note from the Government of the United States of America is delivered to the Government of the Union of Soviet Socialist Republics stating that the Government of the United States of America has made available most-favored-nation treatment for the Union of Soviet Socialist Republics no less favorable than that provided in an Agreement Between the Governments of the United States of America and the Union of Soviet Socialist Republics Regarding Trade signed on the date hereof, the balance of $674,00,000 in payment of lend lease accounts shall be paid in equal installments ("Regular Installments") as follows:

(1) If the Notice Date falls on or before May 31, 1974, the first Regular Installment shall be due and payable on July 1, 1974, and subsequent Regular Installments shall be due and payable annually on July 1 of each year thereafter through July 1, 2001, or (2) If the Notice Date falls on or after June 1, 1974, and (A) If the Notice Date occurs in the period of June 1 through December 1 of any year, the first Regular Installment shall be due and payable not more than 30 days following the Notice Date and subsequent Regular Installments shall be due and payable annually on July 1 of each year thereafter through July 1, 2001; or (B) If the Notice Date occurs in the period of December 2 of any year through May 31 of the following year, the first Regular Installment shall be due and payable on the July 1 next following the Notice Date and subsequent Regular Installments shall be due and payable annually on July 1 of each year thereafter through July 1, 2001.

(c) In any year, upon written notice to the Government of the United States of America that a deferment of a Regular Installment (except the first and last Regular Installment) next due is necessary in view of its then current and prospective economic conditions, the Government of the Union of Soviet Socialist Republics shall have the right to defer payment of such Regular Installment ("Deferred Regular Installment"). Such right of deferment may be exercised on no more than four occasions. On each such occasion, without regard to whether the Government of the Union of Soviet Socialist Republics defers any subsequent Regular Installments, the Deferred Regular Installment shall be due and payable in equal annual installments on July 1 of each year commencing on the July 1 next following the date the Deferred Regular Installment would have been paid if the Government of the Union of Soviet Socialist Republics had not exercised its right of deferment as to such Regular Installment with the final payment on the Deferred Regular Installment on July 1, 2001, together with interest on the unpaid amount of the Deferred Regular Installment from time to time outstanding at three percent per annum, payable at the same time as the Deferred Regular Installments is due and payable.

(d) The Government of the Union of Soviet Socialist Republics shall have the right to prepay at any time all or any part of its total settlement obligation, provided that no such prepayment may be made at any time when any payment required to be made under this Paragraph 4 has not been paid as of the date on which it became due and payable.

countries and their interests.

Twelfth. The basic principles set forth in this document do not affect any obligations with respect to other countries earlier assumed by the USA and the USSR.

Moscow, May 29, 1972

FOR THE UNITED STATES OF AMERICA
RICHARD NIXON
President of the United States of America

FOR THE UNION OF SOVIET SOCIALIST REPUBLICS
LEONID I. BREZHNEV
General Secretary of the Central Committee, CPSU

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APPENDIX 2.—AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS REGARDING CERTAIN MARITIME MATTERS

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics;

Being desirous of improving maritime relations between the United States and the Soviet Union, particularly through arrangements regarding port access and cargo carriage by sea; and

Acting in accordance with Article Seven of the Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics, signed in Moscow on May 29, 1972,

Have agreed as follows:

Article 1

For purposes of this Agreement:

a. "Vessel" means a vessel sailing under the flag of a Party, registered in the territory of that Party, or which is an unregistered vessel belonging to the Government of such Party, and which is used for:

(i) Commercial maritime shipping, or

(ii) Merchant marine training purposes, or

(iii) Hydrographic, oceanographic, meteorological, or terrestrial magnetic field research for civil application.

b. "Vessel" does not include:

(i) Warships as defined in the 1958 Geneva Convention on the High Seas;

(ii) Vessels carrying out any form of state function except for those mentioned under paragraph a of this Article.

Article 2

This Agreement does not apply to or affect the rights of fishing vessels, fishery research vessels, or fishery support vessels. This Agreement does not affect existing arrangements with respect to such vessels.

Article 3

The ports on the attached list of ports of each Party (Annexes I and II, which are a part of this Agreement) are open to access by all vessels of the other Party.

Article 4

Entry of all vessels of one Party into such ports of the other Party shall be permitted subject to four days' advance notice of the planned entry to the appropriate authority.

Article 5

Entry of all vessels referred to in subparagraphs a(ii) and a(iii) of Article 1 into the ports referred to in Article 3 will be to replenish ships' stores of fresh water, obtain bunkers, provide rest for or make changes in the personnel of such vessels, and obtain minor repairs and other services normally provided in such ports, all in accordance with applicable rules and regulations.

APPENDIX 4.—AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS REGARDING SETTLEMENT OF LEND LEASE, RECIPROCAL AID AND CLAIMS

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics,

Considering the need to settle obligations arising out of the prosecution of the war against aggression in order to foster mutual confidence and the development of trade and economic relations between the two countries,

Desiring to further the spirit of friendship and mutual understanding achieved by the leaders of both countries at the Moscow Summit,

Recognizing the benefits of cooperation already received by them in the defeat of their common enemies, and of the aid furnished by each Government to the other in the course of the war, and

Desiring to settle all rights and obligations of either Government from or to the other arising out of lend lease and reciprocal aid or otherwise arising out of the prosecution of the war against aggression,

Have agreed as follows:

1. This Agreement represents a full and final settlement of all rights, claims, benefits and obligations of either Government from or to the other arising out of or relating to:

(a) the Agreement of June 11, 1942, between the Governments of the United States of America and the Union of Soviet Socialist Republics on principles applying to mutual aid in the prosecution of the war against aggression, including the arrangements between the two Governments preliminary to and replaced by said Agreement,

(b) the Agreement of October 15, 1945, between the Governments of the United States of America and the Union of Soviet Socialist Republics concerning the disposition of lend-lease supplies in inventory or procurement in the United States of America, and

(c) any other matter in respect of the conduct of the war against aggression during the period June 22, 1941 through September 2, 1945.

2. In making this Agreement both Governments have taken full cognizance of the benefits and payments already received by them under the arrangements referred to in Paragraph 1 above. Accordingly, both Governments have agreed that no further benefits will be sought by either Government for any obligation to it arising out of or relating to any matter referred to in said Paragraph 1.

3. (a) The Government of the Union of Soviet Socialist Republics hereby acquires, and shall be deemed to have acquired on September 20, 1945, all such right, title and interest as the Government of the United States of America may have in all lend lease materials transferred by the Government of the United States of America to the Government of the Union of Soviet Socialist Republics, including any article (i) transferred under the Agreement of June 11, 1942, referred to above, (ii) transferred to the Government of the Union of Soviet Socialist Republics under Public Law II of the United States of America of March 11, 1941, or transferred under that Public Law to any other government and retransferred prior to September 20, 1945 to the Government of the Union of Soviet Socialist Republics, (iii) transferred under the Agreement of October 15, 1945, referred to above, or (iv) otherwise transferred during the period June 22, 1941 through September 20, 1945 in connection with the conduct of the war against aggression.

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the privileges and immunities which are enjoyed by the Embassy of the United States of America in Moscow. The Commercial Office shall have the right to use cipher.

(b) The principal officer of the Commercial Office and his deputies shall enjoy all of the privileges and immunities which are enjoyed by members of the diplomatic staff of the Embassy of the United States of America in Moscow.

(c) Members of the administrative, technical, and service staffs of the Commercial Office who are not nationals of the Union of Soviet Socialist Republics shall enjoy all of the privileges and immunities which are enjoyed by corresponding categories of personnel of the Embassy of the United States of America in Moscow.

ANNEX III

THE STATUS OF THE TRADE REPRESENTATION OF THE UNION OF SOVIET SOCIALIST REPUBLICS IN THE UNITED STATES OF AMERICA

ARTICLE 1

The Trade Representation of the Union of Soviet Socialist Republics may perform the following functions:

1. Promote the development of trade and economic relations between the Union of Soviet Socialist Republics and the United States of America; and

2. Represent the interests of the Union of Soviet Socialist Republics in all matters relating to the foreign trade of the Union of Soviet Socialist Republics with the United States of America and provide assistance to foreign trade organizations of the Union of Soviet Socialist Republics in facilitating purchases, sales and other commercial transactions.

ARTICLE 2

1. The Trade Representation shall consist of one principal officer, designated as Trade Representative, and no more than three deputy officers and a mutually agreed number of staff personnel, provided, however, that the number of officers and staff personnel permitted may be changed by mutual agreement of the two Governments.

2. The Trade Representation, wherever located, shall be an integral part of the Embassy of the Union of Soviet Socialist Republics in Washington. The Government of the United States of America shall facilitate in accordance with its laws and regulations the acquisition or lease by the Government of the Union of Soviet Socialist Republics of suitable premises for the Trade Representation.

3. (a) The Trade Representation, including all of its premises and property, shall enjoy all of the privileges and immunities which are enjoyed by the Embassy of the Union of Soviet Socialist Republics in Washington. The Trade Representation shall have the right to use cipher.

(b) The Trade Representative and his deputies shall enjoy all of the privileges and immunities which are enjoyed by members of the diplomatic staff of the Embassy of the Union of Soviet Socialist Republics in Washington.

(c) Members of the administrative, technical and service staffs of the Trade Representation who are not nationals of the United States of America shall enjoy all of the privileges and immunities which are enjoyed by corresponding categories of personnel of the Embassy of the Union of Soviet Socialist Republics in Washington.

Article 6

Each Party undertakes to ensure that tonnage duties upon vessels of the other Party will not exceed the charges imposed in like situations with respect to vessels of any other country.

Article 7

While recognizing the policy of each Party concerning participation of third flags in its trade, each Party also recognizes the interest of the other in carrying a substantial part of its foreign trade in vessels of its own registry, and thus both Parties intend that their national flag vessels will each carry equal and substantial shares of the trade between the two nations in accordance with Annex III which is a part of this Agreement.

Article 8

Each Party agrees that, where it controls the selection of the carrier of its export and import cargoes, it will provide to vessels under the flag of the other Party participation equal to that of vessels under its own flag in accordance with the agreement in Annex III.

Article 9

The Parties shall enter into consultations within fourteen days from the date a request for consultation is received from either Party regarding any matter involving the application, interpretation, implementation, amendment, or renewal of this Agreement.

Article 10

This Agreement shall enter into force on January 1, 1973; provided that this date may be accelerated by mutual agreement of the Parties. The Agreement will remain in force for the period ending December 31, 1975, provided that the Agreement may be terminated by either Party. The termination shall be effective ninety days after the date on which written notice of termination has been received.

IN WITNESS WHEREOF, the undersigned, being duly authorized by their respective Governments, have signed this Agreement.

DONE at Washington this 14th day of October 1972, in duplicate in the English and Russian languages, both equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:	FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:
/s/ Peter G. Peterson Secretary of Commerce	/s/ Timofey B. Guzhenko Minister of Merchant Marine

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ANNEX I

Ports of the United States of America Open to Calls Upon Notice

1. Skagway, Alaska
2. Seattle, Washington
3. Longview, Washington
4. Corpus Christi, Texas
5. Port Arthur, Texas
6. Bellingham, Washington
7. Everett, Washington
8. Olympia, Washington
9. Tacoma, Washington
10. Coos Bay (including North Bend), Oregon
11. Portland (including Vancouver, Washington), Oregon
12. Astoria, Oregon
13. Sacramento, California
14. San Francisco (including Alameda, Oakland, Berkeley, Richmond), California
15. Long Beach, California
16. Los Angeles (including San Pedro, Wilmington, Terminal Island), California
17. Eureka, California
18. Honolulu, Hawaii
19. Galveston/Texas City, Texas
20. Burnside, Louisiana
21. New Orleans, Louisiana
22. Baton Rouge, Louisiana
23. Mobile, Alabama
24. Tampa, Florida
25. Houston, Texas
26. Beaumont, Texas
27. Brownsville, Texas
28. Ponce, Puerto Rico
29. New York (New York and New Jersey parts of the Port of New York Authority), New York
30. Philadelphia, Pennsylvania (including Camden, New Jersey)
31. Baltimore, Maryland
32. Savannah, Georgia
33. Erie, Pennsylvania
34. Duluth, Minnesota/Superior, Wisconsin
35. Chicago, Illinois
36. Milwaukee, Wisconsin
37 Kenosha, Wisconsin
38. Cleveland, Ohio
39. Toledo, Ohio
40. Bay City, Michigan

ANNEX I

Procedure For The Implementation of Article 3

1. Both Governments agree to consult promptly at the request of either Government whenever such Government determines that actual or prospective imports of a product originating in the other country under certain conditions or in certain quantities could cause, threaten or contribute to disruption of the market of the requesting country.

2. (a) Consultations shall include a review of the market and trade situation for the product involved and shall be concluded within sixty days of the request unless otherwise agreed during the course of such consultations. Both Governments, in carrying out these consultations, shall take due account of any contracts concluded prior to the request for consultations between natural and legal persons of the United States of America and foreign trade organizations of the Union of Soviet Socialist Republics engaged in trade between the two countries.

(b) Unless a different solution is agreed upon during the consultations, the quantitative import limitations or other conditions stated by the importing country to be necessary to prevent or remedy the market disruption situation in question shall be deemed agreed as between the two Governments.

(c) At the request of the Government of the importing country, if it determines that an emergency situations exists, the limitations or other conditions referred to in its request for consultations shall be put into effect prior to the conclusion of such consultations.

3. (a) In accordance with the laws and regulations then current in each country, each Government shall take appropriate measures to ensure that exports from its country of the products concerned do not exceed the quantities or vary from the conditions established for imports of such products into the other country pursuant to paragraphs 1 and 2 of this Annex 1.

(b) Each Government may take appropriate measures with respect to imports into its country to ensure that imports of products originating in the other country comply with such quantitative limitations or conditions as may be established in accordance with paragraphs 1 and 2 of this Annex 1.

ANNEX II

The Status of the Commercial Office of the United States of America in the Union of Soviet Socialist Republics

ARTICLE 1

The Commercial Office of the United States of America may perform the following functions:

1. Promote the development of trade and economic relations between the United States of America and the Union of Soviet Socialist Republics; and

2. Provide assistance to natural and legal persons of the United States of America in facilitating purchases, sales and other commercial transactions.

ARTICLE 2

1. The Commercial Office shall consist of one principal officer and no more than three deputy officers and a mutually agreed number of staff personnel, provided, however, that the number of officers and staff personnel permitted may be changed by mutual agreement of the two Governments.

2. The Commercial Office, wherever located, shall be an integral part of the Embassy of the United States of America in Moscow. The Government of the Union of Soviet Socialist Republics shall facilitate in accordance with its laws and regulations the acquisition or lease by the Government of the United States of America of suitable premises for the Commercial Office.

3. (a) The Commercial Office, including all of its premises and property, shall enjoy all of

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tion on the Recognition and Enforcement of Foreign Arbitral Awards.

Such persons and organizations, however, may decide upon any other form of arbitration which they mutually prefer and agree best suits their particular needs.

2. Each Government shall ensure that corporations, stock companies, and other industrial or financial commercial organizations including foreign trade organizations, domiciled and regularly organized in conformity to the laws in force in the other country shall have the right to appear before courts of the former, whether for the purpose of bringing an action or of defending themselves against one, including but not limited to, cases arising out of or relating to transactions contemplated by this Agreement. In all such cases the said corporations, companies and organizations shall enjoy in the other country the same rights which are or may be granted to similar companies of any third country.

Article 8

The provisions of this Agreement shall not limit the right of either Government to take any action for the protection of its security interests.

Article 9

1. This Agreement shall enter into force upon the exchange of written notices of acceptance. This Agreement shall remain in force for three years, unless extended by mutual agreement.

2. Both Governments will work through the Joint U.S.-U.S.S.R. Commercial Commission established in accordance with the Communique issued in Moscow on May 26, 1972, in overseeing and facilitating the implementation of this Agreement in accordance with the terms of reference and rules of procedure of the Commission.

3. Prior to the expiration of this Agreement, the Joint U.S.-U.S.S.R. Commercial Commission shall begin consultations regarding extension of this Agreement or preparation of a new agreement to replace this Agreement.

IN WITNESS WHEREOF, the undersigned, duly authorized, have signed this Agreement on behalf of their respective Governments.

DONE at Washington in duplicate this 18th day of October, 1972, in the English and Russian languages, each language being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

/s/
Peter G. Peterson
Secretary of Commerce

FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:

/s/
N. S. Patolichev
Minister of Foreign Trade

ANNEX II

Ports of the Union of Soviet Socialist Republics Open to Calls Upon Notice

1. Murmansk
2. Onega
3. Arkhangel'sk
4. Mezen'
5. Nar'yan-Mar
6. Igarka
7. Leningrad
8. Vyborg
9. Pyarnu
10. Riga
11. Ventspils
12. Klaipeda
13. Tallinn
14. Vysotsk
15. Reni
16. Izmail
17. Kiliya
18. Belgorod-Dnestrovskiy
19. Il'ichevsk
20. Odessa
21. Kherson
22. Novorossiysk
23. Tuapse
24. Poti
25. Batumi
26. Sochi
27. Sukhumi
28. Yalta
29. Zhdanov
30. Berdyansk
31. Nakhodka
32. Aleksandrovsk-Sakhalinskiy
33. Makarevskiy Roadstead (Roadstead Doue)
34. Oktyabr'skiy
35. Shakhtersk
36. Uglegorsk
37. Kholmsk
38. Nevel'sk
39. Makarov Roadstead
40. Poronaysk

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ANNEX III

Supplemental Agreement on National Flag Cargo Carriage

WHEREAS, each Party recognizes the policy of the other concerning the participation of third flags in its trade, each Party also recognizes the interest of the other in carrying a substantial part of its foreign trade in vessels of its own registry and thus both Parties intend that their national flag vessels will each carry equal and substantial shares of the trade between the two nations in accordance with this Annex, and

WHEREAS, each Party has agreed that, where it controls the selection of the carrier for its export and import cargoes, it will provide to vessels under the flag of the other Party participation equal to that of vessels under its own flag, it is agreed as follows:

1. *DEFINITIONS*

For the purpose of this Annex and the Agreement of which this Annex is a part:

a. "Substantial share of the trade between the two nations" means not less than one-third of bilateral cargoes.

b. "Bilateral cargo" means any cargo, the shipment of which originates in the territory of one Party and moves in whole or in part by sea to a destination in the territory of the other Party, whether by direct movement or by transshipment through third countries.

c. "Controlled cargo" means any bilateral cargo with respect to which a public authority or public entity of either Party or their agents has the power of designating the carrier or the flag of carriage at any time prior to such designation, and includes:

(i) on the United States side all bilateral cargo which a public authority or public entity of the United States has or could have the power at any time to designate the flag of carriage pursuant to cargo preference legislation, and

(ii) on the Soviet side all bilateral cargo imported into or exported from the territory of the U.S.S.R. where a commercial body or other authority or entity of the U.S.S.R has or could have the power at any time to designate the carrier.

d. "Accountable liner share" means the U.S. dollar freight value of liner carryings of controlled cargo by vessels under the flag of each Party, computed for accounting purposes using the conference rates in effect at the time of carriage or, in the absence of such rates, using other rates to be agreed between the two Parties.

e. "Accountable charter share" means the U.S. dollar freight value of carryings under contracts or arrangements covering the carriage of controlled cargo by vessels under the flag of each Party, which are not in liner service, computed for accounting purposes at rates to be agreed between the Parties. Accountable charter share will not include movements of any bulk cargoes in shipload lots of 8,000 long tons or more from the Union of Soviet Socialist Republics to the United States that are carried by the national flag vessels of either Party provided the conditions stated in subparagraph b of paragraph 3 of this Annex have been complied with.

f. "Accounting period" means a calendar year or any portion of an incomplete calendar year during which this Agreement is in effect.

2. GENERAL OPERATING RULES

a. Each Party undertakes to ensure that its controlled cargo is directed in a manner which

(i) provides to vessels under the flag of the other Party an accountable liner share and an accountable charter share equal in each category to those of vessels under its flag, and which continually maintains parity during each accounting period, and

(ii) is consistent with the intention of the Parties that their national flag vessels will each carry not less than one-third of bilateral cargoes.

b. To the extent that bilateral cargo that is not controlled cargo is carried in a manner

2. The status concerning the functions, privileges, immunities and organization of the Commercial Office and the Trade Representation is set forth in Annexes 2 and 3, respectively, attached to this Agreement, of which they constitute an integral part.

3. The establishment of the Commercial Office and the Trade Representation shall in no way affect the rights of natural or legal persons of the United States of America and of foreign trade organizations of the Union of Soviet Socialist Republics, either in the United States of America or in the Union of Soviet Socialist Republics, to maintain direct relations with each other with a view to the negotiation, execution and fulfillment of trade transactions. To facilitate the maintenance of such direct relations the Commercial Office may provide office facilities at its location to employees or representatives of natural and legal persons of the United States of America, and the Trade Representation may provide office facilities at its location to employees or representatives of foreign trade organizations of the Union of Soviet Socialist Republics, which employees and representatives shall not be officers or members of the administrative, technical or service staff of the Commercial Office or the Trade Representation. Accordingly, the Commercial Office and the Trade Representation, and their respective officers and staff members, shall not participate directly in the negotiation, execution or fulfillment of trade transactions or otherwise carry on trade.

Article 6

1. In accordance with the laws and regulations then current in each country, natural and legal persons of the United States of America and foreign trade organizations of the Union of Soviet Socialist Republics may open their representations in the Union of Soviet Socialist Republics and the United States of America, respectively. Information concerning the opening of such representations and provision of facilities in connection therewith shall be provided by each Government upon the request of the other Government.

2. Foreign trade organizations of the Union of Soviet Socialist Republics shall not claim or enjoy in the United States of America, and private natural and legal persons of the United States of America shall not claim or enjoy in the Union of Soviet Socialist Republics, immunities from suit or execution of judgment or other liability with respect to commercial transactions.

3. Corporations, stock companies and other industrial or financial commercial organizations, including foreign trade organizations, domiciled and regularly organized in conformity to the laws in force in one of the two countries shall be recognized as having a legal existence in the other country.

Article 7

1. Both Governments encourage the adoption of arbitration for the settlement of disputes arising out of international commercial transactions concluded between natural and legal persons of the United States of America and foreign trade organizations of the Union of Soviet Socialist Republics, such arbitration to be provided for by agreements in contracts between such persons and organizations, or, if it has not been so provided, to be provided for in separate agreements between them in writing executed in the form required for the contract itself, such agreements:

(a) to provide for arbitration under the Arbitration Rules of the Economic Commission for Europe of January 20, 1966, in which case such agreements should also designate an Appointing Authority in a country other than the United States of America or the Union of Soviet Socialist Republics for the appointment of an arbitrator or arbitrators in accordance with those Rules; and

(b) to specify as the place of arbitration a place in a country other than the United States of America or the Union of Soviet Socialist Republics that is a party to the 1958 Conven-

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Article 2

1. Both Governments will take appropriate measures, in accordance with the laws and regulations then current in each country, to encourage and facilitate the exchange of goods and services between the two countries on the basis of mutual advantage and in accordance with the provisions of this Agreement. In expectation of such joint efforts, both Governments envision that total bilateral trade in comparison with the period 1969-1971 will at least triple over the three-year period contemplated by this Agreement.

2. Commercial transactions between the United States of America and the Union of Soviet Republics shall be effected in accordance with the laws and regulations then current in each country with respect to import and export control and financing, as well as on the basis of contracts to be concluded between natural and legal persons of the United States of America and foreign trade organizations of the Union of Soviet Socialist Republics. Both Governments shall facilitate, in accordance with the laws and regulations then current in each country, the conclusion of such contracts, including those on a long-term basis, between natural and legal persons of the United States of America and foreign trade organizations of the Union of Soviet Socialist Republics. It is understood that such contracts will generally be concluded on terms customary in international commercial practice.

3. Both Governments, by mutual agreement, will examine various fields, in which the expansion of commercial and industrial cooperation is desirable, with regard for, in particular, the long-term requirements and resources of each country in raw materials, equipment and technology and, on the basis of such examination, will promote cooperation between interested organizations and enterprises of the two countries with a view toward the realization of projects for the development of natural resources and projects in the manufacturing industries.

4. The Government of the Union of Soviet Socialist Republics expects that, during the period of effectiveness of this Agreement, foreign trade organizations of the Union of Soviet Socialist Republics will place substantial orders in the United States of America for machinery, plant and equipment, agricultural products, industrial products and consumer goods produced in the United States of America.

Article 3

Each Government may take such measures as it deems appropriate to ensure that the importation of products originating in the other country does not take place in such quantities or under such conditions as to cause, threaten or contribute to disruption of its domestic market. The procedures under which both Governments shall cooperate in carrying out the objectives of this Article are set forth in Annex 1, which constitutes an integral part of this Agreement.

Article 4

All currency payments between natural and legal persons of the United States of America and foreign trade and other appropriate organizations of the Union of Soviet Socialist Republics shall be made in United States dollars or any other freely convertible currency mutually agreed upon by such persons and organizations.

Article 5

1. The Government of the United States of America may establish in Moscow a Commercial Office of the United States of America and the Government of the Union of Soviet Socialist Republics may establish in Washington a Trade Representation of the Union of Soviet Socialist Republics. The Commercial Office and the Trade Representation shall be opened simultaneously on a date and at locations to be agreed upon.

which does not maintain parity between national flag vessels, computed in accordance with the principles specified in subparagraphs d and e of paragraph 1 of this Annex, the excess of such carriage will be added to the accountable liner share or accountable charter share, as the case may be, of the overcarrier and will be offset to the extent possible by an entitlement of a compensating share of controlled cargo in the appropriate category to the undercarrier.

c. Whenever vessels under the flag of one Party are not available to carry controlled cargo offered for carriage between ports served by such vessels with reasonable notice and upon reasonable terms and conditions of carriage, the offering Party shall be free to direct such cargo to its national flag or to third flag vessels. Cargo so directed to the offering Party's national flag vessels will not be included in its accountable liner share or accountable charter share for purposes of subparagraph a(i) of paragraph 2 of this Annex, if the designated representative of the other Party certifies that its national flag vessels were in fact unavailable at the time of the offer.

d. Cargo not carried in the vessels of a Party because of nonavailability of a vessel shall nonetheless be included in bilateral cargo for purposes of subparagraph a (ii) of paragraph 2 of this Annex, and controlled cargo shall continue to be directed to meet the undertakings of said subparagraph. To the extent that deficiencies in meeting the undertakings in such subparagraph exist at the end of an accounting period because of unavailability of vessels of a Party which the representative of that Party has certified were unavailable as provided above in subparagraph c of paragraph 2, the other Party shall not be required to make up such deficiency in the following accounting period.

e. To the extent consistent with the foregoing provisions of this paragraph 2, each Party is free to utilize the services of third flag shipping for the carriage of controlled cargo.

3. SPECIAL BULK CARGO RULES

a. When controlled bulk cargo is carried from the United States to the Union of Soviet Socialist Republics by U.S.-flag vessels, such cargo shall be carried at a mutually acceptable rate, provided that this shall not prevent the offering and fixing of a lower rate if such lower rate is accepted by a U.S.-flag carrier at the time of offering.

b. It is recognized that movements of any bulk cargoes in shipload lots of 8,000 long tons or more from the Union of Soviet Socialist Republics to the United States shall be carried at the then current market rates. In furtherance of this objective, an equivalent quantity of such controlled cargoes as are offered to Soviet-flag vessels will be offered to U.S.-flag vessels at the current charter market rate and with reasonable notice. Any offerings of such cargoes that are not accepted by U.S.-flag vessels may be carried by Soviet-flag vessels or other vessels.

4. IMPLEMENTATION

a. Each Party shall designate a representative for implementation of the principles and rules of this Annex, the representative of the United States being the Maritime Administration, Department of Commerce, and the representative of the Union of Soviet Socialist Republics being the Ministry of Merchant Marine. Each Party shall authorize its representative to take action under its laws and procedures, and in consultation with the designated representative of the other Party, to implement this Annex, as well as to remedy any departure from the agreed operating rules.

b. The Parties further agree that the designated representatives shall:

(i) meet annually for a comprehensive review of the movement of bilateral cargo and for such other purposes related to the Agreement as may be desirable;

(ii) engage in such consultations, exchange such information and take such action as may be necessary to insure effective operation of this Annex and the Agreement of which this Annex is a part;

(iii) make mutually satisfactory arrangements or adjustments, including adjustments between accounting shares and accounting periods, to carry out at all times the objectives of this Annex and the Agreement of which this Annex is a part. Any departures

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from such objectives shall be accommodated on a calendar quarterly basis to the extent possible and in no event shall departures be permitted to continue beyond the first three months of the next accounting period; and

(iv) resolve any other problems in the implementation of this Annex and the Agreement of which this Annex is a part.

5. COMMERCIAL ARRANGEMENTS

a. The Parties recognize that, pursuant to their respective laws or policies, carriers under their flags may enter into commercial arrangements for the service and stabilization of the trade between them which shall not unduly prejudice the rights of third-flag carriers to compete for the carriage of controlled cargo between the territories of the Parties.

b. Such commercial arrangements shall not relieve the Parties of their obligations under this Annex and the Agreement of which this Annex is a part.

APPENDIX 3.—AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS REGARDING TRADE

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics,

Considering that the peoples of the United States of America and of the Union of Soviet Socialist Republics seek a new era of commercial friendship, an era in which the resources of both countries will contribute to the well-being of the peoples of each and an era in which common commercial interest can point the way to better and lasting understanding,

Having agreed at the Moscow Summit that commercial and economic ties are an important and necessary element in the strengthening of their bilateral relations,

Noting that favorable conditions exist for the development of trade and economic relations between the two countries to their mutual advantage,

Desiring to make the maximum progress for the benefit of both countries in accordance with the tenets of the Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics signed in Moscow on May 29, 1972,

Believing that agreement on basic questions of economic trade relations between the two countries will best serve the interests of both their peoples,

Have agreed as follows:

Article 1

1. Each Government shall accord unconditionally to products originating in or exported to the other country treatment no less favorable than that accorded to like products originating in or exported to any third country in all matters relating to:

(a) customs duties and charges of any kind imposed on or in connection with importation or exportation including the method of levying such duties and charges;

(b) internal taxation, sale, distribution, storage and use;

(c) charges imposed upon the international transfer of payments for importation or exportation; and

(d) rules and formalities in connection with importation or exportation.

2. In the event either Government applies quantitative restrictions to products originating in or exported to third countries, it shall afford to like products originating in or exported to the other country equitable treatment vis-a-vis that applied in respect of such third countries.

3. Paragraphs 1 and 2 of this Article 1 shall not apply to (i) any privileges which are granted by either Government to neighboring countries with a view toward facilitating frontier traffic, or (ii) any preferences granted by either Government in recognition of Resolution 21 (II) adopted on March 26, 1968 at the Second UNCTAD, or (iii) any action by either Government which is permitted under any multilateral trade agreement to which such Government is a party on the date of signature of this Agreement, if such agreement would permit such action in similar circumstances with respect to like products originating in or exported to a country which is a signatory thereof, or (iv) the exercise by either Government of its rights under Articles 3 or 8 of this Agreement.

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AIR TRANSPORT SERVICES

Protocol Between the
UNITED STATES OF AMERICA
and the UNION OF
SOVIET SOCIALIST REPUBLICS

Amending the Agreement of November 4, 1966
as Amended

Signed at Washington June 23, 1973



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Таблица I

Для Союза Советских Социалистических Республик

Москва – Нью-Йорк или Вашингтон (Даллес) и обратно через промежуточные пункты, указанные в пункте 6 Приложения. Полеты в Нью-Йорк и Вашингтон должны выполняться различными рейсами. Технические посадки будут ограничены пунктами, перечисленными в Статье 2 Дополнительного Соглашения с изменениями.

Таблица 2

Для Соединенных Штатов Америки

Нью-Йорк – Ленинград или Москва и обратно через промежуточные пункты, указанные в пункте 6 Приложения. Полеты в Ленинград и Москву должны выполняться различными рейсами. Технические посадки будут ограничены пунктами, перечисленными в Статье 2 Дополнительного Соглашения с изменениями.

NOTE BY THE DEPARTMENT OF STATE

Pursuant to Public Law 89–497, approved July 8, 1966 (80 Stat. 271; 1 U.S.C. 113)—

". . . the Treaties and Other International Acts Series issued under the authority of the Secretary of State shall be competent evidence . . . of the treaties, international agreements other than treaties, and proclamations by the President of such treaties and international agreements other than treaties, as the case may be, therein contained, in all the courts of law and equity and of maritime jurisdiction, and in all the tribunals and public offices of the United States, and of the several States, without any further proof or authentication thereof."

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U.S. GOVERNMENT PRINTING OFFICE 1973 O—98-562

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Амстердам, Копенгаген, Париж, Лондон, Франкфурт и Брюссель и промежуточными пунктами, на которые делается ссылка в Таблице 2, будут любые два из следующих: Лондон, Амстердам, Франкфурт, Копенгаген, Брюссель и Париж. В начале каждого летнего или зимнего периода каждое назначенное авиапредприятие может изменять одну комбинацию из двух промежуточных пунктов на другую комбинацию из двух промежуточных пунктов на этот период. На каждом рейсе не может быть больше одного промежуточного пункта. Промежуточный пункт или пункты могут быть по решению каждого назначенного авиапредприятия сняты с каждого или всех рейсов.

7. Каждое назначенное авиапредприятие может производить замену типа самолета в любом промежуточном пункте в Европе, который указан в пункте 6 таким образом, что:

- перевозка за пункт замены типа самолета будет выполняться одним самолетом с емкостью, равной или меньшей (в случае полетов из своей страны) или равной или большей (в случае полетов в свою страну), чем емкость самолета, прибывшего в данный пункт; и
- перевозка после пункта замены типа самолета будет выполняться по расписанию, согласованному с расписанием прибывающего в пункт замены самолета (под тем же номером рейса) с тем, чтобы обеспечить подлинный непрерывный рейс.

UNION OF SOVIET SOCIALIST REPUBLICS

Air Transport Services

Protocol amending the agreement of November 4, 1966, as amended.
Signed at Washington June 23, 1973;
Entered into force June 23, 1973.

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PROTOCOL BETWEEN
THE UNITED STATES OF AMERICA AND
THE UNION OF SOVIET SOCIALIST REPUBLICS
ON QUESTIONS RELATING TO THE EXPANSION OF AIR SERVICES

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics,

In keeping with paragraph 7 of the Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics signed at Moscow on May 29, 1972, [1]

Desiring to foster expanded communications between the two countries on a mutual basis,

Recognizing the role which air transportation can play in this connection, and

Pursuant to Article 16 of the Civil Air Transport Agreement between the two Governments of November 4, 1966, [2]

Have agreed as follows:

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[1] *Department of State Bulletin*, June 26, 1972, p. 898.
[2] TIAS 6135, 6489, 7287, 7609; 17 UST 1916, 1936; 19 UST 4848; 23 UST 158; 24 UST.

3 - Право погрузки пассажиров, багажа, грузов и почты на территории другой Договаривающейся Стороны, но без права погрузки пассажиров, багажа, грузов и почты, направляющихся в промежуточный пункт в третьей стране на данном маршруте, за исключением пассажиров и следующего с ними багажа, которые должны быть выгружены в этом промежуточном пункте и затем вновь погружены назначенным авиапредприятием в течение срока действия билета (но ни в коем случае не позже, чем через один год со дня высадки) и которые следуют по пассажирскому билету и багажной квитанции обеспечивающим перевозку на предусмотренных расписанием самолетах на каждом отрезке маршрута между двумя Договаривающимися Сторонами.

4. В дополнение к правам, указанным в пункте 3, каждое назначенное авиапредприятие будет иметь право, согласно пункта 5, погрузки и выгрузки пассажиров, багажа, грузов и почты на территории другой Договаривающейся Стороны, которые будут выгружаться или которые были погружены на любом промежуточном пункте в третьей стране на данном маршруте.

5. Каждое назначенное авиапредприятие может выполнять до двух рейсов в неделю до 31 марта 1974 г., до трех рейсов в неделю в летний период 1974 г. (1 апреля 1974 г. - 31 октября 1974 г.) и до двух рейсов в неделю в зимний период 1974/75 гг. (1 ноября 1974 г. - 31 марта 1975 г.), а в дальнейшем частота полетов будет согласована между Договаривающимися Сторонами. Назначенное авиапредприятие США может использовать право, определенное в пункте 4 на всех своих рейсах. Назначенное авиапредприятие СССР может использовать право, определенное в пункте 4 на одном из своих рейсов.

6. Промежуточными пунктами, на которые делается ссылка в Таблице I данного Приложения, будут любые два из следующих:

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ПРИЛОЖЕНИЕ

I. Правительство Союза Советских Социалистических Республик возлагает эксплуатацию договорных линий по маршрутам, указанным в Таблице I настоящего Приложения, на Министерство гражданской авиации СССР, которое назначает для этой цели Центральное управление международных воздушных сообщений (Аэрофлот, Советские авиалинии).

2. Правительство Соединенных Штатов Америки назначает для эксплуатации договорных линий по маршруту в Таблице 2 настоящего Приложения Пан Америкэн Уорлд Эруэйз, Инкорпорейтед.

3. Каждое назначенное авиапредприятие будет иметь следующие права при эксплуатации воздушного сообщения по маршрутам, указанным соответственно в Таблицах I и 2 данного Приложения:

I - Право производить посадку с техническими и коммерческими целями в конечном пункте согласованного маршрута на территории другой Договаривающейся Стороны, а также использовать запасные аэропорты и аэронавигационное оборудование на этой территории для этих целей.

2 - Право выгрузки пассажиров, багажа, грузов и почты на территории другой Договаривающейся Стороны, но без права выгрузки пассажиров, багажа, грузов и почты, направляющихся из промежуточного пункта в третьей стране на данном маршруте, за исключением пассажиров и следующего с ними багажа, которые были выгружены на этом промежуточном пункте назначенным авиапредприятием и затем вновь погружены в течение срока действия билета (но ни в коем случае не позже, чем через год со дня высадки), и которые следуют по пассажирскому билету и багажной квитанции, обеспечивающим перевозку на предусмотренных расписанием самолетах на каждом отрезке маршрута между двумя Договаривающимися Сторонами; и

ARTICLE 1

The existing agreed services under the Civil Air Transport Agreement between New York and Moscow are to be expanded to include services for the designated airline of the United States from New York to Leningrad and for the designated airline of the USSR from Moscow to Washington.

ARTICLE 2

In view of the increasing traffic between the two countries, the existing arrangements under the Civil Air Transport Agreement relating to flight frequencies are to be amended to allow increases in frequency of service.

ARTICLE 3

The foregoing and other related amendments of the Civil Air Transport Agreement are incorporated in the attached Annex which supersedes the existing Annex to that Agreement.

This Protocol shall enter into force upon signature.

DONE at Washington, this 23rd day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

[1]

FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:

[2]

[1] Claude S. Brinegar
[2] B. P. Bugayev

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ANNEX

1. The Government of the Union of Soviet Socialist Republics entrusts the Ministry of Civil Aviation of the USSR with responsibility for the operation of the agreed services on the routes specified in Table I of this Annex, which in turn designates for this purpose the General Department of International Air Services (Aeroflot Soviet Airlines).

2. The Government of the United States of America designates Pan American World Airways, Inc., to operate the agreed services on the routes specified in Table II of this Annex.

3. Each designated airline shall have the following rights in the operation of the agreed services on the respective routes specified in Tables I and II of this Annex:

(1) The right to land for technical and commercial purposes at the terminal point of the agreed route in the territory of the other Contracting Party, as well as to use alternative airports and flight facilities in that territory for these purposes;

(2) The right to discharge passengers, baggage, cargo and mail in the territory of the other Contracting Party, but without the right to discharge passengers, baggage, cargo and mail coming from any intermediate point in a third country on the given route, except for passengers and their accompanied baggage which have been disembarked at that intermediate point by the designated airline and subsequently reembarked during the validity of the ticket (but in no event later than one year from the date of disembarkation) and which are moving under a passenger ticket and baggage check

Статья 3

Вышеуказанные и другие изменения, относящиеся к Соглашению о воздушном сообщении, отражены в Приложении к данному Протоколу, которое заменяет действующее Приложение к этому Соглашению.

Протокол вступает в силу с момента его подписания.

Совершено 23 июня 1973 года, в Вашингтоне в двух экземплярах, на английском и русском языках, причем оба текста имеют одинаковую силу.

ЗА ПРАВИТЕЛЬСТВО СОЕДИНЕННЫХ ШТАТОВ АМЕРИКИ

ЗА ПРАВИТЕЛЬСТВО СОЮЗА СОВЕТСКИХ СОЦИАЛИСТИЧЕСКИХ РЕСПУБЛИК

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П Р О Т О К О Л

между Соединенными Штатами Америки и Союзом Советских Социалистических Республик по вопросам расширения сотрудничества в области воздушных сообщений

Правительство Соединенных Штатов Америки и Правительство Союза Советских Социалистических Республик,

руководствуясь положениями пункта 7 Основ взаимоотношений между Соединенными Штатами Америки и Союзом Советских Социалистических Республик, подписанных в Москве 29 мая 1972 года,

желая способствовать расширению связей между двумя странами на взаимной основе,

признавая значение воздушного транспорта в этом отношении, и

в соответствии со Статьей 16 Соглашения между двумя Правительствами о воздушном сообщении от 4 ноября 1966 года,

договорились о нижеследующем:

Статья I

Действующие по Соглашению о воздушном сообщении договорные линии между Нью-Йорком и Москвой дополняются линиями для назначенного авиапредприятия США между Нью-Йорком и Ленинградом и для назначенного авиапредприятия СССР между Москвой и Вашингтоном.

Статья 2

Учитывая возрастающий объем перевозок между двумя странами, существующая в Соглашении о воздушном сообщении договоренность о частоте полетов изменяется в сторону ее увеличения.

providing for transportation on scheduled flights on each segment of the route between the two Contracting Parties; and

(3) The right to pick up passengers, baggage, cargo and mail in the territory of the other Contracting Party, but without the right to pick up passengers, baggage, cargo and mail destined for any intermediate point in a third country on the given route, except for passengers and their accompanied baggage which are to be disembarked at that intermediate point and subsequently re-embarked by the designated airline during the validity of the ticket (but in no event later than one year from the date of disembarkation) and which are moving under a passenger ticket and baggage check providing for transportation on scheduled flights on each segment of the route between the two Contracting Parties.

4. In addition to the rights specified in paragraph 3 above, each designated airline shall have the right, subject to paragraph 5 below, to pick up and discharge passengers, baggage, cargo and mail in the territory of the other Contracting Party which are to be discharged or have been picked up at any intermediate point in a third country on the given route.

5. Each designated airline may operate up to two roundtrip flights per week through March 31, 1974, up to three roundtrip flights per week during the 1974 summer traffic season (April 1, 1974 - October 31, 1974), up to two roundtrip flights per week during the 1974/75 winter traffic season (November 1, 1974 - March 31, 1975), and thereafter such number of flights as is subsequently agreed between the Contracting Parties. The designated airline of the United States may exercise the right specified in paragraph 4 above on all its flights. The designated

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airline of the Soviet Union may exercise the right specified in paragraph 4 above on one of its flights.

6. The intermediate points referred to in Table I of this Annex shall be any two of the following: Amsterdam, Copenhagen, Paris, London, Frankfurt, and Brussels; and the intermediate points referred to in Table II shall be any two of the following: London, Amsterdam, Frankfurt, Copenhagen, Brussels and Paris. At the beginning of each summer and winter traffic season, each designated airline may change from one combination of two intermediate points to another combination of two intermediate points for that season. No more than one intermediate point may be served on each flight. The intermediate point or points may, at the option of each designated airline, be omitted on any or all flights.

7. Each designated airline may make a change of gauge at any intermediate point in Europe listed in paragraph 6 above provided that:

(1) carriage beyond the point of change of gauge will be performed by a single aircraft of capacity equal to or less (in the case of services outbound from the homeland) or equal to or more (in the case of services inbound to the homeland) than that of the arriving aircraft, and

(2) aircraft for such beyond carriage will be scheduled only in coincidence with the incoming aircraft (with the same flight number) to insure true and genuine continuing service.

AGREED SERVICES

TABLE I

For the Union of Soviet Socialist Republics:

Moscow to New York or Washington (Dulles) and return, via the intermediate points listed in paragraph 6 of the Annex. New York and Washington will be served on separate flights. Technical stops will be limited to those listed in Article II of the Supplementary Agreement, as amended.[1]

TABLE II

For the United States of America:

New York to Leningrad or Moscow, and return, via the intermediate points listed in paragraph 6 of the Annex. Leningrad and Moscow will be served on separate flights. Technical stops will be limited to those listed in Article II of the Supplementary Agreement, as amended.

[1] TIAS 6135, 6489; 17 UST 1936; 19 UST 4848.

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USSR

FACTS BOOK

DEPARTMENT OF STATE

JUNE 1973

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FACT SHEET

Land

Area: 8,649,490 square miles (22,402,200 square kilometers)

People

Population: 248.6 million as of January 1, 1973 (official estimate.)

Religion: Atheism is fostered by the state. Church is separated from the state and school by the Constitution. The Russian Orthodox Church currently numbers about 50 million. Mosdem, Catholic, and various Protestant congregations are much smaller and are largely non-Slavic.

Language: The official language throughout the Soviet Union is Russian, but other languages are also official within their respective ethnic territorial divisions.

Literacy: Nearly 100%, according to official statistics, but the figure refers only to persons 9 to 49 years of age.

Labor force: Total of more than 130 million persons, some 30% of whom (over 40 million) are engaged in agriculture, the rest in nonagricultural pursuits. Close to 40% work in industry and construction; 8% in transport and communications; about 7% in trade, public catering, material-technical supply, and state procurement network; and 15% in other services (health, education, culture, sports, arts, and science).

Government

Legal name: Union of Soviet Socialist Republics or USSR

Capital: Moscow (population over 7 million)

Type: Federal Union established December 30, 1922, pursuant to the Bolshevik Revolution of November 7, 1917, now under the Constitution of 1936. The Communist Party of the Soviet Union (CPSU) is the only political party.

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Legislature: Bicameral: The USSR Supreme Soviet is elected every 4 years by direct balloting but without choice of candidate. The upper chamber, the Council of the Union, has 767 deputies elected on the basis of population. The lower chamber, the Council of Nationalities, has 750 deputies elected on the basis of territorial units. The Supreme Soviet meets twice annually for 6 to 7 days, basically to ratify decrees of the government issued between its sessions.

Executive: The Chairman of the Presidium of the USSR Supreme Soviet is the Chief of State and can, in practice, be installed between quadrennial elections. N. V. Podgorny was elected on December 9, 1965, and was reelected on July 15, 1970. Acts passed by the Presidium between Supreme Soviet sessions are legally binding. The Chairman of the USSR Council of Ministers is the Head of Government or Premier; A. N. Kosygin assumed this position upon the removal of Khrushchev in October 1964 and was last reappointed to this post at the July 15, 1970 session of the USSR Supreme Soviet.

Political parties and leaders: The CPSU is the only political party and controls all Soviet institutions and establishments. The CPSU numbers close to 15 million members organized at all levels of society and is ruled by the Politburo and Party Secretariat. General Secretary L. I. Brezhnev heads the Secretariat and chairs Politburo sessions which function under a form of collective rule. Brezhnev, Kosygin, Podgorny, M. A. Suslov, and A. P. Kirilenko comprise the senior level of national leadership.

Economy

GNP: $549 billion in 1972 (1972 US prices)

Major industries: Mining, ferrous and nonferrous metallurgy, fuels and power, building materials, chemicals, machine-building

Agriculture: Major products: wheat, rye, corn, oats, potatoes, sugarbeets, forest products, linseed, sunflower seed, cotton, flax, meat, milk, and eggs

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Imports: About $16 billion in 1972; imports from US in same year $540 million

Exports: About $15.3 billion in 1972; exports to US in same year $95 million

Budget: 1973 planned revenues 181.8 million rubles; expenditures 173.6 million rubles

Fiscal year: January 1-December 31

Communications

Railroads: Over 83,000 miles of mainline track

Airlines: Domestic and international trunk air route network in 1970 covered more than 370,000 miles.

Paved roads: 102,000 miles (out of total road network of 934,000 miles)

Inland waterways: About 89,000 miles are suitable for navigation.

Pipelines: Oil: close to 25,500 at the end of 1971; gas: almost 44,000 miles

Seaports: Odessa, Leningrad, Murmansk, Nakhodka, Novorossiisk

Telecommunications: About 135 AM and 165 FM radio stations at the end of 1970; over 1,300 TV broadcast and rebroadcast stations at the end of 1971; fewer than 5 persons per radio receiver, 6 persons per TV set (end of 1971)

Defense

Expenditures: Close to $80 billion in 1972 (in 1972 US prices)

Personnel strength: About 3.77 million

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HISTORY

World War I and the 1917 Revolution

Russia's national history prior to the 1917 Revolution is that of a series of small medieval fiefs that gradually were united under the leadership of the Grand Dukes of Moscow, expanding into the vast but unstable empire that collapsed in World War I. Military defeat and rising social unrest led directly to the February Revolution of 1917, the abdication of Tsar Nicholas II, and the formation of a Provisional Government.

Unable to cope with the country's mounting problems, the Provisional Government was forcibly overthrown in the October Revolution of 1917 by the Bolshevik wing of the Russian Social Democratic Labor Party under Vladimir Lenin. The new Soviet regime nationalized the land, industry, and commerce under the slogan of the dictatorship of the proletariat and established the Russian Socialist Federated Soviet Republic on July 10, 1918. Peace with the Central Powers was concluded at Brest-Litovsk on March 3, 1918, but civil war and foreign intervention (UK, Japan, US) lasted until 1922. The Russian Republic was joined by the Ukraine, Belorussia, and Transcaucasia in 1922 to establish the Union of Soviet Socialist Republics, whose first constitution was adopted on July 6, 1923.

The USSR Under Stalin

Lenin's death in early 1924 was followed by struggles within the Communist Party leadership from which Joseph Stalin emerged victorious in the later 1920's. Intensive industrialization began with the first Five Year Plan in 1928, and collectivization of agriculture began the next year. Vast political and military purges in 1936-38 solidified Stalin's control of the country. In August 1939 the German-Soviet Non-Aggression Pact was concluded. The Soviet Army took land from Poland, Finland, and Romania and annexed the Baltic republics of Estonia, Latvia, and Lithuania before the German attack of June 22, 1941. The conclusion of the war, which took 20 million Soviet lives, broke German military power and enabled the USSR to extend its influence into central Europe, where

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it formed a bloc of Moscow-controlled regimes.

The end of World War II brought a return of Stalin's harsh and oppressive internal policies, aimed at securing domestic conformity based on police methods. Similar policies were aimed at securing conformity in the Communist-ruled East European states -- except for Yugoslavia whose defiance of Soviet authority led to its exclusion from the Soviet bloc in 1948. The wartime alliance with the Western powers gave place to a "cold war" whose leading events included the Berlin blockade of 1948-49 and the Korean war of 1950-53. The USSR conducted its first nuclear explosion in 1949 and its first thermonuclear explosion in 1953.

Khrushchev and Policy Changes

Stalin's death on March 5, 1953, initiated a new period of political maneuvering among his successors. Held successively by G. A. Malenkov (1953-55) and N. A. Bulganin (1955-58), the post of Chairman of the Council of Ministers was taken by Nikita S. Khrushchev who had previously became First Secretary of the CPSU in September 1953. Khrushchev's denunciation of Stalin's despotism at the 20th Party Congress in February 1956 gave impetus to a policy of "de-Stalinization" in the USSR and Eastern Europe that involved the release and rehabilitation of numerous political prisoners, curbing the secret police, greater freedom of expression, more benefits to the consumer, and more relaxed relations with the West. Emphasis in Soviet foreign policy shifted from military confrontation to "competitive coexistence," symbolized by a growing foreign aid program and such achievements as the launching of the world's first artificial earth satellite "Sputnik" in 1957.

But Khrushchev's policies brought on a series of sharp crises within and beyond the Communist world. An incipient liberalization movement in Hungary was crushed by Soviet armed force in 1956, relations with Communist China deteriorated, and recurrent diplomatic challenges to the West culminated in a with drawal of Soviet missiles from Cuba following a confrontation with the US in October 1962.

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Collective Leadership

Khrushchev's performance resulted in his dismissal on October 14-15, 1964, and the substitution of a collective leadership in which Leonid I. Brezhnev became First Secretary of the CPSU and Aleksei N. Kosygin became Chairman of the Council of Ministers. The new leadership rescinded Khrushchev's domestic innovations, such as the establishment of parallel party and government hierarchies in urban and rural areas and the system of regional economic councils. The new leaders have also attempted to revamp the economic system in the interest of greater efficiency first by recentralizing ministerial control and then by formulating projected changes in middle management. Basic economic restructuring has been firmly rejected, but some economic reforms have gone from discussion to implementation. Soviet citizens have benefited from more liberal wages, welfare measures, and increased -- although still inadequate -- allotments of consumer goods, but have also experienced reduced freedom of expression in the cultural and intellectual fields.

In international affairs the new leadership has pursued a generally cautious policy, maintaining armed forces of more than three million men and pushing the development of advanced missile capability, but avoiding confrontation with the West and holding open the possibility of new agreements on disarmament, detente, and other matters. Its most serious problem has been the accelerating deterioration of relations with China and the resultant disorganization of the World Communist movement, a trend exemplified by the inconclusive result of a conference of 75 Communist parties held by Moscow on June 5-17, 1969.

The current policy of detente with America and the West is closely associated with the Brezhnev leadership which is evidently hoping for a period of stability during which Western technology and finance can be enlisted to overcome Soviet problems in economic development.

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POLITICAL SITUATION

Government and the CPSU

The Communist Party supplies the command center and nervous system, and the government furnishes the muscle of the Soviet Union. The 16-man Politburo meets weekly to decide the full range of policy matters. These decisions are then passed down through the party system for execution and verification in every administrative-territorial unit down to the basic party unit formed in every institution, plant, or farm where there are at least three party members.

The ten-man CPSU Secretariat also convenes weekly to check on execution of decisions and to draft reports for the Politburo, using its internal staff of several thousand party officials. The Secretariat is organized as a functional duplicate of Soviet society; there are departments responsible for monitoring industry, agriculture, propaganda, education, police, etc. Each party unit down the hierarchy has its own smaller version of this staff which controls and monitors institutions within its own jurisdiction. The Politburo includes the top leaders of the party, government, and the state as well as spokesmen for other key establishments. The adoption of joint party-state decrees and the ruling that Party Congress resolutions are the law of the land insures formal unity and coordination.

Centralization of Government

The Soviet Government follows a European ministerial pattern headed by a Premier. It is enormous for it encompasses the entire economy, which it administers in accordance with 5-year plans as recommended by the party. The government is organized at present in a highly centralized fashion, a reversal of Khrushchev's shortlived experiment with limited local control. The USSR Council of Ministers has counterparts in each of the 15 union republics, the largest of which is the Russian Republic with its capital also in Moscow, followed by the Ukraine whose capital is Kiev. Each is subordinate both to the USSR Council and to a lesser extent to its republic Supreme Soviet or "legislature."

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In structure, each Council of Ministers is headed by a Premier. There are ministries at the all-union, union-republic, and republic levels. The all-union ministries are located in Moscow and directly supervise local affiliates throughout the country; examples are the defense and aviation industries. Union-republic ministries have a central ministry in Moscow and subordinate ministries in the republics; they supervise such activities as agriculture and light industry. Republic ministries report only to the respective republic governments and usually handle industries of local significance.

Security and public order are maintained by the all-union Committee for State Security (KGB) and the union-republic Ministry of Internal Affairs (MVD). The KGB is responsible for VIP protection and communications, as well as for foreign espionage and guarding against domestic security threats. It also controls the para-military border guards and has subordinate internal security troop formations. The MVD directs the operations of the regular police or militia and urban fire fighting forces. It operates the forced labor camps and colonies whose inmates number more than one million, and the vast civil registry system which keeps tabs on the life of the population.

The legislative branch consists of a bicameral Supreme Soviet of the USSR, which is elected quadrennially. Its executive organ is a Presidium. Soviets (Councils) are elected in all territorial-administrative units, and they form executive committees, the local equivalents of the USSR and Republic Councils of Ministers, which comprise local government down to the village level. In keeping with the single-party system, electors cast their ballots for a single, preselected candidate for each elective office.

Trade Unions

There is also a plethora of quasi-public organizations which affect the daily activities of Soviet citizens. The most important of these are the bureaucratized trade unions whose membership totals 98 million. They control many Soviet welfare programs but function more like company than free unions. Their primary mission is to increase production.

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ECONOMIC SITUATION

The Soviet Union is the world's second largest industrial power. Soviet gross national product (GNP) is little more than half that of the US; per capita GNP slightly more than two-fifths. The USSR has achieved considerable economic progress in the past 40 years or so (except, of course, during the World War II years) by forcing the pace of industrialization which, until recent years, was pursued at the expense of agriculture and consumer goods and services.

Today, the USSR has a largely self-sufficient economy with a broad industrial base and a largely self-developed technology; but, except for such top-priority sectors as defense and space, Soviet technology lags considerably behind developed Western countries -- a defect which the government is seeking to remedy by recently stepped-up efforts to acquire advanced technology from these countries. Other pressing current problems include the need to improve the system of planning and management, increase productivity and product quality, and continue to modernize and increase farm production.

Major economic decisions are made by a relatively small group of leaders and are incorporated in annual and long-range plans. These plans cover all aspects of economic activity, such as the output of major commodities, investment, military production, consumer goods, foreign trade, labor supply, and housing construction. Production and trade enterprises are owned and operated by the state and are subject to close controls by the party and government organs. The economic "reform," which was launched in 1965 with the avowed intent of giving the individual enterprises greater operational autonomy, was only partially carried out and produced few tangible results. The recently announced massive reorganization of industrial management, now in the planning stage, may increase the efficiency and flexibility of the system but such an outcome is by no means assured.

State control of the economic system is reinforced by financial and accounting controls. As sole effective proprietor in the economy, the state controls the budget, the banking system, the accounting and statistical systems, and sets prices and wage rates. The only source of credit is the state bank. The two largest sources of budget revenue are the profits of production enterprises, the bulk of which are appropriated by the state,

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and the "turnover tax," a levy on all transactions involving the sale of consumer goods and the provision of consumer services. Personal income taxation provides less than 10% of the state's total revenue; the highest rate is 13.7% of taxable income.

As of June 1, 1973, the Soviet currency, the ruble, was officially set at $1.379, following a series of upward revaluations totalling 24% over the last year and a half. Since the ruble is not a convertible currency, the official Soviet ruble/dollar exchange rate is for all practical purposes meaningless -- with one important exception: it determines the ruble costs for US dollar users in the USSR.

Industry

The USSR has diversified, highly developed capital goods industries, such as mining, metallurgy, fuels and power, chemicals, machine-building, and construction materials. Consumer goods industries are far less developed, but the leadership is trying to correct this deficiency in order to improve the supply and quality of consumer goods and services to spur the working population to greater productive efforts. The output of Soviet industry nearly doubled during the 1960's, and accounts for more than 60% of GNP. Output is scheduled to increase by 47% during the current (Ninth) Five Year Plan (1971-75).

Agriculture

Despite noticeable increases in output in recent years, thanks to massive doses of investment, Soviet agriculture remains woefully inefficient. With 50% more land under cultivation than in the US, with 10 times more people working the land, and with substantially larger annual investments, the USSR produces only about three-quarters of the US farm output. Agricultural production accounts for about two-fifths of Soviet GNP.

In the countryside agriculture is organized into collective farms (kolkhozy) and state farms (sovkhozy). State farms

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are run as "agricultural factories" where farm workers are paid fixed wages. On collective farms, members traditionally shared in the distribution of the income only after all other obligations, such as compulsory deliveries to the state, had been met. But since mid-1966, guaranteed wages were established for collective farm workers on roughly the same scale as state farm wages.

On collective farms the members are guaranteed the personal use (but not ownership) of small "private plots" and the right to keep a small number of farm animals, the produce of which they are allowed to sell on the kolkhoz markets (the only legal free market in the USSR). Collective farm "private plots" comprise only about 4% of the total cultivated area but account for almost one-third of gross agricultural production.

The leadership has committed itself on a number of recent occasions to improve the quality of the diet of the Soviet people, mainly by a steep increase in the availability of meat and other animal husbandry products, requiring a sharp rise in the use of grain for feed. In pursuit of this objective, it has recently contracted for large imports of grain from the West, since domestic supplies apparently are, and for some years will remain, inadequate. At the same time, the massive investment program for the development of agriculture -- involving large-scale mechanization, chemicalization, and land improvement -- is scheduled to continue.

Labor Force

The Soviet labor force numbers more than 130 million persons, about 30% of whom are engaged in agriculture, close to 40% in industry and construction, and 8% in transport and communications. Other services (including health, education, cultural establishment, sports, arts, and science) account for 15% of the total labor force.

As a result of low birthrates during World War II and stadily declining birth rates over the last decade, the working age population has been growing at a diminishing rate; this is expected to be the case for at least another two decades. The government can no longer rely on

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massive inputs of labor to increase production. It hopes to maintain or even step up the relatively fast pace of economic growth by steep increases in labor productivity, which it hopes to achieve by large-scale technological modernization -- with substantial help from the West. In the current Five Year Plan, for example, 85% of the planned increase in industrial output and the entire planned increase in agricultural output are to be achieved through improvements in productivity.

Natural Resources

Because of the great size of the USSR, some supplies of virtually every natural resource are available in the country. Energy resources -- fuel and waterpower -- are estimated to be at least 25% of the world's total. Timber and manganese resources are the largest in the world. The USSR also has more than adequate supplies of lead, zinc, nickel, mercury, potash, and phosphate. It lacks a large domestic reserve of only two minerals -- tin and uranium.

Foreign Trade

Total Soviet foreign trade (exports plus imports) amounted to an estimated 31.5 billion in 1972, equal to only about 5% of GNP. Approximately two-thirds of Soviet trade is conducted with other Communist countries, predominantly with the six other East European members of the Council of Mutual Economic Assistance (CEMA). The USSR meets most East European needs for fuel and raw materials, although Soviet machinery exports are increasing, and purchases in return East European machinery and equipment. Soviet trade with China, which exceeded $2 billion in 1959 and fell to less than $50 million in 1970, increased to $250 million in 1972.

About 20% of the Soviet Union's trade, approximately $7 billion, is with the developed West. It is important to the USSR as a source of equipment and technology not available elsewhere. The leading Western trade partners are West Germany ($1 billion) and Japan (990 million). Total US-Soviet trade in 1972, up considerably from 1971's $220 million, amounted to $641 million; it consisted primarily of US exports ($546 million) of grain,

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chemicals, and nonelectric machinery, in return for imports from the USSR ($95 million) of raw materials (chromium ore, diamonds, and palladium) and semifinished products.

The remainder of Soviet trade (approximately $4.1 billion) is conducted with the non-Communist, less developed countries. It typically consists of Soviet machinery and equipment exports, usually associated with economic aid projects, in return for agricultural raw materials, foodstuffs, and some light manufactured goods.

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FOREIGN POLICY

Soviet foreign policy since 1917 has been shaped by an interaction of two major influences: the traditional national interests and security obsessions of the Russian state, and the revolutionary expectations of Communist ideology as interpreted by Lenin, father of the Union of Soviet Socialist Republics. In the decades since World War II, however, these traditional and ideological components have in turn been significantly modified by the political realities of the nuclear age and by the USSR's newly acquired status as a global superpower. Soviet military might has expanded greatly in recent years and Soviet leaders remain committed to the advancement of communism and of the USSR by whatever means possible, but translating power and ambitions into durable foreign policy achievements has grown increasingly complicated.

Basic Principles

Traditional Russian interests encouraged a geographically oriented view of the world, with proximity to the USSR's borders the major determinant. Thus central Europe was, and remains, an immediate concern. China, with over 4,000 miles of mutual frontier and 800 million people, always was a potential problem; the areas in between, once bones of contention with the colonial powers, now appear targets of opportunity.

However, the USSR's emergence as a global naval power and its achievement of rough nuclear parity with the US, both within the past decade, add new ingredients to this conventional ordering of priorities. Now Soviet ability to leapfrog traditional land barriers has opened prospects for more distant Soviet penetration and presence in the Third World. At the same time, the traditional invasion routes -- European primarily -- have lost much of their strategic importance in a missile age. Indeed, a quarter-century of direct military confrontation in the center of Europe has resulted in a semblance of military stability on the USSR's western front. On the other hand, the danger of war has increased in more distant areas where there

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is no direct superpower confrontation, but where client states have the capacity to involve their superpower patrons in local hostilities.

Basic Soviet foreign policy concepts stem for the most part from an earlier era. The complexities involved in reconciling those traditional concepts with current power realities has forced the present leadership to pursue often contradictory policy lines in recent years. Nevertheless, the ultimate direction of that basic policy has never been disavowed; only the tactics and strategy have changed in the postwar era.

Relations with Europe

The USSR's major concern since World War II has been to consolidate and perpetuate its hold on the areas of Eastern Europe which fell under its sway as a result of the war. Communist regimes installed under the aegis of a military occupation have since evolved into a "camp of socialist states" linked politically, militarily, and economically through instrumentalities such as the Warsaw Pact political-military alliance and CEMA economic grouping. In all states but Romania, Soviet forces are stationed under terms of bilateral agreements; in the case of Czechoslovakia the agreement was concluded subsequent to a Warsaw Pact invasion of the country in August 1968. Persistent centrifugal tendencies in the area and resurging national sentiments have on occasion led to outbursts against Soviet or Communist domination. Only Yugoslavia and Albania ever succeeded in eliminating Soviet hegemony (1948 and 1961, respectively), however; and Albania unilaterally withdrew from the Warsaw Pact at the time of the Czechoslovakian invasion.

Nevertheless, the continuing pressures for greater independence within the Eastern European camp have in part stimulated Soviet interest in a more normalized relationship between East and West Europe, if it can be achieved without endangering ultimate Soviet controls in Eastern Europe and the Communist regimes there. To that end, the USSR proposed the idea of a European security conference to consider more structured forms of East-West cooperation.

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The original proposal was a relatively amorphous suggestion; its realization did however presuppose elimination of disputes which heretofore had made European-wide cooperation impossible. Thus the Warsaw Pact's March 1969 appeal for a European conference in effect signaled Soviet and East European willingness for a negotiated resolution of the major issues dividing Europe, particularly those concerning Germany and Berlin. The following year, treaties between the USSR and the Federal Republic of Germany and between Poland and the FRG were signed; a Four-Power Berlin agreement was signed in 1972; by the end of the year the FRG and the GDR had concluded a Basic Treaty setting down the principles on which their future bilateral relations would be based.

Talks With the US

Concurrently, Soviet talks with the US on limitation of strategic missiles began in the fall of 1969, following successful negotiations in 1969 of a treaty barring the proliferation of nuclear weapons. The SALT exchanges resulted in a series of limited agreements signed at the Moscow Summit in May 1972; a second round of SALT negotiations got underway in March 1973. Both the US and the USSR are also participating in the multilateral talks on force reductions in Central Europe which began in early 1973. The ceasefire in Vietnam appears to have removed that issue as a deterrent to Moscow's exploring other possibilities for joint undertakings with the US. President Nixon's visit to China failed to alter this thrust, although Moscow still professes to see anti-Soviet implications in the US-Chinese rapprochement, particularly on the part of Peking.

Relations With China

Bilateral Sino-Soviet state relations seem to have stabilized over the past year. The border talks initiated after the 1969 military clashes along the Sino-Soviet frontier still remain stalemated, but no further military incidents of import were reported.

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Soviet efforts to secure condemnation of China in the international Communist movement have so far proved unsuccessful.

Asia and the Third World

Current Soviet promotion of "collective security" in Asia appears to be directed primarily toward a containment of the PRC although neutralization of US influence in the area is also a major factor. Soviet economic and political contacts with Japan continue to expand despite territorial disagreements. The treaty signed with India in 1971 aligned the USSR directly with New Delhi in the latter's conflict against Pakistan, which China supported. Elsewhere in the Third World, the USSR's efforts to erode Western influence are matched by parallel Soviet efforts to combat Chinese influence. In Africa, more limited programs have replaced the exuberant campaigns of the 1960's.

The USSR now seeks to improve bilateral relations with moderate states while encouraging ideological evolution in the more radical regimes toward Soviet-style socialism. In the Middle East, Arab dependence on Soviet assistance following the 1967 Arab-Israeli war permitted the USSR to strengthen its position in the Arab world and expand its naval presence in the Mediterranean. Treaties signed with Egypt (1971) and Iraq (1972) codified the relationship the USSR had developed with those two states to-date, and specified that Soviet assistance to both would continue. However, the expulsion of Soviet military advisors from Egypt in mid-1972 highlighted once again the uncertainties of Moscow's Arab alignments, and also probably heightened Soviet interest in finding a political settlement for the Arab-Israeli dispute. In Latin America, the USSR continues to provide economic support to the Cuban regime of Fidel Castro and Cuba has now joined the East European economic community, CEMA. Apparently, the Soviets also continue to discourage Cuban revolutionary ventures, at least on the Latin American continent.

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Meanwhile, Soviet diplomatic and economic relations with established Latin American governments have expanded, without regard for the individual regime's political coloration; indeed Moscow has chosen to deal circumspectly with the Marxist government in Chile in order to avoid giving rise to any suspicion of subversive intent or Communist connivance.

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THE MAY 1972 SUMMIT AND ITS AFTERMATH:

A Rundown of US-Soviet Agreements and Subsequent Developments

Arms Control

The arms control agreements reached at the Summit were aimed at striking a reasonable balance in strategic capabilities and breaking the pattern of unlimited competition between the two powers. They covered the following:

(1) The ABM Treaty, which limits anti-ballistic missile systems, allowing each side to have 100 ABM interceptors at each of its two sites and containing additional limiting provisions on anti-ballistic missiles.

(2) An Interim Agreement on offensive arms which freezes the number of strategic offensive missiles on both sides at approximately the levels operational and under construction at the time of signing, together with other specific provisions on weaponry limitations and prohibitions. This agreement is to run for five years unless replaced earlier by a permanent agreement which is the subject of current negotiations.

Basic Principles

Agreement was reached on 12 basic principles which in essence stipulated that differences in ideology and social systems are not obstacles to the bilateral development of normal relations based on the principles of peaceful coexistence -- that is, sovereignty, equality, non-interference in internal affairs, and mutual advantage. These principles reflect an acknowledgment by both sides of differences but express a code of conduct which, if observed, can contribute to world peace and to an international system based on mutual respect and self-restraint.

Bilateral Cooperation

The agreements reached on bilateral cooperation covered:

(1) Science and Technology
(2) Medical Science and Public Health
(3) Environmental Protection
(4) Exploration and Use of Outer Space for Peaceful Purposes
(5) Prevention of Incidents at Sea.

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Implementation of all these agreements has been carried forward as expected. Space agencies have conducted preliminary tests of models of a spacecraft docking system, and crew training will begin this summer; the Joint Committee on Environmental Protection met in Moscow in September 1972 and planned 30 collaborative projects on a variety of subjects, including air and water pollution; programs for cooperative research on heart disease and cancer were developed by public health authorities in October and November 1972; the Joint Commission on Science and Technology met in Washington in March 1973 and agreed to carry out some 25 projects in fields such as energy, chemistry, biology and agricultural research; and a protocol on further measures to prevent incidents at sea was signed in Washington in May 1973.

Economic Relations

At Summit I it was agreed that the Soviet lend-lease debt to the US should be cleared away. It was also decided that a formal trade agreement should be negotiated. It was agreed to act in accord with generally established international practice as regards arbitration of disputes, establishment of commercial facilities in each country, MFN, etc. A Joint Commercial Commission was established.

Following the Summit trade negotiations took place and in July 1972 a three-year agreement for the export of US agricultural products and the extension of US credits was concluded. By October the principal agreements were concluded: a settlement of the lend-lease question; a formal trade agreement; and a maritime agreement.

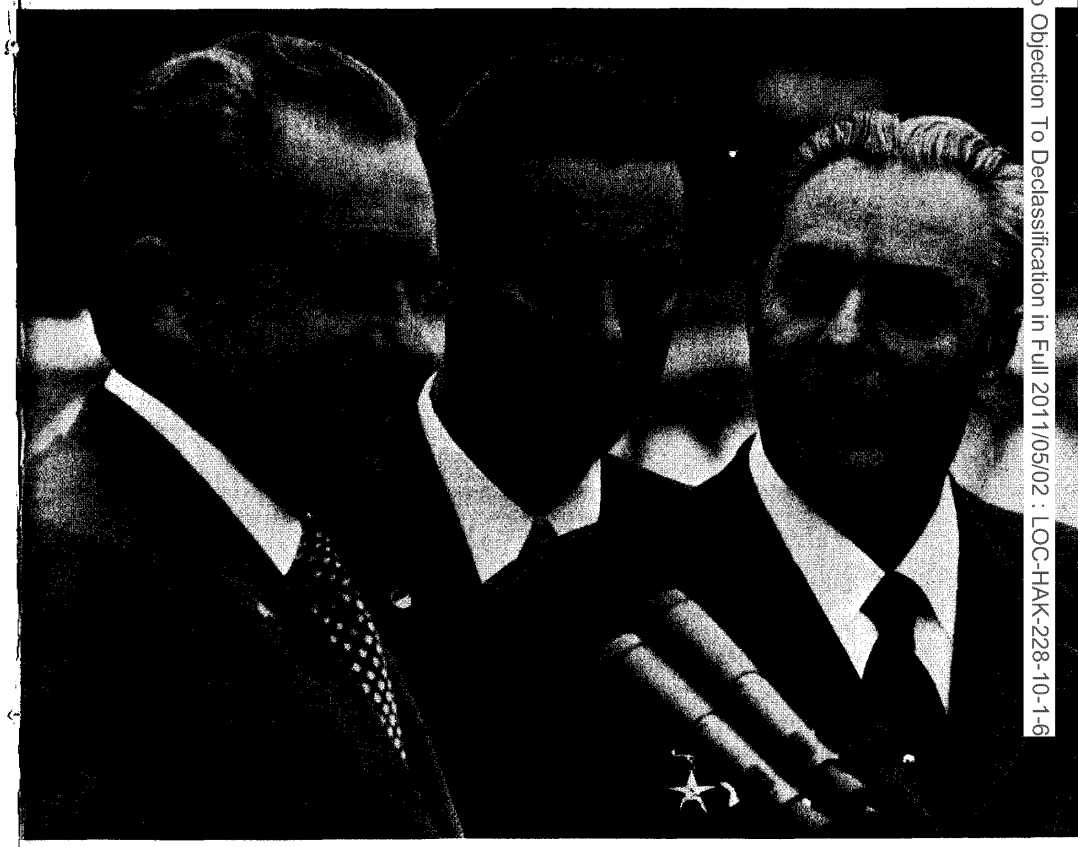
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SUMMIT CHRONOLOGY

Tehran	Nov. 28-Dec. 1, 1943	
		Roosevelt-Stalin (Churchill)
Yalta	Feb. 4-11, 1945	
		Roosevelt-Stalin (Churchill)
Potsdam	July 17-Aug. 2, 1945	
		Truman-Stalin (Churchill-Attlee)
Geneva	July 18-23, 1955	
		Eisenhower-Khrushchev (Eden-Faure)
Camp David	Sept. 15-27, 1959	
		Eisenhower-Khrushchev
Vienna	June 3-4, 1961	
		Kennedy-Khrushchev
Moscow	May 22-30, 1972	
		Nixon-Brezhnev
Washington	June 18-26, 1973	
		Nixon-Brezhnev

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THE WASHINGTON SUMMIT:
General Secretary Brezhnev's Visit to the United States, June 18-25, 1973



DEPARTMENT OF STATE

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Leonid I. Brezhnev, General Secretary of the Central Committee of the Communist Party of the Soviet Union, arrived in the United States on June 16 for an official visit June 18–25, 1973. This pamphlet consists of documentation, reprinted from *The Department of State Bulletin* of July 23, relating to that visit.

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Cover: President Nixon greets General Secretary Brezhnev at the White House on June 18. Standing behind the General Secretary is V.M. Sukhodrev, Counselor and Interpreter of the Ministry of Foreign Affairs.

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THE WASHINGTON SUMMIT: General Secretary Brezhnev's Visit to the United States, June 18-25, 1973

REMARKS AT WELCOMING CEREMONY AT THE WHITE HOUSE, JUNE 18

Weekly Compilation of Presidential Documents dated June 25

President Nixon

Mr. General Secretary and all of our distinguished guests: Mr. Brezhnev, it is a very great honor for me to welcome you on your first visit to the United States. It was just a year ago that we met in Moscow, and on that occasion we entered into a number of agreements that changed the relationship between our two great countries in a very profound way.

What has happened since those agreements have been entered into, and the preparations that have been made over many, many months, the correspondence that we have had, and other meetings, lead me to conclude that this year at the summit in Washington we will not only build on the foundation that we laid last year but that we have the opportunity to make even greater progress than we made last year toward the goals that we share in common—the goals of better relations between our two governments, a better life for our people, the Russian people, the American people, and above all, the goal that goes beyond our two countries, but to the whole world—the goal of lifting the burden of armaments from the world and building a structure of peace.

As you know, Mr. General Secretary, these television cameras mean that right now millions in America and millions in the Soviet Union are seeing us as we appear together and as we speak.

I could also add that not only are the Russian people, the Soviet people, and the American people watching, but all the world is watching as we meet on this occasion, because the people of the world know that if the leaders of the two most powerful nations of the world can work together and their governments can work together, the chance for a world of peace is infinitely increased.

The hopes of the world rest with us at this time in the meetings that we will have. I am confident, Mr. General Secretary, that in our meetings this week we shall not disappoint those hopes.

We wish you a good stay in our country, but above all, on this, which is a trip of such great significance to our two peoples and to the world, we trust that at the end not only the Soviet people and the American people but the people of the world will look on this event as a great step forward in the goal we all want—not only peace between our two countries but peace and progress for all the people of the world.

General Secretary Brezhnev[1]

Esteemed Mr. President, esteemed Mrs. Nixon, ladies and gentlemen: I am happy to have a new meeting with you, Mr. President, and I thank you for the warm words addressed to us, representatives of the Union of Soviet Socialist Republics.

This is my first visit to your country, my first direct acquaintance with America and the American people. We have made a long

[1] General Secretary Brezhnev spoke in Russian on all occasions.

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journey from Moscow to Washington. Our two capitals are separated by over 6,000 miles.

But international politics has its own concepts of relativity, not covered by Einstein's theory. The distances between our countries are shrinking, not only because we travel aboard modern aircraft following a well-charted route but also because we share one great goal, which is to insure a lasting peace for the peoples of our countries and to strengthen security on our planet.

One year ago in Moscow we jointly took a major step in that direction. The results of our first meeting laid a good and reliable foundation for peaceful relations between our two countries.

But even then we both took the view that, building on that foundation, we should move further ahead. During the past year a good beginning has been made in that sense. And now we regard our visit to the United States and the forthcoming meetings with you as an expression of our common determination to make a new contribution to what was jointly initiated.

I and my comrades who have come with me are prepared to work hard to insure that the talks we will have with you, Mr. President, and with other American statesmen justify the hopes of our peoples and serve the interests of a peaceful future for all mankind.

EXCHANGE OF TOASTS AT A DINNER AT THE WHITE HOUSE, JUNE 18

Weekly Compilation of Presidential Documents dated June 25

President Nixon

Mr. General Secretary, members of the Soviet delegation, and all of our distinguished guests and friends: As all of these lights were turned on, the General Secretary, with his delightful sense of humor, said, "At the end of the dinner, Mr. President, you decided to fry our guests."

As all of you came through the receiving line tonight, the General Secretary noted that you came from all parts of the country, from both political parties, from business, from labor, from all segments of our society. And the question that he asked on several occasions was whether the individuals concerned supported the new initiatives with regard to Soviet-American friendship and cooperation which we have undertaken. And I would like to say to our very distinguished guest tonight that not only in this room but across this country, regardless of political party, regardless of whatever the organization may be, the overwhelming number of Americans support the objective of Soviet-American friendship.

Now, I am told that in the Ukraine, where we were so very well received on our visit to Kiev last year and where our guest of honor this evening lived as a young man, there is a proverb which says, "Praise the day in the evening."

I take this bit of advice as my text this evening for a few reflections on the first day of the very important week of meetings and also on the first year of an historic new departure in the relations between the United States and the Soviet Union.

The results of our discussions today allow us to praise, indeed, our day today. We have resumed the talks that ended just over a year ago. We have resumed those talks on a new foundation of significant accomplishments in reshaping relations between our two peoples and between our two countries. Our common starting point was the document that you, Mr. Brezhnev, and I signed on May 29, 1972, in which we agreed on basic principles of our relations and the agreements to limit strategic weapons.[2] On this basis, a year ago we set a course toward a more constructive and mutually beneficial relationship.

We have been able to embark on this course because we have recognized certain fundamental factors. We have recognized that despite the differences in our ideology and our social systems, we can develop normal relations. We have agreed that in the nuclear age there is no alternative to a policy of peace for any nation. We have recognized that we have special responsibilities to work for the removal of the danger of war, and of nuclear war in particular. We have accepted the

[2] For text of the basic principles, see *Department of State Bulletin* of June 26, 1972, p. 898.

about a more peaceful world. They are not geared in any respect to any of the domestic situations.

This schedule was determined at a time when it was believed that [John W.] Dean would testify last week, and it was agreed then that in view of the fact that the General Secretary's speech was on television yesterday, that his departure statement would be on television yesterday, and in view of the fact that it is more appropriate to release communiques at a time he is leav the country, that the release of the comm nique would be on Monday and theref the briefing of the communique would be Monday. That is a schedule that was de mined, I repeat, at a time when we did know that the hearings would be postpor

If I have another briefing on Wednesc it is in response to the repeated request many of you ladies and gentlemen that have a more informal session, less geare the words of the communique, to set this better perspective.

But, since you have raised the issue, I say now, I will move you to Thursday remove any question about it. The thou had never crossed our mind, and we will n if there is one, have it on Thursday.

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Q. Could I suggest that the day is less important than it be sometime later in the afternoon, California time.

Dr. Kissinger: Work it out with Ron. If there is another briefing, the purpose is to permit a somewhat more philosophical discussion of where we are going. The timing should be left to what produces the best philosophical discussion.

Q. Dr. Kissinger, the proposal for a world disarmament conference has been mentioned many times over the years and has not been a subject necessarily of agreement between the Soviet Union and the United States as to its usefulness. I wonder whether the mention of it here in the communique, whether you would characterize it as one of the accomplishments of the summit?

Dr. Kissinger: The world disarmament conference was mentioned in last year's communique, and therefore to have it mentioned again cannot be considered a radical departure and one of the principal accomplishments of the conference.

We have said that we would be prepared to discuss it at an appropriate time, and I suspect that this will lead to several exchanges on that subject.

. . . . .

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communique says, we are looking on them favorably. But it is hard to discuss in the abstract.

Q. There is a reference in the communique to a meeting at the highest level to complete the European Security Conference. What sort of time frame do you have in mind?

Dr. Kissinger: As you notice, the communique makes no particular reference to a specific time frame, and therefore this question will be easier to answer after the Foreign Ministers have met and particularly after the commissions have started their work. It will depend to some extent on whether the European participants will decide to take a summer vacation and the commissions will decide to take a summer vacation in August or not. The time frame is, as the communique says, the quickest possible time, but there is no particular time limit.

Q. We are talking about some period within less than a year, aren't we?

Dr. Kissinger: That would be a reasonable assumption, but it depends on the progress of the conference. But that is a good working hypothesis.

Q. On the Watergate, the inevitable question as to whether Watergate in any way was discussed between the President and the General Secretary, and would you, Dr. Kissinger, be prepared to comment on published speculation that the pressures of Watergate applied a more modest negotiating technique on the part of the President in his expectations on the summit?

Dr. Kissinger: With respect to the first question, Watergate was not discussed. And I don't think the point has yet been reached where our domestic travails are discussed with foreign leaders. Second, the negotiating frame for the summit was established last year and was in no way affected by Watergate.

Q. Dr. Kissinger, did the Soviet side, coming back to the natural gas deals, ask for a more specific, more categorical American endorsement of these, particularly the latest Occidental Petroleum deal, and a promise of guarantees on the credits than is in the communique?

Dr. Kissinger: No, the specific status of the gas deals is now that they have to be moved from these abstract declarations of intent to some concrete propositions. These concrete propositions have to be developed, in the first instance, by the companies concerned that have to make a judgment of the degree of investment that is required and also on whether it is an economic proposition. At that point, one will have to determine ether this can be done entirely by private ital or if it requires, at least in some of its ects, some U.S. governmental guarantees. it point has not yet been reached, because projects have not yet been formulated precise economic propositions.

). Dr. Kissinger, in what way are the documents and agreements signed by the General Secretary of the Soviet Communist ty binding in any respect on the Soviet vernment, and another rather petty question, is there any connection between the ing of this week's events or at least the mmunique, this press conference this rning and your press conference Wednesif you have one—is there any connecn between that timing and the Watergate nts going on in Washington?

Dr. Kissinger: With respect to the first stion, whenever the General Secretary of Communist Party signs a document, we given—it is actually legally a very good stion—we are given a document by the viet Foreign Ministry pointing out that he full powers to sign that document, bese, as you know, Mr. Brezhnev has no cial governmental position. So that legally documents which he signed this year and documents which he signed last year are y within Soviet constitutional processes, we have also an official Soviet statement at he has full governmental powers to sign the document.

Secondly, with respect to my briefings, our view here has always been that the necessities that produce foreign policies are of a permanent nature and that our objective is what I described at the beginning, to bring

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great task of limiting strategic arms. We have recognized that our responsibilities include the scrupulous respect for the rights of all countries, large or small.

Today, in the discussions we have had, we have reconfirmed these principles. We have laid the groundwork for a significant improvement in our relations that will result from the discussions and agreements undertaken this week.

We receive you and your colleagues tonight, and for this week, with the firm intention of building on our past successes. A year ago, when I reported to the Congress upon my return from the Soviet Union, I described the principles we had agreed to as a roadmap—a map which would be useful only if both our two countries followed it faithfully. Tonight, looking back over the first 12 months of our journey along the route which that map marks out, I believe there is good reason to be encouraged. Now we have another profound opportunity to advance along this course that we set for ourselves in Moscow a year ago.

It is America's hope that the coming days of our meetings will carry forward the promising start that we have made on this first day.

Our two peoples want peace. We have a special responsibility to insure that our relations—relations between the two strongest countries in the world—are directed firmly toward world peace.

Our success will come to be measured not only in years but in decades and in generations and probably centuries.

Mr. General Secretary, many American Presidents and many very distinguished foreign leaders over a period of 180 years have dined together in this room, and they have worked together for peace within these walls. But none of them, I believe, have borne a heavier responsibility or faced a more magnificent opportunity than we do today and this week.

The question is: Shall the world's two strongest nations constantly confront one another in areas which might lead to war, or shall we work together for peace? The world watches and listens this week to see what our answer is to that question. Mr. General Secretary, I know that your answer, based on our acquaintanceship and our discussions today and a year ago, is the same as mine to that question. We shall be worthy of the hopes of people everywhere that the world's two strongest nations will work together for the cause of peace and friendship among all peoples regardless of differences in political philosophy.

So to all of our distinguished guests, will you join me in a toast to the General Secretary, his colleagues, to the friendship of the Soviet and American peoples, and peace between our countries and among all nations.

General Secretary Brezhnev

Esteemed Mr. President, esteemed Mrs. Nixon, ladies and gentlemen: Permit me first of all to thank you, Mr. President, for the invitation to visit your country, for the kind words you have just said here, and for the hospitality you are according us on the soil of the United States.

Taking this opportunity, I should like to say that it gives me great satisfaction to be able to continue my talks with you aimed at the further improvement of Soviet-American relations initiated in Moscow in May of last year.

The time that has elapsed since our Moscow meeting has, I feel, convincingly confirmed the correctness of the jointly taken line of invigorating the relations between the U.S.S.R. and the U.S.A. and of reshaping them in accordance with the principles of peaceful coexistence which were set out in the document you and I signed a year ago. I trust you will agree, Mr. President, that we are on the right track, as it is one that meets the fundamental interests of the peoples of our countries and of all mankind.

And what has already been done and is being done to give effect to the basic principles of mutual relations between our countries laid down in Moscow is of no small significance. Life is the best counselor. The results of the past year suggest the direction for further advance. They inspire us to take, in the course of this meeting, new major

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steps and give Soviet-American relations greater stability and thereby increase the contribution of our countries to the cause of peace and international détente.

Of course, the reshaping of Soviet-American relations is not an easy task. And the crux of the matter lies not only in the fact that the U.S.S.R. and the U.S.A. have different social systems. What is also required is to overcome the inertia of the cold war and its aftereffects in international affairs and in the minds of men.

However, mankind's development requires positive and constructive ideas. I am convinced, therefore, that the more persistently and speedily we move toward the mutually advantageous development of Soviet-American relations, the more tangible will be the great benefits of this for the peoples of our countries and the greater will be the number of those in favor of such a development, and they are known to be in the majority even today. That is why we are in favor of building relations between the Soviet Union and the United States on a properly large scale and a long-term basis.

We have come here to Washington with a firm desire to give, together with the leaders of the United States, a new and powerful impetus to the development of Soviet-American relations along precisely those lines, and this fully accords with the peace program adopted by the 24th congress of our party. In its resolution, the congress stressed in the most definite terms the Soviet Union's readiness to develop relations with the United States of America proceeding from the assumption that this meets both the interests of the Soviet and American peoples and the interests of universal peace.

I would like our American partners and all Americans to be fully aware that this decision by the supreme forum of our party, the ruling party of the Soviet Union, reflects the fundamental position of principle of the Soviet Government and of our entire people in matters bearing on relations with the United States of America. And that determines the policy we are pursuing.

In today's discussion with the President, I spoke of the favorable feelings of our people in all parts of the country as regards the decisions taken last year during our summit meeting in Moscow, and I spoke of the friendly feelings, the desire of the Soviet people for friendship with the United States.

Now, Mr. President, the peoples are indeed expecting a great deal from our new meeting. And I believe it is our duty to live up to these expectations. The first discussions we have had with you here at the White House do, I feel, confirm that this is the mutual desire of both sides.

And I would venture in this connection to express the hope, and even the confidence, that our present meeting will play an important role in further strengthening mutually advantageous cooperation between our countries and in improving the international climate as a whole.

And let me make one more point. It is well known that the initiated process of bettering Soviet-American relations is evoking a broad response throughout the world. Most comments indicate that the peoples and the governments of other countries are welcoming this improvement. And this is quite natural. They see in it an encouraging factor for the invigoration of the international situation as a whole and a major contribution by the U.S.S.R. and the U.S.A. to a stronger universal peace.

It is absolutely clear to anyone who is at least slightly familiar with the real course of events and with the real nature of the development of Soviet-American relations that their improvement in no way prejudices the interests of any third country.

Naturally, the development of good relations between the Soviet Union and the United States will have, and already has, no small a bearing on world affairs. But this influence is one that promotes the strengthening of peace, security, and international cooperation. In building through joint effort a new structure of peaceful relations, we have no intention of turning it into a secluded mansion completely fenced off from the outside world. We want to keep this spacious edifice open to all those who cherish the peace and well-being of mankind.

Mr. President, present-day political realities require that the relations between our countries be built on a realistic basis. We are not blind to the fact that there are many problems in the world that can be said to be safer, more peaceful, and more permanently free of crisis than the one we found.

But we, in our view, cannot achieve this by unilateral reductions of American strength, and we believe that the course on which we are—which has made, in our judgment, significant progress—can be maintained only if we were to continue to pursue it on the basis of strict reciprocity.

Q. If I may, I would like to come back to this not so important adjective "balance." Isn't it true that the Soviets have quite a different interpretation of balance than you have, and is this one of the reasons why even the formal title of MBFR talks was not spelled out in the communique?

Dr. Kissinger: What was spelled out in the communique is, I believe, consistent with what was agreed to in Vienna. The future force reductions in Europe will not be determined by adjectives. It will be determined by concrete programs. It will not be determined by constant insinuations of some dark American design.

The United States has taken the view and has stated publicly that our security is integrally linked to the security of our European allies. Therefore we are prepared to work with our European allies on working out a concrete program that reflects the common conception of security. We have invited our European allies to participate with us in developing this program, and we think the time has come to discuss the program, rather than the adjectives of a title of a conference.

Q. Dr. Kissinger, did they give us to understand that they would play a useful role in seeking a cease-fire in Cambodia, and have we give them to understand that we will be winding down our bombing there in the meantime?

Dr. Kissinger: I don't think any useful purpose is served if I go into the details of these discussions with respect to Cambodia. The primary problem with respect to Cambodia now is whether it is possible in a finite period of time to bring about a negotiation that leads toward a political settlement and produces a rapid cease-fire. The particular tactics of particular operations are subsidiary to that overriding issue which was the subject of discussions.

Q. Dr. Kissinger, does the agreement to prevent nuclear war mean that we would have to enter into consultations with the Russians before we would come to the defense of an ally under attack?

Dr. Kissinger: The agreement for the prevention of nuclear war, in article VI, makes clear that allied obligations are unaffected. Secondly, the significance of article IV is that in case of situations that might produce the danger of nuclear war in general, consultations have to be undertaken. It should therefore be seen as a restraint on the diplomacy of both sides and, as I pointed out on Friday, not a guide to action in case those restraints break down and war occurs.

Q. Dr. Kissinger, on the economic front, here you talk about that serious and sympathetic consideration should be given by the U.S. Government. Earlier you stressed in your discussion—

Dr. Kissinger: Consideration to what?

Q. To proposals that are in the interests of both sides. These are business proposals, presumably. Earlier you stressed the importance of the private corporations in the negotiations. What happens when they conflict and a corporation says this is in our mutual best interest, but perhaps you do not? A case in point right now is the natural gas deals. There are two of them that were discussed before. One corporation went out and made a deal. How do you resolve this question?

Dr. Kissinger: To the extent that corporations can implement their deals without the aid of the government, we can do no more than express our views to their directors. To the extent that the corporations require the assistance of the government or the guarantee of the government of their investment, we have the possibility of gearing the decisions to our national policy.

Now, with respect to the natural gas deal, we are not under the impression that these companies have the resources to do them entirely on their own, and therefore we can relate them to national policy; but as the

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ward the conflict in Indochina and a more disassociated attitude than was the case in the 1960's.

Q. My impression is that the granting of most-favored-nation status to the Soviet Union, whether or not it is granted, is no longer a serious obstacle to the development of long-term trade. Is that the case?

Dr. Kissinger: No, we believe that the granting of most-favored-nation status to the Soviet Union is important for the development of large-scale trade, and it is extremely important to the development of Soviet-American relations. This was part of the series of understandings in a whole complex of relationships between us and the Soviet Union last year, and it would cast serious doubt on our ability to perform our side of understandings and agreements if in each case that part of an agreement that is carried out later by one side or the other is then made the subject of additional conditions that were not part of the original negotiation. And therefore I would say that for both symbolic and substantive reasons, and substantively both economic and political, it would be very unfortunate if the request to grant most-favored-nation status to the Soviet Union, which means nondiscriminatory status vis-a-vis the Soviet Union, were not granted.

Q. Can you address yourself to two impressions?

Dr. Kissinger: Impressions or questions?

Q. However you like, impressions and a question. First, is there here a signal to the Russians that they have a free hand where China is concerned, as a followup to an earlier question? And the second impression, Dr. Kissinger, in the 89 words devoted to the Middle East, one gets the impression that the Soviet Union and the United States are as far apart as before.

Dr. Kissinger: With respect to the first question, as I said on Friday, I do not want to go into hypothetical cases addressed to particular countries. However, since you raised the question, let me say this: I don't know what a free hand vis-a-vis China means. The Soviet Union has declared officially that it has no military intentions vis-a-vis the People's Republic of China.

On the other hand it is difficult to conceive a military attack by anybody on the People's Republic of China that would not endanger international peace and security, and therefore it would be thought to be, from whatever direction it came, not consistent with our view of this treaty, but I repeat: This does not imply that we have any reason to believe that any such attack is contemplated

o ıat any of this subject was discussed at

a etween them.

ith respect to the Middle East, the com-

n ique makes clear that there is no una-

n ty of views. Whether that is as wide as

b re or narrower, I think we should let

t future decide, but obviously the subject

v discussed at some length.

The glowing manner in which the two

l ers have described their past weeks—

r. *Kissinger:* What manner?

Glowing manner, the euphoric manner.

r. *Kissinger:* Don't top yourself. [Laugh-

t

—carries with it the impression that

v can now expect an acceleration of de-

r ds or requests or proposals, at least

v in our own country, for the reduction

c ırmaments. A moment ago you talked

a it the necessity of maintaining vigilance.

V ıld you discuss that in context with the

s mit meeting?

s r. *Kissinger:* This period requires great

ı uistication on the part of the American

v ple. We have reached this point because

c have proceeded from the basis of ade-

e e strength and because we have consist-

y taken the position that we would

ı ce our strength only by agreement with

t other side in some agreed relation to the

ı ıctions by the other side.

his must remain an essential part of our policy, and we cannot do, as a result of this agreement, unilaterally those things that the Soviet Union will not do. We have made it clear in the communique and we have made it clear in the conduct of our policy that the principal goal of this administration in the field of foreign policy is to leave behind it a

ties show in practice how arduous and toilful can at times be the tasks involved in carrying out the foreign policy of nations. But when our thoughts and practical deeds are directed toward achieving the noble goals of peace, the burden is not oppressive, but rather gives strength and confidence.

The start of our negotiations—and I have in mind both their content and the atmosphere in which they are proceeding—gives reason to hope that their results will be fruitful and will become a new landmark in Soviet-American relations.

Ladies and gentlemen, permit me to offer a toast to the health of the President of the United States of America and Mrs. Nixon, to the health of all the members of the American Government present here, to all Americans who support the great and noble cause of peace among nations.

Agreements Signed June 19

AGREEMENT ON COOPERATION IN AGRICULTURE

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS ON COOPERATION IN THE FIELD OF AGRICULTURE

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics;

Taking into account the importance which the production of food has for the peoples of both countries and for all of mankind;

Desiring to expand existing cooperation between the two countries in the field of agricultural research and development;

Wishing to apply new knowledge and technology in agricultural production and processing;

Recognizing the desirability of expanding relationships in agricultural trade and the exchange of information necessary for such trade;

Convinced that cooperation in the field of agriculture will contribute to overall improvement of relations between the two countries;

In pursuance and further development of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Fields of Science and Technology of May 24, 1972, and in accordance with the Agreement on Exchanges and Cooperation in Scientific, Technical, Educational, Cultural and Other Fields of April 11, 1972, and in accordance with the Agreement on Cooperation in the Field of Environmental Protection of May 23, 1972;

Have agreed as follows:

ARTICLE I

The Parties will develop and carry out cooperation in the field of agriculture on the basis of mutual benefit, equality and reciprocity.

ARTICLE II

The Parties will promote the development of mutually beneficial cooperation in the following main areas:

1. Regular exchange of relevant information, including forward estimates, on production, consumption, demand and trade of major agricultural commodities.

2. Methods of forecasting the production, demand and consumption of major agricultural products, including econometric methods.

3. Plant science, including genetics, breeding, plant protection and crop production, including production under semi-arid conditions.

4. Livestock and poultry science, including genetics, breeding, physiology, nutrition, disease protection and large-scale operations.

5. Soil science, including the theory of movement of water, gases, salts, and heat in soils.

6. Mechanization of agriculture, including development and testing of new machinery, equipment and technology, as well as repair and technical service.

7. Application, storage and transportation of mineral fertilizers and other agricultural chemicals.

8. Processing, storage and preservation of agricultural commodities, including formula feed technology.

9. Land reclamation and reclamation engineering, including development of new equipment, designs and materials.

10. Use of mathematical methods and electronic computers in agriculture, including mathematical modeling of large-scale agricultural enterprises.

Other areas of cooperation may be added by mutual agreement.

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ARTICLE III

Cooperation between the Parties may take the following forms:

1. Exchange of scientists, specialists and trainees.
2. Organization of bilateral symposia and conferences.
3. Exchange of scientific, technical and relevant economic information, and methods of research.
4. Planning, development and implementation of joint projects and programs.
5. Exchange of plant germ plasm, seeds and living material.
6. Exchange of animals, biological materials, agricultural chemicals, and models of new machines, equipment and scientific instruments.
7. Direct contacts and exchanges between botanical gardens.
8. Exchange of agricultural exhibitions.

Other forms of cooperation may be added by mutual agreement.

ARTICLE IV

1. In furtherance of the aims of this Agreement, the Parties will, as appropriate, encourage, promote and monitor the development of cooperation and direct contacts between governmental and non-governmental institutions, research and other organizations, trade associations, and firms of the two countries, including the conclusion, as appropriate, of implementing agreements for carrying out specific projects and programs under this Agreement.
2. To assure fruitful development of cooperation, the Parties will render every assistance for the travel of scientists and specialists to areas of the two countries appropriate for the conduct of activities under this Agreement.
3. Projects and exchanges under this Agreement will be carried out in accordance with the laws and regulations of the two countries.

ARTICLE V

1. For implementation of this Agreement, there shall be established a US–USSR Joint Committee on Agricultural Cooperation which shall meet, as a rule, once a year, alternately in the United States and the Soviet Union, unless otherwise mutually agreed.
2. The Joint Committee will review and approve specific projects and programs of cooperation; establish the procedures for their implementation; designate, as appropriate, institutions and organizations responsible for carrying out cooperative activities; and make recommendations, as appropriate, to the Parties.
3. Within the framework of the Joint Committee there shall be established a Joint Working Group on Agricultural Economic Research and Information and a Joint Working Group on Agricultural Research and Technological Development. Unless otherwise mutually agreed, each Joint Working Group will meet alternately in the United States and the Soviet Union at least two times a year. The Joint Committee may establish other working groups as it deems necessary.
4. The Executive Agents for coordinating and carrying out this Agreement shall be, for the Government of the United States of America, the United States Department of Agriculture, and for the Government of the Union of Soviet Socialist Republics, the Ministry of Agriculture of the USSR. The Executive Agents will, as appropriate, assure the cooperation in their respective countries of other institutions and organizations as required for carrying out joint activities under this Agreement. During the period between meetings of the Joint Committee, the Executive Agents will maintain contact with each other and coordinate and supervise the development and implementation of cooperative activities conducted under this Agreement.

ARTICLE VI

Unless an implementing agreement contains other provisions, each Party or participating institution, organization or firm, shall bear the costs of its participation and that of its personnel in cooperative activities engaged in under this Agreement.

ARTICLE VII

1. Nothing in this Agreement shall be interpreted to prejudice or modify any existing Agreements between the Parties.
2. Projects developed by the US–USSR Joint Working Group on Agricultural Research which were approved at the first session of the US–USSR Joint Commission on Scientific and Technical Cooperation on March 21, 1973, will continue without interruption and will become the responsibility of the US–USSR Joint Committee on Agricultural Cooperation upon its formal establishment.

ARTICLE VIII

1. This Agreement shall enter into force upon signature and remain in force for five years. It will be automatically extended for successive five-year periods unless either Party notifies the other of its intent to terminate this Agreement not later than six months prior to the expiration of this Agreement.
2. This Agreement may be modified at any time by mutual agreement of the Parties.
3. The termination of this Agreement will not affect the validity of implementing agreements concluded under this Agreement between institutions, organizations and firms of the two countries.

DONE at Washington, this 19th day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

For the Government of the United States of America:
EARL L. BUTZ

For the Government of the Union of Soviet Socialist Republics:
A. GROMYKO

May, or was that actively under consideration at this summit?

Dr. Kissinger: No.

Q. You suggested that most things had been decided on the agenda by April or May. I wondered if this matter had been excluded at that point for possible agreement or was under active consideration for agreement here?

Dr. Kissinger: When I say "had been decided by April or May," let me make clear what I mean. By the end of my visit to Zavidovo, it was not that everything had been decided, but that the range within which negotiations between the two leaders would take place had been essentially determined and therefore the shape of probable agreements had become fairly clear. By that time it was clear that there would be no agreement on chemical warfare.

Q. It used to be a theory that it would be a good idea for the top Soviet leader to come to this country to get an idea of our strength; that is, the size of the country, what the people are like, the size and scope of our production, that kind of thing. The summit conference could have been held on a rock in the Atlantic Ocean for as much as little that Mr. Brezhnev saw of America and Americans. Did he have at any time any desire to see anything of us and our country outside of the Presidential compound?

Dr. Kissinger: The nature of the travel of the General Secretary was left to him. He made it clear that he could go anywhere he chose and for as long as he wished, so the General Secretary's itinerary was not determined by us. However, it seemed logical to us as well that the General Secretary would to follow the summit in Moscow that he had been devoted entirely to work with just a few very brief side trips with another summit in the United States of a more or less similar nature, in which the two leaders would spend most of their time in accelerating the momentum of their previous conversations.

I think, however, it is safe to say that now that the basic course has been established and many of the major agreements have been achieved, that the purpose to which you referred will be realized in future summits. For example, the General Secretary has pointed out to the President that when he returns to the Soviet Union in 1974, the Soviet Union would like it very much if we would agree to a greater exposure to various aspects of Soviet life and also to see more of the Soviet Union than proved to be the case last year. We have agreed to this.

If these summits become annual events and the General Secretary returns here in 1975, it can be taken for granted that much more extensive travel would be included in his program.

Q. Dr. Kissinger, concerning Indochina, on page 8, the last sentence on page 8 says that the leaders may also reaffirm their stand that the political futures of Viet-Nam, Laos, and Cambodia should be left to the respective peoples to determine, free of outside interference. Have you detected any change, perhaps, in the Soviet attitude concerning the current fighting in Cambodia, and particularly, do the Soviets disapprove at all of any activities that Hanoi may be undertaking in Cambodia, either supply or military?

Dr. Kissinger: First, let us get the Cambodian problem into perspective. We are talking here of the very last phase of a very prolonged war. We are not talking here of the beginning of another Indochina conflict. I don't want to characterize the Soviet attitude toward Cambodia. I think the Soviet Union should speak for itself.

I think that this sentence here states our view exactly: that we agreed that the future of Cambodia should be left to the Cambodian people and that peace should come consistent with the sovereignty and the rights of self-determination of the Cambodians. We are actively engaged in attempting to bring this about at this moment, and we believe, as I said previously, that as the relationships among the great powers fall into clearer focus, as one looks at these areas less from their symbolic aspect of either being the spearhead of wars of national liberation or of being a conspiracy directed, it was thought once, from Peking, I think that all countries can adopt a more responsible attitude to-

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treaties on the strategic arms, or what?

Dr. Kissinger: Well, you know that the proposal for a world disarmament conference is one that the Soviet Union has repeatedly made. It was included in last year's communique, and it was repeated in this year's communique, and I think it is safe to say that if our Soviet colleagues and we were pressed to the wall, our definition of the appropriate time might differ. [Laughter.]

Q. Dr. Kissinger, what we have been listening to is an anthology of the positive results of the summit. Were not there some things that you had hoped to achieve at this particular summit that you have not?

Dr. Kissinger: Either due to lack of imagination or megalomania, I can't really tell you anything that we were hoping to achieve that we didn't. These summits are prepared over a long period of time. This particular summit is the result of many exchanges with the Soviet Union: Secretary Peterson's [Peter G. Peterson, then Secretary of Commerce] trip in July, my trip in September, Foreign Minister Gromyko's trip to the United States in October, Secretary [of the Treasury George P.] Shultz's trip in March, my trip in May, many exchanges between the two leaders.

So it really is organically almost impossible for those summits to occur with a long agenda in which you will say we will try this and see what happens. It is impossible, and also undesirable, because when you have the two leaders of the most powerful nations in the world confronting each other you do not want to have a situation in which a totally unpredictable clash can occur.

So in this meeting the range of what was attainable was clearly understood by April or May, and the results were within the range that had been previously agreed to.

Now, at the end of each summit there is always a very extensive meeting between the two leaders in which they decide the sort of problems they can be working on over the next year. We had such a meeting in the Kremlin on the day of the President's departure in 1972, and that was the third time that this agreement on the prevention of nuclear war in a slightly different context was raised.

As you all know, the President and the General Secretary met for three hours on Saturday night, and there was a discussion of the sort of problems that could be worked on in preparation for next year's summit, and of course there is an unfinished agenda. Obviously the Middle East is part of the unfinished agenda, but we didn't expect to settle it at this meeting. SALT is part of it. MBFR is part of it. This is where we stand now in relation to next year's summit.

[illegible]. General Secretary Brezhnev said, as he was departing, that he believed that President Nixon could be returning to the Soviet Union as early as six to eight months. He also said that he expects that there will be some important agreements, or equally important agreements, signed there, indicating [illegible]ome that he was possibly projecting per[illegible]s an interim agreement on SALT. On [illegible]se two points, could you give us the U.S. [illegible]w on the timing of a visit and also on [illegible]sibilities of an interim agreement on [illegible]LT, which was referred to in an earlier [illegible]cement by the principals?

[illegible]*r. Kissinger:* Well, as you saw, the Gen[illegible] Secretary was speaking without notes [illegible] in the exuberance of the moment. [illegible]ughter.]

[illegible]We don't foreclose a meeting earlier than [illegible] months that has been customary between [illegible] two recent summits, but if we had been [illegible]ed on that occasion to give our estimate, [illegible] would have been somewhat more cautious. [illegible] if it is more rapid, then this would indi[illegible]e a more rapid pace of negotiation than [illegible] have foreseen, which we do not exclude [illegible] which we think is unlikely.

[illegible]Now, it is not at all excluded, as the prin[illegible]als made clear, that there would be an [illegible]erim agreement on SALT in a period less than the 12 to 14 months that I would have given you as an estimate, and this is one of the matters to which we will now turn.

Q. A followup on Mr. Kalb's question. Was chemical weapons control one of the things that had been dropped by April or

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AGREEMENT ON COOPERATION IN STUDIES OF THE WORLD OCEAN

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS ON COOPERATION IN STUDIES OF THE WORLD OCEAN

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics;

Recognizing the importance of comprehensive studies of the World Ocean for peaceful purposes and for the well-being of mankind;

Striving for more complete knowledge and rational utilization of the World Ocean by all nations through broad international cooperation in oceanographic investigation and research;

Aware of the capabilities and resources of both countries for studies of the World Ocean and the extensive history and successful results of previous cooperation between them;

Desiring to combine their efforts in the further investigation of the World Ocean and to use the results for the benefit of the peoples of both countries and of all mankind; and

In pursuance and further development of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Fields of Science and Technology of May 24, 1972, and in accordance with the Agreement on Exchanges and Cooperation in Scientific, Technical, Educational, Cultural and Other Fields of April 11, 1972, and in accordance with the Agreement on Cooperation in the Field of Environmental Protection of May 23, 1972;

Have agreed as follows:

ARTICLE 1

The Parties will develop and carry out cooperation in studies of the World Ocean on the basis of equality, reciprocity and mutual benefit.

ARTICLE 2

In their studies of the World Ocean, the Parties will direct cooperative efforts to the investigation and solution of important basic and applied research problems. Initially, cooperation will be implemented in the following areas:

a. Large-scale ocean-atmosphere interaction, including laboratory studies, oceanic experiments, and mathematical modeling of the ocean-atmosphere system.

b. Ocean currents of planetary scale and other questions of ocean dynamics.

c. Geochemistry and marine chemistry of the World Ocean.

d. Geological and geophysical investigations of the World Ocean, including deep sea drilling for scientific purposes.

e. Biological productivity of the World Ocean and the biochemistry of the functioning of individual organisms and whole biological communities in the World Ocean.

f. Intercalibration and standardization of oceanographic instrumentation and methods.

Other areas of cooperation may be added by mutual agreement.

ARTICLE 3

Cooperation provided for in the preceding Articles may take the following forms:

a. Joint planning, development, and implementation of research projects and programs;

b. Exchange of scientists, specialists, and advanced students;

c. Exchange of scientific and technical information, documentation, and experience, including the results of national oceanographic studies;

d. Convening of joint conferences, meetings, and seminars of specialists;

e. Appropriate participation by both countries in multilateral cooperative activities sponsored by international scientific organizations;

f. Facilitation by both Parties, in accordance with laws, rules and regulations of each country and relevant bilateral agreements, of use of appropriate port facilities of the two countries for ships' services and supplies, including provision for rest and changes of ships' personnel, in connection with carrying out cooperative activities.

Other forms of cooperation may be added by mutual agreement.

ARTICLE 4

In furtherance of the aims of this Agreement, the Parties will, as appropriate, encourage, facilitate and monitor the development of cooperation and direct contacts between agencies, organizations and firms of the two countries, including the conclusion, as appropriate, of implementing agreements for carrying out specific projects and programs under this Agreement.

ARTICLE 5

1. For implementation of this Agreement, there shall be established a US–USSR Joint Committee on Cooperation in World Ocean Studies. This Joint Committee shall meet, as a rule, once a year, alternately in the United States and the Soviet Union, unless otherwise mutually agreed.

2. The Joint Committee shall take such action as is necessary for effective implementation of this Agreement including, but not limited to, approval of specific projects and programs of cooperation; designation of appropriate agencies and organizations to be

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responsible for carrying out cooperative activities; and making recommendations, as appropriate, to the Parties.

3. Each Party shall designate its Executive Agent which will be responsible for carrying out this Agreement. During the period between meetings of the Joint Committee, the Executive Agents shall maintain contact with each other and coordinate and supervise the development and implementation of cooperative activities conducted under this Agreement.

ARTICLE 6

Nothing in this Agreement shall be interpreted to prejudice other agreements between the Parties or commitments of either Party to other international oceanographic programs.

ARTICLE 7

Each Party, with the consent of the other Party, may invite third countries to participate in cooperative activities engaged in under this Agreement.

ARTICLE 8

1. This Agreement shall enter into force upon signature and remain in force for five years. It may be modified or extended by mutual agreement of the Parties.

2. The termination of the Agreement shall not affect the validity of implementing agreements concluded under this Agreement between interested agencies, organizations and firms of the two countries.

DONE at Washington, this 19th day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

For the Government of the United States of America:

WILLIAM P. ROGERS

For the Government of the Union of Soviet Socialist Republics:

A. GROMYKO

AGREEMENT ON COOPERATION IN TRANSPORTATION

AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS ON COOPERATION IN THE FIELD OF TRANSPORTATION

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics;

Recognizing the important role played by safe and efficient transportation systems in the development of all countries;

Considering that the improvement of existing transportation systems and techniques can benefit both of their peoples;

Believing that the combined efforts of the two countries in this field can contribute to more rapid and efficient solutions of transportation problems than would be possible through separate, parallel national efforts;

Desiring to promote the establishment of long-term and productive relationships between transportation specialists and institutions of both countries;

In pursuance and further development of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Fields of Science and Technology of May 24, 1972, and in accordance with the Agreement on Exchanges and Cooperation in Scientific, Technical, Educational, Cultural and Other Fields of April 11, 1972, and in accordance with the Agreement on Cooperation in the Field of Environmental Protection of May 23, 1972;

Have agreed as follows:

ARTICLE 1

The Parties will develop and carry out cooperation in the field of transportation on the basis of mutual benefit, equality and reciprocity.

ARTICLE 2

This cooperation will be directed to the investigation and solution of specific problems of mutual interest in the field of transportation. Initially, cooperation will be implemented in the following areas:

a. Construction of bridges and tunnels, including problems of control of structure stress and fracture, and special construction procedures under cold climatic conditions.

b. Railway transport, including problems of rolling stock, track and roadbed, high speed traffic, automation, and cold weather operation.

c. Civil aviation, including problems of increasing efficiency and safety.

d. Marine transport, including technology of maritime shipping and cargo handling in seaports.

e. Automobile transport, including problems of traffic safety.

Other areas of cooperation may be added by mutual agreement.

ARTICLE 3

Cooperation provided for in the preceding Articles may take the following forms:

a. Exchange of scientists and specialists;

b. Exchange of scientific and technical information and documentation;

c. Convening of joint conferences, meetings and seminars; and

d. Joint planning, development and implementation of research programs and projects.

Other forms of cooperation may be added by mutual agreement.

I am not saying that these are our specific proposals. I am saying that you cannot just look at this in terms of one category of restraints and assess the relationship of national means to that one category. You have to do it in the whole complex of MIRV technology and of the kinds of restraints you want to employ, and we think it is possible to put together a package by combining several restraints verifiable by national means.

Q. Dr. Kissinger, on page 12 of the communique, it says they set the goal for tr over the next three years $2–$3 billion. T is the figure for the entire three-year per as I understand it. Is that right?

Dr. Kissinger: That is right.

Q. Since the current trade is running I think $1.3 billion annually now, '73, wc not this be—

Dr. Kissinger: The $1.3 billion inclu agricultural. This is excluding agricultu commodities.

Q. Do you have any figure including a cultural commodities?

Dr. Kissinger: I do not have it includ agricultural. I think, excluding agricultu it runs at about $600 million now, an think this envisages an increase of ab 50 percent.

Q. Dr. Kissinger, does the communi hint, or more than hint, at an East-W summit at the end of the European Secu Conference?

Dr. Kissinger: Well, it obviously menti it.

The position of the communique with spect to the East-West summit is one t we have taken before; that is to say, t the level of the concluding phase of the Eu pean Security Conference will be determi by progress that is made in the first t phases, the first of which begins on Jul at the Foreign Minister level. Then there v be commission meetings, and upon the co clusion of the commission meetings, one can determine, first, the final phase of the conference and, secondly, the appropriate level of participation. We are, in principle, prepared to consider a summit if the results of the first two phases warrant it.

Q. May I ask you to enumerate as briefly as possible the total package of benefits that will accrue to the United States as a result of the past few days' activities?

Dr. Kissinger: I can see this is not somebody who has attended previous briefings or he wouldn't have made a demand for brevity. [Laughter.]

The benefits that accrue to the United States are the benefits that accrue to all participants in the international system from an improvement in the prospects of peace. To the extent that we live in an atmosphere of confrontation, the United States, as the strongest country in the non-Communist world and as the one on which the security of most others depends, is immediately drawn closer to the brink of war than almost any other participant.

Secondly, we expect that as a result of many of these cooperative efforts, both peoples will benefit in a concrete way.

With respect to the economic relationships, about which this question is often asked, they have to be seen in the whole context of the web of relations that is developing between the two countries. Most of the large deals that are being talked about will have to be made by private American industry, and they would presumably not be made unless they were thought to be of mutual benefit.

We have taken the view from the beginning of this administration, first, that negotiations with the Soviet Union should not be conducted on the basis of atmospherics, but on the basis of very concrete negotiation and, secondly, that the economic and political matters should be linked together so that the progress would take place on a broad front. And I must say it is a little ironic that early in the administration we were all accused of delaying the progress of negotiations and now many of the same people who accused us then of being too slow are discovering that the benefits may be too one-sided. But the benefits of peace in this period cannot be one-sided.

Q. Dr. Kissinger, what is the reason for including a proposal for a world disarmament conference to be held at an appropriate time? What is your definition of an appropriate time? Does it mean after the

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has no substantive significance. The U.S. position with respect to the mutual balanced force reduction negotiations has been submitted to our allies. We think that it has received substantial support from our allies. We will enter the negotiations, we are convinced, with a reasonable and united position.

What particular adjective one gives to describe it is really less important, but the substance of it will be that it must be balanced and that it must reflect the principles of this communique and of May 29 last year—that no negotiation can succeed that attempts to give a unilateral advantage to one side or another.

Q. Is there any significance in the brief material on the Middle East to the omission of the word "security" in the phrase "be consistent with their independence and sovereignty"?

Dr. Kissinger: No, I think it is safe to say that both sides recognize that no solution is possible that does not assure the security of the countries concerned. And there is no dispute about this.

Q. Why didn't the communique then say so?

Dr. Kissinger: The truth is that I don't remember any discussion about the word "security." If somebody there thought of it, it almost certainly would have said so.

Q. Dr. Kissinger, do you plan soon to go to China or do you plan to invite a Chinese leader to visit the United States in order to assure them that what they witnessed this past week was not the beginning of some kind of superpower condominium?

Dr. Kissinger: We are of course always in touch with all interested countries, and it is a fixed element of our policy not to participate in any condominium directed either at our allies or at other interested parties.

We believe that we have a common interest with the Soviet Union in promoting a peaceful order. We believe also that to the extent that a more peaceful conduct emerges by all parties—emerges from our discussions—that all nations benefit.

We have not agreed, and we shall not agree nor were we asked to agree, to anything that smacks of superpower condominium, and our views on this are well known to all interested countries.

We have no specific plans at this moment for any of the visits that you have described, and if any should develop, we will of course announce them immediately. But we don't have to have such a visit to make that particular point clear.

Q. Dr. Kissinger, there has been a considerable amount of confusion in connection with the SALT agreement about MIRV's. In the agreement it states that national means of inspection will be the only possible means. Is it possible to control MIRV through only national means of inspection, or should we read into the wording there that in effect, we have abandoned the notion of being able to control MIRV's?

Dr. Kissinger: First, the agreement does not say national means are the only possible means. It says that both sides agree that they must be verifiable by national means. If both sides should decide to have other than national means, that wouldn't be precluded; but I think that is extremely unlikely. So, the realistic assumption has to be that any agreement that will be made is one that will be monitored by national means. Now then, the question is: Does that principle actually exclude any control of MIRV's?

First, let me say that we believe that MIRV's are an important part of this negotiation and therefore we believe that it is possible to have some restraints on MIRV's that can be monitored by national means and therefore a great deal depends on what restraints we are talking about.

If you are talking about bans on production, those would be next to impossible to monitor by national means. If you are talking about deployment, then they are possible to monitor within a margin of error which is larger than is the case in mere quantities—than if you are monitoring quantities, but that is finite. If you are talking about a combination of deployment and improvements in accuracy and so forth, so that you could add certain testing restraints, then you have ever greater possibilities of inspection.

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ARTICLE 4

In furtherance of the aims of this Agreement, the Parties will, as appropriate, encourage, facilitate and monitor the development of cooperation and direct contacts between agencies, organizations and firms of the two countries, including the conclusion, as appropriate, of implementing agreements for carrying out specific projects and programs under this Agreement.

ARTICLE 5

1. For the implementation of this Agreement, there shall be established a US–USSR Joint Committee on Cooperation in Transportation. This Committee shall meet, as a rule, once a year, alternately in the United States and the Soviet Union, unless otherwise mutually agreed.

2. The Joint Committee shall take such action as is necessary for effective implementation of this Agreement including, but not limited to, approval of specific projects and programs of cooperation; designation of appropriate agencies and organizations to be responsible for carrying out cooperative activities; and making recommendations, as appropriate, to the Parties.

3. Each Party shall designate its Executive Agent which will be responsible for carrying out this Agreement. During the period between meetings of the Joint Committee, the Executive Agents shall maintain contact with each other, keep each other informed of activities and progress in implementing this Agreement, and coordinate and supervise the development and implementation of cooperative activities conducted under this Agreement.

ARTICLE 6

Nothing in this Agreement shall be interpreted to prejudice other agreements between the Parties or their respective rights and obligations under such other agreements.

ARTICLE 7

1. This Agreement shall enter into force upon signature and shall remain in force for five years. It may be modified or extended by mutual agreement of the Parties.

2. The termination of this Agreement shall not affect the validity of implementing agreements concluded under this Agreement between interested agencies, organizations and firms of the two countries.

DONE at Washington, this 19th day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

For the Government of the United States of America:

WILLIAM P. ROGERS

For the Government of the Union of Soviet Socialist Republics:

A. GROMYKO

GENERAL AGREEMENT ON CONTACTS, EXCHANGES AND COOPERATION

GENERAL AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON CONTACTS, EXCHANGES AND COOPERATION

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics;

Consistent with the Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics, signed at Moscow on May 29, 1972;

Desiring to promote better understanding between the peoples of the United States and the Soviet Union and to help improve the general state of relations between the two countries;

Believing that the further expansion of mutually beneficial contacts, exchanges and cooperation will facilitate the achievement of these aims;

Taking into account the positive experience achieved through previous agreements on exchanges in the scientific, technical, educational, cultural and other fields;

Have agreed as follows:

ARTICLE I

1. The Parties will encourage and develop contacts, exchanges and cooperation in the fields of science, technology, education and culture, and in other fields of mutual interest on the basis of equality, mutual benefit and reciprocity.

2. Such contacts, exchanges and cooperation shall be subject to the Constitution and applicable laws and regulations of the respective countries. Within this framework, the Parties will make every effort to promote favorable conditions for the fulfillment of these contacts, exchanges and cooperation.

ARTICLE II

1. The Parties take note of the following specialized agreements on cooperation in various fields and reaffirm their commitments to achieve the fulfillment of them:

a. The Agreement on Cooperation in the Field of Environmental Protection Between the United States of America and the Union of Soviet Socialist Republics, signed at Moscow on May 23, 1972;

b. The Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Field of Medical Science and Public Health, signed at Moscow on May 23, 1972;

c. The Agreement Between the United States of America and the Union of Soviet Socialist Republics Concerning Cooperation in the Exploration and Use of Outer Space for Peaceful Purposes, signed at Moscow on May 24, 1972;

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d. The Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Fields of Science and Technology, signed at Moscow on May 24, 1972;

e. The Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Field of Agriculture, signed at Washington on June 19, 1973;

f. The Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in Studies of the World Ocean, signed at Washington on June 19, 1973; and

g. The Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Field of Transportation, signed at Washington on June 19, 1973.

2. The Parties will support the renewal of specialized agreements, including mutually agreed upon amendments, between:

a. The National Academy of Sciences of the United States of America and the Academy of Sciences of the Union of Soviet Socialist Republics; and

b. The American Council of Learned Societies and the Academy of Sciences of the Union of Soviet Socialist Republics.

3. The Parties will encourage the conclusion, when it is considered mutually beneficial, of additional agreements in other specific fields within the framework of this Agreement.

ARTICLE III

The Parties will encourage and facilitate, as appropriate, contacts, exchanges and cooperation between organizations of the two countries in the field of science and technology and in other related fields of mutual interest which are not being carried out under specialized agreements concluded between the Parties. These activities may include:

a. the exchange of specialists, delegations, and scientific and technical information; and the organization of lectures, seminars and symposia for such specialists;

b. the participation of scientists and other specialists in scientific congresses, conferences and similar meetings being held in the two countries, and the conducting of specialized exhibits and of joint research work; and

c. other forms of contacts, exchanges and cooperation which may be mutually agreed upon.

ARTICLE IV

1. The Parties will encourage and facilitate the expansion of contacts, exchanges and cooperation in various fields of education. To this end, the Parties will:

a. provide for the exchange of students, researchers and faculty members for study and research; professors and teachers to lecture, offer instruction, and conduct research; as well as specialists and delegations in various fields of education; and

b. facilitate the exchange, by appropriate organizations, of educational and teaching materials, including textbooks, syllabi and curricula, materials on methodology, samples of teaching instruments and visual aids.

2. The Parties will also encourage the study of each other's language through the development of the exchanges and cooperation listed above and through other mutually agreed measures.

ARTICLE V

In order to promote better mutual acquaintance with the cultural achievements of each country, the Parties will encourage the development of contacts and exchanges in the field of the performing arts. To this end, the Parties will facilitate exchanges of theatrical, musical and choreographic ensembles, orchestras, other artistic and entertainment groups, and individual performers.

ARTICLE VI

1. The Parties will encourage the organizations of the film industries of both countries, as appropriate, to consider means of further expanding the purchase and distribution on a commercial basis of films produced in each country.

2. The Parties will also encourage, as appropriate, the exchange and exhibition of documentary films in the fields of science, technology, culture, education and other fields, as well as facilitate the exchange of delegations of creative and technical specialists.

3. The Parties further agree, when requested by organizations and individuals of their respective countries, to consider other proposals directed toward the expansion of exchanges in this field, including the holding of film premieres and film weeks in each country and the joint production of feature films and short and full-length educational and scientific films.

ARTICLE VII

1. The Parties will facilitate contacts and encourage exchanges between organizations of the two countries in the fields of radio and television, including the exchange of radio programs and television films and exchanges of delegations and specialists in these fields.

2. The Parties further agree, when requested by organizations and individuals of their respective countries, to consider other proposals in the fields of radio and television, including joint production of television films and the providing of assistance in the production of radio and television programs.

compliance and the risks of noncompliance.

This agreement is no different from any other agreement in that respect. When great powers make an agreement with each other, they of course have the capability of not observing it unless the other side is prepared to draw extreme consequences. But the violation of this agreement would have serious consequences for the whole context of U.S.-Soviet relations, and conversely the observance of this agreement can mark, as I s on Friday, a milestone in the achievem of self-restraint by the major countries self-restraint which is by definition the sence of peace and which we intend to serve, which we expect the Soviet Union observe, and which can therefore prov the foundation for a new international r tionship.

Of course history is replete with chan of course and we must be vigilant and p pared for such an occurrence; but it is belief of the President that this period ha unique opportunity to create a new and m peaceful system. It is an opportunity t has come about partly as a result of enormity of the weapons that would be u in case of a conflict, partly by the depth human aspiration toward peace, partly a result of the complexities of a world in wh the ideological expectations of any side ha not been fully met.

But whatever the reasons, we consider t summit as a further advance along th road, that as these meetings become a reg lar feature of international life and as come to take them more and more f granted, the results will follow paths th will come to seem more and more natur and we would consider that one of the be signs that a peaceful world is coming in being.

So this is our assessment of the summit, and I will be glad to answer any questions on this or on what I have said or on the communique or anything else related to the summit.

Q. Dr. Kissinger, the communique says positive trends are developing in international relations toward the relaxation of tension and the strengthening of cooperative relations in the interest of peace. I wonder if you would apply that sentence specifically to the Middle East situation and what transpired on it in the summit?

Dr. Kissinger: As you can see from the communique, the Middle East is one of the most complex areas and it is one in which one has to separate two problems, one, the local tensions—that is, the tensions between the Arab states and Israel—from the so-called great-power rivalry in that area. When this administration came into office, they were inextricably linked. In 1970 the world came close to the brink of war, closer than perhaps was realized generally at the time, over the invasion of Jordan by Syrian tanks, and at that time every conflict in the Middle East became immediately and inextricably a part of the great rivalry. Even the selection of words by White House briefers was picked up by local newspapers and became a matter of attention in the context of East-West relationships.

Now, I think it is safe to say not that the Soviet Union and we agree on the evolution of the Middle East and how it should be resolved, as the communique makes clear, but I think both sides will make an effort not to become inextricably involved in its conflict with respect to the Arab-Israeli conflict.

The communique states that both sides recognize the importance of the solution and that both sides will make efforts to help promote it, and therefore we hope that some progress will be made over the course of the year.

Q. Is there any significance in the dropping of the word "balanced" from mutual balanced force reduction in the communique, and I notice that you used it once and didn't use it another time?

Dr. Kissinger: That is because I usually speak extemporaneously. No, there is no significance in the dropping of the word "balanced."

In the preparatory discussions in Vienna, there was some discussion about it, but since it concerned entirely procedural matters it

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of the Vietnamese war and the recent decisions that had led to an expansion of military operations in Indochina but even then, before the first talk, enunciated some common principles of conduct and affirmed the desirability of a long-term evolution toward a peaceful and ultimately cooperative relationship between the two states and the two peoples. These expectations were fulfilled over the course of the year, and therefore what this summit intended to do was to strengthen the cooperative bonds that had developed in particular areas, to give a new impetus to the key areas of negotiations, especially strategic arms limitations and mutual force reductions, and thirdly, to take the joint principles one step further by embodying them in a formal agreement designed to prevent war, and especially nuclear war.

There is nothing I can add to the particular agreements that are enumerated in the communique that deal with the cooperative relationships in various fields and that represent a continuation of a process that started last year.

I can only say from my personal experience in participating in many of these negotiations that what I told you ladies and gentlemen before the summit has been reinforced by the experience of the summit. Many of these agreements do not themselves take the attention and time of the top leaders, and it would be absurd to pretend to you that the General Secretary and the President sit down and discuss the details of the civil aviation agreements; but it is also true that the imminence of their meetings, and the fact that they have determined to give a symbolic expression to this relationship, gives an impetus to negotiations that otherwise would drag on for months and permits the quick resolution of particular issues which, if left to the expert level, could produce extended stalemate and there is some significance in having the relationship develop on such a broad front, developing on both sides a commitment that is becoming increasingly difficult to reverse.

With respect to the other areas, I have talked to you at some length about the decisions with respect to Strategic Arms Limitation Talks. I think you can assume that in addition to what has been stated formally in the agreement on principles that the two leaders had extensive discussions as to how the process can be accelerated so that a meaningful agreement can be achieved consistent with the deadline that they have set themselves. Therefore we believe, with considerable hope, that a permanent agreement l ting strategic offensive arms, which ld be one of historic achievements in the of arms control, can and will be negoed during the course of 1974.

/ith respect to the mutual balanced force ictions (MBFR), we told you before this mit conference that this was not the m in which to negotiate the specifics. s is a matter of the profoundest concern ur allies, and it had never been intended iscuss the specifics, the specific schemes, his meeting.

lowever, as those who have followed the ussions realize, there had been some unainty about when these discussions would in. Prior to the meeting, in the preparar conference in Vienna, the Soviet posi had tied the opening of the MBFR conence to the ending of the European urity Conference. At this meeting, it was ided that the MBFR conference would in unconditionally on October 30th, and ourse both leaders agreed that they would ke a serious effort to deal with the ques of armaments in central Europe.

The Indochina problem, which last year s a source of contention, has received a mon expression in this document.

And finally, there has been the agreement the prevention of nuclear war. Now, I ve seen several comments to the effect that s nonbinding, that it is not self-enforcing, and no doubt I have contributed to this by comments that reflect my former professorial profession, so let me state our position: that no agreement in history has ever enforced itself; every agreement in history that has been observed has depended either on the willingness of the parties to observe it or on the willingness of one or the other parties to enforce it or on the rewards for

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ARTICLE VIII

The Parties will encourage:

a. the exchange of books, magazines, newspapers and other publications devoted to scientific, technical, cultural, and general educational subjects between libraries, universities and other organizations of each country, as well as the reciprocal distribution of the magazines *Amerika* and *Soviet Life*; and

b. exchanges and visits of journalists, editors, publishers, and translators of literary works, as well as their participation in appropriate professional meetings and conferences.

ARTICLE IX

The Parties will encourage and facilitate the exchange of exhibitions on various topics of mutual interest, as well as appropriate participation by one Party in exhibitions which may take place in the other's country. The Parties will also render assistance for the exchange of exhibitions between the museums of the two countries.

ARTICLE X

The Parties will provide for reciprocal exchanges and visits of architects, art historians, artists, composers, musicologists, museum specialists, playwrights, theater directors, writers, specialists in various fields of law and those in other cultural and professional fields, to familiarize themselves with matters of interest to them in their respective fields and to participate in meetings, conferences and symposia.

ARTICLE XI

1. The Parties will render assistance to members of the Congress of the United States of America and deputies of the Supreme Soviet of the Union of Soviet Socialist Republics, as well as to officials of the national governments of both countries, making visits to the Soviet Union and the United States respectively. Arrangements for such assistance will be agreed upon in advance through diplomatic channels.

2. The Parties will encourage exchanges of representatives of municipal, local and state governments of the United States and the Soviet Union to study various functions of government at these levels.

ARTICLE XII

The Parties will encourage joint undertakings and exchanges between appropriate organizations active in civic and social life, including youth and women's organizations, recognizing that the decision to implement such joint undertakings and exchanges remains a concern of the organizations themselves.

ARTICLE XIII

The Parties will encourage exchanges of athletes and athletic teams as well as visits of specialists in the fields of physical education and sports under arrangements made between the appropriate sports organizations of the two countries.

ARTICLE XIV

The Parties will encourage the expansion of tourist travel between the two countries and the adoption of measures to satisfy the requests of tourists to acquaint themselves with the life, work and culture of the people of each country.

ARTICLE XV

The Parties note that commemorative activities may take place in their countries in connection with the celebration of anniversaries recognized by major international bodies.

ARTICLE XVI

The Parties agree to hold a meeting each year of their representatives for a general review of the implementation of contacts, exchanges and cooperation in various fields and to consider exchanges which are not being carried out under specialized agreements concluded between the Parties.

ARTICLE XVII

1. In implementation of various provisions of this Agreement, the Parties have established a Program of Exchanges for 1974–1976, which is annexed to and constitutes an integral part of this Agreement. The terms of this Program shall be in force from January 1, 1974 to December 31, 1976, and thereafter, unless and until amended by agreement of the Parties, will provide the basic guidelines for the Program of Exchanges in 1977–1979.

2. The Parties agree that their representatives will meet prior to the end of 1976 and will develop the Program of Exchanges for the succeeding three years.

ARTICLE XVIII

The Parties agree that:

a. The programs and itineraries, lengths of stay, dates of arrival, size of delegations, financial and transportation arrangements and other details of exchanges and visits, except as otherwise determined, shall be agreed upon, as a rule, not less than thirty days in advance, through diplomatic channels or between appropriate organizations requested by the Parties to carry out these exchanges;

b. Applications for visas for visitors participating in exchanges and cooperative activities shall be submitted, as a rule, at least fourteen days before the estimated time of departure;

c. Unless otherwise provided for in specialized agreements between the Parties, and except where other specific arrangements have been agreed upon, participants in exchanges and cooperative activities will pay their own expenses, including international travel, internal travel and costs of maintenance in the receiving country.

ARTICLE XIX

1. This Agreement shall enter into force on signature and shall remain in force until December 31,

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1979. It may be modified or extended by mutual agreement of the Parties.

2. Nothing in this Agreement shall be construed to prejudice other agreements concluded between the two Parties.

DONE at Washington, this 19th day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

For the Government of the United States of America:

WILLIAM P. ROGERS

For the Government of the Union of Soviet Socialist Republics:

A. GROMYKO

ANNEX

Program of Exchanges for 1974–1976

In implementation of various provisions of the General Agreement between the United States of America and the Union of Soviet Socialist Republics on Contacts, Exchanges and Cooperation signed at Washington on June 19, 1973, the Parties have agreed on the following Program of Exchanges for the period January 1, 1974 to December 31, 1976:

SECTION I

Education

1. The Parties agree to provide for the exchange annually from each side of:

a. At least 40 graduate students, young researchers and instructors for study and postgraduate research in the natural sciences, technical sciences, humanities and social sciences, for periods of stay from one semester up to one academic year, including five-week courses before the beginning of the academic year to improve the participant's competence in the Russian or English language;

b. At least 30 language teachers to participate in summer courses of ten weeks to improve their competence in the Russian or English language;

c. At least 10 professors and instructors of universities and other institutions of higher learning to conduct scholarly research for periods of stay between three and six months, the total volume of these exchanges not to exceed 50 man-months for each side; and

d. At least two graduate-level students or young specialists in the fields of dance, music, theater, film and the graphic and plastic arts for the purpose of study, research and training for periods of from four to ten months in specialized schools, institutes, conservatories, theaters, museums, studios, or other institutions.

2. The Parties agree to provide for exchanges of professors and specialists from universities and other institutions of higher learning, in accordance with the desires of the receiving side, for periods of from one semester up to one academic year, to offer instruction and to lecture at universities and other institutions of higher learning in the fields of:

a. The natural sciences, technical sciences, humanities and social sciences; and

b. Language, literature and linguistics.

3. The Parties agree to provide for the exchange of at least two specialists in vocational rehabilitation or education of the handicapped from each side during the period of this Program for a period of from three to six months. The specialists will conduct research on topics to be agreed upon between the appropriate organizations of both countries.

4. The Parties agree to facilitate the conducting of bilateral seminars of United States and Soviet specialists in education: twelve participants from each side for a period of two to four weeks on subjects to be agreed upon subsequently. During the period of this Program, four seminars will be conducted in each country, two in subjects bearing on higher education, and two in subjects bearing on primary and secondary education.

5. The Parties agree to exchange during the period of this Program four delegations from each side composed of three to five specialists for a period of up to three weeks on topics to be agreed upon subsequently; two of these delegations shall be in the field of higher education, and two in primary and/or secondary education.

6. The Parties agree to explore the possibility of an exchange of primary or secondary school teachers between appropriate organizations of the two countries.

7. The United States will take measures to encourage the study of the Russian language in the United States in accordance with the Joint United States-Soviet Communique of May 29, 1972.

8. The Parties agree to explore the possibility of an exchange of information and appropriate consultation concerning equivalency of degrees.

9. The exchanges specified in this Section will be implemented in accordance with the terms of a supplemental agreement to be effected through an exchange of notes.

SECTION II

Performing Arts

1. The Parties agree to facilitate the tours of at least ten major performing arts groups from each side during the period of this Program. The detailed arrangements for tours of these groups will be provided for in contracts to be concluded between the following entities: for tours of American groups, between the Embassy of the United States of America in Moscow or authorized representatives of the groups themselves and the appropriate concert organizations of the Soviet Union; for tours of Soviet groups, between appropriate organizations or impresarios of the United States and concert organizations of the Soviet Union. The receiving Party will seek to satisfy the wishes of the sending Party concerning the timing and duration of the tours as well as the number of cities to be visited.

2. The Parties agree to facilitate the tours of at

the United States was facilitated by the continuing consultation and contacts as agreed in May 1972. They reaffirmed that the practice of consultation should continue. They agreed that further meetings at the highest level should be held regularly.

Having expressed his appreciation to President Nixon for the hospitality extended during the visit to the United States, General Secretary Brezhnev invited the President to visit the USSR in 1974. The invitation was accepted.

June 24, 1973

RICHARD NIXON
President of the United States of America

LEONID I. BREZHNEV
General Secretary of the Central Committee, CPSU

Dr. Kissinger's News Co rence, San Clemente, June 25

Mr. Ziegler: You have the communi , which is embargoed until 1 o'clock eas t time and 10 o'clock Pacific time. Dr. s singer is here to discuss that with you take your questions on the communique also on the summit between the Presi and General Secretary.

For the statistics buffs in the press co the President and General Secretary s a total of 47 hours together. They me formal sessions with advisers or alone 18¼ hours. In addition, the President General Secretary were together 28¾ h at informal gatherings, social functions signing ceremonies, and events of that s

Q. How much alone, face to face?

Mr. Ziegler: Almost 10 hours—9½ ho

Dr. Kissinger: Ladies and gentlemer will not go through the communique, cause I understand you have already ha chance to read it. Let me make a few g eral observations about the summit and h it fits into the general development of foreign policy, and then I will take questi about the communique or any other part the summit which you may wish to raise

One good way of assessing the results the summit is to compare last year's c munique with this year's communique. Last year's communique spoke about the desirability of peaceful coexistence. I said:[6]

Having considered various areas of bilateral US–Soviet relations, the two Sides agreed that an improvement in relations is possible and desirable.

This year we say that:

Both Sides are convinced that the discussions they have just held represent a further milestone in the constructive development of their relations.

Convinced that such a development of American-Soviet relations serves the interests of both of their peoples and all of mankind, it was decided to take further major steps to give these relations maximum stability and to turn the development of friendship and cooperation between their peoples into a permanent factor for worldwide peace.

In other words, what marks the turning point last year, in which the fact of peaceful coexistence required special affirmation and the possibility of improving relations between the United States and the Soviet Union was thought deserving of special note, and this year we are speaking of a continuing relationship.

As a result, as relations between the Soviet Union and the United States proceed along the course that was charted last May and accelerated this June, we cannot expect that these meetings, which we have affirmed should become a regular part of U.S.-Soviet relationships, will produce a dramatic new departure. It is the strength of this relationship as it develops that the road is charted and that what we expect to see is a further evolution along a path which will be increasingly free of confrontations and which will become increasingly a part of a stable international system. This is the context in which we see the U.S.-Soviet relationship.

If you look back over previous summit meetings between Soviet and American leaders, they almost invariably occurred in the shadow of some crisis, and they were inevitably directed to removing some source of tension and some cause of confrontation.

In May 1972 we still met in this shadow

[6] For text, see *Department of State Bulletin* of June 26, 1972, p. 899.

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sideration to proposals that are in the interest of both Sides.

To contribute to expanded commercial, cultural and technical relations between the USA and the USSR, the two Sides signed a tax convention to avoid double taxation on income and eliminate, as much as possible, the need for citizens of one country to become involved in the tax system of the other.

A Protocol was also signed on the opening by the end of October 1973 of a Trade Representation of the USSR in Washington and a Commercial Office of the United States in Moscow. In addition a Protocol was signed on questions related to establishing a US-Soviet Chamber of Commerce. These agreements will facilitate the further development of commercial and economic ties between the USA and the USSR.

V. Further Progress in Other Fields of Bilateral Cooperation

The two Sides reviewed the areas of bilateral cooperation in such fields as environmental protection, public health and medicine, exploration of outer space, and science and technology, established by the agreements signed in May 1972 and subsequently. They noted that those agreements are being satisfactorily carried out in practice in accordance with the programs as adopted.

In particular, a joint effort is under way to develop effective means to combat those diseases which are most widespread and dangerous for mankind: cancer, cardiovascular or infectious diseases and arthritis. The medical aspects of the environmental problems are also subjects of cooperative research.

Preparations for the joint space flight of the Apollo and Soyuz spacecraft are proceeding according to an agreed timetable. The joint flight of these spaceships for a rendezvous and docking mission, and mutual visits of American and Soviet astronauts in each other's spacecraft, are scheduled for July 1975.

Building on the foundation created in previous agreements, and recognizing the potential of both the USA and the USSR to undertake cooperative measures in current scientific and technological areas, new projects for fruitful joint efforts were identified and appropriate agreements were concluded.

Peaceful Uses of Atomic Energy

Bearing in mind the great importance of satisfying the growing energy demands in both countries and throughout the world, and recognizing that the development of highly efficient energy sources could contribute to the solution of this problem, the President and General Secretary signed an agreement to expand and strengthen cooperation in the fields of controlled nuclear fusion, fast breeder reactors, and research on the fundamental properties of matter. A Joint Committee on Cooperation in the Peaceful Uses of Atomic Energy will be established to implement this agreement, which has a duration of ten years.

Agriculture

Recognizing the importance of agriculture in meeting mankind's requirement for food products and the role of science in modern agricultural production, the two Sides concluded an agreement providing for a broad exchange of scientific experience in agricultural research and development, and of information on agricultural economics. A US–USSR Joint Committee on Agricultural Cooperation will established to oversee joint programs to be card out under the Agreement.

World Ocean Studies

Considering the unique capabilities and the major erest of both nations in the field of world ocean dies, and noting the extensive experience of US–SSR oceanographic cooperation, the two Sides have reed to broaden their cooperation and have signed agreement to this effect. In so doing, they are ivinced that the benefits from further developnt of cooperation in the field of oceanography l accrue not only bilaterally but also to all peos of the world. A US–USSR Joint Committee on operation in World Ocean Studies will be estabhed to coordinate the implementation of coopera- e programs.

Transportation

The two Sides agreed that there are opportuies for cooperation between the USA and the SSR in the solution of problems in the field of nsportation. To permit expanded, mutually benecial cooperation in this field, the two Sides conded an agreement on this subject. The USA and USSR further agreed that a Joint Committee Cooperation in Transportation would be esolished.

Contacts, Exchanges and Cooperation

Recognizing the general expansion of US–USSR ateral relations and, in particular, the growing mber of exchanges in the fields of science, techlogy, education and culture, and in other fields of tual interest, the two Sides agreed to broaden scope of these activities under a new General greement on Contacts, Exchanges, and Cooperan, with a duration of six years. The two Sides reed to this in the mutual belief that it will furer promote better understanding between the peoples of the United States and the Soviet Union and will help to improve the general state of relations between the two countries.

Both Sides believe that the talks at the highest level, which were held in a frank and constructive spirit, were very valuable and made an important contribution to developing mutually advantageous relations between the USA and the USSR. In the view of both Sides, these talks will have a favorable impact on international relations.

They noted that the success of the discussions in

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least 35 individual performers from each side during the period of this Program. Arrangements for tours of individual performers will be made directly between appropriate organizations or impresarios of the United States and concert organizations of the Soviet Union.

Section III

Publications

1. The Parties agree to render practical assistance for the successful distribution of the magazines *Amerika* in the Soviet Union and *Soviet Life* in the United States on the basis of reciprocity and to consult as necessary in order to find ways to increase the distribution of these magazines. Upon reaching full distribution of the 62,000 copies of each magazine as currently provided for, the Parties will examine the possibility of expanding the reciprocal distribution of the magazines to 82,000 copies per month by December 1976. The Parties will distribute free of charge unsold copies of the magazine among visitors to mutually-arranged exhibitions.

2. The Parties agree to encourage the exchange of specialized publications and microfilms between the National Archives of the United States of America and the Main Archival Administration of the Council of Ministers of the Union of Soviet Socialist Republics.

Section IV

Exhibitions

1. The Parties agree to exchange exhibitions during the period of this Program, as follows:

a. From the Soviet side, either a major industrial/trade exhibition or one or two circulating exhibitions. The decision of the Soviet side on this matter will be conveyed through diplomatic channels; and

b. From the US side, one or two circulating exhibitions.

The subjects of the exhibitions will be agreed upon through diplomatic channels.

The circulating exhibitions will be shown in nine cities in each country for a period of up to 28 actual showing days in each city. The Parties will discuss in a preliminary fashion the nature and general content of each exhibition and will acquaint each other with the exhibitions before their official opening, in particular through the exchange of catalogues, prospectuses and other information pertinent to the exhibitions. Other conditions for conducting the exhibitions (dates, size and character of premises, number of personnel, financial terms, etc.) shall be subject to agreement by the Parties. Arrangements for conducting the exhibitions will be concluded no later than five months before their opening.

2. The Parties agree to render assistance for the exchange of exhibitions, including art exhibitions, between the museums of the two countries, and to encourage these museums to establish and develop direct contacts with the aim of exchanging informative materials, albums, art monographs and other publications of mutual interest. In the case of art exhibitions, their content and the conditions for conducting them would be the subject of discussion and special agreement in each case between the relevant American museums and the Ministry of Culture of the Union of Soviet Socialist Republics.

3. The Parties will agree through diplomatic channels on the arrangements for other exhibitions and on participation in national exhibitions which may take place in either country.

Section V

General

Each of the Parties shall have the right to include in delegations interpreters or members of its Embassy, who shall be considered as within the agreed total membership of such delegations.

Convention on Matters of Taxation Signed June 20

Convention Between the United States of America and the Union of Soviet Socialist Republics on Matters of Taxation

The President of the United States of America and the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics, desiring to avoid double taxation and to promote the development of economic, scientific, technical and cultural cooperation between both States, have appointed for this purpose as their respective plenipotentiaries:

The President of the United States of America:

George P. Shultz, Secretary of the Treasury of the USA; and

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics:

Nikolai Semenovich Patolichev, Minister of Foreign Trade of the USSR;

Who have agreed as follows:

Article I

1. The taxes which are the subject of this Convention are:

(a) In the case of the Union of Soviet Socialist Republics, taxes and dues provided for by the All-Union legislation;

(b) In the case of the United States of America,

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taxes and dues provided for by the Internal Revenue Code.

2. This Convention shall also apply to taxes and dues substantially similar to those covered by paragraph 1. which are imposed in addition to, or in place of, existing taxes and dues after the signature of this Convention.

ARTICLE II

In this Convention, the terms listed below shall have the following meaning:

1. "Soviet Union" or "USSR" means the Union of Soviet Socialist Republics and, when used in a geographical sense, means the territories of all the Union Republics. Such term also includes:

(a) The territorial sea thereof, and

(b) The seabed and subsoil of the submarine areas adjacent to the coast thereof, but beyond the territorial sea, over which the Soviet Union exercises sovereign rights, in accordance with international law, for the purpose of exploration for and exploitation of the natural resources of such areas. However, it is understood that such term includes such areas only to the extent that the person, property or activity with respect to which questions of taxation arise is connected with such exploration or exploitation.

2. "United States" or "USA" means the United States of America and, when used in a geographical sense, means the territories of all the states and of the District of Columbia. Such term also includes:

(a) The territorial sea thereof, and

(b) The seabed and subsoil of the submarine areas adjacent to the coast thereof, but beyond the territorial sea, over which the United States exercises sovereign rights, in accordance with international law, for the purpose of exploration for and exploitation of the natural resources of such areas. However, it is understood that such term includes such areas only to the extent that the person, property or activity with respect to which questions of taxation arise is connected with such exploration or exploitation.

3. "Resident of the Soviet Union" means:

(a) a legal entity or any other organization treated in the USSR as a legal entity for tax purposes which is created under the laws of the Soviet Union or any Union Republic and

(b) an individual resident in the Soviet Union for purposes of its tax.

4. "Resident of the United States" means:

(a) a corporation or any other organization treated in the United States as a corporation for tax purposes which is created or organized under the laws of the United States or any state thereof or of the District of Columbia and

(b) an individual resident in the United States for purposes of its tax.

5. "Contracting State" means the United States or the Soviet Union, as the context requires.

6. The term "competent authorities" means:

(a) in the case of the Soviet Union, the Ministry of Finance

(b) in the case of the United States, the Secretary of the Treasury or his delegate.

ARTICLE III

1. The following categories of income derived from sources within one Contracting State by a resident of the other Contracting State shall be subject to tax only in that other Contracting State:

(a) rentals, royalties, or other amounts paid as consideration for the use of or right to use literary, artistic, and scientific works, or for the use of copyrights of such works, as well as the rights to inventions (patents, author's certificates), industrial designs, processes or formulae, computer programs, trademarks, service marks, and other similar property or rights, or for industrial, commercial, or scientific equipment, or for knowledge, experience, or skill (know-how);

(b) gains derived from the sale or exchange of any such rights or property, whether or not the amounts realized on sale or exchange are contingent in whole or in part, on the extent and nature of use or disposition of such rights or property;

(c) gains from the sale or other disposition of property received as a result of inheritance or gift;

(d) income from the furnishing of engineering, architectural, designing, and other technical services in connection with an installation contract with a resident of the first Contracting State which are carried out in a period not exceeding 36 months at one location;

(e) income from the sale of goods or the supplying of services through a broker, general commission agent or other agent of independent status, where such broker, general commission agent or other agent is acting in the ordinary course of his business;

(f) reinsurance premiums; and

(g) interest on credits, loans and other forms of indebtedness connected with the financing of trade between the USA and the USSR except where received by a resident of the other Contracting State from the conduct of a general banking business in the first Contracting State.

2. A Contracting State shall not attribute taxable income to the following activities conducted within that Contracting State by a resident of the other Contracting State:

(a) the purchase of goods or merchandise;

(b) the use of facilities for the purpose of storage or delivery of goods or merchandise belonging to the resident of the other Contracting State;

(c) the display of goods or merchandise belonging to the resident of the other Contracting State, and also the sale of such items on termination of their display;

They share the conviction that strict observance of the treaties and agreements that have been concluded will contribute to the security and well-being of all parties concerned.

They also welcome the prospect of United Nations membership this year for the FRG and the GDR [German Democratic Republic] and recall, in this connection, that the USA, USSR, UK and France have signed the Quadripartite Declaration of November 9, 1972, on this subject.

The USA and the USSR reaffirm their desire, guided by the appropriate provisions of the Joint US-USSR Communique adopted in Moscow in M 1972, to continue their separate and joint cont butions to strengthening peaceful relations Europe. Both Sides affirm that ensuring a lasti peace in Europe is a paramount goal of th policies.

In this connection satisfaction was expressed wi the fact that as a result of common efforts by ma States, including the USA and the USSR, the pr paratory work has been successfully completed f the Conference on Security and Cooperation Europe, which will be convened on July 3, 1973. T USA and the USSR hold the view that the Cc ference will enhance the possibilities for strengthe ing European security and developing cooperati among the participating States. The USA and t USSR will conduct their policies so as to reali the goals of the Conference and bring about a ne era of good relations in this part of the world.

Reflecting their continued positive attitude towa the Conference, both Sides will make efforts to bri the Conference to a successful conclusion at t earliest possible time. Both Sides proceed from t assumption that progress in the work of the Cc ference will produce possibilities for completing at the highest level.

The USA and the USSR believe that the goal strengthening stability and security in Euro would be further advanced if the relaxation political tensions were accompanied by a reducti of military tensions in Central Europe. In this r spect they attach great importance to the negoti tions on the mutual reduction of forces and arm ments and associated measures in Central Euro which will begin on October 30, 1973. Both Sid state their readiness to make, along with oth States, their contribution to the achievement of m tually acceptable decisions on the substance of th problem, based on the strict observance of the pri ciple of the undiminished security of any of t parties.

Middle East

The parties expressed their deep concern with the situation in the Middle East and exchanged opinions regarding ways of reaching a Middle East settlement.

Each of the parties set forth its position on this problem.

Both parties agreed to continue to exert their efforts to promote the quickest possible settlement in the Middle East. This settlement should be in accordance with the interests of all states in the area, be consistent with their independence and sovereignty and should take into due account the legitimate interests of the Palestinian people.

IV. COMMERCIAL AND ECONOMIC RELATIONS

The President and the General Secretary thoroughly reviewed the status of and prospects for commercial and economic ties between the USA and the USSR. Both Sides noted with satisfaction the progress achieved in the past year in the normalization and development of commercial and economic relations between them.

They agreed that mutually advantageous cooperation and peaceful relations would be strengthened by the creation of a permanent foundation of economic relationships.

They recall with satisfaction the various agreements on trade and commercial relations signed in the past year. Both Sides note that American-Soviet trade has shown a substantial increase, and that there are favorable prospects for a continued rise in the exchange of goods over the coming years.

They believe that the two countries should aim at a total of 2-3 billion dollars of trade over the next three years. The Joint US-USSR Commercial Commission continues to provide a valuable mechanism to promote the broad-scale growth of economic relations. The two Sides noted with satisfaction that contacts between American firms and their Soviet counterparts are continuing to expand.

Both Sides confirmed their firm intention to proceed from their earlier understanding on measures directed at creating more favorable conditions for expanding commercial and other economic ties between the USA and the USSR.

It was noted that as a result of the Agreement Regarding Certain Maritime Matters signed in October 1972, Soviet and American commercial ships have been calling more frequently at ports of the United States and the USSR, respectively, and since late May of this year a new regular passenger line has started operating between New York and Leningrad.

In the course of the current meeting, the two Sides signed a Protocol augmenting existing civil air relations between the USA and the USSR providing for direct air services between Washington and Moscow and New York and Leningrad, increasing the frequency of flights and resolving other questions in the field of civil aviation.

In the context of reviewing prospects for further and more permanent economic cooperation, both Sides expressed themselves in favor of mutually advantageous long term projects. They discussed a number of specific projects involving the participation of American companies, including the delivery of Siberian natural gas to the United States. The President indicated that the USA encourages American firms to work out concrete proposals on these projects and will give serious and sympathetic con-

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quently, in accordance with the Charter of the United Nations and the Basic Principles of Relations of May 29, 1972, it was decided to conclude an Agreement Between the USA and the USSR on the Prevention of Nuclear War. That Agreement was signed by the President and the General Secretary on June 22, 1973. The text has been published separately.

The President and the General Secretary, in appraising this Agreement, believe that it constitutes a historical landmark in Soviet-American relations and substantially strengthens the foundations of international security as a whole. The United States and the Soviet Union state their readiness to consider additional ways of strengthening peace and removing forever the danger of war, and particularly nuclear war.

In the course of the meetings, intensive discussions were held on questions of strategic arms limitation. In this connection both Sides emphasized the fundamental importance of the Treaty on the Limitation of Anti-Ballistic Missile Systems and the Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms signed between the USA and the USSR in May 1972 which, for the first time in history, place actual limits on the most modern and most formidable types of armaments.

Having exchanged views on the progress in the implementation of these agreements, both Sides reaffirmed their intention to carry them out and their readiness to move ahead jointly toward an agreement on the further limitation of strategic arms.

Both Sides noted that progress has been made in the negotiations that resumed in November 1972, and that the prospects for reaching a permanent agreement on more complete measures limiting strategic offensive armaments are favorable.

Both Sides agreed that the progress made in the limitation of strategic armaments is an exceedingly important contribution to the strengthening of US-Soviet relations and to world peace.

On the basis of their discussions, the President and the General Secretary signed on June 21, 1973, Basic Principles of Negotiations on the Further Limitation of Strategic Offensive Arms. The text has been published separately.

The USA and the USSR attach great importance to joining with all States in the cause of strengthening peace, reducing the burden of armaments, and reaching agreements on arms limitation and disarmament measures.

Considering the important role which an effective international agreement with respect to chemical weapons would play, the two Sides agreed to continue their efforts to conclude such an agreement in cooperation with other countries.

The two Sides agree to make every effort to facilitate the work of the Committee on Disarmament which has been meeting in Geneva. They will actively participate in negotiations aimed at working out new measures to curb and end the arms race. They reaffirm that the ultimate objective is general and complete disarmament, including nuclear disarmament, under strict international control. A world disarmament conference could play a role in this process at an appropriate time.

III. International Questions: The Reduction of Tensions and Strengthening of International Security

President Nixon and General Secretary Brezhnev viewed major questions of the current international situation. They gave special attention to the developments which have occurred since the time of the US-Soviet summit meeting in Moscow. It was noted with satisfaction that positive trends are developing in international relations toward the further relaxation of tensions and the strengthening of cooperative relations in the interests of peace. In the opinion of both Sides, the current process of improvement in the international situation creates new and favorable opportunities for reducing tensions, settling outstanding international issues, and creating a permanent structure of peace.

Indochina

The two Sides expressed their deep satisfaction at the conclusion of the Agreement on Ending the War and Restoring Peace in Vietnam, and also at the results of the International Conference on Vietnam which approved and supported that Agreement. The two Sides are convinced that the conclusion of the Agreement on Ending the War and Restoring Peace in Vietnam, and the subsequent signing of the Agreement on Restoring Peace and Achieving National Concord in Laos, meet the fundamental interests and aspirations of the people of Vietnam and Laos and open up a possibility for establishing a lasting peace in Indochina, based on respect for the independence, sovereignty, unity and territorial integrity of the countries of that area. Both Sides emphasized that these agreements must be strictly implemented. They further stressed the need to bring an early end to the military conflict in Cambodia in order to bring peace to the entire area of Indochina. They also reaffirmed their stand that the political futures of Vietnam, Laos, and Cambodia should be left to the respective peoples to determine, free from outside interference.

Europe

In the course of the talks both Sides noted with satisfaction that in Europe the process of relaxing tensions and developing cooperation is actively continuing and thereby contributing to international stability.

The two Sides expressed satisfaction with the further normalization of relations among European countries resulting from treaties and agreements signed in recent years, particularly between the USSR and the FRG [Federal Republic of Germany]. They also welcome the coming into force of the Quadripartite Agreement of September 3, 1971.

(d) advertising by a resident of the other Contracting State, the collection or dissemination of information, or the conducting of scientific research, or similar activities, which have a preparatory or auxiliary character for the resident.

Article IV

1. Income from commercial activity derived in one Contracting State by a resident of the other Contracting State, shall be taxable in the first Contracting State only if it is derived by a representation.

2. The term "representation" means:

(a) with regard to income derived within the USSR, an office or representative bureau established in the USSR by a resident of the United States in accordance with the laws and regulations in force in the Soviet Union;

(b) with regard to income derived within the USA, an office or other place of business established in the USA by a resident of the Soviet Union in accordance with the laws and regulations in force in the United States.

3. In the determination of the profits of a representation, there shall be allowed as deductions from total income the expenses that are connected with the performance of its activity, including executive and general administrative expenses.

4. This article applies to income, other than income of an individual dealt with in Article VI, from the furnishing of tour performances and other public appearances.

5. The provisions of this article shall not affect the exemptions from taxes provided for by Articles III and V.

Article V

1. Income which a resident of the Soviet Union derives from the operation in international traffic of ships or aircraft registered in the USSR and gains which a resident of the USSR derives from the sale, exchange, or other disposition of ships or aircraft operated in international traffic by such resident and registered in the USSR shall be exempt from tax in the United States.

2. Income which a resident of the United States derives from operation in international traffic of ships or aircraft registered in the USA and gains which a resident of the USA derives from the sale, exchange, or other disposition of ships or aircraft operated in international traffic by such resident and registered in the USA shall be exempt from tax in the Soviet Union.

3. Remuneration derived by an individual from the performance of labor or personal services as an employee aboard ships or aircraft operated by one of the Contracting States or a resident thereof in international traffic shall be exempt from tax in the other Contracting State if such individual is a member of the regular complement of the ship or air craft.

Article VI

1. *Special exemptions.*

Income derived by an individual who is a resident of one of the Contracting States shall be exempt from tax in the other Contracting State as provided in subparagraphs (a) through (f).

(a) *Governmental employees.*

(1) An individual receiving remuneration from government funds of the Contracting State of which the individual is a citizen for labor or personal services performed as an employee of governmental agencies or institutions of that Contracting State in the discharge of governmental functions shall not be subject to tax on such remuneration in that other Contracting State.

(2) Labor or personal services performed by a citizen of one of the Contracting States shall be treated by the other Contracting State as performed in the discharge of governmental functions if such labor or personal services would be treated under the internal laws of the first Contracting State as so performed. However, it is understood that persons engaged in commercial activity, such as employees or representatives of commercial organizations of the USA and employees or representatives of the foreign trade organizations of the USSR, shall not be considered in the USSR and USA respectively as engaged in the discharge of governmental functions.

(3) The provisions of this Convention shall not affect the fiscal privileges of diplomatic and consular officials under the general rules of international law or under special agreements.

(b) *Participants in programs of intergovernmental cooperation.*

An individual who is a resident of one of the Contracting States and who is temporarily present in the other Contracting State under an exchange program provided for by agreements between the governments of the Contracting States on cooperation in various fields of science and technology shall not be subject to tax in that other Contracting State on remuneration received from sources within either Contracting State.

(c) *Teachers and researchers.*

(1) An individual who is a resident of one of the Contracting States and who is temporarily present in the other Contracting State at the invitation of a governmental agency or institution or an educational or scientific research institution in that other Contracting State for the primary purpose of teaching, engaging in research, or participating in scientific, technical or professional conferences shall not be subject to tax in that other Contracting State on his income from teaching or research or participating in such conferences.

(2) Subparagraph (1) shall not apply to income from research if such research is undertaken primarily for the benefit of a private person or commercial enterprise of the USA or a foreign trade organization of the USSR. However, subparagraph (1) shall apply in all cases where research is conducted on the basis of intergovernmental agreements on cooperation.

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(d) *Students.*

An individual who is a resident of one of the Contracting States and who is temporarily present in the other Contracting State for the primary purpose of studying at an educational or scientific research institution or for the purpose of acquiring a profession or a specialty shall be exempt from taxes in the other Contracting State on a stipend, scholarship, or other substitute type of allowance, necessary to provide for ordinary living expenses.

(e) *Trainees and specialists.*

An individual who is a resident of one of the Contracting States, who is temporarily present in the other Contracting State for the primary purpose of acquiring technical, professional, or commercial experience or performing technical services, and who is an employee of, or under contract with, a resident of the first mentioned Contracting State, shall not be subject to tax in that other Contracting State on remuneration received from abroad. Also, such individual shall not be subject to tax in that other Contracting State on amounts received from sources within that other Contracting State which are necessary to provide for ordinary living expenses.

(f) *Duration of exemptions.*

The exemptions provided for under subparagraphs (b), (c), (d), and (e) of this article shall extend only for such period of time as is required to effectuate the purpose of the visit, but in no case shall such period of time exceed:

(1) One year in the case of subparagraphs (b) (Participants in programs of intergovernmental cooperation) and (e) (Trainees and specialists);

(2) Two years in the case of subparagraph (c) (Teachers and researchers); and

(3) Five years in the case of subparagraph (d) (Students).

If an individual qualifies for exemption under more than one of subparagraphs (b), (c), (d), and (e), the provisions of that subparagraph which is most favorable to him shall apply. However, in no case shall an individual have the cumulative benefits of subparagraphs (b), (c), (d), and (e) for more than five taxable years from the date of his arrival in the other Contracting State.

2. *General exemptions.*

Income derived by an individual who is a resident of one of the Contracting States from the performance of personal services in the other Contracting State, which is not exempt from tax in accordance with paragraph 1. of this article, may be taxed in that other Contracting State, but only if the individual is present in that other Contracting State for a period aggregating more than 183 days in the taxable year.

ARTICLE VII

This Convention shall not restrict the right of a Contracting State to tax a citizen of that Contracting State.

ARTICLE VIII

This Convention shall apply only to the taxation of income from activity conducted in a Contracting State in accordance with the laws and regulations in force in such Contracting State.

ARTICLE IX

If the income of a resident of one of the Contracting States is exempt from tax in the other Contracting State, in accordance with this Convention, such resident shall also be exempt from any tax which is at present imposed or which may be imposed subsequently in that Contracting State on the transaction giving rise to such income.

ARTICLE X

1. A citizen of one of the Contracting States who is a resident of the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than a citizen of that other Contracting State who is a resident thereof carrying on the same activities.

2. A citizen of one of the Contracting States who is a resident of the other Contracting State or a representation established by a resident of the first Contracting State in the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than are generally imposed in that State on citizens or representations of residents of third States carrying on the same activities. However, this provision shall not require a Contracting State to grant to citizens or representations of residents of the other Contracting State tax benefits granted by special agreements to citizens or representations of a third State.

3. The provisions of paragraphs 1. and 2. of this article shall apply to taxes of any kind imposed on the Federal or All-Union level, the state or Republic level, and on the local level.

ARTICLE XI

1. If a resident of one of the Contracting States considers that the action of one or both of the Contracting States results or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the laws of the Contracting States, present his case to the competent authorities of the Contracting State of which he is a resident or citizen. Should the claim be considered to have merit by the competent authorities of the Contracting State to which the claim is made, they shall endeavor to come to an agreement with the competent authorities of the other Contracting State with a view to the avoidance of taxation not in accordance with the provisions of this Convention.

2. In the event that such an agreement is reached the competent authorities of the Contracting States

JOINT US–USSR COMMUNIQUE

At the invitation of the President of the United States, Richard Nixon, extended during his official visit to the USSR in May 1972, and in accordance with a subsequent agreement, General Secretary of the Central Committee of the Communist Party of the Soviet Union, Mr. Leonid I. Brezhnev, paid an official visit to the United States from June 18 to June 25. Mr. Brezhnev was accompanied by A. Gromyko, Minister of Foreign Affairs of the USS Member of the Politbureau of the Central Comm tee, CPSU; N. S. Patolichev, Minister of Fore Trade; B. P. Bugayev, Minister of Civil Aviati G. E. Tsukanov and A. M. Aleksandrov, Assistant the General Secretary of the Central Committ CPSU; L. I. Zamyatin, General Director of TA E. I. Chazov, Deputy Minister of Public Health the USSR; G. M. Korniyenko, Member of the C legium of the Ministry of Foreign Affairs of USSR; G. A. Arbatov, Director of the USA Instit of the Academy of Sciences of the USSR.

President Nixon and General Secretary Brezh held thorough and constructive discussions on progress achieved in the development of US-So relations and on a number of major internatio problems of mutual interest.

Also taking part in the conversations held Washington, Camp David, and San Clemente, we

On the American side William P. Rogers, Sec tary of State; George P. Shultz, Secretary of Treasury; Dr. Henry A. Kissinger, Assistant to President for National Security Affairs.

On the Soviet side A. A. Gromyko, Minister Foreign Affairs of the USSR, Member of the Po bureau of the Central Committee, CPSU; A. Dobrynin, Soviet Ambassador to the USA; N. Patolichev, Minister of Foreign Trade; B. Bugayev, Minister of Civil Aviation; A. M. Al sandrov and G. E. Tsukanov, Assistants to the G eral Secretary of the Central Committee, CPS G. M. Korniyenko, Member of the Collegium of Ministry of Foreign Affairs of the USSR.

I. THE GENERAL STATE OF US-SOVIET RELATIONS

Both Sides expressed their mutual satisfacti with the fact that the American-Soviet summ meeting in Moscow in May 1972 and the joint cisions taken there have resulted in a substantial advance in the strengthening of peaceful relations between the USA and the USSR and have created the basis for the further development of broad and mutually beneficial cooperation in various fields of mutual interest to the peoples of both countries and in the interests of all mankind. They noted their satisfaction with the mutual effort to implement strictly and fully the treaties and agreements concluded between the USA and the USSR, and to expand areas of cooperation.

They agreed that the process of reshaping relations between the USA and the USSR on the basis of peaceful coexistence and equal security as set forth in the Basic Principles of Relations Between the USA and the USSR signed in Moscow on May 29, 1972 is progressing in an encouraging manner. They emphasized the great importance that each Side attaches to these Basic Principles. They reaffirmed their commitment to the continued scrupulous implementation and to the enhancement of the effectiveness of each of the provisions of that document.

Both Sides noted with satisfaction that the outcome of the US-Soviet meeting in Moscow in May 1972 was welcomed by other States and by world opinion as an important contribution to strengthening peace and international security, to curbing the arms race and to developing businesslike cooperation among States with different social systems.

Both Sides viewed the return visit to the USA of the General Secretary of the Central Committee of the CPSU, L. I. Brezhnev, and the talks held during the visit as an expression of their mutual determination to continue the course toward a major improvement in US-Soviet relations.

Both Sides are convinced that the discussions they have just held represent a further milestone in the constructive development of their relations.

Convinced that such a development of American-Soviet relations serves the interests of both of their peoples and all of mankind, it was decided to take further major steps to give these relations maximum stability and to turn the development of friendship and cooperation between their peoples into a permanent factor for worldwide peace.

II. THE PREVENTION OF NUCLEAR WAR AND THE LIMITATION OF STRATEGIC ARMAMENTS

Issues related to the maintenance and strengthening of international peace were a central point of the talks between President Nixon and General Secretary Brezhnev.

Conscious of the exceptional importance for all mankind of taking effective measures to that end, they discussed ways in which both Sides could work toward removing the danger of war, and especially nuclear war, between the USA and the USSR and between either party and other countries. Conse-

[5] Signed at San Clemente, Calif., on June 24, released at Moscow, Washington, and San Clemente on June 25.

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ful coexistence in modern conditions. It is a program of active contribution to international détente and to securing a truly lasting peace on earth for many generations to come. It expresses not only the convictions and intentions of our people but also, we are sure, the aspirations of millions and millions of peace-loving people all over the world. We are implementing this program, working hand in hand with our friends and allies, the Socialist countries. On the basis of this program we seek to build relations of good will and mutually beneficial cooperation with all countries that have a similar desire. And the improvement of Soviet-American relations occupies its rightful place in that program.

Dear viewers: The importance and complexity of the problems on the agenda of our talks with President Nixon, of our meeting and discussions with members of the Senate Foreign Relations Committee, headed by Senator Fulbright, and with prominent representatives of the American business community, called for a tight work schedule on this visit.

As I have already pointed out, these were fruitful discussions held in a good atmosphere. This gives us a feeling of satisfaction.

At the same time, I do personally regret that the extreme pressure of business has not given me and my colleagues who accompanied me and took part in our work a chance to see more of your country. While still in Moscow, and then here, in the United States, I received many warm letters from various American cities, organizations, companies, and private citizens kindly inviting me to visit this or that town, to see plants, farms, and universities, or to be a guest in the homes of Americans. I am taking this opportunity to express my sincere gratitude to all those who wrote such letters. I regret that, for the reasons I have just mentioned, I was unable to take up those invitations.

Of course, it would have been interesting to visit New York and Chicago and Detroit and Los Angeles, to see some of your industrial projects and farms, to talk to American working people, whose achievements are admired by Soviet people. Perhaps the future will offer such an opportunity, especially since President Nixon and I have definitely agreed that in the future our contacts will be placed on a regular footing. We are looking forward to President Nixon's visit to the Soviet Union next year.

But even though this brief visit did not give me a chance to see as much as I would like to in America, I nevertheless have every reason, when I return home, to tell my colleagues and all Soviet people both about the important political results of the visit and about the atmosphere of good will and the trend in favor of peace, of détente, and of improving relations between our two countries. It is a trend which we felt during our stay in the United States and during our contacts with government and public leaders of your country and with many American citizens. I can assure you that these feelings are fully shared by Soviet people.

I do not believe I will be divulging a major secret if I tell you that in my talks with President Nixon over the last few days we not only addressed ourselves to current political problems but also tried to look ahead and to take into account the future interests of the peoples of both our countries. In so doing we proceeded from the assumption that in politics those who do not look ahead will inevitably find themselves in the rear, among the stragglers. A year ago in Moscow we laid the foundation for improving Soviet-American relations. Now this great and important objective has been successfully brought closer. It is our hope that this trend will continue, for it meets the interests of our two great peoples and of all mankind.

In conclusion, I want to express my sincere gratitude to the American people, to the President and the Government of the United States for their hospitality, for their kindness and numerous expressions of warm feelings toward the Soviet people and us, their representatives.

Dear Americans, please accept my wishes for well-being and happiness to all of you.

Thank you.

shall, as necessary, refund the excess amounts paid, allow tax exemptions, or levy taxes.

ARTICLE XII

The competent authorities of the Contracting States shall notify each other annually of amendments of the tax legislation referred to in paragraph 1. of Article I and of the adoption of taxes referred to in paragraph 2. of Article I by transmitting the texts of amendments or new statutes and notify each other of any material concerning the application of this Convention.

ARTICLE XIII

This Convention shall be subject to ratification and shall enter into force on the thirtieth day after the exchange of instruments of ratification. The instruments of ratification shall be exchanged at Moscow as soon as possible.

The provisions of this Convention shall, however, have effect for income derived on or after January 1 of the year following the year in which the instruments of ratification are exchanged.

ARTICLE XIV

1. This Convention shall remain in force for a period of three years after it takes effect and shall remain in force thereafter for an indefinite period. Either of the Contracting States may terminate this Convention at any time after three years from the date on which the Convention enters into force by giving notice of termination through diplomatic channels at least six months before the end of any calendar year. In such event, the Convention shall cease to have effect beginning on January 1 of the year following the year in which notice is given.

2. Notwithstanding the provisions of paragraph 1. of this article, upon prior notice to be given through diplomatic channels, the provisions of subparagraphs (e), (f), or (g) of paragraph 1. of Article III and the provisions of Article IX may be terminated separately by either Contracting State at any time after three years from the date on which this Convention enters into force. In such event such provisions shall cease to have effect beginning on January 1 of the year following the year in which notice is given.

IN WITNESS WHEREOF, the plenipotentiaries of the two Contracting States have signed the present Convention and have affixed their seals thereto.

DONE at Washington, this 20th day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

For the President of the United States of America	For the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics
GEORGE P. SHULTZ	N. S. PATOLICHEV

Agreements Signed June 21

BASIC PRINCIPLES OF NEGOTIATIONS ON STRATEGIC ARMS LIMITATION

BASIC PRINCIPLES OF NEGOTIATIONS ON THE FURTHER LIMITATION OF STRATEGIC OFFENSIVE ARMS

The President of the United States of America, Richard Nixon, and the General Secretary of the Central Committee of the CPSU, L.I. Brezhnev,

Having thoroughly considered the question of the further limitation of strategic arms, and the progress already achieved in the current negotiations,

Reaffirming their conviction that the earliest adoption of further limitations of strategic arms would be a major contribution in reducing the danger of an outbreak of nuclear war and in strengthening international peace and security,

Have agreed as follows:

First. The two Sides will continue active negotiations in order to work out a permanent agreement on more complete measures on the limitation of strategic offensive arms, as well as their subsequent reduction, proceeding from the Basic Principles of Relations between the United States of America and the Union of Soviet Socialist Republics signed in Moscow on May 29, 1972, and from the Interim Agreement between the United States of America and the Union of Soviet Socialist Republics of May 26, 1972 on Certain Measures with Respect to the Limitation of Strategic Offensive Arms.

Over the course of the next year the two Sides will make serious efforts to work out the provisions of the permanent agreement on more complete measures on the limitation of strategic offensive arms with the objective of signing it in 1974.

Second. New agreements on the limitation of strategic offensive armaments will be based on the principles of the American-Soviet documents adopted in Moscow in May 1972 and the agreements reached in Washington in June 1973; and in particular, both Sides will be guided by the recognition of each other's equal security interests and by the recognition that efforts to obtain unilateral advantage, directly or indirectly, would be inconsistent with the strengthening of peaceful relations between the United States of America and the Union of Soviet Socialist Republics.

Third. The limitations placed on strategic offen-

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sive weapons can apply both to their quantitative aspects as well as to their qualitative improvement.

Fourth. Limitations on strategic offensive arms must be subject to adequate verification by national technical means.

Fifth. The modernization and replacement of strategic offensive arms would be permitted under conditions which will be formulated in the agreements to be concluded.

Sixth. Pending the completion of a permanent agreement on more complete measures of strategic offensive arms limitation, both Sides are prepared to reach agreements on separate measures to supplement the existing Interim Agreement of May 26, 1972.

Seventh. Each Side will continue to take necessary organizational and technical measures for preventing accidental or unauthorized use of nuclear weapons under its control in accordance with the Agreement of September 30, 1971 between the United States of America and the Union of Soviet Socialist Republics.

Washington, June 21, 1973

For the United States of America:	For the Union of Soviet Socialist Republics:
RICHARD NIXON	L. I. BREZHNEV
President of the United States of America	*General Secretary of the Central Committee, CPSU*

AGREEMENT ON SCIENTIFIC COOPERATION IN PEACEFUL USES OF ATOMIC ENERGY

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON SCIENTIFIC AND TECHNICAL COOPERATION IN THE FIELD OF PEACEFUL USES OF ATOMIC ENERGY

The United States of America and the Union of Soviet Socialist Republics;

Attaching great importance to the problem of satisfying the rapidly growing energy demands in both countries as well as in other countries of the world;

Desiring to combine the efforts of both countries toward the solution of this problem through the development of highly efficient energy sources;

Recognizing that solutions to this problem may be found in more rapid development of certain nuclear technologies already under study, such as controlled thermonuclear fusion and fast breeder reactors, as well as in additional basic research on the fundamental properties of matter;

Noting with satisfaction the successful results of previous cooperation between the Parties in the field of peaceful uses of atomic energy;

Wishing to establish a more stable and long-term basis for cooperation in this field for the benefit of both their peoples and of all mankind;

In accordance with and in further development of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Fields of Science and Technology of May 24, 1972; the Memorandum on Cooperation in the Peaceful Uses of Atomic Energy of September 28, 1972 between the U.S. Atomic Energy Commission and the USSR State Committee for the Utilization of Atomic Energy; and the General Agreement between the United States of America and the Union of Soviet Socialist Republics on Contacts, Exchanges and Cooperation of June 19, 1973;

Have agreed as follows:

ARTICLE 1

The Parties will expand and strengthen their cooperation in research, development and utilization of nuclear energy, having as a primary objective the development of new energy sources. This cooperation will be carried out on the basis of mutual benefit, equality and reciprocity.

ARTICLE 2

1. Cooperation will be concentrated in the following three areas:

a. Controlled thermonuclear fusion.

The aim of cooperation in this area is the eventual development of prototype and demonstration-scale thermonuclear reactors. Cooperation may include theoretical, calculational, experimental and design-construction studies at all stages up to industrial-scale operations.

b. Fast breeder reactors.

Cooperation in this area will be directed toward finding solutions to mutually agreed basic and applied problems connected with the design, development, construction and operation of nuclear power plants utilizing fast breeder reactors.

c. Research on the fundamental properties of matter.

Cooperation in this area will include joint theoretical and experimental studies on mutually agreed subjects, and particularly in high, medium and low energy physics, through utilization of accelerators, data processing equipment and other facilities of the two countries. Cooperation may also be undertaken on the design, planning and construction of joint facilities to be used in this area of research.

2. Further details of cooperation in each of these three areas will be arranged through individual implementing protocols.

3. Other areas of cooperation may be added by mutual agreement.

4. Cooperation under this Agreement shall be in accordance with the laws of the respective countries.

ARTICLE 3

1. Cooperation provided for in the preceding Articles may take the following forms:

a. Establishment of working groups of scientists

letter of the signed agreements, fully take that fact into consideration.

But the main purport of all that we discussed and agreed upon with President Nixon in the field of international affairs is the firm determination of both sides to make good relations between the U.S.S.R. and the U.S.A. a permanent factor of international peace.

In our time—and I am sure you know this—there are still too many people who would rather make noise about military preparations and the arms race than discuss problems of détente and peaceful cooperation a constructive spirit.

What can be said on that account?

The Soviet people are perhaps second none when it comes to knowing what w means. In World War II we won a victo of world-historic significance. But in th war over 20 million Soviet citizens die Seventy thousand of our towns and villag were devastated, and one-third of our n tional wealth was destroyed.

The war wounds have now been heale Today the Soviet Union is a mightier a more prosperous country than ever befor But we remember the lessons of the war on too well, and that is why the peoples of t Soviet Union value peace so highly, that why they strongly approve the peace poli of our party and government.

For us peace is the highest achievement which all men should strive if they want make their life a worthy one. We believe reason, and we feel that this belief is shar also by the peoples of the United States a of other nations. If that belief were lost, if it were obscured by a blind faith i strength alone, in the power of nuclear arm or some other kind of weapon, the fate civilization—of humanity itself—would b miserable indeed.

Our path has not been an easy one. Our people are proud that in a historically short period of time, after the victory of the Socialist Revolution, backward Russia transformed itself into a major industrial power and achieved outstanding successes in science and culture. We take pride in having built a new society—a most stable and confidently developing society—which has assured all our citizens of social justice and has made the values of modern civilization the property of all the people. We are proud that dozens of previously oppressed nations and nationalities in our country have become genuinely equal and that in our close-knit family of nations they are developing their economy and culture.

We have great plans for the future. We want to raise considerably the living standards of the Soviet people. We want to make new advances in education and medicine. We want to make our villages and towns more comfortable to live in and more beautiful. We have drafted programs to develop the remote areas of Siberia, the North and the Far East, with their immense natural resources. And every Soviet individual is deeply conscious of the fact that the realization of those plans requires peace and peaceful cooperation with other nations.

Of course, like any other country, we have quite a few problems and quite a few shortcomings. But the solution to all the problems we face requires, as in the case of other nations, not war or an artificial fanning of tensions, but peace and creative labor, which, we are convinced, are the only things that can guarantee well-being and abundance of material and spiritual benefits for all members of society.

I have attempted to give a brief account of the thoughts and plans of the Soviet people and to explain the nature of the Soviet Union's foreign policy. Its peaceful essence stems from the very core of our society. And it is by no mere chance that the very concept of peaceful coexistence, which today is turning more and more into a universally recognized basis for the development of relations between states with different social systems, was evolved by Vladimir Ilyich Lenin, the founder of the Soviet state.

You probably know that two years ago the 24th congress of our ruling party, the Communist Party of the Soviet Union, approved the Soviet peace program, which is a concrete embodiment of the policy of peace-

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Prospects for the broad development of Soviet-American exchanges in culture and the arts are, as we see it, also good. Both our countries have much to share in this field. To live at peace we must trust each other, and to trust each other we must know each other better. We, for our part, want Americans to visualize our way of life and our way of thinking as completely and correctly as possible.

By and large, we can say that quite a lot has already been done to develop Soviet-American relations. Yet we are still only at the beginning of a long road. Constant care is needed to preserve and develop the new shoots of good relationships. Tireless efforts are needed to define the most essential and most suitable forms of cooperation in various fields. Patience is needed to understand the various specific features of the other side and to learn to do business with each other.

I believe those who support a radical improvement in relations between the Soviet Union and the United States can look to the future with optimism, for this objective meets the vital interests of both our nations and the interests of peace-loving people all over the world.

The general atmosphere in the world depends to no small extent on the climate prevailing in relations between our two countries. Neither economic or military might nor international prestige give our countries any special privileges, but they do invest them with special responsibility for the destinies of universal peace and for preventing war. In its approach to ties and contacts with the United States, the Soviet Union is fully aware of that responsibility.

We regard the improvement of Soviet-American relations not as an isolated phenomenon, but as an integral and very important part of the wider process of radically improving the international atmosphere. Mankind has outgrown the rigid cold war armor which it was once forced to wear. It wants to breathe freely and peacefully. And we will be happy if our efforts to better Soviet-American relations help draw more and more nations into the process of détente—be it in Europe or Asia, in Africa or Latin America, in the Middle or the Far East.

We regard it as a very positive fact that the normalization of Soviet-American relations is contributing to the solution of the great and important problem of consolidating peace and security in Europe and of convening the all-European conference.

The improvement of Soviet-American relations undoubtedly played its useful role in promoting the termination of the long-drawn-out war in Viet-Nam. Now that the agreement ending the Viet-Nam war has come into effect and both our countries, together with other nations, are signatories to the document of the Paris Conference on Viet-Nam, it seems to us to be particularly important that the achieved success be consolidated and that all the peoples of Indochina be given the chance to live in peace.

There still exist hotbeds of dangerous tension in the world. In our discussions with President Nixon we touched upon the situation in the Middle East, which is still very acute. We believe that in that area justice should be assured as soon as possible and a stable peace settlement reached that would restore the legitimate rights of those who suffered from the war and insure the security of all peoples of that region. That is important for all the peoples of the Middle East, with no exception. It is also important for the maintenance of universal peace.

In short, the ending of conflicts and the prevention of new crisis-fraught situations is an essential condition for creating truly reliable guarantees of peace. And our two countries are called upon to make a worthy contribution to that cause. In our discussions President Nixon and I have devoted a great deal of attention to these matters.

I would like to emphasize at this point that in discussing questions of our bilateral relations and international problems of a general nature we invariably took into account the fact that both the Soviet Union and the United States have their own allies and their own obligations toward various other states. It should be stated quite definitely that our talks, both in their spirit and in the

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and engineers for design and execution of joint projects;

b. Joint development and construction of experiments, pilot installations and equipment;

c. Joint work by theoretical and experimental scientists in appropriate research centers of the two countries;

d. Organization of joint consultations, seminars and panels;

e. Exchanges of appropriate instrumentation, equipment and construction materials;

f. Exchanges of scientists and specialists; and

g. Exchanges of scientific and technical information, documentation and results of research.

2. Other forms of cooperation may be added by mutual agreement.

ARTICLE 4

In furtherance of the aims of this Agreement, the Parties will, as appropriate, encourage, facilitate and monitor the development of cooperation and direct contacts between organizations and institutions of the two countries, including the conclusion, as appropriate, of implementing protocols and contracts for carrying out cooperative activities under this Agreement.

ARTICLE 5

1. For the implementation of this Agreement, there shall be established a US–USSR Joint Committee on Cooperation in the Peaceful Uses of Atomic Energy. Meetings will be convened once a year in the United States and the Soviet Union alternately, unless otherwise mutually agreed.

2. The Joint Committee shall take such action as is necessary for effective implementation of this Agreement including, but not limited to, approval of specific projects and programs of cooperation; designation of appropriate participating organizations and institutions responsible for carrying out cooperative activities; and making recommendations, as appropriate, to the two Governments.

3. The Executive Agents of this Agreement shall be, for the United States of America, the U.S. Atomic Energy Commission, and for the Union of Soviet Socialist Republics, the USSR State Committee for the Utilization of Atomic Energy. The Executive Agents, on their respective sides, shall be responsible for the operation of the Joint Committee and shall coordinate and supervise the development and implementation of cooperative activities conducted under this Agreement.

ARTICLE 6

Nothing in this Agreement shall be interpreted to prejudice other agreements concluded between the Parties.

ARTICLE 7

1. This Agreement shall enter into force upon signature and shall remain in force for ten years. It may be modified or extended by mutual agreement of the Parties.

2. The termination of this Agreement shall not affect the validity of implementing protocols and contracts concluded under this Agreement between interested organizations and institutions of the two countries.

DONE at Washington, this 21st day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

For the United States of America:	For the Union of Soviet Socialist Republics:
RICHARD NIXON	L. I. BREZHNEV
President of the United States of America	*General Secretary of the Central Committee, CPSU*

Dr. Kissinger's News Conference, Washington, June 21

Mr. Ziegler [*Ronald L. Ziegler, Press Secretary to President Nixon*]: As we mentioned to you this morning, President Nixon and General Secretary Brezhnev have reached agreement on the basic principles of negotiation of further limitation for strategic offensive arms. The final agreement of those principles was reached in the meeting yesterday evening.

Also, an agreement will be signed today between the United States and the Soviet Union on scientific and technical cooperation in the field of peaceful uses of atomic energy. The signing of both of these matters will take place at 3:30 in the East Room, which we have already announced.

Before Dr. Kissinger briefs you on the matters I have just referred to, together with Ambassador Johnson [U. Alexis Johnson, U.S. Representative and chief of the U.S. delegation to the Strategic Arms Limitation Talks (SALT)], I should tell you that the morning meeting between the President and General Secretary lasted for slightly over an hour. It began at 11:30 and ended at 12:30. Dr. Kissinger participated in most of that

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meeting. The President and General Secretary then took a brief break and resumed their meetings at 1:20 and are still meeting at this time and plan to return to Washington for the signing ceremony at 3:30. With that, I will present to you Dr. Kissinger.

Dr. Kissinger: Ladies and gentlemen, I will go over the agreement on SALT principles with you. Due to some misunderstanding between Camp David and my office here, the actual text hasn't been distributed to you, but it will be at the end of the meeting. I thought that in order to explain it adequately I would read to you each of the principles and then explain what they mean.

There is no need for you to take down the text itself, because we are going to distribute it right after the meeting, together with a factsheet, and my apologies for not having gotten it to you before this briefing.

Let me first give you some background on the principles that have been agreed upon and what they are intended to achieve.

As you know, the second round of SALT started last November, and as you know also, our representative is Ambassador Johnson, who is here to help with the briefing.

The objective of these talks has been to consider a permanent agreement limiting offensive weapons to replace the interim agreement that was signed in Moscow last May and which came into effect last October to run for five years.

Now, in negotiating a permanent agreement, one faces problems that are more complex than those in an interim agreement. The essence of the interim agreement was that both sides froze their offensive weapons at the levels they had achieved last May and, frankly, at the levels that were foreseeable over the terms of the interim agreement, for a period of five years.

And as you know, we have always rejected the argument that we had agreed to a numerical inferiority in the interim agreement precisely because there was no possibility of overcoming that numerical inferiority in the five years for which the interim agreement was designed.

On the other hand, when you are dealing with a permanent agreement you are affecting the long-term strategic interests of both countries, and therefore numbers that are acceptable in an interim agreement will have a different connotation in a permanent agreement and safeguards will have to be looked at in a different context.

Secondly, with respect to a permanent agreement, we now face the situation that the numerical arms race, quantitative arms race, has been, in some respects, eclipsed in significance by the qualitative arms race.

Throughout the 1960's, it was considered that the buildup was the greatest threat to the stability of the arms race and hence to international peace. In this period we have to consider as well that the improvement—refinement—of arms in terms of accuracy, in terms of throw-weight, in terms of multiple warheads, can be profoundly unsettling to this strategic equation even when the numbers on both sides are kept fairly constant.

And thirdly, when one is talking about a permanent agreement, one has to consider the question not only of limiting arms but the objective of reducing arms. It was in this context that the negotiations started last November and have been conducted for the last six months.

The negotiations went through the usual phase of some exploratory discussions, followed by some more concrete proposals by both sides. However, we faced the situation in April where it became clear that a comprehensive agreement of a permanent nature would require more time than the interval before the summit allowed; and therefore the President, General Secretary Brezhnev, in their communications with each other decided that perhaps the approach of agreeing on some principles that could guide the negotiators, coupled with some full discussions while they were meeting in the United States, could give a new impetus to the talks on strategic arms limitation. This is what was done.

In the closest consultation with Ambassador Johnson and with the allies most concerned, we developed a set of principles on a preliminary basis, which we have further discussed since the General Secretary has arrived in the United States and which led to the agreement which we are releasing today.

Socialist Republics and the United States of America have concluded an agreement to prevent the outbreak of nuclear war between themselves and to do their utmost to prevent the outbreak of nuclear war generally. It is surely clear how important this is for the peace and tranquillity of the peoples of our two countries and for the improvement of the prospects for a peaceful life for all mankind.

Even if our second meeting with the President of the United States yielded no othe results, it could still be said with full ground that it will take a fitting place in the annal of Soviet-American relations and in inter national affairs as a whole. The entire worl can now see that, having signed last year th fundamental document entitled "Basic Prin ciples of Relations Between the Union c Soviet Socialist Republics and the Unite States of America," our two nations regar it not as a mere declaration of good inter but as a program of vigorous and consister action, a program they have already begu to implement, and one which they are dete mined to go on implementing.

It is also of no little significance that ou countries have agreed on the main principle of further work to prepare a new agreemer on strategic arms limitation, a broader on this time and of far longer duration. Thi means that the exceptionally important jo begun in May 1972 in Moscow is continuin It means that political détente is bein backed up by military détente. And this i something from which all the peoples and th very cause of peace stand to gain.

The other day representatives of our tw governments also signed new agreements o Soviet-American cooperation in several spe cific fields. Together with the earlier agree ments concluded during the past year, the make up an impressive file of documents o cooperation between our two nations and our two great peoples in some widely ranging fields: from the peaceful uses of atomic energy to agriculture and from outer space to the ocean depths.

Of course, the Soviet Union and the United States are countries which are, so to speak, self-sufficient. Until recently that was, in fact, how things were in our relations. However, we, as well as many Americans, realize only too well that renunciation of cooperation in the economic, scientific, technological, and cultural fields is tantamount to both sides turning down substantial extra benefits and advantages. And most important, such a renunciation would be so pointless as to defy any reasonable argument. This is particularly true of economic ties. Today, I believe, both you and we would agree that in this area it is not enough simply to overcome such an anomaly generated by the cold war as the complete freezing of Soviet-American trade. Life poses questions of far greater importance. I have in mind, above all, such forms of economic relations as stable large-scale ties in several branches of the economy and long-term scientific and technological cooperation, and in our age this is very important. The contacts we have had with American officials and businessmen confirm that it is along these lines that the main prospects for further economic cooperation between our countries can be traced.

It is alleged at times that the development of such cooperation is one-sided and only benefits the Soviet Union. But those who say so are either completely ignorant to the real state of affairs or deliberately turn a blind eye to the truth.

And the truth is that broader and deeper economic cooperation in general and the long-term and large-scale deals which are now either being negotiated or have already been successfully concluded by Soviet organizations and American firms are bound to yield real and tangible benefits to both sides. This is something that has been confirmed quite definitely by American businessmen whom I have had an opportunity to talk with both in this country and earlier in Moscow. It was in that context that we discussed the matter with President Nixon, too.

To this I would like to add that both the Soviet leadership and, as I see it, the U.S. Government attach particular importance to the fact that the development of long-term economic cooperation will also have very beneficial political consequences. It will consolidate the present trend toward better Soviet-American relations generally.

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sphere of peaceful and mutually advantageous cooperation between the United States of America and the Union of Soviet Socialist Republics. Another big step has been taken along the path that we jointly mapped out a year ago during our meeting in Moscow.

Let me say frankly that personally I am also pleased that this visit has given me an opportunity to gain some firsthand impressions of America, to see some aspects of the American way of life, to meet with prominent government and public leaders of your country, and to have some contact with the life of Americans.

You are well aware that, in the past, relations between our countries developed very unevenly. There were periods of stagnation; there were ups and downs. But I guess I would not be making a mistake if I said that the significance of good relations between the Soviet Union and the United States has always been quite clear to the more far-sighted statesmen. In this connection we have good reason to recall that this is the year of the 40th anniversary of the establishment of diplomatic relations between our countries on the initiative of President Franklin D. Roosevelt.

In World War II the Soviet Union and the United States became allies and fought side by side against nazism, which threatened the freedom of nations and civilization itself. The jubilant meeting of Soviet and American soldiers on the Elbe River at the hour of victory over Hitlerism is well remembered in our country.

The wartime alliance could have been expected to usher in a new era of broad peaceful cooperation between the Soviet Union and the United States. I can tell you with confidence that that is what our country wanted. We wanted to cement and develop the good relations whose foundations had been laid during the war.

Things went differently, however. What came was not peace, but the cold war, a poor substitute for genuine peace. For a long time it poisoned relations between our countries and international relations as a whole. Some of its dismal influence can unfortunately be felt in certain things to this day.

Under the circumstances, it was no easy task indeed to make a turn from mutual distrust to détente, normalization, and mutually advantageous cooperation. It took courage and political foresight; it took a lot of painstaking work. We appreciate the fact that President Nixon and his administration joined their efforts with ours to really put Soviet-American relations on a new track.

I have heard that the American political cabulary includes the expression "to win e peace." The present moment in history I believe, perhaps the most suitable occasion to use that expression. We jointly won e war. Today our joint efforts must help ankind win a durable peace. The possibility a new war must be eliminated.

The outcome of the two meetings between e leaders of the Soviet Union and the ited States and the practical steps taken the intervening year convincingly show at important results have already been atned. It transpired that a reasonable and itually acceptable approach to many probns, which previously seemed insoluble, can fact be found. Not so long ago I suppose would have been hard even to imagine the ssibility of such progress.

Last year's agreements are, on the whole, ng successfully implemented. Tangible ogress is being made in almost all spheres and it is a progress secured through joint orts. The inauguration of a regular passger shipping line between Leningrad and w York, the establishment of consulates eral in Leningrad and San Francisco, the tiation of friendly ties between Soviet d American cities, and livelier athletic exnges are all becoming part of the daily es of the peoples of our two countries to-.

The best possible evidence that Soviet-American relations are moving ahead, and not marking time, is provided by the important document signed the other day by President Nixon and myself, the agreement between the Soviet Union and the United States on the prevention of nuclear war. I trust I will not be accused of making an overstatement if I say that this document is one of historic significance. The Union of Soviet

Now, since you don't have the text, I think the best thing I can do is read it, and then attempt to explain its significance—what we understand by it. It isn't very long. I see somebody is looking at his watch. [Laughter.]

The preamble says: The President of the United States and the General Secretary of the Central Committee of the CPSU, having thoroughly considered the question of the further limitation of strategic arms and the progress already achieved at the current negotiations, reaffirming their conviction that the earliest adoption of further limitation of strategic arms would be a major contribution in reducing the danger of an outbreak of nuclear war and in strengthening international peace and security, have agreed as follows.

The primary significance of the preamble is the emphasis that both leaders give to their conviction of the importance of the earliest adoption of further limitation of strategic arms, not only with respect to reducing the danger of the outbreak of nuclear war but with respect to the strengthening of international peace in general, and therefore the personal backing that they are giving to a sense of urgency in the conduct of these negotiations.

The first principle is as follows: The two sides will continue active negotiations in order to work out a permanent agreement on more complete measures on the limitation of strategic offensive arms, as well as their subsequent reduction, proceeding from the Basic Principles of Relations between the United States of America and the Union of Soviet Socialist Republics signed in Moscow, May 29, 1972, and from the interim agreement between the United States and the U.S.S.R. of May 26, 1972. Over the course of the next year, the two sides will make serious effort to work out the provisions of the permanent agreement on more complete measures on the limitation of strategic offensive arms with the objective of signing in 1974.

The first principle substantially speaks for itself. It commits both sides to accelerate their efforts, and it commits both sides to make a major effort to achieve an agreement in 1974, or during the course of 1974. The two leaders would not have made this formal statement if they did not believe that this goal was within reach and was attainable.

Therefore it represents a commitment by both sides to bring about—to do their utmost to bring about a permanent agreement on the limitation of strategic arms during the course of next year. This agreement is to be based on the basic principles of international relations that were established last year in Moscow and on the interim agreement. However, the U.S. position has been clear that the agreement has to be more comprehensive and that the numbers that last governed the interim agreement would not be the numbers of a permanent agreement.

The second principle is: New agreements on the limitation of strategic offensive armaments will be based on the principles of the American-Soviet documents adopted in Moscow in May 1972 and the agreements reached in Washington in June 1973; and in particular, both sides will be guided by the recognition of each other's equal security interests and by the recognition that efforts to obtain unilateral advantage, directly or indirectly, would be inconsistent with the strengthening of peaceful relations between the United States of America and the Union of Soviet Socialist Republics.

This article attempts to set out the basic guidelines in which the two sides will approach the negotiations. It makes it clear that neither side can attempt to achieve through these negotiations a unilateral advantage and, secondly, that we have always maintained the position that we did not separate our security interests from those of our allies.

I must mention one other point with respect to the first principle, which is to say that both sides have agreed that the negotiations should include not only limitations on strategic arms but measures for the reduction of strategic arms.

The third principle states: The limitations placed on strategic offensive weapons can apply both to their quantitative aspects as well as to their qualitative improvement.

This is one of the essential differences be-

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tween SALT One and SALT Two. SALT One concerned primarily exclusively the question of numerical limitation. SALT Two will include, as well, qualitative restraint. That will involve discussions on MIRV's [multiple independently targetable reentry vehicles], on throw-weight, and issues introduced by the other side with respect to specific types of armaments; for example, on airplanes.

The fourth principle states: Limitations on strategic offensive arms must be subject to adequate verification by national technical means—which is a familiar principle from the previous SALT discussions and which the negotiating record makes it clear that we include also the imperative that both sides will maintain practices which facilitate monitoring the agreement.

The fifth principle applies to the modernization of arms and states: The modernization and replacement of strategic offensive arms would be permitted under conditions which will be formulated in the agreements to be concluded.

The essence here is that on the one hand there will be some provision for modernization and replacement. On the other hand, it also makes clear that the modernization and replacement cannot take place except under agreed conditions that do not threaten the purposes of the agreement.

The sixth principle is: Pending the completion of a permanent agreement on more complete measures of strategic offensive arms limitation, both sides are prepared to reach agreements on separate measures to supplement the existing interim agreement of May 26, 1972.

The significance of this principle is that with respect to some issues that are time-urgent, in which the interval between now and the time in 1974 when we expect the permanent agreement to be concluded, that this interval might have a major impact on the existing strategic situations, both sides have agreed that they would be prepared to negotiate supplementary or separate measures to the interim agreement which would probably be of shorter duration and which would of course be absorbed by the permanent agreement.

The seventh principle is a reaffirmation of the accidental war agreement, which is to say that each side will continue to take necessary organizational and technical measures for preventing accidental or unauthorized use of nuclear weapons under its control in accordance with the agreement of September 30, 1971, between the United States of America and the Union of Soviet Socialist Republics.

To sum up, the statement of principles which will be signed today, first, formally commits the two principal leaders to the urgency of completing a permanent agreement and the relationship between international peace and security and the completion of such an agreement. Secondly, it states a deadline for the completion of the agreement, in 1974. Thirdly, it includes reductions as one of the objectives of the agreement and not simply limitation. Fourth, it defines a permanent agreement as one that will limit the number of weapons systems as well as to limit their qualitative improvement and therefore opens a dimension to the negotiations that was not covered by SALT One. And it defines some general principles as yardsticks against which the negotiators can measure progress.

Now, these principles have to be seen also in terms of the negotiating record at Geneva, where both sides are now discussing concrete proposals and where it is therefore perfectly clear what both sides mean by such phrases as "qualitative changes" and other phrases.

It must also be seen in the light of the extensive discussions that took place yesterday between the President and the General Secretary which dealt with how to give effect to these principles and how to move forward to these negotiations so that the timetable that has been set out in these principles can be realistically met.

These, then, are the principles which will guide our actions over the next year. We expect that they will be seen as a major step in developing a permanent agreement on the limitation of offensive weapons—the ultimate reduction—as a move toward bringing under control not only the pace of the arms race but its nature and therefore will contribute to long-term prospects of peace.

signed will be unanimously approved in the United States as they undoubtedly will in the Soviet Union and that, moreover, they will be approved and welcomed by the nations of the entire world. And that is something that gives us added strength and new vigor and a desire to go on working hard so that maybe in six or eight months' time, as the President wishes, we will be able to meet again when the President comes to Moscow and when we do that we will move still furth ahead the very important achievemen started last year in May. And he will cor to the Soviet Union confident that we w prepare and sign new and more importa agreements which will develop all that w started so well last year in Moscow.

In conclusion, permit me once again to e press my very sincere gratitude to you, M President, to Mrs. Nixon, to all your c leagues, and to all those who have come he to be with us this morning. For that, I a indeed grateful, and so as I leave you I wi to say not farewell, but goodby until we m again.

Mr. President, you will agree with me I say in all of our work during this visit, y and your colleagues, American statesm just as I and all of my colleagues here did r strictly observe the rules of protocol a we devoted the greater part of our time to hard work. In fact, suffice it to say that last night we went on working until the early hours of this morning, and we did some very good work together.

But perhaps for that reason I simply omitted to say one thing in my remarks and that is the following: The United States is a very great, a very big country, a country with a population of over 220 million people, and I and all my colleagues in Moscow and those who are with me on this visit would like to express our deep appreciation and gratitude to all Americans who support what we have done and are doing and who take a correct view and correctly appreciate our policy and our line of conduct and who, in thus doing so, are helping us in our work, and I therefore trust that the peaceful policies pursued by the President and by the U.S. Government under him will be supported by the people.

It is a policy aimed at insuring and strengthening peace, cooperation, and security in the interests of our two countries but also in the interests of all other nations, big and small, throughout the world, and for this I wish to express my appreciation also.

I ask all of your colleagues, Mr. President, and mine, to draw up closer to us so that we could all be in this historic picture together.

General Secretary Brezhne[v] TV and Radio Address, June 24 [1]

Dear Americans: I highly appreciate t opportunity of directly addressing the peo of the United States on my visit to y country.

I would like first of all to convey to all you the greetings and friendly feelings millions of Soviet people who are following with great interest my visit to your country and our talks with President Nixon and who are looking forward to this new Soviet-American summit meeting making a fruitful contribution to better relations between our countries and stronger universal peace.

Our discussions with President Nixon and other U.S. Government officials have been going on for several days, and they have been very intensive indeed. We came to this country anticipating that these would be responsible negotiations devoted to major questions bearing on the development of Soviet-American relations and to a search for ways in which our two nations could promote the further invigoration of the entire international atmosphere. Today I have every reason to say that those hopes were justified. We are satisfied with the way the talks went and with the results already achieved. New agreements have been signed in Washington, and in many respects they broaden the

[1] Recorded at San Clemente, Calif., on June 23 and broadcast June 24 (text made available by the White House Press Office).

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their relations with other nations, this action indeed gives profound hope to those throughout the world who want peace, because there can only be true peace in a world in which the weak are as safe as the strong and by our agreements we have dedicated ourselves to building that kind of world.

In speaking of this I think, too, that the agreement that we have signed, all of the agreements, take on added meaning because of the personal relationship that we developed a year ago and that we have built on this year.

All who have studied history know that an agreement means nothing unless there is the will of the parties to keep it, and Mr. General Secretary, as you know from our long talks at Camp David, in Washington, and here at San Clemente, we have the will to keep all the agreements we have made and particularly the one that we signed Friday.

And having that will, it means that we are dedicating ourselves to build a new era not only of peace between our two great countries but of building an era in which there can be peace for all the people of the world.

When you return to the Soviet Union, I would appreciate it very much if you would extend to the millions of people in your country the good wishes, the friendship, of the millions of people in the United States, because I am sure that there are many Americans who would like personally to give that message to your people. And you can tell them that the American people—not just the American leaders, but the American people—welcome the opportunity to work with the people of the Soviet Union to build peace between each other and peace for the world.

General Secretary Brezhnev

Mr. President, ladies and gentlemen: Today when our visit draws to an end and the day of our departure grows closer, I am very happy indeed to have this opportunity once again to express my gratitude to the President of the United States for the hospitality that was accorded to me and all my colleagues present here in California. It has been very pleasant indeed for me to be able to visit this wonderful part of the United States, and I want also to express my gratitude to all Californians and to all the people of the United States. I had an opportunity to do so in the television address which, however, you will only be seeing tonight, so I do want to do that again, to express my gratitude again on this wonderful morning.

As we said at the start of our meeting, we must work hard in the interests of our peoples, in the interest of the great and noble aims of defending peace and developing friendly relations between our peoples, and we can now say quite safely that we certainly did that.

We have done some very serious work together, and we have achieved complete agreement on several important issues which are of prime concern to our peoples, and I can certainly say that all the people in the Soviet Union will welcome what has been achieved.

All of the agreements that we and our colleagues signed in the course of this week are important, but those that you and I signed, Mr. President, last Friday were particularly important, and they were indeed happy events not only for the peoples of the Soviet Union and the United States. I am certain that all the people of the world will salute and welcome the agreements we signed.

In these very pleasant days spent in the United States, I had a very good opportunity to meet with some of your Senators, with representatives of the business community, and yesterday I had the very great pleasure of meeting quite a few Californians belonging to various walks of life and various professions.

But apart from all the talks we had and of the formal meetings, I was very happy to note, and I was also told this by my colleagues, who, too, have been meeting with many Americans during this visit—and I am particularly happy that I was able a couple of days ago to chat briefly with a group of American correspondents—and everyone I talked to have said that they are happy over the results achieved during this visit.

And so, that is a source of very special joy. I am therefore leaving the United States with very good feelings and with the conviction that the agreements and documents we

Now I will be glad to answer any questions.

Q. Dr. Kissinger, why do you find the need to provide for further interim agreements if you think you are going to have a permanent agreement within 18 months?

Dr. Kissinger: This issue will of course be left in detail to the negotiators. The need could arise, for example, in the case of certain technological developments, where restraints on the pace of testing could affect the situation in the space over the next 12 to 18 months. It would be applied to those issues which are sensitive to the time interval that has been outlined in this agreement. It would not, obviously, apply to such issues as the numbers of weapons to be deployed because that would not arise in the 12- to 18-month period.

Q. Does the United States seek parity in numbers in the permanent agreement?

Dr. Kissinger: The issue of how you define equal security and no unilateral advantage is one of the most complex. As you know, with respect to the interim agreement, we believe that the larger number of our warheads compensated for the somewhat larger number of their missiles, and also the larger number of our airplanes. And we also concluded that in the five-year period of this agreement we were not going to increase the number of these weapons anyway.

With respect to a permanent ban, the limitations must be equitable; that is, they must take into account the numbers of weapons and the numbers of warheads. And we will certainly seek, and we will obtain, what we consider strategic parity.

Q. So you don't have to have exactly the same numbers in terms—

Dr. Kissinger: It depends what other limitations exist, and therefore it is very difficult to answer it in the abstract. In general, our objectives will be equality, but how you calculate this equality, we have to leave open to the negotiators. In effect though, the total compositions of the forces should be substantially equal.

Q. Dr. Kissinger, you said in reading this over, I don't know if you meant it, that in principle 3—

Dr. Kissinger: If I said it, there is a chance I meant it. [Laughter.]

Q. You said this is qualitative as well as quantitative, and later on you said the agreement will deal with qualitative. In relation to that, if you mean that it will deal with qualitative matters, can you relate principle 4 on the use of national technical means of inspection to the control of MIRV's? Are you announcing that the United States is prepared to use national technical means of inspection to verify any kind of MIRV agreement that might be forthcoming?

Q. Can we have the question, please?

Dr. Kissinger: I will repeat the question, but not the introduction to the question. The question is that the third principle says that the agreement can apply both to qualitative and to quantitative aspects and then the fourth principle says that the limitation must be subject to adequate verification by national technical means.

Miss Berger's question was how these two principles could be reconciled and specifically whether we were saying that we were prepared to accept national verification for any kind of MIRV agreement.

I think I would put it another way. I would say any kind of MIRV agreement that may be reached will have to be one that can be verified by national technical means, and therefore that those MIRV agreements that are not verifiable by national technical means would be difficult to reconcile with these provisions and therefore the question depends on the nature of MIRV limitations that we are talking about. But as I have made clear, we consider the development of multiple independent warheads one of the major factors of concern in the arms race. And that is clearly understood by the other side.

Q. You are aware that there are stories circulating that the President and Mr. Brezhnev are working on a so-called surprise agreement also in the nuclear field. Can you tell us whether in fact this is the only agreement going to be reached at the summit that has anything to do with nuclear weapons or, in a more general way, whether they are working on some more major surprise agreement—to be announced here, I mean?

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Dr. Kissinger: I don't want to comment on everything that they may be working on. I would not characterize anything as a surprise agreement, and I would say that there is nothing that they are working on that is directly relevant to the Strategic Arms Limitation Talks.

Q. Dr. Kissinger, is there any understanding about whether forward-based systems will be considered in these negotiations?

Dr. Kissinger: The basic position of the two sides has been elaborated in previous negotiations. We have left no doubt that we consider our security interests and those of our allies inseparable and that we believe that the central strategic systems should be the principal concern of this phase of the negotiations; that is to say, the ICBM's [intercontinental ballistic missiles], bombers, and submarine-launched ballistic missiles.

The Soviet Union has taken a different view in the past. It is a view that we managed to avoid having to address in the first phase of SALT, and it is something which we believe can be negotiated in the second phase of SALT.

But we can state now that with respect to forward-based systems, we will make no agreement that separates our security interests from those of our allies and that we believe that in this phase the central strategic systems should be the principal focus of negotiation.

Q. What can you tell us of the changes the Soviets have made in the last year in their missile programs and whether they have been completely in accordance with the agreements reached in Moscow?

Dr. Kissinger: The Soviet Union, to the best of my information, has pursued an active program within the terms of the agreement. If we should receive any information that is contrary to that, we will actively pursue it in the standing committee and in other channels. Up to now, they have pursued an active program, which is, however, to the best of our current information, within the terms of the agreement.

Q. Could you give just a general outline of what that active program constitutes?

Dr. Kissinger: I reveal Soviet strategic deployments only in bars in the Soviet Union. [Laughter.]

Q. Henry, I am having a little trouble here with the qualitative principle. What is new about the qualitative principle? I thought it was understood right along that SALT Two would be qualitative as well as numerical. Are you saying here there is something in this that now permits the Soviet Union to place a freeze on MIRV's? Is that what is new here? If not, what is the change?

Dr. Kissinger: I am saying this is the first time that there is a formal statement to this effect by both sides. Our position on it has been made clear, and I have enunciated it to this group. This is the first time that an agreed guideline signed by the two leaders, or an agreed guideline by the two sides, to this effect has been enunciated.

Q. So it is that the Soviet Union has agreed to negotiate on MIRV?

Dr. Kissinger: I don't want to speak to the Soviet position because qualitative can include many things in addition to MIRV.

Q. Dr. Kissinger, is the final agreement on SALT contingent on any agreement or understanding of any kind, and if not, what is all this talk about SALT not being reachable if the Soviet Union does not get most-favored-nation treatment?

Dr. Kissinger: The SALT agreement is independent of other agreements, but it is of course dependent on the general climate of U.S.-Soviet relations. We have always held the view that the relationship between the general political climate and progress in SALT was close. It is not, however, linked as a condition to progress in any other negotiation; it has not been stated as such by us.

Q. Dr. Kissinger, may I follow that up? In the event the Jackson amendment is adopted, will SALT go down the drain?

Dr. Kissinger: I would not speculate on any particular agreement. We have said that in the event that the Jackson amendment is adopted in its present form that it would have a serious impact on Soviet-American relations. What the particular impact will be

American television. I am not sure when they will have this program, today or tomorrow, but when you see it you will hear my thoughts and the thoughts of the Soviet people.

I would very much like that the name of this house, La Casa Pacifica, would be symbolic. I would very much like that our relations go down in history as relations of peace, of friendship, of mutual respect between our peoples so that there is no more war.

And in conclusion, I would like to expre my gratitude to the President and Mrs. Ni on for this wonderful party which he a ranged for us today. I believe that th gathering will permit me to acquaint myse with the representatives of various walks life, of various professions, and I feel ve happy and grateful.

And to all of you, I would like to wish go health, personal happiness, and success in your endeavors.

Mr. President, I would also like to co gratulate you and all the American people the successful completion of the heroic spa flight, on the occasion of the successful r turn of your astronauts; and I would li to wish them new successes in this very i portant area of human discovery and knowledge, and please convey my best greetings to them.

I would like to wish that our space men continue their cooperation. I would like to wish them new, brilliant successes in their wonderful profession which combines courage with science.

Of course, I cannot but mention what has happened here—by the way, I was the first who congratulated Secretary of State Rogers on his birthday, and now I am all confused. What is really the day when Secretary of State Rogers was born? [Laughter.] But anyway, I would like to say that I also congratulate Mr. Rogers and wish him all the best.

President Nixon

You will be interested to know that the General Secretary's speech on television, which was filmed right here at the Western White House this afternoon, will be carried Sunday night. When I was in the Soviet Union, my remarks were carried to the Soviet audience, and his remarks will be carried to the American people.

Departure Remarks an Clemente, June 24

President Nixon

Mr. General Secretary, all of our disti guished guests from the Soviet Union, a ladies and gentlemen: Just last Monday wh you, Mr. General Secretary, arrived in Was ington, I made the remark that in additi to the millions of people in the Soviet Uni and in the United States who were seeing us on television, that millions more throughout the world were watching what we might do this week.

As we have just completed our visit by signing this joint communique, I think we can say with great satisfaction that in our actions this week we have not disappointed the hopes of the people of the world.

First, we have built on the strong foundation that we laid a year ago in the relations between our two countries in adopting a number of significant agreements for cooperation. We have also built on the beginning that we made a year ago with regard to the limitation of nuclear arms. But the most significant agreement was the one we signed Friday, which was truly a landmark agreement, not only between the relations of our countries but also a landmark agreement for the whole world.

When the two strongest nations of the world agree not to use force or threats of force in their relations with each other and also not to use force or threats of force in

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President Nixon

Mr. General Secretary and all of our distinguished guests: We have met in Washington and also at Camp David, and as this historic week is concluded we think it is most appropriate that we meet here in California.

Mr. General Secretary, I told you a lot about California, our most populous State, our most diverse State. There are 20 million people who would like to be here tonight to welcome you, but these are representative of California, and they receive you, as you note, very warmly.

As you have pointed out, the name of this house is La Casa Pacifica, which means "The House of Peace," and in Russian, I just heard him translate it, that is *Dom Mira.*

The General Secretary thought this was a particularly appropriate place—this house and this State on the Pacific—to have our concluding talks. We believe that the agreements that we have reached this week will contribute to the peaceful world that everybody here wants and that the General Secretary and I have been working for in our respective positions.

As we look back to this day, we hope that this name, "The House of Peace," will be a reality—a reality in terms of the agreements that have been reached and in terms of the promise those agreements mean for not just the Soviet people and the American people but for all the people of the world.

Mr. General Secretary, we are going to meet all the guests, but I should point out to our guests that we will have in our receiving line, in addition to Mrs. Nixon and the General Secretary, Foreign Minister Gromyko, Ambassador and Mrs. Dobrynin, both of whom have come from Washington, and Secretary of State and Mrs. Rogers.

Incidentally, the Secretary of State is celebrating his birthday, and nobody has celebrated his 60th birthday more often and in more auspicious places than the Secretary of State. We celebrated it Wednesday when the General Secretary toasted him two days in advance at Camp David. The next day we celebrated it in the Soviet Embassy at the brilliant dinner party given there when both the General Secretary and I toasted him, thinking that was either the day or the day before. We finally learned from Mrs. Rogers that today is the day, so we say, "Happy birthday to the Secretary of State."

Then, finally, in this distinguished com- ny, our leaders from political and business e, as well as some of the people that both us have seen and admired on the screen. ind in my personal chats with the General cretary that he likes western movies as well some others, but he likes westerns in par- ular, and so do I. We have several western vie stars that you will recognize. But be- use this is a house of peace, everyone of em has checked his holster belt with the stols at the door before he came in. [Laugh- r.]

neral Secretary Brezhnev

Ladies and gentlemen, I have spent already veral days in the United States of America. very day President Nixon arranges for me d for the comrades who are accompanying e on this trip new surprises. I would also y that we are conducting very necessary d important negotiations and we have al- ady managed to sign quite important reements which are confirming and con- lidating the good, friendly relations which e existing between our peoples and between r states, and I might stress that especially gnificant in this respect is the agreement e have concluded yesterday on the preven- n of nuclear war.

Every day I meet old acquaintances in nerica and I make new friendships, and is is a fact which is a fact of great pleasure.

I would like to stress that it is important that today I am here in the home of the President and Mrs. Nixon, and I feel happy. We are continuing with our serious and beneficial work here, and we have spent many hours in businesslike negotiations.

Today, here on the territory of California near to the home of the President, I have addressed the American people through

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on any specific negotiation, I would not want to go into.

Q. Dr. Kissinger, what can we say to our readers in the area of the prospects for reductions? Aren't you kind of dangling out the proposition here that the world can look forward to a reduction in the spending for nuclear armaments? What can we tell them the real prospects might be? When would it come, the lower number of missiles? Would it involve large amounts of savings on either side?

Dr. Kissinger: I don't want to go into specific proposals that are being negotiated. I will only say that our proposals will be consistent with these principles and they will include proposals for initial limitations to be followed by ultimate reductions.

Q. Dr. Kissinger, the linkage was not stated by us, with any other agreements. Have the Soviets raised the question of a linkage?

Dr. Kissinger: The Soviet Union also has not raised any particular linkage.

Q. Dr. Kissinger, you said the numbers in the temporary agreement would not be the numbers in the permanent agreement—

Dr. Kissinger: Not necessarily.

Q. —is it our side's position that the Soviet Union's numbers will have to be decreased more than our numbers have to, to reduce or eliminate the apparent disparity between the numbers agreed upon in the temporary agreement, and if so, do they accept that as a general proposition?

Dr. Kissinger: How you set these limits, and what weapons you include in these limits is of course one of the key issues in the negotiations. For example, if you include bombers in the limits, the inequality in total numbers is different than if you are only talking about missiles.

Therefore, at what figure you set the limit, whether you set it at one below both sides' current strength, at the strength of one side, or somewhere in between, that remains to be determined through the negotiations, and I don't want to speculate on that.

Q. Dr. Kissinger, can you tell us, sir, if an attempt was made to reach an agreement in principle here on a MIRV freeze but that was found to perhaps be too complex to achieve at this stage of the negotiations?

Dr. Kissinger: I don't want to go into the details of any particular negotiation. I don't think that would be appropriate for me to do.

Q. Dr. Kissinger, is there any news about a ban on underground testing?

Dr. Kissinger: We have stated this is a subject under very active review in our government now and one on which we will make a decision as soon as the studies are completed, but not during the summit.

Q. I have a double question. The first is: The implication of your earlier comment about national means and MIRV's—does that mean you will have to have a limitation on flight tests, a test ban on MIRV's, and you cannot get into a production ban; and the second question is, if the two leaders are confident enough to set a deadline for the negotiations, why couldn't the other principles be more specific on such questions as MIRV and the numbers than you have been able to be today?

Dr. Kissinger: Because, first, with respect to the question of what sort of limitations are verifiable by national means, it is obvious that flight testing is more easily verifiable than production, and this has been an issue we have covered in previous discussions on MIRV.

With respect to the principles, our objective is to have the permanent agreement, and not have a spectacular announcement. Many issues that can be agreed to in principle nevertheless leave a margin—a narrow margin, but nevertheless a margin—for subsequent discussion, such as numbers, such as the type of qualitative limitations, and such as the procedures to be followed in eliminating the remaining margins. And for that reason, it was thought to be best if we went no further, then, now. But there have been discussions on how to proceed from here to meet this objective with some confidence.

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Q. Dr. Kissinger, when you talk of quality, are you including limitations on technical improvements of accuracy of warheads?

Dr. Kissinger: When I speak of quality, these are all permissible issues to be raised. They have to be seen, however, in the context of verifiability. And the more esoteric the problem the more complex the problem of verification becomes. And it is not in the interests of either side to have agreements, particularly of a permanent nature, in which both sides feel they are at the mercy of developments that they cannot control.

So I would say, in principle, this is something that can be included in these discussions probably by means of restrictions on testing. In practice, however, it is getting into the more esoteric areas.

Q. Can you express confidence that we will have some kind of limitation, particularly on land-based MIRV's, within the next 18 months?

Dr. Kissinger: I have confidence that we will achieve an agreement consistent with the principles enunciated.

Exchange of Toasts at the Soviet Embassy, June 21

General Secretary Brezhnev

Esteemed Mr. President, esteemed Mrs. Nixon, ladies and gentlemen, comrades: Tonight it is my very pleasant duty to welcome you, Mr. President, and your wife and members of the U.S. Government and other distinguished American guests here at the Soviet Embassy in Washington.

On behalf of my comrades and myself, I would like first of all to cordially thank you personally, Mr. President and Mrs. Nixon, and other members of your family, for the warmth and consideration with which you have been surrounding us from the very start of our visit to your country.

At the same time I would like to say that we are grateful to all Americans who have shown their friendly feelings toward us and taken a lively interest in our visit and our negotiations. In all this we see a confirmation of the respect harbored by the people of the United States toward Soviet people and evidence of the mutual desire of our two peoples to live together in peace and friendship.

An awareness of our high duty and responsibility is permeating the entire course of our meetings. Our talks bear the hallmark of a vigorous pace, a broad scope, and a business-like and constructive spirit. Each day, all this is yielding tangible results, bringing us closer to the jointly set objectives of securing a further major advance in the development of Soviet-American relations, of lessening the threat of war, and of strengthening peace and security on our planet.

The contribution made by our two nations to the attainment of this paramount goal will undoubtedly raise Soviet-American relations to a new level. In May of last year we agreed that in the nuclear age there is no alternative to conducting relations between our countries on the basis of peaceful coexistence. We can now confidently say that this fundamental principle is being increasingly imbued with concrete substance.

We are convinced that the results of our talks will strengthen still more the relations of peace and mutual trust between the Soviet Union and the United States. At the same time, new vistas will be opened for the constructive development of those relations.

The new step forward which it has proved possible to take through joint efforts in so vitally important and at once so complex a problem as the limitation of Soviet and American strategic arms is also something that cannot fail to cause satisfaction.

The agreement achieved on the basic principles for further negotiations on this problem contains everything to give a new impetus and a clear direction to joint work on important agreements designed not only to curb but also to reverse the race of the most formidable and costly types of rocket

passengers, baggage, cargo and mail coming from any intermediate point in a third country on the given route, except for passengers and their accompanied baggage which have been disembarked at that intermediate point by the designated airline and subsequently reembarked during the validity of the ticket (but in no event later than one year from the date of disembarkation) and which are moving under a passenger ticket and baggage check providing for transportation on scheduled flights on each segment of the route between the two Contracting Parties; and

(3) The right to pick up passengers, baggag cargo and mail in the territory of the other Co tracting Party, but without the right to pick passengers, baggage, cargo and mail destined f any intermediate point in a third country on t given route, except for passengers and their a companied baggage which are to be disembarked that intermediate point and subsequently embarked by the designated airline during t validity of the ticket (but in no event later than o year from the date of disembarkation) and whi are moving under a passenger ticket and bagga check providing for transportation on schedul flights on each segment of the route between t two Contracting Parties.

4. In addition to the rights specified in paragra 3 above, each designated airline shall have the rigl subject to paragraph 5 below, to pick up and d charge passengers, baggage, cargo and mail in t territory of the other Contracting Party which a to be discharged or have been picked up at a intermediate point in a third country on the giv route.

5. Each designated airline may operate up to t roundtrip flights per week through March 31, 197 up to three roundtrip flights per week during t 1974 summer traffic season (April 1, 1974–Octob 31, 1974), up to two roundtrip flights per week du ing the 1974/75 winter traffic season (November 1974–March 31, 1975), and thereafter such numb of flights as is subsequently agreed between t Contracting Parties. The designated airline of t United States may exercise the right specified paragraph 4 above on all its flights. The designat airline of the Soviet Union may exercise the rig specified in paragraph 4 above on one of its fligh

6. The intermediate points referred to in Table I of this Annex shall be any two of the following: Amsterdam, Copenhagen, Paris, London, Frankfurt, and Brussels; and the intermediate points referred to in Table II shall be any two of the following: London, Amsterdam, Frankfurt, Copenhagen, Brussels and Paris. At the beginning of each summer and winter traffic season, each designated airline may change from one combination of two intermediate points to another combination of two intermediate points for that season. No more than one intermediate point may be served on each flight. The intermediate point or points may, at the option of each designated airline, be omitted on any or all flights.

7. Each designated airline may make a change of gauge at any intermediate point in Europe listed in paragraph 6 above provided that:

(1) carriage beyond the point of change of gauge will be performed by a single aircraft of capacity equal to or less (in the case of services outbound from the homeland) or equal to or more (in the case of services inbound to the homeland) than that of the arriving aircraft, and

(2) aircraft for such beyond carriage will be scheduled only in coincidence with the incoming aircraft (with the same flight number) to insure true and genuine continuing service.

AGREED SERVICES

TABLE I

For the Union of Soviet Socialist Republics:

Moscow to New York or Washington (Dulles) and return, via the intermediate points listed in paragraph 6 of the Annex. New York and Washington will be served on separate flights. Technical stops will be limited to those listed in Article II of the Supplementary Agreement, as amended.

TABLE II

For the United States of America:

New York to Leningrad or Moscow, and return, via the intermediate points listed in paragraph 6 of the Annex. Leningrad and Moscow will be served on separate flights. Technical stops will be limited to those listed in Article II of the Supplementary Agreement, as amended.

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Caterpillar Tractor Company
Hewlett-Packard Company
Engelhard Minerals & Chemicals Corporation
Bank of America
First National City Bank

Requests by additional US firms for accreditation in Moscow are now under consideration by Soviet authorities.

Consistent with Article 5 of the Agreement Regarding Trade, the Government of the USA and the Government of the USSR have also agreed today to undertake immediate preparations for mutually satisfactory arrangements to enlarge their commercial staffs in each other's country. A Trade Representation of the USSR in Washington and a Commercial Office of the USA in Moscow will simultaneously be opened as soon as possible and in any event not later than October 31st of this year.

DONE at Washington, this 22nd day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

For the Government of the United States of America:	For the Government of the Union of Soviet Socialist Republics:
GEORGE P. SHULTZ	N. S. PATOLICHEV
Secretary of the Treasury	*Minister of Foreign Trade*

Protocol on Expansion of A ervices Signed June 23

PROTOCOL BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON QUESTIONS RELATING TO THE EXPANSION OF AIR SERVICES

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics,

In keeping with paragraph 7 of the Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics signed at Moscow on May 29, 1972,

Desiring to foster expanded communications between the two countries on a mutual basis,

Recognizing the role which air transportation can play in this connection, and

Pursuant to Article 16 of the Civil Air Transport Agreement between the two Governments of November 4, 1966,

Have agreed as follows:

ARTICLE 1

The existing agreed services under the Civil Air Transport Agreement between New York and Moscow are to be expanded to include services for the designated airline of the United States from New York to Leningrad and for the designated airline of the USSR from Moscow to Washington.

ARTICLE 2

In view of the increasing traffic between the two countries, the existing arrangements under the Civil Air Transport Agreement relating to flight frequencies are to be amended to allow increases in frequency of service.

ARTICLE 3

The foregoing and other related amendments of the Civil Air Transport Agreement are incorporated the attached Annex which supersedes the existing nex to that Agreement.

This Protocol shall enter into force upon signature.

DONE at Washington, this 23rd day of June, 1973, duplicate, in the English and Russian languages, th texts being equally authentic.

or the Government the United States America:	For the Government of the Union of Soviet Socialist Republics:
AUDE S. BRINEGAR	B. P. BUGAYEV

ANNEX

1. The Government of the Union of Soviet Socialist Republics entrusts the Ministry of Civil viation of the USSR with responsibility for the eration of the agreed services on the routes specid in Table I of this Annex, which in turn desigtes for this purpose the General Department of ternational Air Services (Aeroflot Soviet Airlines).

2. The Government of the United States of Amer designates Pan American World Airways, Inc., operate the agreed services on the routes specified Table II of this Annex.

3. Each designated airline shall have the follow rights in the operation of the agreed services on e respective routes specified in Tables I and II of is Annex:

(1) The right to land for technical and commercial purposes at the terminal point of the agreed route in the territory of the other Contracting Party, as well as to use alternative airports and flight facilities in that territory for these purposes;

(2) The right to discharge passengers, baggage, cargo and mail in the territory of the other Contracting Party, but without the right to discharge

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nuclear arms and thus to permit our countries to switch more resources to constructive purposes and use them to better man's life.

Atomic energy, too, must ever increasingly serve the aims of peace. The readiness of our two nations to promote that objective through joint efforts has been reflected in the agreement on cooperation in the field of the peaceful uses of atomic energy which President Nixon and I also signed today.

In pursuance of the line jointly initiated during last year's meeting in Moscow, a new series of agreements on cooperation between the U.S.S.R. and the United States in several other fields of science, technology, and culture was signed in the course of this visit. This we also value highly. It will give Soviet-American relations still greater diversity and stability. At the same time, we are sure the development of such cooperation will benefit other peoples, too, since it is aimed at solving problems that are important for all mankind.

Of course, in the relations between our two countries there are still quite a few outstanding problems and, I would say, some unfinished business. In particular this relates to the sphere of strategic arms limitation and also to commercial and economic matters.

We are optimists, and we believe that the very course of events and an awareness of concrete interests will prompt the conclusion that the future of our relations rests on their comprehensive and mutually advantageous development for the benefit of the present and coming generations.

But I wish especially to emphasize that we are convinced that on the basis of growing mutual confidence we can steadily move ahead. We want the further development of our relations to become a maximally stable process, and what is more, an irreversible one.

Mr. President, in our discussions—and we value their businesslike and constructive character—I have already had an opportunity to tell you, and I want to repeat this for the benefit of all the American guests present here tonight, that the Soviet Union's line at improving relations with the United States is not some temporary phenomenon. It is a firm and consistent line reflecting the permanent principles of Soviet foreign policy formulated by the great founder of the Soviet state, V. I. Lenin. It is a line that rests on the full support of our people.

Soviet people believe that most Americans, too, approve of the jointly initiated line aimed at strengthening peace and cooperation between the peoples of the Soviet Union and of the United States.

Unfortunately the tight schedule of our talks has not left me much of a chance to learn more about your great country and to get a closer look at the life of Americans. But the little I have managed to see seemed to me to be very interesting indeed. To some extent I hope to be able to fill in that gap when, at your invitation, Mr. President, we go to the west coast of the United States, to California, long famous for the beauty of its nature and more recently for its surging industrial development.

I would like to use this very pleasant opportunity when we are all together here at the Soviet Embassy to confirm the invitation conveyed to you, Mr. President, on behalf of the Presidium of the U.S.S.R. Supreme Soviet and the Soviet Government to make an official visit to the Soviet Union in 1974. I am confident that your new trip to the Soviet Union will also mark another important stage in the successful development of relations between our two countries. We will be happy to repay the hospitality shown to us by the President, the government, and the people of the United States.

And permit me to express the hope that this time, Mr. President, you will familiarize yourself more closely with our country and with its nature and with the life of Soviet people.

The cause of developing Soviet-American relations is indeed moving forward. In two years Soviet and American astronauts will fly into outer space to carry out the first major joint experiment in man's history. Now they know that from up there in space our planet looks even more beautiful, though small. It is big enough for us to live in peace, but too small to be subjected to the threat of nuclear war.

I shall be making no mistake if I say that the spirit of our talks and the main direction

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of our joint efforts were determined by an awareness of one major factor: Everything must be done for the peoples of the world to live free from war, to live in security, cooperation, and communication with one another. That is the imperative command of the times, and to that aim we must dedicate our joint efforts.

Allow me to propose this toast to the health of the President of the United States of America and Mrs. Nixon, to the further success of the great cause which we have succeeded in advancing during our present meeting, to the docking on earth as well as in outer space of man's efforts and talents for the good of the peoples, to peace, friendship, and cooperation between the Soviet and American peoples, to peace throughout the world.

President Nixon

Mr. General Secretary, our hosts from the Soviet Union, and all of our friends from the United States: We want to express our appreciation to you, Mr. General Secretary, and to our hosts for this splendid dinner. There is a saying in our country on occasion when one is a guest, "Make yourself at home." Tonight we had that somewhat reversed, because Mrs. Dobrynin told me that all the things that were served tonight, including the wines in this magnificent banquet, were brought from the Soviet Union. So we had a chance this evening to be, in a sense, in the Soviet Union, and we thank her for her thoughtfulness in giving us that opportunity.

On this occasion I am reminded of the fact that it marks several events. This is the last day that Secretary Rogers will be 59 years of age. He will be 60 tomorrow; so we wish him a happy birthday in advance. Also, Mr. General Secretary, this happens to be the 33d wedding anniversary for Mrs. Nixon and me, and we appreciate your arranging this dinner on this occasion.

And of course, as you know, all over the world June 21 is the longest day in the year. I remember just a little over a year ago a very long day, almost as long as the longest day in the year. Just before midnight, Mr. General Secretary, you and I signed the first agreement on limiting nuclear arms in the Kremlin. To show how our relations have moved forward since that time, we signed the second agreement with regard to limiting nuclear arms at 12:30, in the middle of the day, today.

And in addition to that, as you pointed out in your remarks, we signed a parallel agreement with regard to cooperation in the field of the peaceful uses of atomic energy.

You have spoken eloquently about these two agreements. There is little I can add except to say that all of us know that this enormous source of nuclear power can either destroy the world or it can build a new world with the peaceful energy which can be unleashed for the benefit of all mankind.

Today we have taken a very important step in limiting the power of destruction and in unleashing the power of creation.

As idealistic men—and I know, Mr. General Secretary, from our long talks in Moscow and the talks we have had at Camp David and here in Washington, we both share the ideal of building a world of peace—we are pleased with the progress we have made so far in the agreements that we have signed in limitation of nuclear arms. But as practical men, as we are both practical men, we realize that we have taken two steps but there is still a long way to go. We recognize that we must dedicate ourselves toward going further in not only limiting this great power of destruction but also of eventually, we trust, reducing the burden of arms which bears down so heavily on the world and on our two peoples.

This will not come easily. It will come only after extensive negotiation. But with continued contact, with continued discussion such as the kind of discussions that we have had on this occasion and in Moscow a year ago, we can move forward in that direction between our two countries and thereby set an example for other countries in the world. And for that reason, it is with a great deal of pleasure that I accept the very generous invitation you have extended for me to return to Moscow next year for a third meeting.

Q. Dr. Kissinger, does article IV oblige the United States to act as sort of an arbiter or mediator of the Sino-Soviet conflict if it should get worse?

Dr. Kissinger: No. What article IV provides is that if either of the countries contemplates nuclear war with any other country, or of course with the other nuclear country, it has an obligation to consult the other signatory with the purpose of avoiding the situation that would produce such a war.

We have no intention of being an arbiter between the Soviet Union and the People's Republic of China, and we look at this consultation as a mutual restraint rather than as one that creates a right of intervention all over the world.

Protocols Signed June 22

PROTOCOL ON U.S.-U.S.S.R. CHAMBER OF COMMERCE

PROTOCOL

Considering the interest expressed by Uni States companies and Soviet foreign trade organi tions in the development of organizational arran ments for increased cooperation, and

Recognizing that such increased cooperat would contribute to the promotion of contacts tween businessmen of the USA and the US which in turn would assist in the development mutually beneficial trade between the two countr

The Secretary of Commerce of the USA will m at an early date with members of the United St business and financial community to discuss desirability of establishing in the United St private sector a US–USSR Chamber of Comme The Minister of Foreign Trade of the USSR continue similar consultations with Soviet fore trade and other organizations.

The results of these consultations shall be ported promptly to the Joint US–USSR Comm cial Commission.

DONE at Washington, this 22nd day of June, 19 in duplicate, in the English and Russian languages, both texts being equally authentic.

For the Government of the United States of America:	For the Government of the Union of Soviet Socialist Republics:
GEORGE P. SHULTZ	N. S. PATOLICHEV
Secretary of the Treasury	*Minister of Foreign Trade*

PROTOCOL ON COMMERCIAL FACILITIES

PROTOCOL

In the interests of strengthening their commercial and economic ties, the Government of the USA and the Government of the USSR undertook in the Agreement between the Government of the USA and the Government of the USSR Regarding Trade signed in October 1972, to cooperate in the expansion and improvement of their commercial facilities in Moscow and Washington.

In accordance with that undertaking representatives of the Soviet Government and the US Embassy in Moscow have this week contracted for new facilities at a convenient location which will enable the Office of the Commercial Counselor of the USA to provide more effective services to US businessmen seeking assistance in their commercial pursuits with appropriate USSR organizations.

The US Government facilitated the acquisition by the USSR earlier this year of a building at a convenient location in Washington for use as the Office of the Commercial Counselor of the USSR.

The Government of the USSR has also informed the Government of the USA that, in connection with the Agreement Regarding Trade, it has issued accreditation to establish representations in Moscow to the following US business and financial organizations:

Pullman Incorporated
Occidental Petroleum Corporation
The Chase Manhattan Bank, N. A.
General Electric Company
International Harvester Company

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ban reflected a significant change in our arms policy that had been carried out until that time. This is really a statement of policies that we intend to pursue and have to be applied in individual cases.

It is therefore more in the nature of a formalization of a declaration of principles rather than of a specific set of obligations that can be applied automatically to concrete specific circumstances.

Q. In your exposé today, you used the word "superpower." Ambassador Zamyatin [L. I. Zamyatin, General Director of TASS], when I spoke to him about this "superpower," he said the Soviet Union is not a superpower, neither a great power, only a big power. Then he said this word is invented by the Chinese. [Laughter.]

My other question is about Israel. We in the Arab world welcome this agreement; we are concerned that Israel has so far not signed a partial nuclear treaty. There was an article by Flora Lewis, which referred to you, saying that you had taken a study by the Rand Corporation on how Israel can attack Egypt with an atomic bomb. Within articles IV and VI, do you think America, as an ally of Israel, will try to bring her to sign this partial treaty?

Dr. Kissinger: First of all, with respect to the comments of Ambassador Zamyatin, I welcome the humility that he has expressed, and it was not adequately reflected due to certain personality problems in my own comment.

With respect to the Rand study, I have never seen such a study, and I know it has been written about, although this is a big government and there are many studies floating around in it. They don't necessarily mean, however, that they have any connection with American foreign policy.

Thirdly, the implications of the agreement on the actions of other countries with respect to existing multilateral agreements, I do not want to speculate about. We could not assume that this agreement imposes on the United States a particular additional obligation with respect to treaties whose obligations are already clear.

Q. Dr. Kissinger, do you interpret this document as one that supercedes the so-called Brezhnev doctrine?

Dr. Kissinger: This document makes no distinction in its application between the domestic structure of various forms of countries.

Q. Dr. Kissinger, is this document a renunciation of atomic war, and if not, why not?

Dr. Kissinger: Well, I will take you along on future negotiations to fill in gaps that we leave. But this document is designed to prevent the outbreak of nuclear war by imposing restraints on the major countries with respect to nuclear war and with respect to the use of force in general.

Therefore it does not address the question of what happens if war cannot be prevented, because that is not its purpose. Its purpose is to prevent wars. It is not a renunciation of a particular form of war if war cannot be prevented, but we hope that it will make a major contribution to the prevention of war and therefore your question will not have to be addressed.

Q. Did you discuss the concept of not using nuclear force first against each other, and why wasn't that included?

Dr. Kissinger: We can now discuss many things that individual members of the press corps would like to have as part of other agreements.

Q. That is a recognized international concept of how to prevent nuclear war, isn't it, Dr. Kissinger?

Dr. Kissinger: There are two ways you can look at how to prevent nuclear war. One is by preventing war, and the second is by imposing on yourselves specific restraints with respect to particular categories of weapons if war cannot be avoided.

We choose to go the road of attempting to prevent war, and thereby nuclear war, because many other countries depend upon what actions will be taken in case an aggression occurs. Therefore, we did not believe it would contribute to peace if we made particular distinctions as to categories of weapons in case of war.

The overriding problem is to preserve the peace and to prevent war.

In that third meeting I will of course look forward to what will be my fifth visit to the Soviet Union, to see more of your country and to meet more of your people, but also I shall look forward again to the kind of discussions we have had on this occasion and concrete results toward the goal that we have dedicated ourselves to jointly on this occasion—the goal of not only better relations between our two countries, not only peace between our two countries, but recognizing the rights of all countries, large and small, to live in a world of peace without threat from any of their neighbors.

It is this goal to which we are dedicated. And if our two great countries can set an example in this direction and have concrete results following it in the various meetings that we will have, perhaps annually, it means that a great step will be taken toward the objective that we all share.

I would not for one moment suggest to this audience, or to those who may be listening on television or radio, that one meeting or two meetings at the summit brings instant peace, instant relaxation of tensions, and instant reduction or limitation of arms.

But I do know this: that these two summit meetings have brought us closer together, have brought greater understanding of our differences and greater determination to reduce those differences, and certainly, at the very least, to solve those differences without confrontation. And this indeed is an historic change in the relations between our two countries which the General Secretary and I are dedicated to continue.

And now, ladies and gentlemen, here in the Soviet Embassy, it is my privilege to return the toast that the General Secretary has given.

On this occasion, I, in addition to asking you to drink to his health—he obviously being our host, being the ranking guest—I think it is appropriate also to drink to the health of those who have been in this city so many years as the Ambassador, Ambassador Dobrynin and Mrs. Dobrynin, to Foreign Minister Gromyko, who has also been in our city and knows our country so well, and so many others of our Soviet guests. You have made us feel, tonight, most welcome. And we can only say that, as we drink to your health, we drink to it not simply in the casual way that one raises a glass of champagne, be it California or New York or French or, in this case, Russian champagne, but we drink to your health, having in mind what you have said and what I have tried to reaffirm: the desire of the two strongest nations in the world, through their top leaders, to work together for peace rather than for continued confrontation which could lead to destruction.

This is a goal worthy of great nations, and it is a goal that we are proud, Mr. General Secretary, to work with you so that we can achieve it for the benefit of the Soviet people, of the American people, and all of the people of this world.

Now, ladies and gentlemen, since we can't repeat all those words in raising our glasses, may I suggest, to Mr. Brezhnev and to Mrs. Brezhnev, who could not be here but who talked on the telephone with him today, to their children, and all of our children: Mr. Brezhnev.

General Secretary Brezhnev

Mr. President, and ladies and gentlemen, and dear guests: Believe me, I am not trying to make a new, long toast. [Laughter.] But let me just add to the kind words said here by the President and to what I said a little earlier that great ideas bear fruit in the form of a great will and great energy and vigor, and I therefore want to assure you, Mr. President, and the American Government and the American people—and I trust that the President will reciprocate my feelings—that we for our part will go on working toward this great goal that we have set ourselves with great vigor and energy, a great goal that we both mentioned in our remarks a little while ago. And therefore permit me yet again, with great sincerity, to ask you to join me in a toast to the very good health of the President and to the great vigor of both our countries in our efforts to reach our goal of peace and cooperation.

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Agreement on Prevention of Nuclear War Signed June 22

AGREEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE UNION OF SOVIET SOCIALIST REPUBLICS ON THE PREVENTION OF NUCLEAR WAR

The United States of America and the Union of Soviet Socialist Republics, hereinafter referred to as the Parties,

Guided by the objectives of strengthening world peace and international security,

Conscious that nuclear war would have devastating consequences for mankind,

Proceeding from the desire to bring about conditions in which the danger of an outbreak of nuclear war anywhere in the world would be reduced and ultimately eliminated,

Proceeding from their obligations under the Charter of the United Nations regarding the maintenance of peace, refraining from the threat or use of force, and the avoidance of war, and in conformity with the agreements to which either Party has subscribed,

Proceeding from the Basic Principles of Relations between the United States of America and the Union of Soviet Socialist Republics signed in Moscow on May 29, 1972,

Reaffirming that the development of relations between the United States of America and the Union of Soviet Socialist Republics is not directed against other countries and their interests,

Have agreed as follows:

ARTICLE I

The United States and the Soviet Union agree that an objective of their policies is to remove the danger of nuclear war and of the use of nuclear weapons.

Accordingly, the Parties agree that they will act in such a manner as to prevent the development of situations capable of causing a dangerous exacerbation of their relations, as to avoid military confrontations, and as to exclude the outbreak of nuclear war between them and between either of the Parties and other countries.

ARTICLE II

The Parties agree, in accordance with Article I and to realize the objective stated in that Article, to proceed from the premise that each Party will refrain from the threat or use of force against the other Party, against the allies of the other Party and against other countries, in circumstances which may endanger international peace and security. The Parties agree that they will be guided by these considerations in the formulation of their foreign policies and in their actions in the field of international relations.

ARTICLE III

The Parties undertake to develop their relations with each other and with other countries in a way consistent with the purposes of this Agreement.

ARTICLE IV

If at any time relations between the Parties or between either Party and other countries appear to involve the risk of a nuclear conflict, or if relations between countries not parties to this Agreement appear to involve the risk of nuclear war between the United States of America and the Union of Soviet Socialist Republics or between either Party and other countries, the United States and the Soviet Union, acting in accordance with the provisions of this Agreement, shall immediately enter into urgent consultations with each other and make every effort to avert this risk.

ARTICLE V

Each Party shall be free to inform the Security Council of the United Nations, the Secretary General of the United Nations and the Governments of allied or other countries of the progress and outcome of consultations initiated in accordance with Article IV of this Agreement.

ARTICLE VI

Nothing in this Agreement shall affect or impair:

(a) the inherent right of individual or collective self-defense as envisaged by Article 51 of the Charter of the United Nations,

(b) the provisions of the Charter of the United Nations, including those relating to the maintenance or restoration of international peace and security, and

(c) the obligations undertaken by either Party towards its allies or other countries in treaties, agreements, and other appropriate documents.

ARTICLE VII

This Agreement shall be of unlimited duration.

ARTICLE VIII

This Agreement shall enter into force upon signature.

DONE at Washington on June 22, 1973, in two copies, each in the English and Russian languages, both texts being equally authentic.

For the United States of America:	For the Union of Soviet Socialist Republics:
RICHARD NIXON	L. I. BREZHNEV
President of the United States of America	*General Secretary of the Central Committee, CPSU*

be said that both parties made a substantially equal contribution to this agreement.

Now, secondly, with respect to situations that might be prevented, I can think of several crises in this administration, and I would have thought in previous periods—the Cuban missile crisis would be one example. Several Berlin crises that we have had would be other examples that would have been avoided. I can think of some in this administration, but again, when we are talking about restraint we are talking abou things that do not happen.

It is never very easy to demonstrate wh something has not happened. I think i reflects the changes that have occurred i the international environment that such a agreement which would have been incon ceivable, say on the visit 15 years ago o Khrushchev, can now be described in on question as simply affirming motherhood—i is not the virtues of motherhood or desir ability of motherhood.

Q. Dr. Kissinger, this agreement obvi ously will have a long-term effect withi the United States and other countries. wonder why this was not written in a treat form so that the Senate could get a chanc to discuss it in its entirety and question yo about it. And two, has there really bee discussion with the NATO allies? I knov you didn't want to discuss that, but obvious in Europe there will be concern about th American credibility in case of large-scal conventional attacks in central Europe.

Dr. Kissinger: There can be no concern because article VI fully covers existin NATO obligations and because if war is no prevented there is no particular restrain then about how it is conducted. Secondly several NATO allies were closely consulte over an extended period of time, but I don' want to go into details.

Q. As to the first part of the question, on the treaty?

Dr. Kissinger: Excuse me. With respect to why it was not made in treaty form, it does not involve any particular positive actions that the United States has to take and it is a general statement of policy. The President, however, is meeting with the congressional leaders at 11:30, and he will discuss with them ways in which the Congress can register its support if it wishes to do so.

Q. You have now signed a new document of détente, and yesterday you pledged to go for new strategic arms agreements by 1974. Can you explain how the administration will then be able to ask Congress for more arms in the strategic arms field, and will you discuss some insight into how you will argue your case?

Dr. Kissinger: We have believed that the limitation of strategic arms should be achieved by agreement, and of course we will scrupulously observe the limitations that the agreement we hope to sign in 1974 will be carried out.

However, it would be destructive of the negotiations if we now unilaterally imposed on ourselves the limitations that we are attempting to negotiate. We believe that one of the elements that has brought about the present situation is the military balance that exists between us and the Soviet Union.

However, we believe that this document can contribute to an atmosphere that will accelerate the discussions on strategic arms limitations, and as I said yesterday, we consider the reduction of arms an important element of the Strategic Arms Limitation Talks. And it has been so expressed in the principles that were signed yesterday.

But we cannot anticipate what may be negotiated by unilateral actions on our part.

Q. Dr. Kissinger—

Dr. Kissinger: Haven't you asked a question already?

Q. I reminded you of part of Bernie's question.

Dr. Kissinger: You are only entitled to a short question then.

Q. My question. Your explanation of not putting it in treaty form is based in part on it not involving any positive obligations on the United States part. How is it different from a limited nuclear test ban treaty in that respect? Could you expand on why it didn't need to be a treaty or shouldn't be one?

Dr. Kissinger: The limited nuclear test

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sulted several countries prior to the completion of this document, but I don't want to go into an enumeration of which countries were consulted. I do not discuss my conversations with the head of the Chinese Liaison Office, but I have no particular reason to suppose that they will necessarily approve a bilateral agreement between the United States and the Soviet Union, whatever its consequences. I will let them speak for themselves.

Q. Dr. Kissinger, there is one qualifier in article II, where it says that both parties will refrain from the use or threat of force in circumstances which may endanger international security. When the Soviets went into Czechoslovakia, they obviously thought it didn't endanger international peace, and when the United States went into North Viet-Nam, they felt it didn't endanger international peace. Isn't that a large hole for a truck to go through?

Dr. Kissinger: If either of the two signatories wants to find an excuse to go to war, it will find an excuse to go to war. This has been the history of the postwar period. We are talking here of restraint on significant military actions; and what endangers international peace and security is not determined by the unilateral declaration of the country going to war but also by the reactions of other members of the international system, because this is what produces the threat to international peace and security.

Therefore, again, I can only repeat, if any of the signatories deal with this like sharp lawyers pushing against the edges of the agreement, they will of course then find ways of doing so.

On the other hand the movement into sovereign countries of large forces would not be in our view consistent with the spirit of this agreement, but I really do not want to go into a detailed analysis of every conceivable situation that could arise.

Q. Dr. Kissinger, while realizing you cannot go into specific circumstances, could you discuss in a general way what your expectations are for applying this principle, for example, to the Middle East area or Asia to reduce the dangers of nuclear war in either of those areas?

Dr. Kissinger: I really do not want to go into specific areas. Obviously, if we did not believe that this agreement could make a contribution to bringing about international restraint in areas which have been demonstrable sources of international tension, if we did not believe it could make a major contribution to this, we would not have agreed to proceed with it.

So, as a general answer to your question, I would say that it is our intention to proceed on the basis that the restraint foreseen by this agreement will become an increasingly vital factor in international affairs. But I think that you can understand why one cannot at this moment give a precise description of every situation which might arise.

Q. Dr. Kissinger, I have two questions. You have said it would be impossible to indicate in every situation what this might end to prohibit or inhibit. Could you give us an example looking back over the past 20 or 25 years of any situation in which force has been applied which you think it would be inhibited in the future? That is the first question.

The second question is: This is the kind of agreement which the Russians have been inclined to sign with a number of countries, and I wonder whether or not it was they who were the ones who originally raised the idea back in Moscow last May?

Dr. Kissinger: As to the agreement as it has now emerged, it would be difficult to say who raised the particular nature of this agreement. When the discussions were first raised in Moscow last year, it was indeed by the Soviet Union, but in a different context.

The original discussion that gave the impetus to this has been transformed into an agreement in which, I think, the contribution of both sides can be said to be equal—

Q. You are particularly talking about the broadening aspect to other countries?

Dr. Kissinger: —and the emphasis on the prevention of war in general. But again, on the approach, I think at this point it can

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Dr. Kissinger: Ladies and gentlemen, let me put this agreement [on the prevention of nuclear war] first in its context, describe what it is seeking to achieve, and then go through its specific provisions, a little bit of its history, and then I will take your questions.

The principal goal of the foreign policy of this administration ever since 1969 has been to set up what the President has called a structure of peace, by which we mean an international system less geared to the management of crises, less conscious of constant eruptions of conflict, in which the principal participants operate with a consciousness of stability and permanence.

This requires that all of the nations operate with a sense of responsibility, and it puts a particular obligation on the two great nuclear powers that have the capacity to destroy mankind and whose conflicts have produced so many of the crises of the postwar period.

In achieving this objective, the United States has operated on many levels. We have always believed that it required adequate strength to deter aggression. But we also have believed that we have to move from the period of military confrontation to a period which is characterized more by restraints and, eventually, cooperation. In our dealings with the other great nuclear superpower, the President, from the day of his first inauguration, has emphasized that we wanted to move from confrontation to negotiation.

In those negotiations we have operated on many levels. We have attempted to remove specific causes of tension. We have attempted to forge specific instruments of cooperation. And finally, we have attempted to develop certain principles of conduct by which the two great nuclear countries could guide their expectations and by which both in relations to each other and in their relations to third countries, they could calm the atmosphere and replace purely military measures by a new attitude of a cooperative international system.

It is in this spirit that last year in Moscow the United States and the Soviet Union signed certain principles of conduct which were described then as a roadmap on a road that no one was forced to travel but that if we wanted to travel it, it was there for the two major countries.

I believe we have traveled on this road in the last year and therefore it was decided to formalize some of these principles in an agreement, to extend them in some respects, particularly concerning consultation. The origin of the negotiation, as it turned out, was at the last session of the Moscow summit meeting when there were some general exchanges with respect to how to control nuclear weapons in a political and diplomatic sense, beyond the negotiations going on in strategic arms limitations.

These discussions were continued between the President and Foreign Minister Gromyko on the occasion of Gromyko's visit to the United States last October. They were continued in exchanges between the two leaders. There was some discussion when I visited the Soviet Union in September of last year, and the discussions continued this spring and were extensively pursued in Zavidovo and finally concluded here.

Throughout, the United States has held the view that any obligations with respect to international conduct that applied to the great nuclear powers also had to apply to their relations to other countries, and we have held the view, which was shared by the Soviet leaders, that the principal problem was how to prevent a war and not how to conduct a war.

Therefore this is an agreement which is designed to regulate the relations of the two nuclear powers to each other and to other

[3] Introductory remarks by Press Secretary Ziegler are not printed here.

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countries in time of peace. It is an attempt to prevent the outbreak of nuclear war. And to the extent that it contributes to this task, it can be a significant landmark in the relationships of the United States to the Soviet Union and in the relationships of the two great nuclear countries toward all other countries of the world.

Now let me run through the articles, which are largely self-explanatory.

Article I states that it is an objective of both the policy of the United States and the policy of the Soviet Union to remove the danger of nuclear war and the use of nuclear weapons. This has been a consistent goal of American foreign policy and is a goal shared by all of mankind.

Article II applies this objective to the general conduct of both sides; that is to say, the prevention of nuclear war presupposes the avoidance of situations capable of an exacerbation of relations, avoidance of military confrontation, and it is in that context that the outbreak of nuclear war can be excluded. The second article states this more concretely by elaborating that the prevention of nuclear war presupposes the avoidance of force or the use or threat of force by the two nuclear countries toward each other and toward other countries.

Article III is a general article that simply states that the two nuclear countries have to develop their relations with each other and with third countries in a way consistent with the purposes of this agreement, and it makes it clear that while it is a bilateral agreement the obligations are multilateral.

Article IV states that in any situation in which the two great nuclear countries might find themselves in a nuclear confrontation, or in which either as a result of their policies toward each other or as the result of developments elsewhere in the world there is a danger of a nuclear confrontation between them or between them or any other country, they are obligated to consult with each other in order to avoid this risk.

Article V permits the consultation—that these consultations be communicated to the United Nations and to other countries, a clause which we would of course apply to our allies.

Article VI makes clear that this agreement deals with the prevention of war and that if it fails, the existing obligations in existing documents, treaties, and alliances will be maintained.

So, we see the basic significance of this agreement as a step, a significant step toward the prevention of nuclear war and the prevention of military conflict. It is a formal obligation that the two nuclear superpowers have taken toward each other and, equally importantly, toward all other countries to practice restraint in their diplomacy, to build a peace that is permanent, to pursue a policy whose dedication to stability and peace will become, as General Secretary Brezhnev said last night at the banquet, irreversible.

Of course anyone who has studied the history of the last 30 years must recognize that agreements are not always maintained and that there is nothing self-enforcing about this document. However, if the two great nuclear countries continue to be animated by the spirit in which they have conducted their policy of the last two years, then this document could mark a landmark on the road toward the structure of peace of which the President has been speaking and can be seen as a step toward a new era of cooperation in the relations of all nations and of lifting from them increasingly the fear of nuclear war and of war in general.

Now I will be glad to answer your questions.

Q. Dr. Kissinger, please, does article II have any relation to our bombing of Cambodia, and does article II have any relation to the supply of the belligerents by both the Soviet Union, the United States, and other countries, of military support?

Dr. Kissinger: What is the question?

Q. Does article II have any bearing or any relation to our bombing in Cambodia or to the military supply of the Indochina belligerents by both the United States and the Soviet Union?

Dr. Kissinger: Obviously, in interpreting this agreement we could go around the world and see how it specifically applies to each individual country and to each conceivable situation.

Let me answer first as to Cambodia. The military operations now going on in Cambodia were in progress when this agreement was being negotiated, and it was not raised as applying to that particular situation. Now, I don't want to go into the relationship of particular articles to particular events. I don't think it would be appropriate at this point to do it.

Let me say as a general proposition this: It is not possible under this agreement for either side—and I was specifically exempting Cambodia for the reason that this is an operation that was in progress at the time—but it is not possible for either side to use force in circumstances that can threaten international peace and stability, as is said in article II, without breaching the letter and the spirit of this agreement.

Now, one then has to decide to what extent the clauses of article VI apply and to what extent particular operations threaten international peace and stability, and I don't think this is the appropriate time to discuss it.

The purpose of this agreement is to legalize, to symbolize, and to bring about restraint on the part of the two nuclear superpowers in their international relationship so as to produce—at least contribute to the preservation of peace, and it cannot be approached from the point of view of a sharp lawyer pushing against the limits of every clause because if that is going to be the attitude, the agreement will not have any significance.

Q. I would like to ask a naive question if I could. It seems to me that we agreed on the desirability of motherhood here. I don't see why it took so long to reach this agreement and what the disputes were. I wonder if you could outline some of the negotiations that went on, and what were the issues in this discussion?

Dr. Kissinger: Well, I don't agree, first of all, with your premise, because this agreement was made by two countries whose conflicts and confrontations have characterized the entire postwar period. For them to formalize these series of restraints, the willingness to consult, was a very major step.

Secondly, I don't think it is useful at the conclusion of the negotiation to go through all of the debates and provide a scorecard. I have indicated the general approach that we took, which was to extend the applications to the international system in general and not just have them apply to the United States and to the Soviet Union and to put the emphasis on the prevention of war rather than on how wars might be conducted. But I don't think any useful purpose is served by going through all of the complexities.

Q. I have a two-part question. According to article II, would China be regarded as an ally of the Soviet Union? And secondly, to what degree would this document be conceived as an effort to forestall any kind of military action against China?

Dr. Kissinger: What article II says is that force and the threat of force cannot be used against the ally of another country; it doesn't say anything about one's own allies. But it also says force and the threat of force cannot be used against any other country, so clearly under this agreement the use of force against any country under circumstances that would have wide international repercussions would be precluded.

It was not conceived as a protection for any particular country, but I think its practical consequence is that if it were observed—as we of course expect it will be—it will have the practical consequence of applying both to the situation you described as well as to many other conceivable situations.

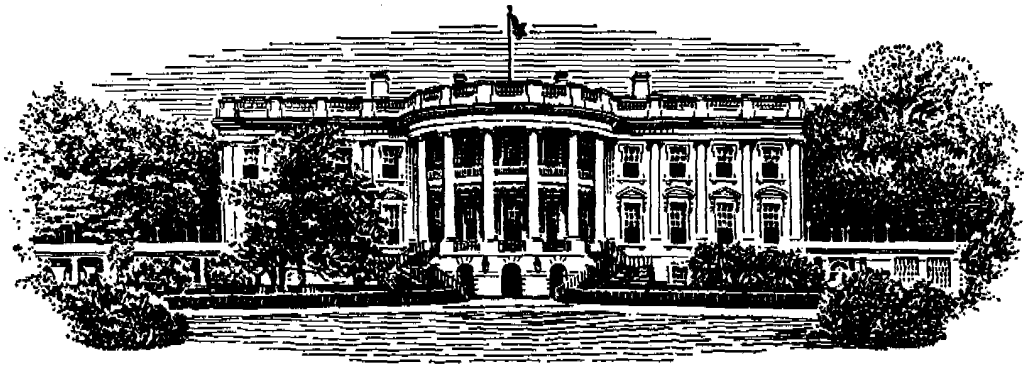
Q. May I follow that up, Dr. Kissinger, please? Did you have prior consultations when you met with the Chinese representatives several days ago about any form of this document? And would you at some point this year or next like to broaden the document to include China as a signatory?

Dr. Kissinger: The United States con-

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Soviet Summit 1973



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Administration of Richard Nixon

PRESIDENTIAL DOCUMENTS

Week Ending Saturday, June 23, 1973

Everett McKinley Dirksen Congressional Leadership Research Center

The President's Remarks at the Unveiling of the Cornerstone for the Center at Pekin, Illinois. June 15, 1973

Mrs. Dirksen, Governor Walker, my colleagues from the Senate and the House of Representatives of the United States, and all of our very distinguished guests on this occasion:

Before Senator Dirksen died, I often talked to him about the foreign policy of the United States, and I told him that some time during my term of office I hoped that we would be able to open a new relationship with the People's Republic of China and that I would be able to visit Peking, and the Senator, with that wonderful sense of humor of his, said, "Well, you know, Dick, I am sure Peking, China, is a great place, but you have really never seen anything until you have seen Pekin, Illinois."

After your very warm welcome today—and we give our distinguished chaplain the credit for the fact that the rain just stopped—I can say that I am very happy that, while I was unable to visit Pekin, Illinois, while Senator Dirksen lived, that finally I have been able to come here. We are grateful for your welcome and I hope some time we can come back when this center is finished.

Some of you may recall the ceremony in the Rotunda of the Capitol when I paid the respects of the Nation to Senator Dirksen in a eulogy, and in those remarks I recalled the remarks of Daniel Webster in which he said, "Our great men are the common property of the country." And the passage of time has shown us how very true this is. For the memory of Everett Dirksen continues to live in every corner of America today. In death, as in life, he belongs to all of us.

I said then that it would be difficult to think of Washington without him. Well, in 4 years we have learned that he has not really left us. His great voice continues to echo through the halls of American government. What he did and said in nearly 40 years of public service continues to shape the future of America.

In recent years, our concern for the political past has led to creation of great Presidential libraries, as you know, and three of them are located here in the Middle West: the Hoover Library in Iowa, the Truman Library in Missouri, and the Eisenhower Library in Kansas. It is very fitting, and the people of Pekin should be very proud, that a new research center now is to be dedicated here in America's heartland for the study of Congressional history, and that it is to be named for one of the most beloved and influential Congressional leaders of this century.

This center will house Congressional papers going back to 1932, the year Everett Dirksen first entered Congress, and here the records of old controversies will become the raw materials for new discoveries.

Too often, those of us who studied the history of this country have viewed America's history through the single lens of the Presidency, and we see our past solely as a succession of Presidential administrations. As one who served on both ends of Pennsylvania Avenue—as a Member of both Houses and the Presidency—I welcome the new balance that this center can bring to our understanding of American government.

When you study Everett Dirksen's life, it teaches us many things. In the first place, his career symbolizes the importance of a constructive, cooperative relationship between the Congress and the President, a relationship of mutual respect and mutual accommodation.

Some of the great moments in the recent history of this country came when Everett Dirksen rose in the Senate on behalf of such a relationship. And whether the President's name was Roosevelt or Truman, Eisenhower or Kennedy, Johnson or Nixon, whether he was a Democrat or Republican, that, to him, was not the important

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thing. The important thing, as Everett Dirksen saw it, was that progress was better than deadlock, and that neither the Congress nor the executive could travel very far without the other.

Too often we think that a strong executive must mean a weak legislature, and that a strong legislature must mean a weak executive. Everett Dirksen knew better than that. He believed in both a strong Congress and a strong President. And he knew the risk if they became rivals. But he also knew the potential if they became partners.

Both that risk and that potential still exist today on one crucial issue after another. Now, more than ever, we need to foster between the executive and the Congress a spirit of responsible partnership. And responsible partnership must rest on the foundation of mutual respect between the executive and the legislature. This doesn't mean that the two branches must soft pedal their disagreements. We have had strong differences in the past, we will continue to have strong differences in the future.

We have fought hard for our positions. We will continue to fight for them. In fact, we have a duty to fight vigorously for those things we believe in; it is our constitutional responsibility. But as we battle for our views, let us remember that we can accommodate our positions without abandoning our principles.

Responsible partnership means recognizing that neither party can have his way all the time. It means developing a spirit of give and take—with both sides doing some giving and both sides doing some taking.

If we proceed in that spirit, then we will not regard our system of checks and balances as a source of frustration, but as an opportunity for consultation. Then the interaction between branches of the Government will not be seen as a process which dilutes and weakens policy, but as one that improves and strengthens it.

Senator Dirksen's life teaches us a great deal in another very important way. His life can help every one of us renew our pride in our country. Everett Dirksen believed in America. He often said that the only debt that was greater than the national debt was the debt that he owed to his country. And every one of us should agree with Everett Dirksen on that point.

He served this Nation through a time of remarkable challenge—through four wars, a great depression, through cold war tensions and domestic upheavals—but whatever the crisis, his faith in America never wavered a bit.

At a time when we are tempted to dwell on our Nation's problems, I believe Senator Dirksen would remind us of our Nation's strength, for he knew that unless we appreciate what is right about America, we can't correct what is wrong. Our confidence in ourselves and our country does not mean that we should overlook our problems. To the contrary, it should help us look at our problems more realistically, to solve them more effectively.

Let me give you one example that we have discussed in the past few days. We have a serious problem with inflation in this country. We are moving ahead decisively to meet it at the national level, but we are doing so not by turning our economical system upside down, but by building on the strengths of that system. Why? Because when we look at what is right about America, we can be thankful that we have the best jobs, the best wages, the greatest opportunities of any system in the world and in history, and let us not spoil that in the United States of America.

None of us likes inflation. None of us, when he goes to the supermarket or the grocery store, likes to see those prices going up, but inflation, as we all know, is a by-product of prosperity. Our booming economy—we are in the biggest boom in America's history—has encouraged people to buy more than they have ever bought before, and because supplies have been short, the demands have brought the prices up. So we are putting the brakes on these prices. But in applying the brakes, we have been careful not to throw our whole economy into a disastrous skid which could drive us off that highway to progress for America.

That is why 2 days ago I imposed a temporary freeze on prices and pledged that a new Phase IV would be set up after the freeze. But, as I emphasized then, that new Phase IV will be designed to get us out of a controlled economy and not to pull us further in. We must not destroy the freedom and flexibility that are the key to America's prosperity. We must not control the boom in a way that would lead to a bust, because over the long run, the answer to rising prices does not lie in rigid controls. The best way to hold down the family budget is to hold down the Federal budget, and by working to expand the supply of needed goods.

I think if Everett Dirksen were here today, he would also say we should be confident about our political system, because he was proud to be known as a politician, and he gave new luster to that profession.

We live in a time when many people are cynical about politics and politicians. Such times have occurred before. In this profession, as in any, there is much that could be improved. But there is also very much to admire. And it would be a tragedy if we allowed the mistakes of a few to obscure the virtues of most who are in the profession of politics or if we let our disappointment with some aspects of the system to turn into despair with the system as a whole.

The American system is working, and we can be proud of that system. The way to make it work better is to bring more good people into it. And Everett Dirksen would tell us today—the cynics of the day—not to shun the system, but to share in it, to enter the political arena and to fight for their ideals. That is what he would say today.

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As I look over this great audience here today and at those on the platform, I see one of Senator Dirksen's two grandchildren here. Her name is Cissy. That is a nickname, but that is what he always called her, and that is what I remember. As I see her, I am reminded, as many of you must be reminded, of one of the most famous speeches he ever made, and he made so very many—a speech in which he talked about those grandchildren—the two of them—and their generation of Americans.

It was on the Senate floor in 1962. Listen to what he said: "I have a couple of grandchildren in Tennessee. They are growing up. They will be the custodians and trustees of this country when they grow up. I want them to have a country free, solvent, and secure, like the one their granddad had. Along with it, I want to vouchsafe to them as a legacy the last best hope of peace. What greater contribution can we make to those who will come after us than to enable them to summon up out of their souls all the talent the Lord gave them in an atmosphere of peace to achieve whatever a free country has to offer."

I only regret that Senator Dirksen could not have lived to this day, because he believed in peace; he knew that it was not easy to attain or easy to retain once you got it. But I am sure that on this particular day, as he looked over the developments of particularly the last year, he would say, "My grandchildren, all the children of America, have a better chance for peace today than in any generation in this century."

For example, think of where we are. For the first time in 12 years America is at peace in Vietnam, and we can be thankful for that. For the first time in 8 years all of our prisoners of war are home here in America. We can be thankful for that.

And as I see so many of high school age, in their teens and perhaps early twenties, for the first time in a generation, no young American will be drafted for the Armed Services. He can volunteer.

Now, those points I anticipated would all be applauded. Let me say to you, however, Senator Dirksen would have recognized that those achievements, great as they are, ending a difficult war, ending the draft, from the standpoint of his grandchildren and all of our children, are not nearly as important as two other significant developments of the last year.

I return again to Peking, China. I point out the fact that in February of last year we opened a dialogue with the leaders of the People's Republic of China. Many of my friends, many of Everett Dirksen's friends, didn't approve of that, because it is a Communist country, the leaders are Communists. We do not agree with their philosophy. But I made that move because I was thinking not just of this generation, but of the next generation.

I made that move because one-fourth of all the people in the world live in the People's Republic of China. I made that move because those people who live there are among the ablest people in the world. And I knew that unless we, in the United States, moved to a dialogue with them now, that there would be a deadly danger to peace and freedom in the years ahead. Now we are in a situation where we are talking about our differences and not fighting about them. That is vitally important, and it is also important in another way.

We must not think of that visit as designed solely to avoid war in the Pacific, but we must also think of its positive terms. Just a few days ago I welcomed 12 Chinese doctors who were here on an exchange visit. Two were women; 10 were men. Their interest, among many other things, was in our program to find a cure for cancer, or cures for various types of cancer. I told them about our program, and as I talked to them and as I thought of their genius and all they represented, it occurred to me that we are going to spend millions, hundreds of millions of dollars, and the best brains of America will be trying to find a cure for that deadly disease, as well as others. But how much better it is for those who are trying to find the cures for the deadly diseases that afflict mankind to share their knowledge with each other, to work together, because as far as we are concerned, if the genius that finds that cure is Chinese, fine; if he is Latin American, fine; if he is American, fine, because it will belong to the whole world, and it is good that we are now having that kind of association where we are sharing our knowledge with them in working against the common scourges of mankind.

The other event that Senator Dirksen would have recognized as being even more important than the ending of a difficult war and the ending of a draft is the second visit we will be having at the summit with Mr. Brezhnev in just 3 days. You remember the visit a year ago. More significant agreements were entered into at that time than we have ever had with the Soviet Union.

We anticipate that this next summit, which will last for a week, will also produce significant agreements. There will be some hard bargaining, and we are not making any easy predictions, but based on the attitude of Mr. Brezhnev, and my attitude, which we know from much correspondence and months of preparation, I can say to you today that you can have great hope that as a result of this meeting, the two great superpowers of the world will make progress toward reducing the danger of war, and also progress toward limiting that deadly burden of nuclear arms which weights us down, and them, and other nations as well.

We will also make progress toward communication with the Soviets, and cooperation, progress not at the expense of any of our philosophies—they are Communist and we believe in a free system—and progress that will be made in our talks not at the expense of any other nation, neither its independence, its freedom, or in any other respect.

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But let's look at what would have been the situation had we not met last year or this year. The United States would continue to develop its deadly power in the nuclear field. The Soviet Union would. We would continue to have those areas of the world where, as a result of rubbing together, the spark might come out which could bring a miltary confrontation.

We have reduced that danger now, and so I say to you today, because of these two great events—opening a dialogue with the People's Republic of China and continuing a policy of negotiation with the leaders of the Soviet Union—Everett Dirksen's hope, his dream, expressed in that great Senate speech in 1962, that his grandchildren could grow up in a world of peace, has a much better chance to be realized.

I simply conclude by saying this: Every President, every Senator, every Congressman, I am sure, and every Governor, is asked what he wants most, what legacy would he like to leave. And I would answer that question as Senator Dirksen did in his letter to his grandchildren: I want this country to be free. I want this country to be prosperous. I want every individual in this country to have an equal opportunity to go as high as his talents will take him. But, above all, I want the children of America and the children of the world to grow up in peace.

We have had four wars in this century. Every generation has had a war, and now it is time that America, as the leader of the free world, help develop the policies that not only have ended one war, but which will reduce the possibility of conflict between the great powers as far as future wars are concerned.

This will require on our part strength, because a strong America is a guarantee of peace, and a weak America would risk the peace. It requires, on our part, respect for America, and it requires on our part something that we best describe by the word "character." Whether America, at this critical time in the world's history, carrying the burdens that we do, whether we continue to exert world leadership, or whether we turn away from those responsibilities and leave a vacuum which others might be very willing to fill. I believe we have that character. You saw it today in Mr. Newell. Six years in a prison camp. Some were there 7 years, some 8, some 4; yet they came back to America, almost all of them, heads high, saluting the flag, loving this country.

I say thank God that America has produced such men, and with that kind of character we will provide the leadership that the world needs, which will keep freedom for America and allow our children and grandchildren to grow up in peace.

Thank you.

NOTE: The President spoke at 11:45 a.m., c.d.t., at the site of the Everett McKinley Dirksen Congressional Leadership Research Center and Pekin Public Library which is under construction at Pekin, Ill. In addition to Senator Dirksen's own public and private papers, those of other Congressional leaders, including House Speaker Sam Rayburn, Congressman Charles Halleck, Senator William Knowland, and Senator Robert Taft, Sr., will be gathered at the research center to provide a history of the Congress since Senator Dirksen was elected to the House of Representatives in 1932.

White Cane Safety Day, 1973

Proclamation 4226. June 16, 1973

By the President of the United States of America
a Proclamation

The White Cane has become an emblem that distinguishes more than one million Americans with severe visual disabilities. It is a symbol of their determination to be self-reliant, independent, and productive members of society.

For all its simplicity, the White Cane provides those individuals with the mobility they need to compete in a very complicated world designed by and for people with unimpaired vision. It helps to provide them with almost miraculous ability to walk in strange and sometimes hazardous surroundings without depending on help from others.

Helen Keller—a courageous pioneer in helping her fellow blind—once observed: ". . . of all the senses, sight must be the most delightful."

Each of us who is blessed with this "delightful" sense, should resolve that while we respect the independence of the visually disabled, we should also make every effort to smooth the path and ease their burden. The first step is to extend every courtesy and care to those who display this badge of courage—the White Cane.

The Congress, as an annual reminder to Americans of the significance of the White Cane, has, by a joint resolution of October 6, 1964 (78 Stat. 1003), authorized the President to proclaim October 15 of each year as White Cane Safety Day.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, do hereby proclaim October 15, 1973, as White Cane Safety Day.

I urge all Americans to mark this occasion by giving greater consideration for the special needs of the visually handicapped, and particularly by learning to heed the White Cane in order that our visually handicapped may use our streets and public facilities with optimum safety.

IN WITNESS WHEREOF, I have hereunto set my hand this sixteenth day of June, in the year of our Lord nineteen hundred seventy-three, and of the Independence of the United States of America the one hundred ninety-seventh.

RICHARD NIXON

[Filed with the Office of the Federal Register, 10:41 a.m., June 18, 1973]

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Skylab I

The President's Telephone Conversation With Capt. Charles (Pete) Conrad, Jr., USN, Commander of the Skylab Crew. June 17, 1973

THE PRESIDENT. Hello.

CAPTAIN CONRAD. Hello, sir. How are you?

THE PRESIDENT. Fine. Is this Pete Conrad?

CAPTAIN CONRAD. Yes, sir. All of us are listening.

THE PRESIDENT. Nice to talk to you again, and Commander Kerwin and Commander Weitz are there with you, right?

CAPTAIN CONRAD. Yes, sir.

THE PRESIDENT. Well, I just want you to know that everybody here has been following what you have been doing, and I guess the way I could summarize this project is that it proves that man still matters. With all the technical machines, and so forth, that you had to work with, it proved that when there were difficulties, that the ingenuity of men in space is what really mattered, and you have made us all very proud with the way you handled some difficult problems in this project.

CAPTAIN CONRAD. Thank you, sir.

THE PRESIDENT. You will be returning on the 22d, I understand.

CAPTAIN CONRAD. Yes, sir. We are counting every day. That is, I think, Day 173. We are working on Day 168.

THE PRESIDENT. I see. Well, I will be out in California at that time, and after you have splashed down I hope to welcome the three of you, perhaps. Maybe you can come up to San Clemente and we will say hello.

CAPTAIN CONRAD. Wonderful. I am sitting here talking to you right now, coming up on the coast of California, looking out the window at the full Moon.

The PRESIDENT. Is that right?

Let me also say that this is Father's Day. I understand each of you is a father, so congratulations.

CAPTAIN CONRAD. Thank you, sir.

THE PRESIDENT. We will look forward to seeing you after you get back.

CAPTAIN CONRAD. Yes, sir. And thank you very much for the call.

THE PRESIDENT. Thank you, Pete.

NOTE: The President spoke at 10:09 a.m. in the study at his residence at Key Biscayne, Fla. Captain Conrad and his fellow astronauts, Comdr. Joseph P. Kerwin, USN, and Comdr. Paul J. Weitz, USN, were aboard the Skylab space station which was in orbit 275 miles above the Earth.

VISIT OF GENERAL SECRETARY BREZHNEV OF THE SOVIET UNION

Exchange of Remarks Between the President and General Secretary Leonid Ilyich Brezhnev at the Welcoming Ceremony on the South Lawn at the White House. June 18, 1973

THE PRESIDENT. *Mr. General Secretary and all of our distinguished guests:*

Mr. Brezhnev, it is a very great honor for me to welcome you on your first visit to the United States. It was just a year ago that we met in Moscow, and on that occasion we entered into a number of agreements that changed the relationship between our two great countries in a very profound way.

What has happened since those agreements have been entered into, and the preparations that have been made over many, many months, the correspondence that we have had, and other meetings, lead me to conclude that this year at the summit in Washington we will not only build on the foundation that we laid last year, but that we have the opportunity to make even greater progress than we made last year toward the goals that we share in common—the goals of better relations between our two governments, a better life for our people, the Russian people, the American people, and above all, the goal that goes beyond our two countries, but to the whole world—the goal of lifting the burden of armaments from the world and building a structure of peace.

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As you know, Mr. General Secretary, these television cameras mean that right now millions in America and millions in the Soviet Union are seeing us as we appear together and as we speak.

I could also add that not only are the Russian people, the Soviet people, and the American people watching, but all the world is watching as we meet on this occasion, because the people of the world know that if the leaders of the two most powerful nations of the world can work together and their governments can work together, the chance for a world of peace is infinitely increased.

The hopes of the world rest with us at this time in the meetings that we will have. I am confident, Mr. General Secretary, that in our meetings this week we shall not disappoint those hopes.

We wish you a good stay in our country, but above all, on this, which is a trip of such great significance to our two peoples and to the world, we trust that at the end, not only the Soviet people and the American people, but the people of the world, will look on this event as a great step forward in the goal we all want, not only peace between our two countries, but peace and progress for all the people of the world.

GENERAL SECRETARY BREZHNEV. *Esteemed Mr. President, esteemed Mrs. Nixon, ladies and gentlemen:*

I am happy to have a new meeting with you, Mr. President, and I thank you for the warm words addressed to us, representatives of the Union of Soviet Socialist Republics.

This is my first visit to your country, my first direct acquaintance with America and the American people. We have made a long journey from Moscow to Washington. Our two capitals are separated by over 6,000 miles.

But international politics has its own concepts of relativity, not covered by Einstein's theory. The distances between our countries are shrinking, not only because we travel aboard modern aircraft following a well-charted route, but also because we share one great goal, which is to ensure a lasting peace for the peoples of our countries, and to strengthen security on our planet.

One year ago, in Moscow, we jointly took a major step in that direction. The results of our first meeting laid a good and reliable foundation for peaceful relations between our two countries.

But even then we both took the view that, building on that foundation, we should move further ahead. During the past year a good beginning has been made in that sense. And now we regard our visit to the United States and the forthcoming meetings with you as an expression of our common determination to make a new contribution to what was jointly initiated.

I and my comrades, who have come with me, are prepared to work hard to ensure that the talks we will have with you, Mr. President, and with other American statesmen, justify the hopes of our peoples and serve the interests of a peaceful future for all mankind.

NOTE: The President spoke at 11:10 a.m. on the South Lawn at the White House where Leonid Ilyich Brezhnev, General Secretary of the Central Committee of the Communist Party of the Soviet Union, was given a formal welcome with full military honors. General Secretary Brezhnev spoke in Russian, and his remarks were translated by an interpreter.

The welcoming ceremony was broadcast live on radio and television in the United States and the Soviet Union.

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National Institute of Education

Announcement of Appointment of Emerson J. Elliott as Deputy Director of the Institute. June 18, 1973

The President today announced the appointment of Emerson J. Elliott, of Arlington, Va., to be Deputy Director of the National Institute of Education, a new position created by the Education Amendments of 1972, which also established the Institute in the Department of Health, Education, and Welfare.

Since July 1972, Mr. Elliott has been Assistant to the Commissioner of Education, Office of Education, Department of Health, Education, and Welfare. From 1970 to 1972, he was Deputy Chief of the Human Resources Programs Division of the Office of Management and Budget.

Mr. Elliott was with the Bureau of the Budget from 1957 to 1970, serving as a Budget Examiner in the Labor and Welfare Division from 1957 to 1967, and as Assistant Chief for Education in the Human Resources Programs Division from 1967 to 1970.

He was born on November 13, 1933, in Ann Arbor, Mich. Mr. Elliott received his B.A. degree in 1955 from Albion College and his M.A. in 1957 from the University of Michigan.

Visit of General Secretary Brezhnev of the Soviet Union

Exchange of Toasts Between the President and General Secretary Brezhnev at a Dinner Honoring the General Secretary. June 18, 1973

THE PRESIDENT. *Mr. General Secretary, members of the Soviet delegation, and all of our distinguished guests and friends:*

As all of these lights were turned on, the General Secretary, with his delightful sense of humor, said, "At the end of the dinner, Mr. President, you decided to fry our guests."

As all of you came through the receiving line tonight, the General Secretary noted that you came from all parts of the country, from both political parties, from business, from labor, from all segments of our society. And the question that he asked on several occasions was whether the individuals concerned supported the new initiatives with regard to Soviet-American friendship and cooperation which we have undertaken. And I would like to say to our very distinguished guest tonight that not only in this room, but across this country, regardless of political party, regardless of whatever the organization may be, the overwhelming number of Americans support the objective of Soviet-American friendship.

Now, I am told that in the Ukraine, where we were so very well received on our visit to Kiev last year, and where our guest of honor this evening lived as a young man, there is a proverb which says, "Praise the day in the evening."

I take this bit of advice as my text this evening for a few reflections on the first day of the very important week of meetings and also on the first year of an historic new departure in the relations between the United States and the Soviet Union.

The results of our discussions today allow us to praise, indeed, our day today. We have resumed the talks that ended just over a year ago. We have resumed those talks on a new foundation of significant accomplishments in reshaping relations between our two peoples and between our two countries. Our common starting point was the document that you, Mr. Brezhnev, and I signed on May 29, 1972, in which we agreed on basic principles of our relations and the agreements to limit strategic weapons. On this basis, a year ago we set a course toward a more constructive and mutually beneficial relationship.

We have been able to embark on this course because we have recognized certain fundamental factors. We have recognized that despite the differences in our ideology and our social systems, we can develop normal relations. We have agreed that in the nuclear age, there is no alternative to a policy of peace for any nation. We have recognized that we have special responsibilities to work for the removal of the danger of war, and of nuclear war in particular. We have accepted the great task of limiting strategic arms. We have recognized that our responsibilities include the scrupulous respect for the rights of all countries, large or small.

Today, in the discussions we have had, we have reconfirmed these principles. We have laid the groundwork for a significant improvement in our relations that will result from the discussions and agreements undertaken this week.

We receive you and your colleagues tonight, and for this week, with the firm intention of building on our past successes. A year ago, when I reported to the Congress upon my return from the Soviet Union, I described the principles we had agreed to as a road map—a map which would be useful only if both our two countries followed it faithfully. Tonight, looking back over the first 12 months of our journey along the route which that map marks out, I believe there is good reason to be encouraged. Now we have another profound opportunity to advance along this course that we set for ourselves in Moscow a year ago.

It is America's hope that the coming days of our meetings will carry forward the promising start that we have made on this first day.

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Our two peoples want peace. We have a special responsibility to insure that our relations—relations between the two strongest countries in the world—are directed firmly toward world peace.

Our success will come to be measured not only in years but in decades and in generations and probably centuries.

Mr. General Secretary, many American Presidents and many very distinguished foreign leaders over a period of 180 years have dined together in this room, and they have worked together for peace within these walls. But none of them, I believe, have borne a heavier responsibility or faced a more magnificent opportunity than we do today and this week.

The question is: Shall the world's two strongest nations constantly confront one another in areas which might lead to war, or shall we work together for peace? The world watches and listens this week to see what our answer is to that question. Mr. General Secretary, I know that your answer, based on our acquaintanceship and our discussions today and a year ago, is the same as mine to that question. We shall be worthy of the hopes of people everywhere that the world's two strongest nations will work together for the cause of peace and friendship among all peoples, regardless of differences in political philosophy.

So to all of our distinguished guests, will you join me in a toast to the General Secretary, his colleagues, to the friendship of the Soviet and American peoples, and peace between our countries and among all nations.

GENERAL SECRETARY BREZHNEV. *Esteemed Mr. President, esteemed Mrs. Nixon, ladies and gentlemen:*

Permit me, first of all, to thank you, Mr. President, for the invitation to visit your country, for the kind words you have just said here, and for the hospitality you are according us on the soil of the United States.

Taking this opportunity, I should like to say that it gives me great satisfaction to be able to continue my talks with you aimed at the further improvement of Soviet-American relations initiated in Moscow in May of last year.

The time that has elapsed since our Moscow meeting has, I feel, convincingly confirmed the correctness of the jointly taken line of invigorating the relations between the U.S.S.R. and the U.S.A., and of reshaping them in accordance with the principles of peaceful coexistence which were set out in the document you and I signed a year ago. I trust you will agree, Mr. President, that we are on the right track, as it is one that meets the fundamental interests of the peoples of our countries and of all mankind.

And what has already been done and is being done to give effect to the basic principles of mutual relations between our countries laid down in Moscow is of no small significance. Life is the best counsellor. The results of the past year suggest the direction for further advance. They inspire us to take, in the course of this meeting, new major steps and give Soviet-American relations greater stability, and thereby increase the contribution of our countries to the cause of peace and international détente.

Of course, the reshaping of Soviet-American relations is not an easy task. And the crux of the matter lies not only in the fact that the U.S.S.R. and the U.S.A. have different social systems. What is also required is to overcome the inertia of the "cold war" and its after-effects in international affairs, and in the minds of men.

However, mankind's development requires positive and constructive ideas. I am convinced, therefore, that the more persistently and speedily we move towards the mutually advantageous development of Soviet-American relations, the more tangible will be the great benefits of this for the peoples of our countries, and the greater will be the number of those in favor of such a development, and they are known to be in the majority even today. That is why we are in favor of building relations between the Soviet Union and the United States on a properly large scale and a long-term basis.

We have come here to Washington with a firm desire to give, together with the leaders of the United States, a new and powerful impetus to the development of Soviet-American relations along precisely those lines, and this fully accords with the Peace Program adopted by the 24th Congress of our Party. In its Resolution, the Congress stressed in the most definite terms the Soviet Union's readiness to develop relations with the United States of America proceeding from the assumption that this meets both the interests of the Soviet and American peoples and the interests of universal peace.

I would like our American partners and all Americans to be fully aware that this decision by the supreme forum of our Party, the ruling party of the Soviet Union, reflects the fundamental position of principle of the Soviet Government, and of our entire people in matters bearing on relations with the United States of America. And that determines the policy we are pursuing.

In today's discussion with the President, I spoke of the favorable feelings of our people in all parts of the country as regards the decisions taken last year during our summit meeting in Moscow, and I spoke of the friendly feelings, the desire of the Soviet people, for friendship with the United States.

Now, Mr. President, the peoples are indeed expecting a great deal from our new meeting. And I believe it is our duty to live up to these expectations. The first discussions we have had with you here at the White House do, I feel, confirm that this is the mutual desire of both sides.

And I would venture in this connection to express the hope, and even the confidence, that our present meeting will play an important role in further strengthening mutually advantageous cooperation between our countries and in improving the international climate as a whole.

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And let me make one more point. It is well known that the initiated process of bettering Soviet-American relations is evoking a broad response throughout the world. Most comments indicate that the peoples and the governments of other countries are welcoming this improvement. And this is quite natural. They see in it an encouraging factor for the invigoration of the international situation as a whole, and a major contribution by the U.S.S.R. and the U.S.A. to a stronger universal peace.

It is absolutely clear to anyone who is at least slightly familiar with the real course of events, and with the real nature of the development of Soviet-American relations, that their improvement in no way prejudices the interests of any third country.

Naturally, the development of good relations between the Soviet Union and the United States will have, and already has, no small a bearing on world affairs. But this influence is one that promotes the strengthening of peace, security, and international cooperation. In building through joint effort a new structure of peaceful relations, we have no intention of turning it into a secluded mansion completely fenced off from the outside world. We want to keep this spacious edifice open to all those who cherish the peace and well-being of mankind.

Mr. President, present-day political realities show in practice how arduous and toilful can at times be the tasks involved in carrying out the foreign policy of nations. But when our thoughts and practical deeds are directed towards achieving the noble goals of peace, the burden is not oppressive, but rather gives strength and confidence.

The start of our negotiations—and I have in mind both their content and the atmosphere in which they are proceeding—gives reason to hope that their results will be fruitful and will become a new landmark in Soviet-American relations.

Ladies and gentlemen, permit me to offer a toast to the health of the President of the United States of America and Mrs. Nixon, to the health of all the members of the American Government present here, to all Americans who support the great and noble cause of peace among nations.

NOTE: The President spoke at 10:30 p.m. in the State Dining Room at the White House. General Secretary Brezhnev spoke in Russian, and his remarks were translated by an interpreter.

Agriculture

Agreement Between the United States of America and the Union of Soviet Socialist Republics on Cooperation in the Field of Agriculture. June 19, 1973

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics;

Taking into account the importance which the production of food has for the peoples of both countries and for all of mankind;

Desiring to expand existing cooperation between the two countries in the field of agricultural research and development;

Wishing to apply new knowledge and technology in agricultural production and processing;

Recognizing the desirability of expanding relationships in agricultural trade and the exchange of information necessary for such trade;

Convinced that cooperation in the field of agriculture will contribute to overall improvement of relations between the two countries;

In pursuance and further development of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Fields of Science and Technology of May 24, 1972, and in accordance with the Agreement on Exchanges and Cooperation in Scientific, Technical, Educational, Cultural and Other Fields of April 11, 1972, and in accordance with the Agreement on Cooperation in the Field of Environmental Protection of May 23, 1972;

Have agreed as follows:

ARTICLE I

The Parties will develop and carry out cooperation in the field of agriculture on the basis of mutual benefit, equality and reciprocity.

ARTICLE II

The Parties will promote the development of mutually beneficial cooperation in the following main areas:

1. Regular exchange of relevant information, including forward estimates, on production, consumption, demand and trade of major agricultural commodities.
2. Methods of forecasting the production, demand and consumption of major agricultural products, including econometric methods.
3. Plant science, including genetics, breeding, plant protection and crop production, including production under semi-arid conditions.
4. Livestock and poultry science, including genetics, breeding, physiology, nutrition, disease protection and large-scale operations.
5. Soil science, including the theory of movement of water, gases, salts, and heat in soils.
6. Mechanization of agriculture, including development and testing of new machinery, equipment and technology, as well as repair and technical service.
7. Application, storage and transportation of mineral fertilizers and other agricultural chemicals.
8. Processing, storage and preservation of agricultural commodities, including formula feed technology.

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9. Land reclamation and reclamation engineering, including development of new equipment, designs and materials.
10. Use of mathematical methods and electronic computers in agriculture, including mathematical modeling of large-scale agricultural enterprises.

Other areas of cooperation may be added by mutual agreement.

ARTICLE III

Cooperation between the Parties may take the following forms:

1. Exchange of scientists, specialists and trainees.
2. Organization of bilateral symposia and conferences.
3. Exchange of scientific, technical and relevant economic information, and methods of research.
4. Planning, development and implementation of joint projects and programs.
5. Exchange of plant germ plasm, seeds and living material.
6. Exchange of animals, biological materials, agricultural chemicals, and models of new machines, equipment and scientific instruments.
7. Direct contacts and exchanges between botanical gardens.
8. Exchange of agricultural exhibitions.

Other forms of cooperation may be added by mutual agreement.

ARTICLE IV

1. In furtherance of the aims of this Agreement, the Parties will, as appropriate, encourage, promote and monitor the development of cooperation and direct contacts between governmental and non-governmental institutions, research and other organizations, trade associations, and firms of the two countries, including the conclusion, as appropriate, of implementing agreements for carrying out specific projects and programs under this Agreement.

2. To assure fruitful development of cooperation, the Parties will render every assistance for the travel of scientists and specialists to areas of the two countries appropriate for the conduct of activities under this Agreement.

3. Projects and exchanges under this Agreement will be carried out in accordance with the laws and regulations of the two countries.

ARTICLE V

1. For implementation of this Agreement, there shall be established a US–USSR Joint Committee on Agricultural Cooperation which shall meet, as a rule, once a year, alternately in the United States and the Soviet Union, unless otherwise mutually agreed.

2. The Joint Committee will review and approve specific projects and programs of cooperation; establish the procedures for their implementation; designate, as appropriate, institutions and organizations responsible for carrying out cooperative activities; and make recommendations, as appropriate, to the Parties.

3. Within the framework of the Joint Committee there shall be established a Joint Working Group on Agricultural Economic Research and Information and a Joint Working Group on Agricultural Research and Technological Development. Unless otherwise mutually agreed, each Joint Working Group will meet alternately in the United States and the Soviet Union at least two times a year. The Joint Committee may establish other working groups as it deems necessary.

4. The Executive Agents for coordinating and carrying out this Agreement shall be, for the Government of the United States of America, the United States Department of Agriculture, and for the Government of the Union of Soviet Socialist Republics, the Ministry of Agriculture of the USSR. The Executive Agents will, as appropriate, assure the cooperation in their respective countries of other institutions and organizations as required for carrying out joint activities under this Agreement. During the period between meetings of the Joint Committee, the Executive Agents will maintain contact with each other and coordinate and supervise the development and implementation of cooperative activities conducted under this Agreement.

ARTICLE VI

Unless an implementing agreement contains other provisions, each Party or participating institution, organization or firm, shall bear the costs of its participation and that of its personnel in cooperative activities engaged in under this Agreement.

ARTICLE VII

1. Nothing in this Agreement shall be interpreted to prejudice or modify any existing Agreements between the Parties.

2. Projects developed by the US–USSR Joint Working Group on Agricultural Research which were approved at the first session of the US–USSR Joint Commission on Scientific and Technical Cooperation on March 21, 1973, will continue without interruption and will become the responsibility of the US–USSR Joint Committee on Agricultural Cooperation upon its formal establishment.

ARTICLE VIII

1. This Agreement shall enter into force upon signature and remain in force for five years. It will be automatically extended for successive five-year periods unless either Party notifies the other of its intent to terminate this Agreement not later than six months prior to the expiration of this Agreement.

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2. This Agreement may be modified at any time by mutual agreement of the Parties.

3. The termination of this Agreement will not affect the validity of implementing agreements concluded under this Agreement between institutions, organizations and firms of the two countries.

DONE at Washington, this 19th day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

EARL L. BUTZ

FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:

A. GROMYKO

NOTE: The text of the agreement was made available by the White House Press Office. It was not issued in the form of a White House press release.

The agreement was signed at a ceremony in the Benjamin Franklin Room at the Department of State on Tuesday, June 19, 1973. President Nixon and General Secretary Brezhnev attended the ceremony.

Studies of the World Ocean

Agreement Between the United States of America and the Union of Soviet Socialist Republics on Cooperation in Studies of the World Ocean. June 19, 1973

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics;

Recognizing the importance of comprehensive studies of the World Ocean for peaceful purposes and for the well-being of mankind;

Striving for more complete knowledge and rational utilization of the World Ocean by all nations through broad international cooperation in oceanographic investigation and research;

Aware of the capabilities and resources of both countries for studies of the World Ocean and the extensive history and successful results of previous cooperation between them;

Desiring to combine their efforts in the further investigation of the World Ocean and to use the results for the benefit of the peoples of both countries and of all mankind; and

In pursuance and further development of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Fields of Science and Technology of May 24, 1972, and in accordance with the Agreement on Exchanges and Cooperation in Scientific, Technical, Educational, Cultural and Other Fields of April 11, 1972, and in accordance with the Agreement on Cooperation in the Field of Environmental Protection of May 23, 1972;

Have agreed as follows:

ARTICLE 1

The Parties will develop and carry out cooperation in studies of the World Ocean on the basis of equality, reciprocity and mutual benefit.

ARTICLE 2

In their studies of the World Ocean, the Parties will direct cooperative efforts to the investigation and solution of important basic and applied research problems. Initially, cooperation will be implemented in the following areas:

a. Large-scale ocean-atmosphere interaction, including laboratory studies, oceanic experiments, and mathematical modeling of the ocean-atmosphere system.

b. Ocean currents of planetary scale and other questions of ocean dynamics.

c. Geochemistry and marine chemistry of the World Ocean.

d. Geological and geophysical investigations of the World Ocean, including deep sea drilling for scientific purposes.

e. Biological productivity of the World Ocean and the biochemistry of the functioning of individual organisms and whole biological communities in the World Ocean.

f. Intercalibration and standardization of oceanographic instrumentation and methods.

Other areas of cooperation may be added by mutual agreement.

ARTICLE 3

Cooperation provided for in the preceding Articles may take the following forms:

a. Joint planning, development, and implementation of research projects and programs;

b. Exchange of scientists, specialists, and advanced students;

c. Exchange of scientific and technical information, documentation, and experience, including the results of national oceanographic studies;

d. Convening of joint conferences, meetings, and seminars of specialists;

e. Appropriate participation by both countries in multilateral cooperative activities sponsored by international scientific organizations;

f. Facilitation by both Parties, in accordance with laws, rules and regulations of each country and relevant bilateral agreements, of use of appropriate port facilities of

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the two countries for ships' services and supplies, including provision for rest and changes of ships' personnel, in connection with carrying out cooperative activities.

Other forms of cooperation may be added by mutual agreement.

ARTICLE 4

In furtherance of the aims of this Agreement, the Parties will, as appropriate, encourage, facilitate and monitor the development of cooperation and direct contacts between agencies, organizations and firms of the two countries, including the conclusion, as appropriate, of implementing agreements for carrying out specific projects and programs under this Agreement.

ARTICLE 5

1. For implementation of this Agreement, there shall be established a US–USSR Joint Committee on Cooperation in World Ocean Studies. This Joint Committee shall meet, as a rule, once a year, alternately in the United States and the Soviet Union, unless otherwise mutually agreed.

2. The Joint Committee shall take such action as is necessary for effective implementation of this Agreement including, but not limited to, approval of specific projects and programs of cooperation; designation of appropriate agencies and organizations to be responsible for carrying out cooperative activities; and making recommendations, as appropriate, to the Parties.

3. Each Party shall designate its Executive Agent which will be responsible for carrying out this Agreement. During the period between meetings of the Joint Committee, the Executive Agents shall maintain contact with each other and coordinate and supervise the development and implementation of cooperative activities conducted under this Agreement.

ARTICLE 6

Nothing in this Agreement shall be interpreted to prejudice other agreements between the Parties or commitments of either Party to other international oceanographic programs.

ARTICLE 7

Each Party, with the consent of the other Party, may invite third countries to participate in cooperative activities engaged in under this Agreement.

ARTICLE 8

1. This Agreement shall enter into force upon signature and remain in force for five years. It may be modified or extended by mutual agreement of the Parties.

2. The termination of the Agreement shall not affect the validity of implementing agreements concluded under this Agreement between interested agencies, organizations and firms of the two countries.

DONE at Washington, this 19th day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

WILLIAM P. ROGERS

FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:

A. GROMYKO

NOTE: The text of the agreement was made available by the White House Press Office. It was not issued in the form of a White House press release.

The agreement was signed at a ceremony in the Benjamin Franklin Room at the Department of State on Tuesday, June 19, 1973. President Nixon and General Secretary Brezhnev attended the ceremony.

Transportation

Agreement Between the United States of America and the Union of Soviet Socialist Republics on Cooperation in the Field of Transportation. June 19, 1973

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics;

Recognizing the important role played by safe and efficient transportation systems in the development of all countries;

Considering that the improvement of existing transportation systems and techniques can benefit both of their peoples;

Believing that the combined efforts of the two countries in this field can contribute to more rapid and efficient solutions of transportation problems than would be possible through separate, parallel national efforts;

Desiring to promote the establishment of long-term and productive relationships between transportation specialists and institutions of both countries;

In pursuance and further development of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Fields of Science and Technology of May 24, 1972, and in accordance with the Agreement on Exchanges and Cooperation in Scientific, Technical, Educational, Cultural and Other Fields of April 11, 1972, and in accordance with the Agreement on Cooperation in the Field of Environmental Protection of May 23, 1972;

Have agreed as follows:

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ARTICLE 1

The Parties will develop and carry out cooperation in the field of transportation on the basis of mutual benefit, equality and reciprocity.

ARTICLE 2

This cooperation will be directed to the investigation and solution of specific problems of mutual interest in the field of transportation. Initially, cooperation will be implemented in the following areas:

a. Construction of bridges and tunnels, including problems of control of structure stress and fracture, and special construction procedures under cold climatic conditions.
b. Railway transport, including problems of rolling stock, track and roadbed, high speed traffic, automation, and cold weather operation.
c. Civil aviation, including problems of increasing efficiency and safety.
d. Marine transport, including technology of maritime shipping and cargo handling in seaports.
e. Automobile transport, including problems of traffic safety.

Other areas of cooperation may be added by mutual agreement.

ARTICLE 3

Cooperation provided for in the preceding Articles may take the following forms:

a. Exchange of scientists and specialists;
b. Exchange of scientific and technical information and documentation;
c. Convening of joint conferences, meetings and seminars; and
d. Joint planning, development and implementation of research programs and projects.

Other forms of cooperation may be added by mutual agreement.

ARTICLE 4

In furtherance of the aims of this Agreement, the Parties will, as appropriate, encourage, facilitate and monitor the development of cooperation and direct contacts between agencies, organizations and firms of the two countries, including the conclusion, as appropriate, of implementing agreements for carrying out specific projects and programs under this Agreement.

ARTICLE 5

1. For the implementation of this Agreement, there shall be established a US–USSR Joint Committee on Cooperation in Transportation. This Committee shall meet, as a rule, once a year, alternately in the United States and the Soviet Union, unless otherwise mutually agreed.

2. The Joint Committee shall take such action as is necessary for effective implementation of this Agreement including, but not limited to, approval of specific projects and programs of cooperation; designation of appropriate agencies and organizations to be responsible for carrying out cooperative activities; and making recommendations, as appropriate, to the Parties.

3. Each Party shall designate its Executive Agent which will be responsible for carrying out this Agreement. During the period between meetings of the Joint Committee, the Executive Agents shall maintain contact with each other, keep each other informed of activities and progress in implementing this Agreement, and coordinate and supervise the development and implementation of cooperative activities conducted under this Agreement.

ARTICLE 6

Nothing in this Agreement shall be interpreted to prejudice other agreements between the Parties or their respective rights and obligations under such other agreements.

ARTICLE 7

1. This Agreement shall enter into force upon signature and shall remain in force for five years. It may be modified or extended by mutual agreement of the Parties.

2. The termination of this Agreement shall not affect the validity of implementing agreements concluded under this Agreement between interested agencies, organizations and firms of the two countries.

DONE at Washington, this 19th day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

WILLIAM P. ROGERS

FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:

A. GROMYKO

NOTE: The text of the agreement was made available by the White House Press Office. It was not issued in the form of a White House press release.

The agreement was signed at a ceremony in the Benjamin Franklin Room at the Department of State on Tuesday, June 19, 1973. President Nixon and General Secretary Brezhnev attended the ceremony.

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Contacts, Exchanges, and Cooperation

General Agreement Between the United States of America and the Union of Soviet Socialist Republics on Contacts, Exchanges, and Cooperation in the Fields of Science, Technology, Education, and Culture. June 19, 1973

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics;

Consistent with the Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics, signed at Moscow on May 29, 1972;

Desiring to promote better understanding between the peoples of the United States and the Soviet Union and to help improve the general state of relations between the two countries;

Believing that the further expansion of mutually beneficial contacts, exchanges and cooperation will facilitate the achievement of these aims;

Taking into account the positive experience achieved through previous agreements on exchanges in the scientific, technical, educational, cultural and other fields;

Have agreed as follows:

Article I

1. The Parties will encourage and develop contacts, exchanges and cooperation in the fields of science, technology, education and culture, and in other fields of mutual interest on the basis of equality, mutual benefit and reciprocity.

2. Such contacts, exchanges and cooperation shall be subject to the Constitution and applicable laws and regulations of the respective countries. Within this framework, the Parties will make every effort to promote favorable conditions for the fulfillment of these contacts, exchanges and cooperation.

Article II

1. The Parties take note of the following specialized agreements on cooperation in various fields and reaffirm their commitments to achieve the fulfillment of them:

a. The Agreement on Cooperation in the Field of Environmental Protection Between the United States of America and the Union of Soviet Socialist Republics, signed at Moscow on May 23, 1972;

b. The Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Field of Medical Science and Public Health, signed at Moscow on May 23, 1972;

c. The Agreement Between the United States of America and the Union of Soviet Socialist Republics Concerning Cooperation in the Exploration and Use of Outer Space for Peaceful Purposes, signed at Moscow on May 24, 1972;

d. The Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Fields of Science and Technology, signed at Moscow on May 24, 1972;

e. The Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Field of Agriculture, signed at Washington on June 19, 1973;

f. The Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in Studies of the World Ocean, signed at Washington on June 19, 1973; and

g. The Agreement Between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Field of Transportation, signed at Washington on June 19, 1973.

2. The Parties will support the renewal of specialized agreements, including mutually agreed upon amendments, between:

a. The National Academy of Sciences of the United States of America and the Academy of Sciences of the Union of Soviet Socialist Republics; and

b. The American Council of Learned Societies and the Academy of Sciences of the Union of Soviet Socialist Republics.

3. The Parties will encourage the conclusion, when it is considered mutually beneficial, of additional agreements in other specific fields within the framework of this Agreement.

Article III

The Parties will encourage and facilitate, as appropriate, contacts, exchanges and cooperation between organizations of the two countries in the field of science and technology and in other related fields of mutual interest which are not being carried out under specialized agreements concluded between the Parties. These activities may include:

a. the exchange of specialists, delegations, and scientific and technical information; and the organization of lectures, seminars and symposia for such specialists;

b. the participation of scientists and other specialists in scientific congresses, conferences and similar meetings being held in the two countries, and the conducting of specialized exhibits and of joint research work; and

c. other forms of contacts, exchanges and cooperation which may be mutually agreed upon.

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ARTICLE IV

1. The Parties will encourage and facilitate the expansion of contacts, exchanges and cooperation in various fields of education. To this end, the Parties will:

a. provide for the exchange of students, researchers and faculty members for study and research; professors and teachers to lecture, offer instruction, and conduct research; as well as specialists and delegations in various fields of education; and

b. facilitate the exchange, by appropriate organizations, of educational and teaching materials, including textbooks, syllabi and curricula, materials on methodology, samples of teaching instruments and visual aids.

2. The Parties will also encourage the study of each other's language through the development of the exchanges and cooperation listed above and through other mutually agreed measures.

ARTICLE V

In order to promote better mutual acquaintance with the cultural achievements of each country, the Parties will encourage the development of contacts and exchanges in the field of the performing arts. To this end, the Parties will facilitate exchanges of theatrical, musical and choreographic ensembles, orchestras, other artistic and entertainment groups, and individual performers.

ARTICLE VI

1. The Parties will encourage the organizations of the film industries of both countries, as appropriate, to consider means of further expanding the purchase and distribution on a commercial basis of films produced in each country.

2. The Parties will also encourage, as appropriate, the exchange and exhibition of documentary films in the fields of science, technology, culture, education and other fields, as well as facilitate the exchange of delegations of creative and technical specialists.

3. The Parties further agree, when requested by organizations and individuals of their respective countries, to consider other proposals directed toward the expansion of exchanges in this field, including the holding of film premieres and film weeks in each country and the joint production of feature films and short and full-length educational and scientific films.

ARTICLE VII

1. The Parties will facilitate contacts and encourage exchanges between organizations of the two countries in the fields of radio and television, including the exchange of radio programs and television films and exchanges of delegations and specialists in these fields.

2. The Parties further agree, when requested by organizations and individuals of their respective countries, to consider other proposals in the fields of radio and television, including joint production of television films and the providing of assistance in the production of radio and television programs.

ARTICLE VIII

The Parties will encourage:

a. the exchange of books, magazines, newspapers and other publications devoted to scientific, technical, cultural, and general educational subjects between libraries, universities and other organizations of each country, as well as the reciprocal distribution of the magazines *Amerika* and *Soviet Life;* and

b. exchanges and visits of journalists, editors, publishers, and translators of literary works, as well as their participation in appropriate professional meetings and conferences.

ARTICLE IX

The Parties will encourage and facilitate the exchange of exhibitions on various topics of mutual interest, as well as appropriate participation by one Party in exhibitions which may take place in the other's country. The Parties will also render assistance for the exchange of exhibitions between the museums of the two countries.

ARTICLE X

The Parties will provide for reciprocal exchanges and visits of architects, art historians, artists, composers, musicologists, museum specialists, playwrights, theater directors, writers, specialists in various fields of law and those in other cultural and professional fields, to familiarize themselves with matters of interest to them in their respective fields and to participate in meetings, conferences and symposia.

ARTICLE XI

1. The Parties will render assistance to members of the Congress of the United States of America and deputies of the Supreme Soviet of the Union of Soviet Socialist Republics, as well as to officials of the national governments of both countries, making visits to the Soviet Union and the United States respectively. Arrangements for such assistance will be agreed upon in advance through diplomatic channels.

2. The Parties will encourage exchanges of representatives of municipal, local and state governments of the United States and the Soviet Union to study various functions of government at these levels.

ARTICLE XII

The Parties will encourage joint undertakings and exchanges between appropriate organizations active in civic and social life, including youth and women's organizations, recognizing that the decision to implement such

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joint undertakings and exchanges remains a concern of the organizations themselves.

ARTICLE XIII

The Parties will encourage exchanges of athletes and athletic teams as well as visits of specialists in the fields of physical education and sports under arrangements made between the appropriate sports organizations of the two countries.

ARTICLE XIV

The Parties will encourage the expansion of tourist travel between the two countries and the adoption of measures to satisfy the requests of tourists to acquaint themselves with the life, work and culture of the people of each country.

ARTICLE XV

The Parties note that commemorative activities may take place in their countries in connection with the celebration of anniversaries recognized by major international bodies.

ARTICLE XVI

The Parties agree to hold a meeting each year of their representatives for a general review of the implementation of contacts, exchanges and cooperation in various fields and to consider exchanges which are not being carried out under specialized agreements concluded between the Parties.

ARTICLE XVII

1. In implementation of various provisions of this Agreement, the Parties have established a Program of Exchanges for 1974–1976, which is annexed to and constitutes an integral part of this Agreement. The terms of this Program shall be in force from January 1, 1974 to December 31, 1976, and thereafter, unless and until amended by agreement of the Parties, will provide the basic guidelines for the Program of Exchanges in 1977–1979.

2. The Parties agree that their representatives will meet prior to the end of 1976 and will develop the Program of Exchanges for the succeeding three years.

ARTICLE XVIII

The Parties agree that:

a. The programs and itineraries, lengths of stay, dates of arrival, size of delegations, financial and transportation arrangements and other details of exchanges and visits, except as otherwise determined, shall be agreed upon, as a rule, not less than thirty days in advance, through diplomatic channels or between appropriate organizations requested by the Parties to carry out these exchanges;

b. Applications for visas for visitors participating in exchanges and cooperative activities shall be submitted, as a rule, at least fourteen days before the estimated time of departure;

c. Unless otherwise provided for in specialized agreements between the Parties, and except where other specific arrangements have been agreed upon, participants in exchanges and cooperative activities will pay their own expenses, including international travel, internal travel and costs of maintenance in the receiving country.

ARTICLE XIX

1. This Agreement shall enter into force on signature and shall remain in force until December 31, 1979. It may be modified or extended by mutual agreement of the Parties.

2. Nothing in this Agreement shall be construed to prejudice other agreements concluded between the two Parties.

DONE at Washington, this 19th day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

WILLIAM P. ROGERS

FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:

A. GROMYKO

ANNEX

PROGRAM OF EXCHANGES FOR 1974–1976

In implementation of various provisions of the General Agreement between the United States of America and the Union of Soviet Socialist Republics on Contacts, Exchanges and Cooperation signed at Washington on June 19, 1973, the Parties have agreed on the following Program of Exchanges for the period January 1, 1974 to December 31, 1976:

SECTION I

EDUCATION

1. The Parties agree to provide for the exchange annually from each side of:

a. At least 40 graduate students, young researchers and instructors for study and postgraduate research in the natural sciences, technical sciences, humanities and social sciences, for periods of stay from one semester up to one academic year, including five-week courses before the beginning of the academic year to improve the participant's competence in the Russian or English language;

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b. At least 30 language teachers to participate in summer courses of ten weeks to improve their competence in the Russian or English language;

c. At least 10 professors and instructors of universities and other institutions of higher learning to conduct scholarly research for periods of stay between three and six months, the total volume of these exchanges not to exceed 50 man-months for each side; and

d. At least two graduate-level students or young specialists in the fields of dance, music, theater, film and the graphic and plastic arts for the purpose of study, research and training for periods of from four to ten months in specialized schools, institutes, conservatories, theaters museums, studios, or other institutions.

2. The Parties agree to provide for exchanges of professors and specialists from universities and other institutions of higher learning, in accordance with the desires of the receiving side, for periods of from one semester up to one academic year, to offer instruction and to lecture at universities and other institutions of higher learning in the fields of:

a. The natural sciences, technical sciences, humanities and social sciences; and

b. Language, literature and linguistics.

3. The Parties agree to provide for the exchange of at least two specialists in vocational rehabilitation or education of the handicapped from each side during the period of this Program for a period of from three to six months. The specialists will conduct research on topics to be agreed upon between the appropriate organizations of both countries.

4. The Parties agree to facilitate the conducting of bilateral seminars of United States and Soviet specialists in education: twelve participants from each side for a period of two to four weeks on subjects to be agreed upon subsequently. During the period of this Program, four seminars will be conducted in each country, two in subjects bearing on higher education, and two in subjects bearing on primary and secondary education.

5. The Parties agree to exchange during the period of this Program four delegations from each side composed of three to five specialists for a period of up to three weeks on topics to be agreed upon subsequently; two of these delegations shall be in the field of higher education, and two in primary and/or secondary education.

6. The Parties agree to explore the possibility of an exchange of primary or secondary school teachers between appropriate organizations of the two countries.

7. The United States will take measures to encourage the study of the Russian language in the United States in accordance with the Joint United States-Soviet Communique of May 29, 1972.

8. The Parties agree to explore the possibility of an exchange of information and appropriate consultation concerning equivalency of degrees.

9. The exchanges specified in this Section will be implemented in accordance with the terms of a supplemental agreement to be effected through an exchange of notes.

SECTION II

PERFORMING ARTS

1. The Parties agree to facilitate the tours of at least ten major performing arts groups from each side during the period of this Program. The detailed arrangements for tours of these groups will be provided for in contracts to be concluded between the following entities: for tours of American groups, between the Embassy of the United States of America in Moscow or authorized representatives of the groups themselves and the appropriate concert organizations of the Soviet Union; for tours of Soviet groups, between appropriate organizations or impresarios of the United States and concert organizations of the Soviet Union. The receiving Party will seek to satisfy the wishes of the sending Party concerning the timing and duration of the tours as well as the number of cities to be visited.

2. The Parties agree to facilitate the tours of at least 35 individual performers from each side during the period of this Program. Arrangements for tours of individual performers will be made directly between appropriate organizations or impresarios of the United States and concert organizations of the Soviet Union.

SECTION III

PUBLICATIONS

1. The Parties agree to render practical assistance for the successful distribution of the magazines *Amerika* in the Soviet Union and *Soviet Life* in the United States on the basis of reciprocity and to consult as necessary in order to find ways to increase the distribution of these magazines. Upon reaching full distribution of the 62,000 copies of each magazine as currently provided for, the Parties will examine the possibilities of expanding the reciprocal distribution of the magazines to 82,000 copies per month by December 1976. The Parties will distribute free of charge unsold copies of the magazine among visitors to mutually-arranged exhibitions.

2. The Parties agree to encourage the exchange of specialized publications and microfilms between the National Archives of the United States of America and the Main Archival Administration of the Council of Ministers of the Union of Soviet Socialist Republics.

SECTION IV

EXHIBITIONS

1. The Parties agree to exchange exhibitions during the period of this Program, as follows:

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a. From the Soviet side, either a major industrial/trade exhibition or one or two circulating exhibitions. The decision of the Soviet side on this matter will be conveyed through diplomatic channels; and

b. From the US side, one or two circulating exhibitions.

The subjects of the exhibitions will be agreed upon through diplomatic channels.

The circulating exhibitions will be shown in nine cities in each country for a period of up to 28 actual showing days in each city. The Parties will discuss in a preliminary fashion the nature and general content of each exhibition and will acquaint each other with the exhibitions before their official opening, in particular through the exchange of catalogues, prospectuses and other information pertinent to the exhibitions. Other conditions for conducting the exhibitions (dates, size and character of premises, number of personnel, financial terms, etc.) shall be subject to agreement by the Parties. Arrangements for conducting the exhibitions will be concluded no later than five months before their opening.

2. The Parties agree to render assistance for the exchange of exhibitions, including art exhibitions, between the museums of the two countries, and to encourage these museums to establish and develop direct contacts with the aim of exchanging informative materials, albums, art monographs and other publications of mutual interest. In the case of art exhibitions, their content and the conditions for conducting them would be the subject of discussion and special agreement in each case between the relevant American museums and the Ministry of Culture of the Union of Soviet Socialist Republics.

3. The Parties will agree through diplomatic channels on the arrangements for other exhibitions and on participation in national exhibitions which may take place in either country.

SECTION V

GENERAL

Each of the Parties shall have the right to include in delegations interpreters or members of its Embassy, who shall be considered as within the agreed total membership of such delegations.

NOTE: The text of the agreement was made available by the White House Press Office. It was not issued in the form of a White House press release.

The agreement was signed at a ceremony in the Benjamin Franklin Room at the Department of State on Tuesday, June 19, 1973. President Nixon and General Secretary Brezhnev attended the ceremony.

Health Care, Economic Development Administration, and Airport Construction Bills

Statement by the President on Signing S. 1136, H.R. 2246, and S. 38 Into Law. June 19, 1973

Last week in Pekin, Ill., I called for a new spirit of "responsible partnership" between the executive and legislative branches—a partnership of give and take, one in which "we can accommodate our positions without abandoning our principles."

Yesterday I signed into law three authorization bills which reflect that sense of partnership.

These bills touch upon a wide range of domestic concerns, including health care, economic development in rural areas, and airport construction. Each measure differs somewhat from my own request, but each one also represents an effort by the Congress to strike a reasonable compromise with the Administration.

While the authorization levels are higher than I believe desirable, they will not damage our overall fiscal position if the Congress now follows my budget recommendations in the appropriations process.

So long as the Congress follows a responsible course in the passage of future spending bills, I will cooperate in the spirit of partnership.

But as we go forward, let there be no mistake about one fundamental point: If bills come to my desk which are irresponsible and would break open the Federal budget, forcing more inflation upon the American people, I will veto them. That has been my stand in the past, and it will continue to be my position in the future.

There is no issue of greater concern to the Nation today than the rising cost of the family budget, and there is no better way for the Government to conquer this problem than to keep a lid on the Federal budget. There can be no compromising of that principle.

Extension of Health Programs

The first of these bills, S. 1136, is the "Health Programs Extension Act of 1973." It revises and extends a dozen health programs through June 1974.

The Administration and the Congress agree that several of these efforts should be continued, including formula and project grants for health services, comprehensive health planning, health services research, and development and health statistics activities.

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We disagree, however, on other programs. Among these are hospital construction subsidies, new long-term mental health center grants, regional medical programs, and subsidies to allied health and public health training. I believe that these programs spend public monies less effectively than they should be spent, and in my 1974 budget I called for their elimination. While S. 1136 continues these programs, it does so for only 1 year instead of the usual 3–5 year extension period. It also calls for a comprehensive review of the health authorities in this bill during the coming year.

I continue to believe that it is essential to put all of our health expenditures to a vigorous test, eliminating programs which are ineffective or are no longer needed because they have achieved their goal. This was the approach I used in determining my budget requests, and I am hopeful that the Congress will employ this same approach in reviewing these programs during the next 12 months.

Economic Development

A second bill which I have signed is H.R. 2246, which provides for an additional year of funding for the Economic Development Administration (EDA).

The public controversy over the Economic Development Administration is now many months old. This program began as an experiment in 1965 to create permanent employment opportunities in economically depressed areas. I am convinced that this program has done little to help the poor, and it clearly overlaps other Federal programs.

As a result, last October I vetoed a measure authorizing more than $1.2 billion for this effort. This year, in my new budget, I proposed that EDA be phased out by June 30, 1973, and that we replace it with more focused and consolidated efforts to stimulate economic development.

The bill which I have now signed authorizes $430 million for the Economic Development Administration over the coming fiscal year, a considerable reduction compared to the legislation which I vetoed last year.

However, even as I sign this bill, I will continue to give vigorous support to a major overhaul of our economic development effort. Examples of other programs that can replace EDA activities which have been recently enacted or are awaiting Congressional action are the Rural Development Act of 1972, the Better Communities Act, the Indian Tribal Government Grant Program, and the Federal Water Pollution Control Act Amendments of 1972. In the near future, I shall also send to the Congress the new Responsive Governments Act which will increase State and local participation in the planning and management of the many Federal grant programs now in existence.

I also plan to submit to the Congress a budget amendment which would fund the Economic Development Administration at a level of approximately $200 million during this transition year. While this amount is less than the level authorized by H.R. 2246, it is worth noting that traditionally EDA appropriations are approximately one-third of authorizations. This reduced appropriation request is also the maximum additional spending we can afford while keeping within the constraints of our budget and providing for an effective transition to our new programs.

This amendment would provide adequate funding for four purposes: assisting communities affected by the reduction of military bases to make an orderly transition to other economic activities; awarding of grants for public works, planning, and technical assistance under traditional EDA operations; assisting Indian economic development; and assisting in providing funds for economic development activities planned by regional commissions. I continue to believe the supporting role in regional commission activities must be shifted from the Federal Government to State government, but I am willing to continue a limited amount of Federal funding for their projects during this 1 year of transition.

Construction and Improvement of Airports

The third bill which I signed into law yesterday is S. 38, the Airport Development Acceleration Act of 1973.

Both the Congress and the executive agree that the Federal Government should continue to assist in the construction of new airports and in the improvement of existing airports. The only question is how much we should spend.

In my most recent budget, I recommended an annual level of $280 million. The Senate then passed a measure setting the tab at $420 million. The compromise which has been worked out in S. 38 is an authorization level of $310 million.

A second feature of this bill, prohibiting the collection of "head taxes" at nearly all airports, has already raised a storm of protests among local governments which will lose a source of revenue. I previously favored a moratorium rather than a prohibition on the taxes, so that we could study them more closely. Because of the special interest which local governments have in this issue, I am directing the Secretary of Transportation to conduct an immediate study of the effect of the prohibition and to submit his recommendations to me no later than July 1, 1974.

NOTE: The three bills were approved by the President on June 18, 1973, as follows:

H.R. 2246, an act to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a one-year period—Public Law 93–46

S. 38, the Airport Development Acceleration Act of 1973—Public Law 93–44

S. 1136, the Health Programs Extension Act of 1973—Public Law 93–45

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Joint Federal-State Land Use Planning Commission for Alaska

Announcement of Intention To Nominate Burton W. Silcock To Be a Member and Co-Chairman. June 19, 1973

The President today announced his intention to nominate Burton W. Silcock, of Vienna, Va., to be a member of the Joint Federal-State Land Use Planning Commission for Alaska. As the President's appointee to the Commission, upon his confirmation Mr. Silcock will become Co-Chairman of the Commission along with the Governor of Alaska. He will succeed Jack O. Horton, who resigned to become Assistant Secretary of the Interior for Land and Water Resources.

Mr. Silcock has been Director of the Bureau of Land Management, Department of the Interior, since July 15, 1971. From 1965 to 1971, he was State Director of the Bureau of Land Management in Alaska.

He has been with the Bureau of Land Management since 1953, and was stationed at Worland, Wyo., Boise, Idaho, and Cheyenne, Wyo., before becoming the State Director in Alaska.

Mr. Silcock was born on July 22, 1922, in Burley, Idaho. He served in the U.S. Army from 1943 to 1946 and received his B.A. degree in forestry from Utah State University in 1947.

The Joint Federal-State Land Use Planning Commission was created by the Alaska Native Claims Settlement Act of 1971. The Commission consists of 10 members: the Governor of Alaska and four members appointed by him; one member appointed by the President with the advice and consent of the Senate; and four members appointed by the Secretary of the Interior. The Presidential appointee and the Governor of Alaska serve as Co-Chairmen of the Commission. The Commission is to submit its final report to the President, the Congress, and the Governor and Legislature of Alaska by May 30, 1976.

Imports of Petroleum and Petroleum Products

Proclamation 4227. June 19, 1973

MODIFYING PROCLAMATION NO. 3279, RELATING TO IMPORTS OF PETROLEUM AND PETROLEUM PRODUCTS, PROVIDING FOR THE LONG-TERM CONTROL OF IMPORTS OF PETROLEUM AND PETROLEUM PRODUCTS THROUGH A SYSTEM OF LICENSE FEES AND PROVIDING FOR GRADUAL REDUCTION OF LEVELS OF IMPORTS OF CRUDE OIL, UNFINISHED OILS AND FINISHED PRODUCTS

By the President of the United States of America a Proclamation

The Chairman of the Oil Policy Committee, after consultation with the committee, has advised me that Proclamation No. 3279, as amended by Proclamation No. 4210 of April 18, 1973, requires a number of technical changes which include, among others, revisions in the definitions of certain terms, the correction of inadvertent omissions, and provisions relating to the application of the oil import program to certain imports from foreign trade zones and the territories of American Samoa, Guam, and the Virgin Islands.

The Chairman has advised me that none of these changes will adversely affect the national security.

I agree with the foregoing recommendations and findings of the Chairman.

NOW, THEREFORE, I, RICHARD NIXON, President of the United States of America, acting under and by virtue of the authority vested in me by the Constitution and laws of the United States, including section 232 of the Trade Expansion Act of 1962, as amended, do hereby proclaim that, effective as of this date, Proclamation No. 3279, as amended by Proclamation No. 4210 of April 18, 1973, is hereby amended as follows:

1. Subparagraph (1) of paragraph (a) of section 2 thereof is amended to read as follows:

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"(1) for Districts I–IV, 1,992,000 average barrels per day per calendar year; *Provided,* That, in addition to the foregoing, there may be imported into District I an average of 50,000 barrels per day of No. 2 fuel oil, manufactured in the Western Hemisphere from crude oil produced in the Western Hemisphere under allocations made by the Secretary, pursuant to regulations of the Secretary, to deepwater terminal operators who do not have crude oil import allocations into Districts I–V or Puerto Rico and who, in the allocation period beginning prior to January 1, 1973, had received, from the Secretary, an allocation of imports into District I of No. 2 fuel oil; *Provided Further,* That the Secretary may, by regulation, provide that a holder of an allocation for the importation of No. 2 fuel oil, may import crude oil produced in the Western Hemisphere in lieu of No. 2 fuel oil, barrel for barrel, and exchange such crude oil for No. 2 fuel oil. Whenever the Chairman of the Oil Policy Committee, after consultation with the committee, finds that, because of supply, price, or other considerations, the requirement that No. 2 fuel oil be manufactured in the Western Hemisphere from crude oil produced in the Western Hemisphere is unduly restricting the availability of such oil for importation into District I and is not required for the national security, he shall so advise the Secretary who shall then suspend such requirement for such period of time as he shall deem compatible with the purposes of this proclamation."

2. Subparagraph (i) of paragraph (d)(1) of section 2 thereof is amended to read as follows:

"(i) for Districts I–IV, 960,000 average barrels per day per calendar year; *Provided,* That, the Secretary may, within the limits established by subparagraph (1) of paragraph (a) of this section, increase the quantity of crude oil and unfinished oils, which may be imported from Canada so long as such increase is, in his judgment, consonant with the purposes of this proclamation."

3. Subparagraph (ii) of paragraph (d)(1) of section 2 thereof is amended to read as follows:

"(ii) for District V, 280,000 average barrels per day per calendar year; *Provided,* That, the Secretary may, within the limits established by subparagraph (1) of paragraph (a) of this section, increase the quantity of crude oil and unfinished oils which may be imported from Canada, so long as such increase is, in his judgment, consonant with the purposes of this proclamation."

4. Paragraph (a) of section 3 thereof is hereby amended to read as follows:

"SEC. 3(a)(1) Effective May 1, 1973, the Secretary shall, by regulation, establish a system of fees for licenses issued under allocations of imports of crude oil, unfinished oils, and finished products, over the above levels of imports established by section 2 of this proclamation. Such regulation shall require, among other appropriate provisions, that (i) with respect to imports, other than imports from Canada of motor gasoline and finished products, such fees shall be:

FEE SCHEDULE

[Cents per barrel]

	May 1, 1973	Nov. 1, 1973	May 1, 1974	Nov. 1, 1974	May 1, 1975	Nov. 1, 1975
Crude	10.5	13.0	15.5	18.0	21.0	21.0
Motor gasoline	52.0	54.5	57.0	59.5	63.0	63.0
All other finished products and unfinished oils (except ethane, propane, butanes, and asphalt)	15.0	20.0	30.0	42.0	52.0	63.0

and,

(ii) that, with respect to imports from Canada of motor gasoline and finished products, such fees shall be:

FEE SCHEDULE

[Cents per barrel]

	May 1, 1973	Nov. 1, 1973	May 1, 1974	Nov. 1, 1974	May 1, 1975	Nov. 1, 1975	May 1, 1976	Nov. 1, 1976
Motor gasoline	0	0	5.7	6.0	12.6	12.6	22.1	22.[1]
Other finished products (but not including ethane, propane, butanes, or asphalt)	0	0	3.0	4.2	10.4	12.6	22.1	22.1
	May 1, 1977	Nov. 1, 1977	May 1, 1978	Nov. 1, 1978	May 1, 1979	Nov. 1, 1979	May 1, 1980	Nov. 1, 1980
Motor gasoline	31.5	31.5	41.0	41.0	50.4	50.4	63.0	63.0
Other finished products (but not including ethane, propane, butanes, or asphalt)	31.5	31.5	41.0	41.0	50.4	50.4	63.0	63.0

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"(2) License fees payable for imports of motor gasoline or other finished products or unfinished oils, manufactured in American Samoa, Guam, or the Virgin Islands or in a foreign trade zone and transported to the Customs territory of the United States by overland means or by vessel or vessels under United States registry, shall be at the rate applicable to the feedstock from which such motor gasoline or other finished product or unfinished oil was manufactured: *Provided,* That such rate shall apply also in cases where the holder of the license establishes to the satisfaction of the Secretary that he made a good faith attempt to arrange shipment by vessel under United States registry and that no such vessel was available for the purpose at the time this shipment was made.

"(3) The Secretary is authorized to refund fees, whether in whole or in part, where (i) the licensee failed to use, wholly or in part, the license issued to him; (ii) refunds of license fees, whether in whole or in part, are ordered by the Oil Import Appeals Board; (iii) refund of a license fee, whether in whole or in part, is called for by reason of a person having exported finished products or petrochemicals; (iv) crude oil imported by virtue of a license for which a fee was paid has been manufactured into asphalt; (v) refund of a license fee is called for by reason of the same having been improperly charged."

5. Paragraph (b) of section 3 thereof is amended to read as follows:

"(b) Except for allocations and licenses to which a license fee is not applicable, applications for allocations and licenses for imports subject to fee under the preceding paragraph shall be accompanied by the applicant's certified check, or a cashier's check, payable to the order of the Treasurer of the United States in the amount chargeable pursuant to this section or by a bond with a surety on the list of acceptable sureties on Federal bonds maintained by the Bureau of Accounts, Department of the Treasury, in a sum not less than the amount chargeable pursuant to this section, conditioned upon payment to the order of the Treasurer of the United States, within thirty (30) calendar days from the date of entry or withdrawal from warehouse for consumption of the commodities for the importation of which a license or licenses have issued, in the amount chargeable pursuant to this section. Applications not accompanied by a certified check, cashier's check, or bond in the amount required shall not be considered. Applications by or for the account of a department, establishment, or agency of the United States need not be accompanied by a certified check or a cashier's check or a bond as required by this paragraph."

6. Subparagraph (1) of paragraph (c) of section 3 thereof is hereby amended to read as follows:

"(c)(1) All monies received by the Secretary under the terms of paragraph (b) of this section shall be held by the Secretary in a suspense account and may be drawn upon by the Secretary (i) for the payment of refundable license fees; (ii) for the payment to Puerto Rico of sums equal to the sums collected by way of license fees for imports into Puerto Rico (other than imports from the Virgin Islands) and not otherwise refundable; and (iii) for the payment to American Samoa, Guam, or the Virgin Islands, as the case may be, of sums equal to the sums collected by way of license fees and not otherwise refundable for imports therefrom into the Customs territory of the United States of crude oil or motor gasoline, other finished products, or unfinished oils, manufactured in American Samoa, Guam, or the Virgin Islands. Balances remaining in such suspense account and not required to be reserved for payments hereinabove provided shall be deposited at the end of each fiscal year in the Treasury of the United States and credited to miscellaneous receipts. Whenever the Chairman of the Oil Policy Committee, after consultation with the committee, determines that any such payments to Puerto Rico, American Samoa, Guam, or the Virgin Islands are not consonant with the purposes of this proclamation, he shall so advise the Secretary who shall then amend the applicable regulations accordingly."

7. Subparagraph (1) of paragraph (b) of section 4 thereof is hereby amended by adding the following at the end thereof:

"In respect of the territories of American Samoa, Guam, the Virgin Islands, and foreign trade zones, the Secretary may make such regulations as he deems consonant with the purposes of this proclamation to the end that persons having refineries and petrochemical plants located in such territories or zones shall participate to the fullest practicable extent, upon terms not less favorable, so far as possible, than those accorded to persons in the Customs territory of the United States in all appropriate aspects of the programs authorized by this proclamation."

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8. Subparagraph (2) of paragraph (b) of section 4 is hereby amended by deleting the proviso therein contained.

9. Subparagraph (5) of paragraph (b) of section 4 thereof is hereby amended to read as follows:

"(5) With respect to the allocation of imports to which license fees are not applicable of residual fuel oil to be used as fuel in Puerto Rico, such regulations shall, to the extent possible, provide for a fair and equitable distribution of imports of residual fuel oil to be used as fuel among persons who were importers of that product into Puerto Rico during all or part of the calendar year 1958. In addition, the Secretary by regulation may, to the extent possible, provide for a fair and equitable distribution of imports of residual fuel oil to be used as fuel, the maximum sulphur content of which is acceptable to the Secretary, (i) among persons who are in the business in the respective districts or Puerto Rico of selling residual fuel oil to be used as fuel and who in a base period to be established by the Secretary had inputs of that product to deepwater terminals located in the respective districts or Puerto Rico and (ii) among persons who are in the business in the respective districts or Puerto Rico of selling residual fuel oil to be used as fuel and who have throughput agreements (warehouse agreements) with deepwater terminal operators. With respect to the allocation of imports into District I of residual fuel oil to be used as fuel, such regulations, shall, to the extent possible, provide for a fair and equitable distribution of imports of residual fuel oil to be used as fuel (i) among persons who are in the business in District I of selling residual fuel oil to be used as fuel and who in a base period to be established by the Secretary had inputs of that product to deepwater terminals located in District I; (ii) among persons who are in the business in District I of selling residual fuel oil to be used as fuel and who have throughput agreements (warehouse agreements) with deepwater terminal operators; and (iii) notwithstanding the levels established in section 2 of this proclamation, during the allocation year commencing in 1973, the Secretary may make allocations of imports of residual fuel oil to be used as fuel into District I to persons in District I who own and operate newly constructed deepwater terminal facilities, based upon estimated deepwater terminal inputs during a base period to be established by the Secretary. For the allocation period commencing in 1974 and subsequent allocation periods, the Secretary may make allocations of imports of residual fuel oil to be used as fuel into District I based upon estimated deepwater terminal inputs during a base period to be established by the Secretary to persons in District I who own and operate newly constructed deepwater terminal facilities; *Provided,* That such allocations shall be included within the levels established by subparagraph (4) of paragraph (a) of section 2 of this proclamation, as amended."

10. Paragraph (b) of section 5 thereof is hereby amended to read as follows:

"(b) The Appeals Board may be empowered, subject to the general direction of the Chairman of the Oil Policy Committee, without regard to the limits of the maximum levels of imports established in section 2 of this proclamation: (1) to reverse or modify on grounds of error actions taken by the Secretary on applications for allocations of imports under such regulations; (2) to modify, on the grounds of exceptional hardship, any allocation made to any person under such regulations; (3) to grant allocations of imports of crude oil and unfinished oils in special circumstances to persons with importing histories who do not qualify for allocations under such regulations; (4) to grant allocations of imports of finished products on grounds of exceptional hardship; (5) to grant allocations of imports of crude oil, unfinished oils, and finished products to independent refiners or established independent marketers who are experiencing exceptional hardship or in emergencies in order to assure, insofar as practicable, that adequate supplies are available; (6) to review the revocation or suspension of any allocation or license; (7) to review the denial by the Secretary of refunds of license fees, whether in whole or in part, theretofore paid by a person; and (8) to grant refunds, in whole or in part, of license fees paid by persons to whom licenses were issued for imports which they subsequently became entitled to make under allocations made by the Board. Except with respect to its function to review applications for allocations of imports to which license fees are applicable, licenses issued pursuant to Board allocations shall be fee exempt."

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11. The first paragraph of section 11 thereof is amended to read as follows:

"SEC. 11 Annually, beginning May 1, 1974, the maximum levels of imports subject to allocation and license, to which license fees shall not be applicable, except allocations made and licenses issued by reason of new, expanded, or reactivated refinery capacity and petrochemical plants and in Districts I–IV and District V allocations and licenses issued to persons who manufacture in such Districts finished products or petrochemicals from crude oil and unfinished oils and who export finished products or petrochemicals, subject to such designations as the Secretary may make, shall be reduced as follows:"

12. Paragraph (a) of section 12 thereof is amended to read as follows:

"SEC. 12(a) Commitments and obligations contained in long-term allocations heretofore made of imports of crude oil and unfinished oils into Puerto Rico shall be unimpaired by this proclamation or regulations issued thereunder."

13. Subparagraph (2) of paragraph (g) of section 15 thereof is amended to read as follows:

"(2) 'Gasoline' means a refined petroleum distillate, including naphtha, jet fuel or other petroleum oils (but not benzene which meets the ASTM distillation standards for nitration grade or cumene, ethylbenzene, isoprene, meta-xylene, orthoxylene or para-xylene having a purity of 95 percent or more by weight) derived by refining or processing crude oil or unfinished oils, in whatever type of plant such refining or processing may occur, and having a boiling range at atmospheric pressure from 80° to 400° F."

14. Subparagraph (4) of paragraph (g) of section 15 thereof is amended to read as follows:

"(4) 'Distillate fuel oil' means any fuel oil, gas oil, topped crude oil, or other petroleum oils (except refined petroleum wax) derived by refining or processing crude oil or unfinished oils, in whatever type of plant such refining or processing may occur, which has a boiling range at atmospheric pressure from 550° to 1200° F."

15. Subparagraph (1) of paragraph (h) of section 15 thereof is amended to read as follows:

"(1) By distillation with a resulting yield of at least two distinct finished products or unfinished oils, two of which must be equal to not less than 10 percent of the total charge of such unfinished oils to a distillation unit. Different grades or specifications of finished products or unfinished oils will not constitute distinct finished products or unfinished oils for purposes of this subparagraph. Distillation of petroleum oils which have been reconstituted by blending of two or more finished products or unfinished oils does not constitute processing for the purposes of this subparagraph."

16. Subparagraph (2) of paragraph (h) of section 15 thereof is amended to read as follows:

"(2) By catalytic or thermal conversion in process units such as alkylation, coking, cracking, hydrofining, hydrodesulphurization, polymerization, isomerization, dehydrogenation, or reforming."

17. Paragraph (k) of section 15 thereof is amended by adding the following subparagraphs:

"(6) That certain allocation made to Fuel Desulphurization, Inc., of residual fuel oil and fuel oil into Districts I–IV—dated January 8, 1969 (as amended).

"(7) That certain allocation made to Guardian Oil Refining Corporation of residual fuel oil in Districts I–IV—dated January 8, 1969 (as amended).

"(8) That certain allocation made to Supermarine Inc., of residual fuel oil and fuel oil into Districts I–IV—dated January 8, 1969 (as amended).

"(9) That certain zone allocation made to Hawaiian Independent Refinery, Inc., of shipments of crude oil and unfinished oils into foreign-trade sub-zone No. 9–A at Ewa, Oahu, Hawaii, of foreign-trade zone No. 9—Honolulu, Hawaii, dated May 7, 1970."

IN WITNESS WHEREOF, I have hereunto set my hand this nineteenth day of June, in the year of our Lord nineteen hundred seventy-three, and of the Independence of the United States of America the one hundred ninety-seventh.

RICHARD NIXON

[Filed with the Office of the Federal Register, 4:39 p.m., June 19, 1973]

Convention on Taxation

Convention Between the United States of America and the Union of Soviet Socialist Republics on Matters of Taxation. June 20, 1973

The President of the United States of America and the Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics, desiring to avoid double taxation and to promote the development of economic, scientific, technical, and cultural cooperation between

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both States, have appointed for this purpose as their respective plenipotentiaries:

The President of the United States of America:

George P. Schultz, Secretary of the Treasury of the U.S.A.; and

The Presidium of the Supreme Soviet of the Union of Soviet Socialist Republics:

Nikolai Semenovich Patolichev, Minister of Foreign Trade of the USSR;

Who have agreed as follows:

Article I

1. The taxes which are the subject of this Convention are:

(a) In the case of the Union of Soviet Socialist Republics, taxes and dues provided for by the All-Union legislation;

(b) In the case of the United States of America, taxes and dues provided for by the Internal Revenue Code.

2. This Convention shall also apply to taxes and dues substantially similar to those covered by paragraph 1. which are imposed in addition to, or in place of, existing taxes and dues after the signature of this Convention.

Article II

In this Convention, the terms listed below shall have the following meaning:

1. "Soviet Union" or "USSR" means the Union of Soviet Socialist Republics and, when used in a geographical sense, means the territories of all the Union Republics. Such term also includes:

(a) The territorial sea thereof, and

(b) The seabed and subsoil of the submarine areas adjacent to the coast thereof, but beyond the territorial sea, over which the Soviet Union exercises sovereign rights, in accordance with international law, for the purpose of exploration for and exploitation of the natural resources of such areas. However, it is understood that such term includes such areas only to the extent that the person property or activity with respect to which questions of taxation arise is connected with such exploration or exploitation.

2. "United States" or "USA" means the United States of America and, when used in a geographical sense, means the territories of all the states and of the District of Columbia. Such term also includes:

(a) The territorial sea thereof, and

(b) The seabed and subsoil of the submarine areas adjacent to the coast thereof, but beyond the territorial sea, over which the United States exercises sovereign rights, in accordance with international law, for the purpose of exploration for and exploitation of the natural resources of such areas. However, it is understood that such term includes such areas only to the extent that the person, property or activity with respect to which questions of taxation arise is connected with such exploration or exploitation.

3. "Resident of the Soviet Union" means:

(a) a legal entity or any other organization treated in the USSR as a legal entity for tax purposes which is created under the laws of the Soviet Union or any Union Republic and

(b) an individual resident in the Soviet Union for purposes of its tax.

4. "Resident of the United States" means:

(a) a corporation or any other organization treated in the United States as a corporation for tax purposes which is created or organized under the laws of the United States or any state thereof or of the District of Columbia and

(b) an individual resident in the United States for purposes of its tax.

5. "Contracting State" means the United States or the Soviet Union, as the context requires.

6. The term "competent authorities" means:

(a) in the case of the Soviet Union, the Ministry of Finance

(b) in the case of the United States, the Secretary of the Treasury or his delegate.

Article III

1. The following categories of income derived from sources within one Contracting State by a resident of the other Contracting State shall be subject to tax only in that other Contracting State:

(a) rentals, royalties, or other amounts paid as consideration for the use of or right to use literary, artistic, and scientific works, or for the use of copyrights of such works, as well as the rights to inventions (patents, author's certificates), industrial designs, processes or formulae, computer programs, trademarks, service marks, and other similar property or rights, or for industrial, commercial, or scientific equipment, or for knowledge, experience, or skill (know-how);

(b) gains derived from the sale or exchange of any such rights or property, whether or not the amounts realized on sale or exchange are contingent in whole or in part, on the extent and nature of use or disposition of such rights or property;

(c) gains from the sale or other disposition of property received as a result of inheritance or gift;

(d) income from the furnishing of engineering, architectural, designing, and other technical services in connection with an installation contract with a resident of the first Contracting State which are carried out in a period not exceeding 36 months at one location;

(e) income from the sale of goods or the supplying of services through a broker, general commission agent

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or other agent of independent status, where such broker, general commission agent or other agent is acting in the ordinary course of business;

(f) reinsurance premiums; and

(g) interest on credits, loans and other forms of indebtedness connected with the financing of trade between the USA and the USSR except where received by a resident of the other Contracting State from the conduct of a general banking business in the first Contracting State.

2. A Contracting State shall not attribute taxable income to the following activities conducted within that Contracting State by a resident of the other Contracting State:

(a) the purchase of goods or merchandise;

(b) the use of facilities for the purpose of storage or delivery of goods or merchandise belonging to the resident of the other Contracting State;

(c) the display of goods or merchandise belonging to the resident of the other Contracting State, and also the sale of such items on termination of their display;

(d) advertising by a resident of the other Contracting State, the collection or dissemination of information, or the conducting of scientific research, or similar activities, which have a preparatory or auxiliary character for the resident.

Article IV

1. Income from commercial activity derived in one Contracting State by a resident of the other Contracting State, shall be taxable in the first Contracting State only if it is derived by a representation.

2. The term "representation" means:

(a) with regard to income derived within the USSR, an office or representative bureau established in the USSR by a resident of the United States in accordance with the laws and regulations in force in the Soviet Union;

(b) with regard to income derived within the USA, an office or other place of business established in the USA by a resident of the Soviet Union in accordance with the laws and regulations in force in the United States.

3. In the determination of the profits of a representation, there shall be allowed as deductions from total income the expenses that are connected with the performance of its activity, including executive and general administrative expenses.

4. This article applies to income, other than income of an individual dealt with in Article VI, from the furnishing of tour performances and other public appearances.

5. The provisions of this article shall not affect the exemptions from taxes provided for by Articles III and V.

Article V

1. Income which a resident of the Soviet Union derives from the operation in international traffic of ships or aircraft registered in the USSR and gains which a resident of the USSR derives from the sale, exchange, or other disposition of ships or aircraft operated in international traffic by such resident and registered in the USSR shall be exempt from tax in the United States.

2. Income which a resident of the United States derives from operation in international traffic of ships or aircraft registered in the USA and gains which a resident of the USA derives from the sale, exchange, or other disposition of ships or aircraft operated in international traffic by such resident and registered in the USA shall be exempt from tax in the Soviet Union.

3. Remuneration derived by an individual from the performance of labor or personal services as an employee aboard ships or aircraft operated by one of the Contracting States or a resident thereof in international traffic shall be exempt from tax in the other Contracting State if such individual is a member of the regular complement of the ship or aircraft.

Article VI

1. *Special exemptions.*

Income derived by an individual who is a resident of one of the Contracting States shall be exempt from tax in the other Contracting State as provided in subparagraphs (a) through (f).

(a) *Governmental employees.*

(1) An individual receiving remuneration from government funds of the Contracting State of which the individual is a citizen for labor or personal services performed as an employee of governmental agencies or institutions of that Contracting State in the discharge of governmental functions shall not be subject to tax on such remuneration in that other Contracting State.

(2) Labor or personal services performed by a citizen of one of the Contracting States shall be treated by the other Contracting State as performed in the discharge of governmental functions if such labor or personal services would be treated under the internal laws of the first Contracting State as so performed. However, it is understood that persons engaged in commercial activity, such as employees or representatives of commercial organizations of the USA and employees or representatives of the foreign trade organizations of the USSR, shall not be considered in the USSR and USA respectively as engaged in the discharge of governmental functions.

(3) The provisions of this Convention shall not affect the fiscal privileges of diplomatic and consular officials under the general rules of international law or under special agreements.

(b) *Participants in programs of intergovernmental cooperation.*

An individual who is a resident of one of the Contracting States and who is temporarily present in the other Contracting State under an exchange program provided for by agreements between the governments of the Contracting States on cooperation in various fields of science

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and technology shall not be subject to tax in that other Contracting State on remuneration received from sources within either Contracting State.

(c) *Teachers and researchers.*

(1) An individual who is a resident of one of the Contracting States and who is temporarily present in the other Contracting State at the invitation of a governmental agency or institution or an educational or scientific research institution in that other Contracting State for the primary purpose of teaching, engaging in research, or participating in scientific, technical, or professional conferences shall not be subject to tax in that other Contracting State on his income from teaching or research or participating in such conferences.

(2) Subparagraph (1) shall not apply to income from research if such research is undertaken primarily for the benefit of a private person or commercial enterprise of the USA or a foreign trade organization of the USSR. However, subparagraph (1) shall apply in all cases where research is conducted on the basis of intergovernmental agreements on cooperation.

(d) *Students.*

An individual who is a resident of one of the Contracting States and who is temporarily present in the other Contracting State for the primary purpose of studying at an educational or scientific research institution or for the purpose of acquiring a profession or a specialty shall be exempt from taxes in the other Contracting State, on a stipend scholarship, or other substitute type of allowance, necessary to provide for ordinary living expenses.

(e) *Trainees and specialists.*

An individual who is a resident of one of the Contracting States, who is temporarily present in the other Contracting State for the primary purpose of acquiring technical, professional, or commercial experience or performing technical services, and who is an employee of, or under contract with, a resident of the first mentioned Contracting State, shall not be subject to tax in that other Contracting State on remuneration received from abroad. Also, such individual shall not be subject to tax in that other Contracting State on amounts received from sources within that other Contracting State which are necessary to provide for ordinary living expenses.

(f) *Duration of exemptions.*

The exemptions provided for under subparagraphs (b), (c), (d), and (e) of this article shall extend only for such period of time as is required to effectuate the purpose of the visit, but in no case shall such period of time exceed:

(1) One year in the case of subparagraphs (b) (Participants in programs of intergovernmental cooperation) and (e) (Trainees and specialists);

(2) Two years in the case of subparagraph (c) (Teachers and researchers); and

(3) Five years in the case of subparagraph (d) (Students). If an individual qualifies for exemption under more than one of subparagraphs (b), (c), (d), and (e), the provisions of that subparagraph which is most favorable to him shall apply. However, in no case shall an individual have the cumulative benefits of subparagraphs (b), (c), (d), and (e) for more than five taxable years from the date of his arrival in the other Contracting State.

2. *General exemptions.*

Income derived by an individual who is a resident of one of the Contracting States from the performance of personal services in the other Contracting State, which is not exempt from tax in accordance with paragraph 1. of this article, may be taxed in that other Contracting State, but only if the individual is present in that other Contracting State for a period aggregating more than 183 days in the taxable year.

Article VII

This Convention shall not restrict the right of a Contracting State to tax a citizen of that Contracting State.

Article VIII

This Convention shall apply only to the taxation of income from activity conducted in a Contracting State in accordance with the laws and regulations in force in such Contracting State.

Article IX

If the income of a resident of one of the Contracting States is exempt from tax in the other Contracting State, in accordance with this Convention, such resident shall also be exempt from any tax which is at present imposed or which may be imposed subsequently in that Contracting State on the transaction giving rise to such income.

Article X

1. A citizen of one of the Contracting States who is a resident of the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than a citizen of that other Contracting State who is a resident thereof carrying on the same activities.

2. A citizen of one of the Contracting States who is a resident of the other Contracting State or a representation established by a resident of the first Contracting State in the other Contracting State shall not be subjected in that other Contracting State to more burdensome taxes than are generally imposed in that State on citizens or representations of residents of third States carrying on the same activities. However, this provision shall not require a Contracting State to grant to citizens or representations of residents of the other Contracting State

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tax benefits granted by special agreements to citizens or representations of a third State.

3. The provisions of paragraphs 1. and 2. of this article shall apply to taxes of any kind imposed on the Federal or All-Union level, the state or Republic level, and on the local level.

ARTICLE XI

1. If a resident of one of the Contracting States considers that the action of one or both of the Contracting States results or will result for him in taxation not in accordance with this Convention, he may, notwithstanding the remedies provided by the laws of the Contracting States, present his case to the competent authorities of the Contracting State of which he is a resident or citizen. Should the claim be considered to have merit by the competent authorities of the Contracting State to which the claim is made, they shall endeavor to come to an agreement with the competent authorities of the other Contracting State with a view to the avoidance of taxation not in accordance with the provisions of this Convention.

2. In the event that such an agreement is reached the competent authorities of the Contracting States shall, as necessary, refund the excess amounts paid, allow tax exemptions, or levy taxes.

ARTICLE XII

The competent authorities of the Contracting States shall notify each other annually of amendments of the tax legislation referred to in paragraph 1. of Article I and of the adoption of taxes referred to in paragraph 2. of Article I by transmitting the texts of amendments or new statutes and notify each other of any material concerning the application of this Convention.

ARTICLE XIII

This Convention shall be subject to ratification and shall enter into force on the thirtieth day after the exchange of instruments of ratification. The instruments of ratification shall be exchanged at Moscow as soon as possible.

The provisions of this Convention shall, however, have effect for income derived on or after January 1 of the year following the year in which the instruments of ratification are exchanged.

ARTICLE XIV

1. This Convention shall remain in force for a period of three years after it takes effect and shall remain in force thereafter for an indefinite period. Either of the Contracting States may terminate this Convention at any time after three years from the date on which the Convention enters into force by giving notice of termination through diplomatic channels at least six months before the end of any calendar year. In such event, the Convention shall cease to have effect beginning on January 1 of the year following the year in which notice is given.

2. Notwithstanding the provisions of paragraph 1. of this article, upon prior notice to be given through diplomatic channels, the provisions of subparagraphs (e), (f), or (g) of paragraph 1. of Article III and the provisions of Article IX may be terminated separately by either Contracting State at any time after three years from the date on which this Convention enters into force. In such event such provisions shall cease to have effect beginning on January 1 of the year following the year in which notice is given.

In witness whereof, the plenipotentiaries of the two Contracting States have signed the present Convention and have affixed their seals thereto.

DONE at Washington, this 20th day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

FOR THE PRESIDENT OF THE UNITED STATES OF AMERICA
GEORGE P. SHULTZ

FOR THE PRESIDIUM OF THE SUPREME SOVIET OF THE UNION OF SOVIET SOCIALIST REPUBLICS
N. S. PATOLICHEV

NOTE: The text of the convention was made available by the White House Press Office. It was not issued in the form of a White House press release.

The convention was signed at a ceremony at the Department of the Treasury on Wednesday, June 20, 1973.

Peaceful Uses of Atomic Energy

Agreement Between the United States of America and the Union of Soviet Socialist Republics on Scientific and Technical Cooperation in the Field of Peaceful Uses of Atomic Energy. June 21, 1973

The United States of America and the Union of Soviet Socialist Republics;

Attaching great importance to the problem of satisfying the rapidly growing energy demands in both countries as well as in other countries of the world;

Desiring to combine the efforts of both countries toward the solution of this problem through the development of highly efficient energy sources;

Recognizing that solutions to this problem may be found in more rapid development of certain nuclear technologies already under study, such as controlled thermonuclear fusion and fast breeder reactors, as well as in

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additional basic research on the fundamental properties of matter;

Noting with satisfaction the successful results of previous cooperation between the Parties in the field of peaceful uses of atomic energy;

Wishing to establish a more stable and long-term basis for cooperation in this field for the benefit of both their peoples and of all mankind;

In accordance with and in further development of the Agreement between the Government of the United States of America and the Government of the Union of Soviet Socialist Republics on Cooperation in the Fields of Science and Technology of May 24, 1972; the Memorandum on Cooperation in the Peaceful Uses of Atomic Energy of September 28, 1972 between the U.S. Atomic Energy Commission and the USSR State Committee for the Utilization of Atomic Energy; and the General Agreement between the United States of America and the Union of Soviet Socialist Republics on Contacts, Exchanges and Cooperation of June 19, 1973;

Have agreed as follows:

ARTICLE 1

The Parties will expand and strengthen their cooperation in research, development and utilization of nuclear energy, having as a primary objective the development of new energy sources. This cooperation will be carried out on the basis of mutual benefit, equality and reciprocity.

ARTICLE 2

1. Cooperation will be concentrated in the following three areas:

a. Controlled thermonuclear fusion.

The aim of cooperation in this area is the eventual development of prototype and demonstration-scale thermonuclear reactors. Cooperation may include theoretical, calculational, experimental and design-construction studies at all stages up to industrial-scale operations.

b. Fast breeder reactors.

Cooperation in this area will be directed toward finding solutions to mutually agreed basic and applied problems connected with the design, development, construction and operation of nuclear power plants utilizing fast breeder reactors.

c. Research on the fundamental properties of matter.

Cooperation in this area will include joint theoretical and experimental studies on mutually agreed subjects, and particularly in high, medium and low energy physics, through utilization of accelerators, data processing equipment and other facilities of the two countries. Cooperation may also be undertaken on the design, planning and construction of joint facilities to be used in this area of research.

2. Further details of cooperation in each of these three areas will be arranged through individual implementing protocols.

3. Other areas of cooperation may be added by mutual agreement.

4. Cooperation under this Agreement shall be in accordance with the laws of the respective countries.

ARTICLE 3

1. Cooperation provided for in the preceding Articles may take the following forms:

a. Establishment of working groups of scientists and engineers for design and execution of joint projects;

b. Joint development and construction of experiments, pilot installations and equipment;

c. Joint work by theoretical and experimental scientists in appropriate research centers of the two countries;

d. Organization of joint consultations, seminars and panels;

e. Exchanges of appropriate instrumentation, equipment and construction materials;

f. Exchanges of scientists and specialists; and

g. Exchanges of scientific and technical information, documentation and results of research.

2. Other forms of cooperation may be added by mutual agreement.

ARTICLE 4

In furtherance of the aims of this Agreement, the Parties will, as appropriate, encourage, facilitate and monitor the development of cooperation and direct contacts between organizations and institutions of the two countries, including the conclusion, as appropriate, of implementing protocols and contracts for carrying out cooperative activities under this Agreement.

ARTICLE 5

1. For the implementation of this Agreement, there shall be established a US-USSR Joint Committee on Cooperation in the Peaceful Uses of Atomic Energy. Meetings will be convened once a year in the United States and the Soviet Union alternately, unless otherwise mutually agreed.

2. The Joint Committee shall take such action as is necessary for effective implementation of this Agreement including, but not limited to, approval of specific projects and programs of cooperation; designation of appropriate participating organizations and institutions responsible for carrying out cooperative activities; and making recommendations, as appropriate, to the two Governments.

3. The Executive Agents of this Agreement shall be, for the United States of America, the U.S. Atomic Energy

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Commission, and for the Union of Soviet Socialist Republics, the USSR State Committee for the Utilization of Atomic Energy. The Executive Agents, on their respective sides, shall be responsible for the operation of the Joint Committee and shall coordinate and supervise the development and implementation of cooperative activities conducted under this Agreement.

ARTICLE 6

Nothing in this Agreement shall be interpreted to prejudice other agreements concluded between the Parties.

ARTICLE 7

1. This Agreement shall enter into force upon signature and shall remain in force for ten years. It may be modified or extended by mutual agreement of the Parties.

2. The termination of this Agreement shall not affect the validity of implementing protocols and contracts concluded under this Agreement between interested organizations and institutions of the two countries.

DONE at Washington, this 21st day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

FOR THE UNITED STATES OF AMERICA:
RICHARD NIXON
President of the United States of America

FOR THE UNION OF SOVIET SOCIALIST REPUBLICS:
L. I. BREZHNEV
General Secretary of the Central Committee, CPSU

NOTE: The agreement was signed in a ceremony in the East Room at the White House on Thursday, June 21, 1973.

Strategic Offensive Arms Limitation

Text of the "Basic Principles of Negotiations on the Further Limitation of Strategic Offensive Arms." June 21, 1973

The President of the United States of America, Richard Nixon, and the General Secretary of the Central Committee of the CPSU, L. I. Brezhnev,

Having thoroughly considered the question of the further limitation of strategic arms, and the progress already achieved in the current negotiations,

Reaffirming their conviction that the earliest adoption of further limitations of strategic arms would be a major contribution in reducing the danger of an outbreak of nuclear war and in strengthening international peace and security,

Have agreed as follows:

First. The two Sides will continue active negotiations in order to work out a permanent agreement on more complete measures on the limitation of strategic offensive arms, as well as their subsequent reduction, proceeding from the Basic Principles of Relations between the United States of America and the Union of Soviet Socialist Republics signed in Moscow on May 29, 1972, and from the Interim Agreement between the United States of America and the Union of Soviet Socialist Republics of May 26, 1972 on Certain Measures with Respect to the Limitation of Strategic Offensive Arms.

Over the course of the next year the two Sides will make serious efforts to work out the provisions of the permanent agreement on more complete measures on the limitation of strategic offensive arms with the objective of signing it in 1974.

Second. New agreements on the limitation of strategic offensive armaments will be based on the principles of the American-Soviet documents adopted in Moscow in May 1972 and the agreements reached in Washington in June 1973; and in particular, both Sides will be guided by the recognition of each other's equal security interests and by the recognition that efforts to obtain unilateral advantage, directly or indirectly, would be inconsistent with the strengthening of peaceful relations between the United States of America and the Union of Soviet Socialist Republics.

Third. The limitations placed on strategic offensive weapons can apply both to their quantitative aspects as well as to their qualitative improvement.

Fourth. Limitations on strategic offensive arms must be subject to adequate verification by national technical means.

Fifth. The modernization and replacement of strategic offensive arms would be permitted under conditions which will be formulated in the agreements to be concluded.

Sixth. Pending the completion of a permanent agreement on more complete measures of strategic offensive arms limitation, both Sides are prepared to reach agreements on separate measures to supplement the existing Interim Agreement of May 26, 1972.

Seventh. Each Side will continue to take necessary organizational and technical measures for preventing accidental or unauthorized use of nuclear weapons under its control in accordance with the Agreement of September 30, 1971 between the United States of America and the Union of Soviet Socialist Republics.

Washington, June 21, 1973

FOR THE UNITED STATES OF AMERICA:
RICHARD NIXON
President of the United States of America

FOR THE UNION OF SOVIET SOCIALIST REPUBLICS:
L. I. BREZHNEV
General Secretary of the Central Committee, CPSU

NOTE: The document was signed in a ceremony in the East Room at the White House on Thursday, June 21, 1973.

For a news conference by Dr. Kissinger on the document, see the following item.

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Strategic Offensive Arms Limitation

News Conference of Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs, on the "Basic Principles of Negotiations on the Further Limitation of Strategic Offensive Arms." June 21, 1973

MR. ZIEGLER. As we mentioned to you this morning, President Nixon and General Secretary Brezhnev have reached agreement on the basic principles of negotiation of further limitation for strategic offensive arms. The final agreement of those principles was reached in the meeting yesterday evening.

Also, an agreement will be signed today between the United States and the Soviet Union on scientific and technical cooperation in the field of peaceful uses of atomic energy. The signing of both of these matters will take place at 3:30 in the East Room, which we have already announced.

Before Dr. Kissinger briefs you on the matters I have just referred to, together with Ambassador [U. Alexis] Johnson, I should tell you that the morning meeting between the President and General Secretary lasted for slightly over an hour. It began at 11:30 and ended at 12:30. Dr. Kissinger participated in most of that meeting.

The President and General Secretary then took a brief break and resumed their meetings at 1:20 and are still meeting at this time and plan to return to Washington for the signing ceremony at 3:30. With that, I will present to you Dr. Kissinger.

DR. KISSINGER. Ladies and gentlemen, I will go over the agreement on SALT principles with you. Due to some misunderstanding between Camp David and my office here, the actual text hasn't been distributed to you, but it will be at the end of the meeting. I thought that in order to explain it adequately, I would read to you each of the principles and then explain what they mean.

There is no need for you to take down the text itself, because we are going to distribute it right after the meeting, together with a fact sheet, and my apologies for not having gotten it to you before this briefing.

Let me first give you some background on the principles that have been agreed upon and what they are intended to achieve.

As you know, the second round of SALT started last November, and as you know also, our representative is Ambassador Johnson, who is here to help with the briefing.

The objective of these talks has been to consider a permanent agreement limiting offensive weapons to replace the interim agreement that was signed in Moscow last May and which came into effect last October to run for 5 years.

Now, in negotiating a permanent agreement, one faces problems that are more complex than those in an interim agreement. The essence of the interim agreement was that both sides froze their offensive weapons at the levels they had achieved last May and, frankly, at the levels that were foreseeable over the terms of the interim agreement, for a period of 5 years.

And as you know, we have always rejected the argument that we had agreed to a numerical inferiority in the interim agreement precisely because there was no possibility of overcoming that numerical inferiority in the 5 years for which the interim agreement was designed.

On the other hand, when you are dealing with a permanent agreement, you are affecting the long-term strategic interests of both countries, and, therefore, numbers that are acceptable in an interim agreement will have a different connotation in a permanent agreement, and safeguards will have to be looked at in a different context.

Secondly, with respect to a permanent agreement, we now face the situation that the numerical arms race, quantitative arms race, has been, in some respects, eclipsed in significance by the qualitative arms race.

Throughout the 1960's, it was considered that the buildup was the greatest threat to the stability of the arms race and hence to international peace. In this period we have to consider as well that the improvement—refinement of arms—in terms of accuracy, in terms of throw-weight, in terms of multiple warheads can be profoundly unsettling to this strategic equation, even when the numbers on both sides are kept fairly constant.

And thirdly, when one is talking about a permanent agreement, one has to consider the question not only of limiting arms, but the objective of reducing arms. It was in this context that the negotiations started last November and have been conducted for the last 6 months.

The negotiations went through the usual phase of some exploratory discussions, followed by some more concrete proposals by both sides. However, we faced the situation in April, where it became clear that a comprehensive agreement of a permanent nature would require more time than the interval before the summit allowed, and, therefore, the President, General Secretary Brezhnev, in their communications with each other, decided that perhaps the approach of agreeing on some principles that could guide the negotiators, coupled with some full discussions while they were meeting in the United States, could give a new impetus to the talks on strategic arms limitation. This is what was done.

In the closest consultation with Ambassador Johnson and with the allies most concerned, we developed a set of principles on a preliminary basis, which we have further discussed since the General Secretary has arrived in the United States, and which led to the agreement which we are releasing today.

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Now, since you don't have the text, I think the best thing I can do is read it, and then attempt to explain its significance—what we understand by it. It isn't very long. I see somebody is looking at his watch. [*Laughter*]

The preamble says, the President of the United States and the General Secretary of the Central Committee of the CPSU, having thoroughly considered the question of the further limitation of strategic arms, and the progress already achieved at the current negotiations, reaffirming their conviction that the earliest adoption of further limitation of strategic arms would be a major contribution in reducing the danger of an outbreak of nuclear war and in strengthening international peace and security, have agreed as follows.

The primary significance of the preamble is the emphasis that both leaders give to their conviction of the importance of the earliest adoption of further limitation of strategic arms, not only with respect to reducing the danger of the outbreak of nuclear war, but with respect to the strengthening of international peace in general and, therefore, the personal backing that they are giving to a sense of urgency in the conduct of these negotiations.

The first principle is as follows: The two sides will continue active negotiations in order to work out a permanent agreement on more complete measures on the limitation of strategic offensive arms, as well as their subsequent reduction, proceeding from the Basic Principles of Relations between the United States of America and the Union of Soviet Socialist Republics signed in Moscow, May 29, 1972, and from the interim agreement between the United States and the U.S.S.R. of May 26, 1972.

Over the course of the next year, the two sides will make serious effort to work out the provisions of the permanent agreement on more complete measures on the limitation of strategic offensive arms with the objective of signing in 1974.

The first principle substantially speaks for itself. It commits both sides to accelerate their efforts, and it commits both sides to make a major effort to achieve an agreement in 1974, or during the course of 1974. The two leaders would not have made this formal statement if they did not believe that this goal was within reach and was attainable.

Therefore, it represents a commitment by both sides to bring about—to do their utmost to bring about a permanent agreement on the limitation of strategic arms during the course of next year. This agreement is to be based on the basic principles of international relations that were established last year in Moscow and on the interim agreement. However, the United States' position has been clear that the agreement has to be more comprehensive and that the numbers that last governed the interim agreement would not be the numbers of a permanent agreement.

The second principle is: New agreements on the limitation of strategic offensive armaments will be based on the principles of the American-Soviet documents adopted in Moscow in May 1972 and the agreements reached in Washington in June 1973; and in particular, both sides will be guided by the recognition of each other's equal security interests and by the recognition that efforts to obtain unilateral advantage, directly or indirectly, would be inconsistent with the strengthening of peaceful relations between the United States of America and the Union of Soviet Socialist Republics.

This article attempts to set out the basic guidelines in which the two sides will approach the negotiations. It makes it clear that neither side can attempt to achieve, through these negotiations, a unilateral advantage and secondly, that we have always maintained the position that we did not separate our security interests from those of our allies.

I must mention one other point with respect to the first principle, which is to say that both sides have agreed that the negotiations should include not only limitations on strategic arms, but measures for the reduction of strategic arms.

The third principle states: The limitations placed on strategic offensive weapons can apply both to their quantitative aspects as well as to their qualitative improvement.

This is one of the essential differences between SALT I and SALT II. SALT I concerned primarily exclusively the question of numerical limitation. SALT II will include, as well, qualitative restraint. That will involve discussions on MIRV's, on throw-weight, and issues introduced by the other side with respect to specific types of armaments, for example, on airplanes.

The fourth principle states: Limitations on strategic offensive arms must be subject to adequate verification by national technical means, which is a familiar principle from the previous SALT discussions and which the negotiating record makes it clear that we include, also, the imperative that both sides will maintain practices which facilitate monitoring the agreement.

The fifth principle applies to the modernization of arms and states: The modernization and replacement of strategic offensive arms would be permitted under conditions which will be formulated in the agreements to be concluded.

The essence here is that on the one hand there will be some provision for modernization and replacement. On the other hand, it also makes clear that the modernization and replacement cannot take place except under agreed conditions that do not threaten the purposes of the agreement.

The sixth principle is: Pending the completion of a permanent agreement on more complete measures of strategic offensive arms limitation, both sides are prepared to reach agreements on separate measures to supplement the existing interim agreement of May 26, 1972.

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The significance of this principle is that, with respect to some issues that are time-urgent, in which the interval between now and the time in 1974 when we expect the permanent agreement to be concluded, that this interval might have a major impact on the existing strategic situations, both sides have agreed that they would be prepared to negotiate supplementary or separate measures to the interim agreement which would probably be of shorter duration and which would, of course, be absorbed by the permanent agreement.

The seventh principle is a reaffirmation of the accidental war agreement, which is to say that each side will continue to take necessary organizational and technical measures for preventing accidental or unauthorized use of nuclear weapons under its control in accordance with the agreement of September 30, 1971, between the United States of America and the Union of Soviet Socialist Republics.

To sum up, the statement of principles which will be signed today, first, formally commits the two principal leaders to the urgency of completing a permanent agreement and the relationship between international peace and security and the completion of such an agreement.

Secondly, it states a deadline for the completion of the agreement, in 1974.

Thirdly, it includes reductions as one of the objectives of the agreement and not simply limitation.

Fourth, it defines a permanent agreement as one that will limit the number of weapons systems as well as to limit their qualitative improvement and, therefore, opens a dimension to the negotiations that was not covered by SALT I.

And it defines some general principles as yardsticks against which the negotiators can measure progress.

Now, these principles have to be seen also in terms of the negotiating record at Geneva, where both sides are now discussing concrete proposals and where it is, therefore, perfectly clear what both sides mean by such phrases as "qualitative changes" and other phrases.

It must also be seen in the light of the extensive discussions that took place yesterday between the President and the General Secretary which dealt with how to give effect to these principles and how to move forward to these negotiations so that the timetable that has been set out in these principles can be realistically met.

These, then, are the principles which will guide our actions over the next year. We expect that they will be seen as a major step in developing a permanent agreement on the limitation of offensive weapons—the ultimate reduction—as a move toward bringing under control not only the pace of the arms race, but its nature and, therefore, will contribute to long-term prospects of peace.

Now I will be glad to answer any questions.

Q. Dr. Kissinger, why do you find the need to provide for further interim agreements if you think you are going to have a permanent agreement within 18 months?

DR. KISSINGER. This issue will, of course, be left in detail to the negotiators. The need could arise, for example, in the case of certain technological developments, where restraints on the pace of testing could affect the situation in the space over the next 12 to 18 months. It would be applied to those issues which are sensitive to the time interval that has been outlined in this agreement. It would not, obviously, apply to such issues as the numbers of weapons to be deployed because that would not arise in the 12- to 18-month period.

Q. Does the United States seek parity in numbers in the permanent agreement?

DR. KISSINGER. The issue of how you define equal security and no unilateral advantage is one of the most complex. As you know, with respect to the interim agreement, we believe that the larger number of our warheads compensated for the somewhat larger number of their missiles, and also the larger number of our airplanes. And we also concluded that in the 5-year period of this agreement we were not going to increase the number of these weapons anyway.

With respect to a permanent ban, the limitations must be equitable, that is, they must take into account the numbers of weapons and the numbers of warheads. And we will certainly seek, and we will obtain what we consider strategic parity.

Q. So you don't have to have exactly the same numbers in terms——

DR. KISSINGER. It depends what other limitations exist, and, therefore, it is very difficult to answer it in the abstract. In general, our objectives will be equality, but how you calculate this equality, we have to leave open to the negotiators.

In effect, though, the total compositions of the forces should be substantially equal.

Q. Dr. Kissinger, you said in reading this over, I don't know if you meant it, that in principle three——

DR. KISSINGER. If I said it, there is a chance I meant it. [*Laughter*]

Q. You said this is qualitative as well as quantitative, and later on you said the agreement will deal with qualitative. In relation to that, if you mean that it will deal with qualitative matters, can you relate principle four on the use of national technical means of inspection to the control of MIRV's? Are you announcing that the United States is prepared to use national technical means of inspection to verify any kind of MIRV agreement that might be forthcoming?

Q. Can we have the question, please?

DR. KISSINGER. I will repeat the question, but not the introduction to the question. The question is that the third principle says that the agreement can apply both to

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qualitative and to quantitative aspects, and then the fourth principle says that the limitation must be subject to adequate verification by national technical means.

Miss Berger's question was how these two principles could be reconciled and, specifically, whether we were saying that we were prepared to accept national verification for any kind of MIRV agreement.

I think I would put it another way. I would say any kind of MIRV agreement that may be reached will have to be one that can be verified by national technical means, and, therefore, that those MIRV agreements that are not verifiable by national technical means would be difficult to reconcile with these provisions, and, therefore, the question depends on the nature of MIRV limitations that we are talking about. But as I have made clear, we consider the development of multiple independent warheads one of the major factors of concern in the arms race. And that is clearly understood by the other side.

Q. You are aware that there are stories circulating that the President and Mr. Brezhnev are working on a so-called surprise agreement also in the nuclear field. Can you tell us whether in fact this is the only agreement going to be reached at the summit that has anything to do with nuclear weapons or, in a more general way, whether they are working on some more major surprise agreement—to be announced here, I mean?

DR. KISSINGER. I don't want to comment on everything that they may be working on. I would not characterize anything as a surprise agreement, and I would say that there is nothing that they are working on that is directly relevant to the Strategic Arms Limitation Talks.

Q. Dr. Kissinger, is there any understanding about whether forward-based systems will be considered in these negotiations?

DR. KISSINGER. The basic position of the two sides has been elaborated in previous negotiations. We have left no doubt that we consider our security interests and those of our allies inseparable and that we believe that the central strategic systems should be the principal concern of this phase of the negotiations; that is to say, the ICBM's, bombers, and submarine-launched ballistic missiles.

The Soviet Union has taken a different view in the past. It is a view that we managed to avoid having to address in the first phase of SALT, and it is something which we believe can be negotiated in the second phase of SALT.

But we can state now that with respect to forward-based systems, we will make no agreement that separates our security interests from those of our allies and that we believe that in this phase the central strategic systems should be the principal focus of negotiation.

Q. What can you tell us of the changes the Soviets have made in the last year in their missile programs and whether they have been completely in accordance with the agreements reached in Moscow?

DR. KISSINGER. The Soviet Union, to the best of my information, has pursued an active program within the terms of the agreement. If we should receive any information that is contrary to that, we will actively pursue it in the Standing Committee and in other channels. Up to now, they have pursued an active program, which is, however, to the best of our current information, within the terms of the agreement.

Q. Could you give just a general outline of what that active program constitutes?

DR. KISSINGER. I reveal Soviet strategic deployments only in bars in the Soviet Union. [*Laughter*]

Q. Henry, I am having a little trouble here with the qualitative principle. What is new about the qualitative principle? I thought it was understood right along that SALT II would be qualitative as well as numerical. Are you saying here there is something in this that now permits the Soviet Union to place a freeze on MIRV's? Is that what is new here? If not, what is the change?

DR. KISSINGER. I am saying this is the first time that there is a formal statement to this effect by both sides. Our position on it has been made clear, and I have enunciated it to this group. This is the first time that an agreed guideline signed by the two leaders, or an agreed guideline by the two sides, to this effect has been enunciated.

Q. So it is that the Soviet Union has agreed to negotiate on MIRV?

DR. KISSINGER. I don't want to speak to the Soviet position because qualitative can include many things in addition to MIRV.

Q. Dr. Kissinger, is the final agreement on SALT contingent on any agreement or understanding of any kind, and if not, what is all this talk about SALT not being reachable if the Soviet Union does not get most-favored-nation treatment?

DR. KISSINGER. The SALT agreement is independent of other agreements, but it is, of course, dependent on the general climate of U.S.-Soviet relations. We have always held the view that the relationship between the general political climate and progress in SALT was close.

It is not, however, linked as a condition to progress in any other negotiation; it has not been stated as such by us.

Q. Dr. Kissinger, may I follow that up? In the event the Jackson amendment is adopted, will SALT go down the drain?

DR. KISSINGER. I would not speculate on any particular agreement. We have said that in the event that the Jackson amendment is adopted in its present form, that it would have a serious impact on Soviet-American relations. What the particular impact will be on any specific negotiation, I would not want to go into.

Q. Dr. Kissinger, what can we say to our readers in the area of the prospects for reductions? Aren't you kind of dangling out the proposition here that the world can look forward to a reduction in the spending for nuclear

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armaments? What can we tell them the real prospects might be? When would it come, the lower number of missiles? Would it involve large amounts of savings on either side?

DR. KISSINGER. I don't want to go into specific proposals that are being negotiated. I will only say that our proposals will be consistent with these principles, and they will include proposals for initial limitations to be followed by ultimate reductions.

Q. Dr. Kissinger, the linkage was not stated by us, with any other agreements. Have the Soviets raised the question of a linkage?

DR. KISSINGER. The Soviet Union also has not raised any particular linkage.

Q. Dr. Kissinger, you said the numbers in the temporary agreement would not be the numbers in the permanent agreement——

DR. KISSINGER. Not necessarily.

Q. —— Is it our side's position that the Soviet Union's numbers will have to be decreased more than our numbers have to, to reduce or eliminate the apparent disparity between the numbers agreed upon in the temporary agreement, and if so, do they accept that as a general proposition?

DR. KISSINGER. How you set these limits, and what weapons you include in these limits is, of course, one of the key issues in the negotiations. For example, if you include bombers in the limits, the inequality in total numbers is different than if you are only talking about missiles.

Therefore, at what figure you set the limit, whether you set it at one below both sides' current strength, at the strength of one side, or somewhere in between, that remains to be determined through the negotiations, and I don't want to speculate on that.

Q. Dr. Kissinger, can you tell us, sir, if an attempt was made to reach an agreement in principle here on a MIRV freeze, but that was found to perhaps be too complex to achieve at this stage of the negotiations?

DR. KISSINGER. I don't want to go into the details of any particular negotiation. I don't think that would be appropriate for me to do.

Q. Dr. Kissinger, is there any news about a ban on underground testing?

DR. KISSINGER. We have stated this is a subject under very active review in our Government now, and one on which we will make a decision as soon as the studies are completed, but not during the summit.

Q. I have a double question. The first is: The implication of your earlier comment about national means and MIRV's—does that mean you will have to have a limitation on flight tests, a test ban on MIRV's, and you cannot get into a production ban; and the second question is, if the two leaders are confident enough to set a deadline for the negotiations, why couldn't the other principles be more specific on such questions as MIRV and the numbers than you have been able to be today?

DR. KISSINGER. Because, first, with respect to the question of what sort of limitations are verifiable by national means, it is obvious that flight testing is more easily verifiable than production, and this has been an issue we have covered in previous discussions on MIRV.

With respect to the principles, our objective is to have the permanent agreement, and not have a spectacular announcement. Many issues that can be agreed to in principle, nevertheless leave a margin—a narrow margin, but nevertheless a margin—for subsequent discussion, such as numbers, such as the type of qualitative limitations, and such as the procedures to be followed in eliminating the remaining margins. And for that reason, it was thought to be best if we went no further, then, now. But there have been discussions on how to proceed from here to meet this objective with some confidence.

Q. Dr. Kissinger, when you talk of quality, are you including limitations on technical improvements of accuracy of warheads?

Dr. KISSINGER. When I speak of quality, these are all permissible issues to be raised. They have to be seen, however, in the context of verifiability. And the more esoteric the problem the more complex the problem of verification becomes. And it is not in the interests of either side to have agreements, particularly of a permanent nature, in which both sides feel they are at the mercy of developments that they cannot control.

So I would say, in principle, this is something that can be included in these discussions probably by means of restrictions on testing. In practice, however, it is getting into the more esoteric areas.

Q. Can you express confidence that we will have some kind of limitation, particularly on land-based MIRV's, within the next 18 months?

DR. KISSINGER. I have confidence that we will achieve an agreement consistent with the principles enunciated.

REPORTER. Thank you.

NOTE: Press Secretary Ronald L. Ziegler introduced Dr. Kissinger at 1:57 p.m. in the Executive Briefing Room at the Old Executive Office Building.

For the text of the document, see the preceding item.

West African Drought

The President's Letter to Kurt Waldheim, Secretary General of the United Nations, on American Assistance Efforts, Including the Designation of Maurice J. Williams, Deputy Administrator of AID, as Special U.S. Coordinator. Dated June 20, 1973. Released June 21, 1973

Dear Mr. Secretary General:

I fully share the concerns which you have expressed to Ambassador Scali for the millions of persons who are

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suffering from the terrible drought in the Sahelian nations of West and Central Africa. For many months reports from United States and United Nations representatives and from the governments themselves have related graphically the growing effects of the worst drought of this century in the African Sahel. Those of us who have been spared this scourge have been responding to the crisis, but more must be done, as you have said. The United States stands prepared to commit further resources as needs are identified.

As you know, the United States response has been carried out on several fronts. We have increased the amounts of foodgrains destined for these nations through both American programs and the World Food Programs. By mid-summer, 156,000 tons of grain valued at nearly $19 million will have arrived in West African ports or in the interior states of Mali, Upper Volta, Niger and Chad. Two million dollars in disaster relief funds have also been made available. United States Air Force aircraft, and those of other donors, are airlifting grain to stricken nomads and farmers in remote districts of Mali and Chad. Animal feed and vaccines are being distributed to save as much livestock as possible. Medicines are being provided to combat malnutrition and potential epidemics. In response to a request from Director General Boerma, the Agency for International Development has provided a logistical planning expert to the Food and Agriculture Organization of the United Nations and our staffs in West Africa are being augmented to improve our ability to deliver what is needed to the right place at the right time.

We share your concern that the problems of dealing with the immediate emergency will become even more difficult as the rains begin and road transport problems increase. We therefore stand ready to provide further support for internal transport, as specified needs are identified.

As you have recognized, this region is faced not only with the immediate needs of feeding the hungry but also of rehabilitating water and forage resources, livestock herds and grain producing facilities to permit a long range recovery from the devastating effects of the drought. This effort will require close collaboration among African leaders and the donor community. As specific rehabilitation needs are more clearly identified, and as it becomes clearer what others are ready to do, the United States will be prepared to provide additional assistance for the Sahel to help overcome the profound effects of this tragedy.

In order to coordinate more effectively our emergency relief efforts and to plan our part in a rehabilitation program, I intend to designate Mr. Maurice J. Williams as a Special United States Coordinator. He will cooperate closely in his work with Director General Boerma and with other governments—so that the work of relief and rehabilitation can go forward as expeditiously as possible.

Sincerely,

RICHARD NIXON

[His Excellency Dr. Kurt Waldheim, Secretary General of the United Nations, United Nations, New York 10017]

NOTE: The text of the letter was made available by the White House Press Office. It was not issued in the form of a White House press release.

Visit of General Secretary Brezhnev of the Soviet Union

Exchange of Toasts Between the General Secretary and the President at a Dinner Honoring the President at the Soviet Embassy. June 21, 1973

GENERAL SECRETARY BREZHNEV. *Esteemed Mr. President, Esteemed Mrs. Nixon, ladies and gentlemen, comrades:*

Tonight it is my very pleasant duty to welcome you, Mr. President, and your wife, and members of the U.S. Government, and other distinguished American guests here at the Soviet Embassy in Washington.

On behalf of my comrades and myself, I would like first of all to cordially thank you personally, Mr. President and Mrs. Nixon, and other members of your family, for the warmth and consideration with which you have been surrounding us from the very start of our visit to your country.

At the same time, I would like to say that we are grateful to all Americans who have shown their friendly feelings toward us and taken a lively interest in our visit and our negotiations. In all this, we see a confirmation of the respect harbored by the people of the United States toward Soviet people, and evidence of the mutual desire of our two peoples to live together in peace and friendship.

An awareness of our high duty and responsibility is permeating the entire course of our meetings. Our talks bear the hallmark of a vigorous pace, a broad scope, and a businesslike and constructive spirit. Each day, all this is yielding tangible results, bringing us closer to the jointly set objectives of securing a further major advance in the development of Soviet-American relations, of lessening the threat of war, and of strengthening peace and security on our planet.

The contribution made by our two nations to the attainment of this paramount goal will undoubtedly raise Soviet-American relations to a new level. In May of last year we agreed that in the nuclear age there is no alternative to conducting relations between our countries on

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the basis of peaceful coexistence. We can now confidently say that this fundamental principle is being increasingly imbued with concrete substance.

We are convinced that the results of our talks will strengthen still more the relations of peace and mutual trust between the Soviet Union and the United States. At the same time, new vistas will be opened for the constructive development of those relations.

The new step forward which it has proved possible to take through joint efforts in so vitally important and at once so complex a problem as the limitation of Soviet and American strategic arms is also something that cannot fail to cause satisfaction.

The agreement achieved on the basic principles for further negotiations on this problem contains everything to give a new impetus and a clear direction to joint work on important agreements designed not only to curb but also to reverse the race of the most formidable and costly types of rocket nuclear arms, and thus to permit our countries to switch more resources to constructive purposes and use them to better man's life.

Atomic energy, too, must ever-increasingly serve the aims of peace. The readiness of our two nations to promote that objective through joint efforts has been reflected in the agreement on cooperation in the field of the peaceful uses of atomic energy which President Nixon and I also signed today.

In pursuance of the line jointly initiated during last year's meeting in Moscow, a new series of agreements on cooperation between the U.S.S.R. and the United States in several other fields of science, technology, and culture was signed in the course of this visit. This we also value highly. It will give Soviet-American relations still greater diversity and stability. At the same time, we are sure the development of such cooperation will benefit other peoples, too, since it is aimed at solving problems that are important for all mankind.

Of course, in the relations between our two countries there are still quite a few outstanding problems and, I would say, some unfinished business. In particular, this relates to the sphere of strategic arms limitation and also to commercial and economic matters.

We are optimists, and we believe that the very course of events and an awareness of concrete interests will prompt the conclusion that the future of our relations rests on their comprehensive and mutually advantageous development for the benefit of the present and coming generations.

But I wish especially to emphasize that we are convinced that on the basis of growing mutual confidence, we can steadily move ahead. We want the further development of our relations to become a maximally stable process and, what is more, an irreversible one.

Mr. President, in our discussions—and we value their businesslike and constructive character—I have already had an opportunity to tell you—and I want to repeat this for the benefit of all the American guests present here tonight—that the Soviet Union's line at improving relations with the United States is not some temporary phenomenon. It is a firm and consistent line reflecting the permanent principles of Soviet foreign policy formulated by the great founder of the Soviet State, V. I. Lenin. It is a line that rests on the full support of our people.

Soviet people believe that most Americans, too, approve of the jointly initiated line aimed at strengthening peace and cooperation between the peoples of the Soviet Union and of the United States.

Unfortunately, the tight schedule of our talks has not left me much of a chance to learn more about your great country, and to get a closer look at the life of Americans. But the little I have managed to see seemed to me to be very interesting, indeed. To some extent, I hope to be able to fill in that gap when, at your invitation, Mr. President, we go to the west coast of the United States, to California, long famous for the beauty of its nature and, more recently, for its surging industrial development.

I would like to use this very pleasant opportunity when we are all together here at the Soviet Embassy to confirm the invitation conveyed to you, Mr. President, on behalf of the Presidium of the U.S.S.R. Supreme Soviet and the Soviet Government to make an official visit to the Soviet Union in 1974. I am confident that your new trip to the Soviet Union will also mark another important stage in the successful development of relations between our two countries. We will be happy to repay the hospitality shown to us by the President, the Government, and the people of the United States.

And permit me to express the hope that this time, Mr. President, you will familiarize yourself more closely with our country, and with its nature, and with the life of Soviet people.

The cause of developing Soviet-American relations is, indeed, moving forward. In 2 years, Soviet and American astronauts will fly into outer space to carry out the first major joint experiment in man's history. Now they know that from up there in space, our planet looks even more beautiful, though small. It is big enough for us to live in peace, but too small to be subjected to the threat of nuclear war.

I shall be making no mistake if I say that the spirit of our talks, and the main direction of our joint efforts, were determined by an awareness of one major factor: Everything must be done for the peoples of the world to live free from war, to live in security, cooperation, and communication with one another. That is the imperative command of the times, and to that aim we must dedicate our joint efforts.

Allow me to propose this toast to the health of the President of the United States of America and Mrs. Nixon, to the further success of the great cause which we have

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succeeded in advancing during our present meeting, to the docking, on earth as well as in outer space, of man's efforts and talents for the good of the peoples, to peace, friendship, and cooperation between the Soviet and American peoples, to peace throughout the world.

THE PRESIDENT. *Mr. General Secretary, our hosts from the Soviet Union, and all of our friends from the United States:*

We want to express our appreciation to you, Mr. General Secretary, and to our hosts for this splendid dinner. There is a saying in our country on occasion when one is a guest, "Make yourself at home." Tonight we had that somewhat reversed, because Mrs. Dobrynin told me that all the things that were served tonight, including the wines in this magnificent banquet, were brought from the Soviet Union. So we had a chance this evening to be, in a sense, in the Soviet Union, and we thank her for her thoughtfulness in giving us that opportunity.

On this occasion, I am reminded of the fact that it marks several events. This is the last day that Secretary Rogers will be 59 years of age. He will be 60 tomorrow; so we wish him a happy birthday in advance.

Also, Mr. General Secretary, this happens to be the 33d wedding anniversary for Mrs. Nixon and me, and we appreciate your arranging this dinner on this occasion.

And, of course, as you know, all over the world, June 21 is the longest day in the year. I remember just a little over a year ago a very long day, almost as long as the longest day in the year. Just before midnight, Mr. General Secretary, you and I signed the first agreement on limiting nuclear arms in the Kremlin. To show how our relations have moved forward since that time, we signed the second agreement with regard to limiting nuclear arms at 12:30, in the middle of the day, today.

And, in addition to that, as you pointed out in your remarks, we signed a parallel agreement with regard to cooperation in the field of the peaceful uses of atomic energy.

You have spoken eloquently about these two agreements. There is little I can add except to say that all of us know that this enormous source of nuclear power can either destroy the world or it can build a new world with the peaceful energy which can be unleashed for the benefit of all mankind.

Today we have taken a very important step in limiting the power of destruction and in unleashing the power of creation.

As idealistic men—and I know, Mr. General Secretary, from our long talks in Moscow and the talks we have had at Camp David and here in Washington, we both share the ideal of building a world of peace—we are pleased with the progress we have made so far in the agreements that we have signed in limitation of nuclear arms. But as practical men, as we are both practical men, we realize that we have taken two steps, but there is still a long way to go. We recognize that we must dedicate ourselves toward going further in not only limiting this great power of destruction, but also of eventually, we trust, reducing the burden of arms which bears down so heavily on the world and on our two peoples.

This will not come easily. It will come only after extensive negotiation. But with continued contact, with continued discussion such as the kind of discussions that we have had on this occasion and in Moscow a year ago, we can move forward in that direction between our two countries and thereby set an example for other countries in the world. And for that reason, it is with a great deal of pleasure that I accept the very generous invitation you have extended for me to return to Moscow next year for a third meeting.

In that third meeting I will, of course, look forward to what will be my fifth visit to the Soviet Union, to see more of your country and to meet more of your people, but also I shall look forward again to the kind of discussions we have had on this occasion and concrete results toward the goal that we have dedicated ourselves to jointly on this occasion—the goal of not only better relations between our two countries, not only peace between our two countries, but recognizing the rights of all countries, large and small, to live in a world of peace without threat from any of their neighbors.

It is this goal to which we are dedicated. And if our two great countries can set an example in this direction and have concrete results following it in the various meetings that we will have, perhaps annually, it means that a great step will be taken toward the objective that we all share.

I would not for one moment suggest to this audience, or to those who may be listening on television or radio, that one meeting or two meetings at the summit brings instant peace, instant relaxation of tensions, and instant reduction or limitation of arms.

But I do know this: that these two summit meetings have brought us closer together, have brought greater understanding of our differences and greater determination to reduce those differences, and certainly, at the very least, to solve those differences without confrontation. And this, indeed, is an historic change in the relations between our two countries which the General Secretary and I are dedicated to continue.

And now, ladies and gentlemen, here in the Soviet Embassy, it is my privilege to return the toast that the General Secretary has given.

On this occasion, I, in addition to asking you to drink to his health—he obviously being our host, being the ranking guest—I think it is appropriate also to drink to the health of those who have been in this city so many years, as the Ambassador, Ambassador Dobrynin and Mrs. Dobrynin, to Foreign Minister Gromyko, who has also been in our city and knows our country so well, and

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so many others of our Soviet guests. You have made us feel, tonight, most welcome. And we can only say that, as we drink to your health, we drink to it not simply in the casual way that one raises a glass of champagne, be it California or New York or French or, in this case, Russian champagne, but we drink to your health, having in mind what you have said and what I have tried to reaffirm: the desire of the two strongest nations in the world, through their top leaders, to work together for peace rather than for continued confrontation which could lead to destruction.

This is a goal worthy of great nations, and it is a goal that we are proud, Mr. General Secretary, to work with you so that we can achieve it for the benefit of the Soviet people, of the American people, and all of the people of this world.

Now, ladies and gentlemen, since we can't repeat all those words in raising our glasses, may I suggest, to Mr. Brezhnev and to Mrs. Brezhnev, who could not be here but who talked on the telephone with him today, to their children, and all of our children.

Mr. Brezhnev.

GENERAL SECRETARY BREZHNEV. *Mr. President, and ladies and gentlemen, and dear guests:*

Believe me, I am not trying to make a new, long toast. [*Laughter*] But let me just add to the kind words said here by the President and to what I said a little earlier that great ideas bear fruit in the form of a great will, and great energy, and vigor, and I, therefore, want to assure you, Mr. President, and the American Government, and the American people, and I trust that the President will reciprocate my feelings, that we, for our part, will go on working towards this great goal that we have set ourselves with great vigor and energy—a great goal that we both mentioned in our remarks a little while ago.

And, therefore, permit me yet again, with great sincerity, to ask you to join me in a toast to the very good health of the President and to the great vigor of both our countries in our efforts to reach our goal of peace and cooperation.

NOTE: The exchange of toasts began at 10:48 p.m. at the Embassy of the Union of Soviet Socialist Republics. General Secretary Brezhnev spoke in Russian, and his remarks were translated by an interpreter.

Commercial Relations

Texts of Two Protocols Between the United States of America and the Union of Soviet Socialist Republics. June 22, 1973

PROTOCOL

Considering the interest expressed by Soviet foreign trade organizations and United States companies in the development of organizational arrangements for increased cooperation, and

Recognizing that such increased cooperation would contribute to the promotion of contacts between businessmen of the USSR and the USA, which in turn would assist in the development of mutually beneficial trade between the two countries,

The Secretary of Commerce of the USA will meet at an early date with members of the United States business and financial community to discuss the desirability of establishing in the United States private sector a USSR-US Chamber of Commerce. The Minister of Foreign Trade of the USSR will continue similar consultations with Soviet foreign trade and other organizations.

The results of these consultations shall be reported promptly to the Joint USSR-US Commercial Commission.

DONE this 22nd day of June, 1973, at Washington, in duplicate, in the Russian and English languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:

N. S. PATOLICHEV
Minister of Foreign Trade

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

GEORGE P. SHULTZ
Secretary of the Treasury

PROTOCOL

In the interests of strengthening their commercial and economic ties, the Government of the USA and the Government of the USSR undertook in the Agreement between the Government of the USA and the Government of the USSR Regarding Trade signed in October 1972, to cooperate in the expansion and improvement of their commercial facilities in Moscow and Washington.

In accordance with that undertaking representatives of the Soviet Government and the US Embassy in Moscow have this week contracted for new facilities at a convenient location which will enable the Office of the Commercial Counselor of the USA to provide more effective services to US businessmen seeking assistance in their commercial pursuits with appropriate USSR organizations.

The US Government facilitated the acquisition by the USSR earlier this year of a building at a convenient location in Washington for use as the Office of the Commercial Counselor of the USSR.

The Government of the USSR has also informed the Government of the USA that, in connection with the Agreement Regarding Trade, it has issued accreditation to establish representations in Moscow to the following US business and financial organizations:

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Pullman Incorporated
Occidental Petroleum Corporation
The Chase Manhattan Bank, N. A.
General Electric Company
International Harvester Company
Caterpillar Tractor Company
Hewlett-Packard Company
Engelhard Minerals & Chemicals Corporation
Bank of America
First National City Bank

Requests by additional US firms for accreditation in Moscow are now under consideration by Soviet authorities.

Consistent with Article 5 of the Agreement Regarding Trade, the Government of the USA and the Government of the USSR have also agreed today to undertake immediate preparations for mutually satisfactory arrangements to enlarge their commercial staffs in each other's country. A Trade Representation of the USSR in Washington and a Commercial Office of the USA in Moscow will simultaneously be opened as soon as possible and in any event not later than October 31st of this year.

DONE at Washington, this 22nd day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

GEORGE P. SHULTZ
Secretary of the Treasury

FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:

N. S. PATOLICHEV
Minister of Foreign Trade

NOTE: The protocols were signed in a ceremony at the Department of the Treasury on Friday, June 22, 1973.

Texts of the protocols were made available by the White House Press Office. They were not issued in the form of a White House press release.

Prevention of Nuclear War

Agreement Between the United States of America and the Union of Soviet Socialist Republics on the Prevention of Nuclear War. June 22, 1973

The United States of America and the Union of Soviet Socialist Republics, hereinafter referred to as the Parties,

Guided by the objectives of strengthening world peace and international security,

Conscious that nuclear war would have devastating consequences for mankind,

Proceeding from the desire to bring about conditions in which the danger of an outbreak of nuclear war anywhere in the world would be reduced and ultimately eliminated,

Proceeding from their obligations under the Charter of the United Nations regarding the maintenance of peace, refraining from the threat or use of force, and the avoidance of war, and in conformity with the agreements to which either Party has subscribed,

Proceeding from the Basic Principles of Relations between the United States of America and the Union of Soviet Socialist Republics signed in Moscow on May 29, 1972,

Reaffirming that the development of relations between the United States of America and the Union of Soviet Socialist Republics is not directed against other countries and their interests,

Have agreed as follows:

ARTICLE I

The United States and the Soviet Union agree that an objective of their policies is to remove the danger of nuclear war and of the use of nuclear weapons.

Accordingly, the Parties agree that they will act in such a manner as to prevent the development of situations capable of causing a dangerous exacerbation of their relations, as to avoid military confrontations, and as to exclude the outbreak of nuclear war between them and between either of the Parties and other countries.

ARTICLE II

The Parties agree, in accordance with Article I and to realize the objective stated in that Article, to proceed from the premise that each Party will refrain from the threat or use of force against the other Party, against the allies of the other Party and against other countries, in circumstances which may endanger international peace and security. The Parties agree that they will be guided by these considerations in the formulation of their foreign policies and in their actions in the field of international relations.

ARTICLE III

The Parties undertake to develop their relations with each other and with other countries in a way consistent with the purposes of this Agreement.

ARTICLE IV

If at any time relations between the Parties or between either Party and other countries appear to involve the risk of a nuclear conflict, or if relations between countries not parties to this Agreement appear to involve the risk of nuclear war between the United States of America and the Union of Soviet Socialist Republics or between either Party and other countries, the United States and the Soviet Union, acting in accordance with the provisions of

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this Agreement, shall immediately enter into urgent consultations with each other and make every effort to avert this risk.

ARTICLE V

Each Party shall be free to inform the Security Council of the United Nations, the Secretary General of the United Nations and the Governments of allied or other countries of the progress and outcome of consultations initiated in accordance with Article IV of this Agreement.

ARTICLE VI

Nothing in this Agreement shall affect or impair:

(a) the inherent right of individual or collective self-defense as envisaged by Article 51 of the Charter of the United Nations,

(b) the provisions of the Charter of the United Nations, including those relating to the maintenance or restoration of international peace and security, and

(c) the obligations undertaken by either Party towards its allies or other countries in treaties, agreements, and other appropriate documents.

ARTICLE VII

This Agreement shall be of unlimited duration.

ARTICLE VIII

This Agreement shall enter into force upon signature.

DONE at Washington on June 22, 1973, in two copies, each in the English and Russian languages, both texts being equally authentic.

FOR THE UNITED STATES OF AMERICA:
RICHARD NIXON
President of the United States of America

FOR THE UNION OF SOVIET SOCIALIST REPUBLICS:
L. I. BREZHNEV
General Secretary of the Central Committee, CPSU

NOTE: The agreement was signed in a ceremony in the East Room at the White House on Friday, June 22, 1973.

For a news conference by Dr. Kissinger on the agreement, see the following item.

Prevention of Nuclear War

News Conference of Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs, on the U.S.-Soviet Agreement. June 22, 1973

DR. KISSINGER. Ladies and gentlemen, let me put this agreement first in its context, describe what it is seeking to achieve, and then go through its specific provisions, a little bit of its history, and then I will take your questions.

The principal goal of the foreign policy of this Administration ever since 1969 has been to set up what the President has called a structure of peace, by which we mean an international system less geared to the management of crises, less conscious of constant eruptions of conflict, in which the principal participants operate with a consciousness of stability and permanence.

This requires that all of the nations operate with a sense of responsibility, and it puts a particular obligation on the two great nuclear powers that have the capacity to destroy mankind and whose conflicts have produced so many of the crises of the postwar period.

In achieving this objective, the United States has operated on many levels. We have always believed that it required adequate strength to deter aggression. But we also have believed that we have to move from the period of military confrontation to a period which is characterized more by restraints and, eventually, cooperation. In our dealings with the other great nuclear superpower, the President, from the day of his first inauguration, has emphasized that we wanted to move from confrontation to negotiation.

In those negotiations we have operated on many levels. We have attempted to remove specific causes of tension. We have attempted to forge specific instruments of cooperation. And finally, we have attempted to develop certain principles of conduct by which the two great nuclear countries could guide their expectations and by which both in relations to each other and in their relations to third countries, they could calm the atmosphere and replace purely military measures by a new attitude of a cooperative international system.

It is in this spirit that last year in Moscow the United States and the Soviet Union signed certain principles of conduct which were described then as a roadmap on a road that no one was forced to travel, but that if we wanted to travel it, it was there for the two major countries.

I believe we have traveled on this road in the last year, and, therefore, it was decided to formalize some of these principles in an agreement, to extend them in some respects, particularly concerning consultation. The origin of the negotiation, as it turned out, was at the last session of the Moscow summit meeting when there were some general exchanges with respect to how to control nuclear weapons in a political and diplomatic sense, beyond the negotiations going on in strategic arms limitations.

These discussions were continued between the President and Foreign Minister Gromyko on the occasion of Gromyko's visit to the United States last October. They were continued in exchanges between the two leaders. There was some discussion when I visited the Soviet Union in September of last year, and the discussions continued this spring and were extensively pursued in Zavidovo and finally concluded here.

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Throughout, the United States has held the view that any obligations with respect to international conduct that applied to the two great nuclear powers, also had to apply to their relations to other countries, and we have held the view which was shared by the Soviet leaders that the principal problem was how to prevent a war and not how to conduct a war.

Therefore, this is an agreement which is designed to regulate the relations of the two nuclear powers to each other and to other countries in time of peace. It is an attempt to prevent the outbreak of nuclear war. And to the extent that it contributes to this task, it can be a significant landmark in the relationships of the United States to the Soviet Union and in the relationships of the two great nuclear countries towards all other countries of the world.

Now, let me run through the articles, which are largely self-explanatory. Article I states that it is an objective of both the policy of the United States and the policy of the Soviet Union to remove the danger of nuclear war and the use of nuclear weapons. This has been a consistent goal of American foreign policy, and is a goal shared by all of mankind.

Article II applies this objective to the general conduct of both sides, that is to say, the prevention of nuclear war presupposes the avoidance of situations capable of an exacerbation of relations, avoidance of military confrontation, and it is in that context that the outbreak of nuclear war can be excluded.

The second article states this more concretely, by elaborating that the prevention of nuclear war presupposes the avoidance of force or the use or threat of force by the two nuclear countries towards each other and towards other countries.

Article III is a general article that simply states that the two nuclear countries have to develop their relations with each other and with third countries in a way consistent with the purposes of this agreement, and it makes it clear that while it is a bilateral agreement, the obligations are multilateral.

Article IV states that in any situation in which the two great nuclear countries might find themselves in a nuclear confrontation, or in which either as a result of their policies toward each other or as the result of developments elsewhere in the world, there is a danger of a nuclear confrontation between them, or between them or any other country, they are obligated to consult with each other in order to avoid this risk.

Article V permits the consultation, that these consultations be communicated to the United Nations, and to other countries, a clause which we would, of course, apply to our allies.

Article VI makes clear that this agreement deals with the prevention of war, and that if it fails, the existing obligations in existing documents, treaties, and alliances will be maintained.

So, we see the basic significance of this agreement as a step, a significant step toward the prevention of nuclear war and the prevention of military conflict. It is a formal obligation that the two nuclear superpowers have taken towards each other, and equally importantly towards all other countries, to practice restraint in their diplomacy, to build a peace that is permanent, to pursue a policy whose dedication to stability and peace will become, as General Secretary Brezhnev said last night at the banquet, irreversible.

Of course, anyone who has studied the history of the last 30 years must recognize that agreements are not always maintained, and that there is nothing self-enforcing about this document. However, if the two great nuclear countries continue to be animated by the spirit in which they have conducted their policy of the last 2 years, then this document could mark a landmark on the road toward the structure of peace of which the President has been speaking and can be seen as a step towards a new era of cooperation in the relations of all nations and of lifting from them increasingly the fear of nuclear war and of war in general.

Now I will be glad to answer your questions.

Q. Dr. Kissinger, please, does Article II have any relation to our bombing of Cambodia and does Article II have any relation to the supply of the belligerents by both the Soviet Union, the United States, and other countries, of military support?

DR. KISSINGER. What is the question?

Q. Does Article II have any bearing or any relation to our bombing in Cambodia or to the military supply of the Indochina belligerents by both the United States and the Soviet Union?

DR. KISSINGER. Obviously, in interpreting this agreement we could go around the world and see how it specifically applies to each individual country and to each conceivable situation.

Let me answer first as to Cambodia. The military operations now going on in Cambodia were in progress when this agreement was being negotiated, and it was not raised as applying to that particular situation. Now, I don't want to go into the relationship of particular articles to particular events. I don't think it would be appropriate at this point to do it.

Let me say as a general proposition this: It is not possible under this agreement for either side—and I was specifically exempting Cambodia for the reason that this is an operation that was in progress at the time—but it is not possible for either side to use force in circumstances that can threaten international peace and stability, as is said in Article II, without breaching the letter and the spirit of this agreement.

Now, one then has to decide to what extent the clauses of Article VI apply and to what extent particular operations threaten international peace and stability, and I don't think this is the appropriate time to discuss it.

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The purpose of this agreement is to legalize, to symbolize, and to bring about restraint on the part of the two nuclear superpowers in their international relationship so as to produce—at least contribute to the preservation of peace, and it cannot be approached from the point of view of a sharp lawyer pushing against the limits of every clause because if that is going to be the attitude, the agreement will not have any significance.

Q. I would like to ask a naive question, if I could. It seems to me that we agreed on the desirability of motherhood here. I don't see why it took so long to reach this agreement and what the disputes were. I wonder if you could outline some of the negotiations that went on, and what were the issues in this discussion?

DR. KISSINGER. Well, I don't agree, first of all, with your premise because this agreement was made by two countries whose conflicts and confrontations have characterized the entire postwar period. For them to formalize these series of restraints, the willingness to consult, was a very major step.

Secondly, I don't think it is useful at the conclusion of the negotiation to go through all of the debates and provide a scorecard. I have indicated the general approach that we took, which was to extend the applications to the international system in general and not just have them apply to the United States and to the Soviet Union, and to put the emphasis on the prevention of war rather than on how wars might be conducted.

But I don't think any useful purpose is served by going through all of the complexities.

Q. I have a two-part question. According to Article II, would China be regarded as an ally of the Soviet Union? And secondly, to what degree would this document be conceived as an effort to forestall any kind of military action against China?

DR. KISSINGER. What Article II says is that force and the threat of force cannot be used against the ally of another country; it doesn't say anything about one's own allies. But it also says force and the threat of force cannot be used against any other country, so clearly under this agreement the use of force against any country under circumstances that would have wide international repercussions would be precluded.

It was not conceived as a protection for any particular country, but I think its practical consequence is that if it were observed—as we, of course, expect it will be—it will have the practical consequence of applying both to the situation you described as well as to many other conceivable situations.

Q. May I follow that up, Dr. Kissinger, please? Did you have prior consultations when you met with the Chinese representatives several days ago about any form of this document? And would you at some point this year or next like to broaden the document to include China as a signatory?

DR. KISSINGER. The United States consulted several countries prior to the completion of this document, but I don't want to go into an enumeration of which countries were consulted. I do not discuss my conversations with the head of the Chinese Liaison Office, but I have no particular reason to suppose that they will necessarily approve a bilateral agreement between the United States and the Soviet Union, whatever its consequences. I will let them speak for themselves.

Q. Dr. Kissinger, there is one qualifier in Article II, where it says that both parties will refrain from the use or threat of force in circumstances which may endanger international security. When the Soviets went into Czechoslovakia, they obviously thought it didn't endanger international peace, and when the United States went into North Vietnam, they felt it didn't endanger international peace. Isn't that a large hole for a truck to go through?

DR. KISSINGER. If either of the two signatories wants to find an excuse to go to war, it will find an excuse to go to war. This has been the history of the postwar period. We are talking here of restraint on significant military actions, and what endangers international peace and security is not determined by the unilateral declaration of the country going to war but also by the reactions of other members of the international system, because this is what produces the threat to international peace and security.

Therefore, again, I can only repeat, if any of the signatories deal with this like sharp lawyers pushing against the edges of the agreement, they will, of course, then find ways of doing so.

On the other hand, the movement into sovereign countries of large forces would not be in our view consistent with the spirit of this agreement, but I really do not want to go into a detailed analysis of every conceivable situation that could arise.

Q. Dr. Kissinger, while realizing you cannot go into specific circumstances, could you discuss in a general way what your expectations are for applying this principle, for example, to the Middle East area or Asia to reduce the dangers of nuclear war in either of those areas?

DR. KISSINGER. I really do not want to go into specific areas. Obviously, if we did not believe that this agreement could make a contribution to bringing about international restraint in areas which have been demonstrable sources of international tension, if we did not believe it could make a major contribution to this, we would not have agreed to proceed with it.

So, as a general answer to your question, I would say that it is our intention to proceed on the basis that the restraints foreseen by this agreement will become an increasingly vital factor in international affairs. But I think that you can understand why one cannot at this moment give a precise description of every situation which might arise.

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Q. Dr. Kissinger, I have two questions. You have said it would be impossible to indicate in every situation what this might tend to prohibit or inhibit. Could you give us an example looking back over the past 20 or 25 years of any situation in which force has been applied which you think it would be inhibited in the future? That is the first question.

The second question is: This is the kind of agreement which the Russians have been inclined to sign with a number of countries. And I wonder whether or not it was they who were the ones who originally raised the idea back in Moscow last May?

DR. KISSINGER. As to the agreement as it has now emerged, it would be difficult to say who raised the particular nature of this agreement. When the discussions were first raised in Moscow last year, it was indeed by the Soviet Union, but in a different context.

The original discussion that gave the impetus to this has been transformed into an agreement in which, I think, the contribution of both sides can be said to be equal——

Q. You are particularly talking about the broadening aspect to other countries?

DR. KISSINGER. ——and the emphasis on the prevention of war in general. But again, on the approach, I think at this point it can be said that both parties made a substantially equal contribution to this agreement.

Now, secondly, with respect to situations that might be prevented, I can think of several crises in this Administration, and I would have thought in previous periods, the Cuban missile crisis would be one example.

Several Berlin crises that we have had would be other examples that would have been avoided. I can think of some in this Administration, but again, when we are talking about restraint, we are talking about things that do not happen.

It is never very easy to demonstrate why something has not happened. I think it reflects the changes that have occurred in the international environment that such an agreement which would have been inconceivable, say on the visit 15 years ago of Khrushchev, can now be described in one question, as simply affirming motherhood—it is not the virtues of motherhood or desirability of motherhood.

Q. Dr. Kissinger, this agreement obviously will have a long-term effect within the United States and other countries. I wonder why this was not written in a treaty form so that the Senate could get a chance to discuss it in its entirety and question you about it. And two, has there really been discussion with the NATO allies? I know you didn't want to discuss that, but obviously in Europe there will be concern about the American credibility in case of large-scale conventional attacks in central Europe.

DR. KISSINGER. There can be no concern because Article VI fully covers existing NATO obligations, and because if war is not prevented, there is no particular restraint then about how it is conducted.

Secondly, several NATO allies were closely consulted over an extended period of time, but I don't want to go into details.

Q. As to the first part of the question, on the treaty?

DR. KISSINGER. Excuse me. With respect to why it was not made in treaty form, it does not involve any particular positive actions that the United States has to take, and it is a general statement of policy.

The President, however, is meeting with the Congressional leaders at 11:30, and he will discuss with them ways in which the Congress can register its support if it wishes to do so.

Q. You have now signed a new document of détente, and yesterday you pledged to go for new strategic arms agreements by 1974. Can you explain how the Administration will then be able to ask Congress for more arms in the strategic arms field, and will you discuss some insight into how you will argue your case?

DR. KISSINGER. We have believed that the limitation of strategic arms should be achieved by agreement, and, of course, we will scrupulously observe the limitations that the agreement we hope to sign in 1974 will be carried out.

However, it would be destructive of the negotiations if we now unilaterally imposed on ourselves the limitations that we are attempting to negotiate. We believe that one of the elements that has brought about the present situation is the military balance that exists between us and the Soviet Union.

However, we believe that this document can contribute to an atmosphere that will accelerate the discussions on strategic arms limitations, and as I said yesterday, we consider the reduction of arms an important element of the strategic arms limitation talks. And it has been so expressed in the principles that were signed yesterday.

But we cannot anticipate what may be negotiated by unilateral actions on our part.

Q. Dr. Kissinger——

DR. KISSINGER. Haven't you asked a question already?

Q. I reminded you of part of Bernie's question.

DR. KISSINGER. You are only entitled to a short question then.

Q. My question. Your explanation of not putting it in treaty form is based in part on it not involving any positive obligations on the United States' part.

How is it different from a limited nuclear test ban treaty in that respect? Could you expand on why it didn't need to be a treaty or shouldn't be one?

DR. KISSINGER. The limited nuclear test ban reflected a significant change in our arms policy that had been carried out until that time. This is really a statement of policies that we intend to pursue and have to be applied in individual cases.

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It is, therefore, more in the nature of a formalization of a declaration of principles rather than of a specific set of obligations that can be applied automatically to concrete specific circumstances.

Q. In your exposé today, you used the word, "superpower." Ambassador Zamyatin, when I spoke to him about this "superpower," he said the Soviet Union is not a superpower, neither a great power, only a big power. Then he said this word is invented by the Chinese. [*Laughter*]

My other question is about Israel. We in the Arab world welcome this agreement; we are concerned that Israel has so far not signed a partial nuclear treaty. There was an article by Flora Lewis, which referred to you, saying that you had taken a study by the Rand Corporation on how Israel can attack Egypt with an atomic bomb. Within Articles IV and VI, do you think America, as an ally of Israel, will try to bring her to sign this partial treaty?

DR. KISSINGER. First of all, with respect to the comments of Ambassador Zamyatin, I welcome the humility that he has expressed, and it was not adequately reflected due to certain personality problems in my own comment.

With respect to the Rand study, I have never seen such a study, and I know it has been written about, although this is a big government and there are many studies floating around in it. They don't necessarily mean, however, that they have any connection with American foreign policy.

Thirdly, the implications of the agreement on the actions of other countries with respect to existing multilateral agreements, I do not want to speculate about. We could not assume that this agreement imposes on the United States a particular additional obligation with respect to treaties whose obligations are already clear.

Q. Dr. Kissinger, do you interpret this document as one that supercedes the so-called Brezhnev Doctrine?

DR. KISSINGER. This document makes no distinction in its application between the domestic structure of various forms of countries.

Q. Dr. Kissinger, is this document a renunciation of atomic war, and if not, why not?

DR. KISSINGER. Well, I will take you along on future negotiations to fill in gaps that we leave. But this document is designed to prevent the outbreak of nuclear war by imposing restraints on the major countries with respect to nuclear war, and with respect to the use of force in general.

Therefore, it does not address the question of what happens if war cannot be prevented, because that is not its purpose. Its purpose is to prevent wars. It is not a renunciation of a particular form of war if war cannot be prevented, but we hope that it will make a major contribution to the prevention of war, and, therefore, your question will not have to be addressed.

Q. Did you discuss the concept of not using nuclear force first against each other, and why wasn't that included?

DR. KISSINGER. We can now discuss many things that individual members of the press corps would like to have as part of other agreements.

Q. That is a recognized international concept of how to prevent nuclear war, isn't it, Dr. Kissinger?

DR. KISSINGER. There are two ways you can look at how to prevent nuclear war. One is by preventing war, and the second is by imposing on yourselves specific restraints with respect to particular categories of weapons if war cannot be avoided.

We choose to go the road of attempting to prevent war, and thereby nuclear war, because many other countries depend upon what actions will be taken in case an aggression occurs. Therefore, we did not believe it would contribute to peace if we made particular distinctions as to categories of weapons in case of war.

The overriding problem is to preserve the peace and to prevent war.

Q. Dr. Kissinger, does Article IV oblige the United States to act as sort of an arbiter or mediator of the Sino-Soviet conflict if it should get worse?

DR. KISSINGER. No. What Article IV provides is that if either of the countries contemplates nuclear war with any other country, or, of course, with the other nuclear country, it has an obligation to consult the other signatory with the purpose of avoiding the situation that would produce such a war.

We have no intention of being an arbiter between the Soviet Union and the People's Republic of China, and we look at this consultation as a mutual restraint rather than as one that creates a right of intervention all over the world.

REPORTER. Thank you, Dr. Kissinger.

NOTE: Press Secretary Ronald L. Ziegler introduced Dr. Kissinger at 10:42 a.m. in the Executive Briefing Room in the Old Executive Office Building. Mr. Ziegler's introductory remarks were also included in the press release.

For the text of the agreement, see the preceding item.

Skylab I

The President's Telegram to Members of the Crew Following Splashdown. June 22, 1973

To Astronauts Conrad, Kerwin and Weitz

The successful completion of the first mission of Skylab is a source of intense pride for the American people. You have demonstrated that just as man can conquer the

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elements of earth, he can cope with the exigencies of space. You have given conclusive evidence that, even with the most advanced scientific and technological support in the world, the courage and resourcefulness of good men are still central to the success of the human adventure.

On behalf of the American people, I welcome you home from the Skylab spaceship to spaceship earth. I also look forward to seeing you at San Clemente on Sunday.

RICHARD NIXON

United States Ambassador to Denmark

Announcement of Intention To Nominate Philip K. Crowe. June 22, 1973

The President today announced his intention to nominate Philip K. Crowe, of Easton, Md., to be Ambassador to Denmark. He will succeed Fred J. Russell, who held the position until November 18, 1972.

Ambassador Crowe has served as Ambassador to Norway since May 1, 1969. He previously served as Ambassador to Ceylon (1953–57) and as Ambassador to the Union of South Africa (1959–61). From 1948 to 1949 he was Special Representative, Economic Cooperation Mission to China, during 1954 he served as U.S. Delegate to the United Nations ECAFE Conference, and from 1957 to 1959 he was Special Assistant to the Secretary of State.

He was born on January 7, 1908, in New York, N.Y. Ambassador Crowe was educated at St. Paul's School, Concord, N.H., and the University of Virginia. From 1941 to 1945 he served as a lieutenant colonel in the U.S. Army Air Force and as Chief of Intelligence with the Office of Strategic Services in the China-Burma-India theater. Ambassador Crowe has served as assistant financial editor of the New York Evening Post, has worked on the staff of Life Magazine, and was with Fortune Magazine when he was appointed Special Representative, Economic Cooperation Mission to China in 1948.

Ambassador Crowe is married to the former Irene Pettus. They have three daughters.

Digest of Other White House Announcements

Following is a listing of items of general interest which were announced to the press during the period covered by this issue but which are not carried elsewhere in the issue. Appointments requiring Senate approval are not included since they appear in the list of nominations submitted to the Senate, below.

June 15

During his visit to Pekin, Ill., the President visited Lillie Carver at her home. Mrs. Carver, 97, is the mother of Mrs. Everett McKinley Dirksen. The President then continued on to his home in Key Biscayne, Fla.

June 16

The President today announced the designation of Catherine May Bedell and Joseph O. Parker as Chairman and Vice Chairman, respectively, of the United States Tariff Commission for the period ending June 16, 1974.

The President has designated Claude Bekins, of Seattle, Wash., as his Personal Representative, with the rank of Ambassador, to the biennial Kinshasa International Trade Fair to be held June 23–July 8, 1973, at Kinshasa, Zaire.

The President today accepted with regret and with special appreciation for his outstanding service, the resignation of William N. Letson as General Counsel of the Department of Commerce.

The President telephoned General Secretary Brezhnev at Camp David, Md., to welcome him to the United States on behalf of the American people. The General Secretary was spending the weekend at Camp David prior to the beginning of the summit meeting with President Nixon.

June 17

The President returned to Washington from his home in Key Biscayne, Fla.

June 18

The President today accepted, with regret and with admiration for his splendid record as Commissioner of Patents, the resignation of Robert Gottschalk, effective June 29, 1973.

June 19

President Nixon and General Secretary Brezhnev attended the ceremony in the Benjamin Franklin Room at the Department of State for the signing of agreements on agriculture, ocean study, transportation, and exchange and cooperation.

The President and the General Secretary and members of the two governments met in plenary session in the Cabinet Room at the White House.

The President and the General Secretary went aboard the *Sequoia* for a cruise on the Potomac River. Following the cruise, they went to Camp David, Md.

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June 21

Following 2 days of meetings at Camp David, Md., President Nixon and General Secretary Brezhnev helicoptered to the White House. During the flight, they viewed the Gettysburg battlefield and the Gettysburg farm of Mrs. Dwight D. Eisenhower in Pennsylvania.

The President and the General Secretary signed two documents in a ceremony in the East Room at the White House. They were an agreement on the peaceful uses of atomic energy and the "Basic Principles of Negotiations on the Further Limitation of Strategic Offensive Arms."

June 22

Members of the bipartisan Congressional leadership met with the President at the White House to discuss the U.S.-Soviet agreement on the prevention of nuclear war.

President Nixon and General Secretary Brezhnev signed the agreement on the prevention of nuclear war in a ceremony in the East Room at the White House.

The President and the General Secretary left Washington to go to San Clemente, Calif., where they were to continue their meetings.

CHECKLIST OF WHITE HOUSE PRESS RELEASES

Listed below are releases of the Office of the White House Press Secretary during the period covered by this issue which have not been included in the issue.

Released June 15, 1973

Advance text: remarks at the cornerstone unveiling of the Everett McKinley Dirksen Congressional Leadership Research Center

Released June 18, 1973

Advance text: Exchange of toasts between the President and General Secretary Brezhnev

News briefing: on meetings between President Nixon and General Secretary Brezhnev—by Ronald L. Ziegler, Press Secretary to the President, and Leonid Mitrofanovich Zamyatin, Director General, TASS.

Released June 20, 1973

News briefing: on his role as Special Advisor to the President and on the nation's economy—by John B. Connally, Special Advisor to the President

News briefing: on meetings between President Nixon and General Secretary Brezhnev—by Ronald L. Ziegler, Press Secretary to the President, and L. M. Zamyatin, Director General, TASS.

CHECKLIST OF WHITE HOUSE PRESS RELEASES—*Continued*

Released June 21, 1973

Fact sheet: Basic Principles of Negotiations on the Further Limitation of Strategic Offensive Arms

Fact sheet: agreement on the peaceful uses of atomic energy

News briefing: on the peaceful uses of atomic energy—by Dixy Lee Ray, Chairman, Atomic Energy Commission

Released June 22, 1973

Fact sheet: agreement on the prevention of nuclear war

ACTS APPROVED BY THE PRESIDENT

Approved June 18, 1973

H.R. 2246 ..... Public Law 93–46
An act to amend the Public Works and Economic Development Act of 1965 to extend the authorizations for a one-year period.

S. 38 ..... Public Law 93–44
Airport Development Acceleration Act of 1973.

ACTS APPROVED BY THE PRESIDENT—*Continued*

Approved June 18, 1973—Continued

S. 49 ..... Public Law 93–43
National Cemeteries Act of 1973.

S. 1136 ..... Public Law 93–45
Health Programs Extension Act of 1973.

Approved June 19, 1973

H.R. 4704 ..... Private Law 93–1
An act for the relief of certain former employees of the Securities and Exchange Commission.

Approved June 21, 1973

H.R. 4443 ..... Private Law 93–2
An act for the relief of Ronald K. Downie.

NOMINATIONS SUBMITTED TO THE SENATE

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted June 20, 1973

BURTON W. SILCOCK, of Virginia, to be a member of the Joint Federal-State Land Use Planning Commission for Alaska, vice Jack O. Horton, resigned.

Editor's Note

Note Concerning the Closing Time of This Issue

President Nixon and General Secretary Brezhnev left Washington on Friday afternoon, June 22, 1973, to go to San Clemente, Calif., where they were to continue their meetings. Releases issued subsequent to their departure from Washington but not received in time for inclusion in this issue will be published next week.

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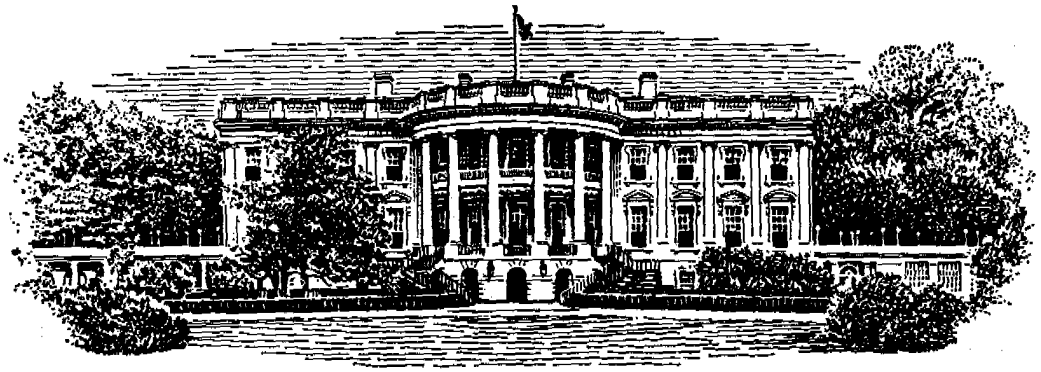
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US/USSR Summit 1973



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WEEKLY COMPILATION OF

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Administration of Richard Nixon

PRESIDENTIAL DOCUMENTS

Week Ending Saturday, June 30, 1973

U.S.-U.S.S.R. Protocol on Expansion of Air Services

Protocol Between the United States of America and the Union of Soviet Socialist Republics on Questions Relating to the Expansion of Air Services. June 23, 1973

The Government of the United States of America and the Government of the Union of Soviet Socialist Republics,

In keeping with paragraph 7 of the Basic Principles of Relations Between the United States of America and the Union of Soviet Socialist Republics signed at Moscow on May 29, 1972,

Desiring to foster expanded communications between the two countries on a mutual basis,

Recognizing the role which air transportation can play in this connection, and

Pursuant to Article 16 of the Civil Air Transport Agreement between the two Governments of November 4, 1966,

Have agreed as follows:

ARTICLE 1

The existing agreed services under the Civil Air Transport Agreement between New York and Moscow are to be expanded to include services for the designated airline of the United States from New York to Leningrad and for the designated airline of the USSR from Moscow to Washington.

ARTICLE 2

In view of the increasing traffic between the two countries, the existing arrangements under the Civil Air Transport Agreement relating to flight frequencies are to be amended to allow increases in frequency of service.

ARTICLE 3

The foregoing and other related amendments of the Civil Air Transport Agreement are incorporated in the attached Annex which supersedes the existing Annex to that Agreement.

This Protocol shall enter into force upon signature.

DONE at Washington, this 23rd day of June, 1973, in duplicate, in the English and Russian languages, both texts being equally authentic.

FOR THE GOVERNMENT OF THE UNITED STATES OF AMERICA:

CLAUDE S. BRINEGAR

FOR THE GOVERNMENT OF THE UNION OF SOVIET SOCIALIST REPUBLICS:

B. P. BUGAYEV

ANNEX

1. The Government of the Union of Soviet Socialist Republics entrusts the Ministry of Civil Aviation of the USSR with responsibility for the operation of the agreed services on the routes specified in Table I of this Annex, which in turn designates for this purpose the General Department of International Air Services (Aeroflot Soviet Airlines).

2. The Government of the United States of America designates Pan American World Airways, Inc., to operate the agreed services on the routes specified in Table II of this Annex.

3. Each designated airline shall have the following rights in the operation of the agreed services on the respective routes specified in Tables I and II of this Annex:

(1) The right to land for technical and commercial purposes at the terminal point of the agreed route in the territory of the other Contracting Party, as well as to use alternative airports and flight facilities in that territory for these purposes;

(2) The right to discharge passengers, baggage, cargo and mail in the territory of the other Contracting Party,

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but without the right to discharge passengers, baggage, cargo and mail coming from any intermediate point in a third country on the given route, except for passengers and their accompanied baggage which have been disembarked at that intermediate point by the designated airline and subsequently reembarked during the validity of the ticket (but in no event later than one year from the date of disembarkation) and which are moving under a passenger ticket and baggage check providing for transportation on scheduled flights on each segment of the route between the two Contracting Parties; and

(3) The right to pick up passengers, baggage, cargo and mail in the territory of the other Contracting Party, but without the right to pick up passengers, baggage, cargo and mail destined for any intermediate point in a third country on the given route, except for passengers and their accompanied baggage which are to be disembarked at that intermediate point and subsequently reembarked by the designated airline during the validity of the ticket (but in no event later than one year from the date of disembarkation) and which are moving under a passenger ticket and baggage check providing for transportation on scheduled flights on each segment of the route between the two Contracting Parties.

4. In addition to the rights specified in paragraph 3 above, each designated airline shall have the right, subject to paragraph 5 below, to pick up and discharge passengers, baggage, cargo and mail in the territory of the other Contracting Party which are to be discharged or have been picked up at any intermediate point in a third country on the given route.

5. Each designated airline may operate up to two roundtrip flights per week through March 31, 1974, up to three roundtrip flights per week during the 1974 summer traffic season (April 1, 1974–October 31, 1974), up to two roundtrip flights per week during the 1974/75 winter traffic season (November 1, 1974–March 31, 1975), and thereafter such number of flights as is subsequently agreed between the Contracting Parties. The designated airline of the United States may exercise the right specified in paragraph 4 above on one of its flights. designated airline of the Soviet Union may exercise the right specified in paragraph 4 above on one of its flights.

6. The intermediate points referred to in Table I of this Annex shall be any two of the following: Amsterdam, Copenhagen, Paris, London, Frankfurt, and Brussels; and the intermediate points referred to in Table II shall be any two of the following: London, Amsterdam, Frankfurt, Copenhagen, Brussels and Paris. At the beginning of each summer and winter traffic season, each designated airline may change from one combination of two intermediate points to another combination of two intermediate points for that season. No more than one intermediate point may be served on each flight. The intermediate point or points may, at the option of each designated airline, be omitted on any or all flights.

7. Each designated airline may make a change of gauge at any intermediate point in Europe listed in paragraph 6 above provided that:

(1) carriage beyond the point of change of gauge will be performed by a single aircraft of capacity equal to or less (in the case of services outbound from the homeland) or equal to or more (in the case of services inbound to the homeland) than that of the arriving aircraft, and

(2) aircraft for such beyond carriage will be scheduled only in coincidence with the incoming aircraft (with the same flight number) to insure true and genuine continuing service.

AGREED SERVICES

TABLE I

For the Union of Soviet Socialist Republics:

Moscow to New York or Washington (Dulles) and return, via the intermediate points listed in paragraph 6 of the Annex. New York and Washington will be served on separate flights. Technical stops will be limited to those listed in Article II of the Supplementary Agreement, as amended.

TABLE II

For the United States of America:

New York to Leningrad or Moscow, and return, via the intermediate points listed in paragraph 6 of the Annex. Leningrad and Moscow will be served on separate flights. Technical stops will be limited to those listed in Article II of the Supplementary Agreement, as amended.

NOTE: The protocol was signed in a ceremony at the Department of State on Saturday, June 23, 1973.

The text of the protocol was released at San Clemente, Calif.

Reception Honoring General Secretary Brezhnev

Exchange of Remarks Between the President and General Secretary Leonid Ilyich Brezhnev at a Reception at the President's Home in San Clemente, Calif. June 23, 1973

THE PRESIDENT. *Mr. General Secretary and all of our distinguished guests:*

We have met in Washington and also at Camp David, and as this historic week is concluded we think it is most appropriate that we meet here in California.

Mr. General Secretary, I told you a lot about California, our most populous State, our most diverse State. There are 20 million people who would like to be here tonight

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to welcome you, but these are representative of California, and they receive you, as you note, very warmly.

As you have pointed out, the name of this house is La Casa Pacifica, which means "The House of Peace," and in Russian, I just heard him translate it, that is *Dom Mira.*

The General Secretary thought this was a particularly appropriate place—this house and this State—on the Pacific, to have our concluding talks. We believe that the agreements that we have reached this week will contribute to the peaceful world that everybody here wants and that the General Secretary and I have been working for in our respective positions.

As we look back to this day, we hope that this name, "The House of Peace," will be a reality—a reality in terms of the agreements that have been reached and in terms of the promise those agreements mean for not just the Soviet people and the American people, but for all the people of the world.

Mr. General Secretary, we are going to meet all the guests, but I should point out to our guests that we will have in our receiving line, in addition to Mrs. Nixon and the General Secretary, Foreign Minister Gromyko, Ambassador and Mrs. Dobrynin, both of whom have come from Washington, and Secretary of State and Mrs. Rogers.

Incidentally, the Secretary of State is celebrating his birthday, and nobody has celebrated his 60th birthday more often and in more auspicious places than the Secretary of State. We celebrated it Wednesday when the General Secretary toasted him 2 days in advance at Camp David. The next day we celebrated it in the Soviet Embassy at the brilliant dinner party given there when both the General Secretary and I toasted him, thinking that was either the day or the day before. We finally learned from Mrs. Rogers that today is the day, so we say "Happy Birthday to the Secretary of State."

Then, finally, in this distinguished company, our leaders from political and business life, as well as some of the people that both of us have seen and admired on the screen. I find in my personal chats with the General Secretary that he likes western movies as well as some others, but he likes westerns in particular, and so do I. We have several western movie stars that you will recognize.

But because this is a house of peace, everyone of them has checked his holster belt with the pistols at the door before he came in. [*Laughter*]

GENERAL SECRETARY BREZHNEV. Ladies and gentlemen, I have spent already several days in the United States of America. Every day, President Nixon arranges for me and for the comrades who are accompanying me on this trip new surprises. I would also say that we are conducting very necessary and important negotiations and we have already managed to sign quite important agreements which are confirming and consolidating the good, friendly relations which are existing between our peoples and between our states, and I might stress that especially significant in this respect is the agreement we have concluded yesterday on the prevention of nuclear war.

Every day, I meet old acquaintances in America, and I make new friendships, and this is a fact which is a fact of great pleasure.

I would like to stress that it is important that today I am here in the home of the President and Mrs. Nixon, and I feel happy. We are continuing with our serious and beneficial work here, and we have spent many hours in business-like negotiations.

Today, here on the territory of California near to the home of the President, I have addressed the American people through American television. I am not sure when they will have this program, today or tomorrow, but when you see it, you will hear my thoughts and the thoughts of the Soviet people.

I would very much like that the name of this house, La Casa Pacifica, would be symbolic. I would very much like that our relations go down in history as relations of peace, of friendship, of mutual respect between our peoples so that there is no more war.

And in conclusion, I would like to express my gratitude to the President and Mrs. Nixon for this wonderful party which he arranged for us today. I believe that this gathering will permit me to acquaint myself with the representatives of various walks of life, of various professions, and I feel very happy and grateful.

And to all of you, I would like to wish good health, personal happiness, and success in all your endeavors.

Mr. President, I would also like to congratulate you and all the American people on the successful completion of the heroic space flight, on the occasion of the successful return of your astronauts, and I would like to wish them new successes in this very important area of human discovery and knowledge, and please convey my best greetings to them.

I would like to wish that our space men continue their cooperation. I would like to wish them new, brilliant successes in their wonderful profession which combines courage with science.

Of course, I cannot but mention what has happened here—by the way, I was the first who congratulated Secretary of State Rogers on his birthday, and now I am all confused. What is really the day when Secretary of State Rogers was born? [*Laughter*] But anyway, I would like to say that I also congratulate Mr. Rogers and wish him all the best.

THE PRESIDENT. You will be interested to know that the General Secretary's speech on television, which was filmed right here at the Western White House this afternoon, will be carried Sunday night. When I was in the

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Soviet Union, my remarks were carried to the Soviet audience, and his remarks will be carried to the American people.

NOTE: The President spoke at 5:00 p.m., P.d.t., at a poolside reception at his residence in San Clemente, Calif. Among those attending the reception honoring General Secretary Brezhnev were California business and political leaders and celebrities from the entertainment industry.

General Secretary Brezhnev spoke in Russian, and his remarks were translated by an interpreter.

As printed above, this item follows the text of the White House press release.

VISIT OF GENERAL SECRETARY BREZHNEV OF THE SOVIET UNION

Exchange of Remarks Between the President and General Secretary Brezhnev at the Conclusion of Their Meetings at the Western White House. June 24, 1973

THE PRESIDENT. *Mr. General Secretary, all of our distinguished guests from the Soviet Union, and ladies and gentlemen:*

Just last Monday, when you, Mr. General Secretary, arrived in Washington, I made the remark that in addition to the millions of people in the Soviet Union and in the United States who were seeing us on television, that millions more throughout the world were watching what we might do this week.

As we have just completed our visit by signing this Joint Communique, I think we can say with great satisfaction that in our actions this week we have not disappointed the hopes of the people of the world.

First, we have built on the strong foundation that we laid a year ago in the relations between our two countries in adopting a number of significant agreements for cooperation. We have also built on the beginning that we made a year ago with regard to the limitation of nuclear arms. But the most significant agreement was the one we signed Friday, which was truly a landmark agreement, not only between the relations of our countries, but also a landmark agreement for the whole world.

When the two strongest nations of the world agree not to use force or threats of force in their relations with each other, and also not to use force or threats of force in their relations with other nations, this action indeed gives profound hope to those throughout the world who want peace, because there can only be true peace in a world in which the weak are as safe as the strong, and by our agreements, we have dedicated ourselves to building that kind of world.

In speaking of this, I think, too, that the agreement that we have signed, all of the agreements, take on added meaning because of the personal relationship that we developed a year ago and that we have built on this year.

All who have studied history know that an agreement means nothing unless there is the will of the parties to keep it, and, Mr. General Secretary, as you know from our long talks at Camp David, in Washington, and here at San Clemente, we have the will to keep all the agreements we have made, and particularly the one that we signed Friday.

And having that will, it means that we are dedicating ourselves to build a new era not only of peace between our two great countries, but of building an era in which there can be peace for all the people of the world.

When you return to the Soviet Union, I would appreciate it very much if you would extend to the millions of people in your country the

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good wishes, the friendship, of the millions of people in the United States, because I am sure that there are many Americans who would like personally to give that message to your people. And you can tell them that the American people—not just the American leaders, but the American people—welcome the opportunity to work with the people of the Soviet Union to build peace between each other and peace for the world.

GENERAL SECRETARY BREZHNEV. *Mr. President, ladies and gentlemen:*

Today, when our visit draws to an end and the day of our departure grows closer, I am very happy, indeed, to have this opportunity once again to express my gratitude to the President of the United States for the hospitality that was accorded to me and all my colleagues present here in California. It has been very pleasant, indeed, for me to be able to visit this wonderful part of the United States, and I want also to express my gratitude to all Californians and to all the people of the United States.

I had an opportunity to do so in the television address which, however, you will only be seeing tonight, so I do want to do that again, to express my gratitude again on this wonderful morning.

As we said at the start of our meeting, we must work hard in the interests of our peoples, in the interest of the great and noble aims of defending peace and developing friendly relations between our peoples, and we can now say quite safely that we certainly did that.

We have done some very serious work together, and we have achieved complete agreement on several important issues which are of prime concern to our peoples, and I can certainly say that all the people in the Soviet Union will welcome what has been achieved.

All of the agreements that we and our colleagues signed in the course of this week are important, but those that you and I signed, Mr. President, last Friday were particularly important. And they were indeed happy events not only for the peoples of the Soviet Union and the United States. I am certain that all the people of the world will salute and welcome the agreements we signed.

In these very pleasant days spent in the United States, I had a very good opportunity to meet with some of your Senators, with representatives of the business community, and, yesterday, I had the very great pleasure of meeting quite a few Californians, belonging to various walks of life and various professions.

But apart from all the talks we had and all the formal meetings, I was very happy to note—and I was also told this by my colleagues who, too, have been meeting with many Americans during this visit—and I am particularly happy that I was able a couple of days ago to chat briefly with a group of American correspondents—and everyone I talked to has said that they are happy over the results achieved during this visit.

And so, that is a source of very special joy. I am therefore leaving the United States with very good feelings and with the conviction that the agreements and documents we signed will be unanimously approved in the United States as they undoubtedly will in the Soviet Union, and that moreover, they will be approved and welcomed by the nations of the entire world, and that is something that gives us added strength and new vigor and a desire to go on working hard, so that maybe in 6 or 8 months' time, as the President wishes, we will be able to meet again when the President comes to Moscow, and when we do that, we will move still

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further ahead the very important achievements started last year in May. And he will come to the Soviet Union confident that we will prepare and sign new and more important agreements which will develop all that was started so well last year in Moscow.

In conclusion, permit me once again to express my very sincere gratitude to you, Mr. President, to Mrs. Nixon, to all your colleagues, and to all those who have come here to be with us this morning. For that, I am indeed grateful, and so, as I leave you, I wish to say not farewell but goodby until we meet again.

Mr. President, you will agree with me if I say in all of our work during this visit, you and your colleagues, American statesmen, just as I and all of my colleagues here did not strictly observe the rules of protocol and we devoted the greater part of our time to hard work. In fact, suffice it to say that last night, we went on working until the early hours of this morning, and we did some very good work together.

But perhaps for that reason, I simply omitted to say one thing in my remarks and that is the following: The United States is a very great, a very big country, a country with a population of over 220 million people, and I and all my colleagues in Moscow, and those who are with me on this visit, would like to express our deep appreciation and gratitude to all Americans who support what we have done and are doing and who take a correct view and correctly appreciate our policy and our line of conduct and who, in thus doing so, are helping us in our work, and I, therefore, trust that the peaceful policies pursued by the President and by the United States Government under him will be supported by the people.

It is a policy aimed at ensuring and strengthening peace, cooperation and security in the interests of our two countries, but also, in the interests of all other nations, big and small, throughout the world, and for this, I wish to express my appreciation also.

I ask all of your colleagues, Mr. President, and mine, to draw up closer to us so that we could all be in this historic picture together.

NOTE: The President spoke at 9:37 a.m., P.d.t., on the grounds of his residence in San Clemente, Calif. General Secretary Brezhnev spoke in Russian, and his remarks were translated by an interpreter.

As printed above, this item follows the text of the White House press release.

Address by General Secretary Brezhnev

The General Secretary's Radio and Television Address to the American People. June 24, 1973

Dear Americans:

I highly appreciate this opportunity of directly addressing the people of the United States on my visit to your country.

I would like, first of all, to convey to all of you the greetings and friendly feelings of millions of Soviet people who are following with great interest my visit to your country and our talks with President Nixon, and who are looking forward to this new Soviet-American summit meeting making a fruitful contribution to better relations between our countries and stronger universal peace.

Our discussions with President Nixon and other United States Government officials have been going on for several days, and they have been very intensive indeed. We came to this country anticipating that these would be responsible negotiations devoted to major questions bearing on the development of Soviet-American relations and to a search for ways in which our two nations could promote the further invigoration of the entire international atmosphere. Today I have every reason to say that those hopes were justified. We are satisfied with the way the talks

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went and with the results already achieved. New agreements have been signed in Washington, and in many respects they broaden the sphere of peaceful and mutually advantageous cooperation between the United States of America and the Union of Soviet Socialist Republics. Another big step has been taken along the path that we jointly mapped out a year ago during our meeting in Moscow.

Let me say frankly that personally I am also pleased that this visit has given me an opportunity to gain some first-hand impressions of America, to see some aspects of the American way of life, to meet with prominent government and public leaders of your country, and to have some contact with the life of Americans.

You are well aware that, in the past, relations between our countries developed very unevenly. There were periods of stagnation; there were ups and downs. But I guess I would not be making a mistake if I said that the significance of good relations between the Soviet Union and the United States has always been quite clear to the more farsighted statesmen. In this connection we have good reason to recall that this is the year of the 40th anniversary of the establishment of diplomatic relations between our countries on the initiative of President Franklin D. Roosevelt.

In World War II the Soviet Union and the United States became allies and fought side by side against Nazism, which threatened the freedom of nations and civilization itself. The jubilant meeting of Soviet and American soldiers on the Elbe River at the hour of victory over Hitlerism is well remembered in our country.

The wartime alliance could have been expected to usher in a new era of broad peaceful cooperation between the Soviet Union and the United States. I can tell you with confidence that that is what our country wanted. We wanted to cement and develop the good relations whose foundations had been laid during the war.

Things went differently, however. What came was not peace, but the "cold war," a poor substitute for genuine peace. For a long time it poisoned relations between our countries, and international relations as a whole. Some of its dismal influence can unfortunately be felt in certain things to this day.

Under the circumstances, it was no easy task, indeed, to make a turn from mutual distrust to détente, normalization, and mutually advantageous cooperation. It took courage and political foresight; it took a lot of painstaking work. We appreciate the fact that President Nixon and his Administration joined their efforts with ours to really put Soviet-American relations on a new track.

I have heard that the American political vocabulary includes the expression, "to win the peace." The present moment in history is, I believe, perhaps the most suitable occasion to use that expression. We jointly won the war. Today our joint efforts must help mankind win a durable peace. The possibility of a new war must be eliminated.

The outcome of the two meetings between the leaders of the Soviet Union and the United States and the practical steps taken in the intervening year convincingly show that important results have already been attained. It transpired that a reasonable and mutually acceptable approach to many problems, which previously seemed insoluble, can in fact be found. Not so long ago I suppose it would have been hard even to imagine the possibility of such progress.

Last year's agreements are, on the whole, being successfully implemented. Tangible progress is being made in almost all spheres—and it is a progress secured through joint efforts. The inauguration of a regular passenger shipping line between Leningrad and New York, the establishment of Consulates General in Leningrad and San Francisco, the initiation of friendly ties between Soviet and American cities, and livelier athletic exchanges are all becoming part of the daily lives of the peoples of our two countries today.

The best possible evidence that Soviet-American relations are moving ahead, and not marking time, is provided by the important document signed the other day by President Nixon and myself, the agreement between the Soviet Union and the United States on the prevention of nuclear war. I trust I will not be accused of making an overstatement if I say that this document is one of historic significance.

The Union of Soviet Socialist Republics and the United States of America have concluded an agreement to prevent the outbreak of nuclear war between themselves and to do their utmost to prevent the outbreak of nuclear war generally. It is surely clear how important this is for the peace and tranquillity of the peoples of our two countries and for the improvement of the prospects for a peaceful life for all mankind.

Even if our second meeting with the President of the United States yielded no other results, it could still be said with full grounds that it will take a fitting place in the annals of Soviet-American relations and in international affairs as a whole. The entire world can now see that, having signed last year the fundamental document entitled "Basic Principles of Relations between the Union of Soviet Socialist Republics and the United States of America," our two nations regard it not as a mere declaration of good intent but as a program of vigorous and consistent action, a program they have already begun to implement, and one which they are determined to go on implementing.

It is also of no little significance that our countries have agreed on the main principles of further work to prepare a new agreement on strategic arms limitation, a broader one this time and for far longer duration. This means that the exceptionally important job begun in

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May 1972 in Moscow is continuing. It means that political détente is being backed up by military détente. And this is something from which all the peoples and the very cause of peace stand to gain.

The other day representatives of our two Governments also signed new agreements on Soviet-American cooperation in several specific fields. Together with the earlier agreements concluded during the past year, they make up an impressive file of documents on cooperation between our two nations and our two great peoples in some widely ranging fields: from the peaceful uses of atomic energy to agriculture, and from outer space to the ocean depths.

Of course, the Soviet Union and the United States are countries which are, so to speak, self-sufficient. Until recently that was, in fact, how things were in our relations. However, we, as well as many Americans, realize only too well that renunciation of cooperation in the economic, scientific, technological, and cultural fields is tantamount to both sides turning down substantial extra benefits and advantages. And, most important, such a renunciation would be so pointless as to defy any reasonable argument. This is particularly true of economic ties. Today, I believe, both you and we would agree that in this area it is not enough simply to overcome such an anomaly generated by the "cold war" as the complete freezing of Soviet-American trade. Life poses questions of far greater importance. I have in mind, above all, such forms of economic relations as stable large-scale ties in several branches of the economy and long-term scientific and technological cooperation, and in our age this is very important. The contacts we have had with American officials and businessmen confirm that it is along these lines that the main prospects for further economic cooperation between our countries can be traced.

It is alleged at times that the development of such cooperation is one-sided and only benefits the Soviet Union. But those who say so are either completely ignorant of the real state of affairs or deliberately turn a blind eye to the truth.

And the truth is that broader and deeper economic cooperation in general, and the long-term and large-scale deals, which are now either being negotiated or have already been successfully concluded by Soviet organizations and American firms, are bound to yield real and tangible benefits to both sides. This is something that has been confirmed quite definitely by American businessmen whom I have had an opportunity to talk with both in this country and, earlier, in Moscow. It was in that context that we discussed the matter with President Nixon, too.

To this I would like to add that both the Soviet leadership and, as I see it, the United States Government attach particular importance to the fact that the development of long-term economic cooperation will also have very beneficial political consequences. It will consolidate the present trend toward better Soviet-American relations generally.

Prospects for the broad development of Soviet-American exchanges in culture and the arts are, as we see it, also good. Both our countries have much to share in this field. To live at peace, we must trust each other, and to trust each other, we must know each other better. We, for our part want Americans to visualize our way of life and our way of thinking as completely and correctly as possible.

By and large, we can say that quite a lot has already been done to develop Soviet-American relations. Yet we are still only at the beginning of a long road. Constant care is needed to preserve and develop the new shoots of good relationships. Tireless efforts are needed to define the most essential and most suitable forms of cooperation in various fields. Patience is needed to understand the various specific features of the other side and to learn to do business with each other.

I believe those who support a radical improvement in relations between the Soviet Union and the United States can look to the future with optimism, for this objective meets the vital interests of both our nations and the interests of peace-loving people all over the world.

The general atmosphere in the world depends to no small extent on the climate prevailing in relations between our two countries. Neither economic or military might nor international prestige give our countries any special privileges, but they do invest them with special responsibility for the destinies of universal peace and for preventing war. In its approach to ties and contacts with the United States, the Soviet Union is fully aware of that responsibility.

We regard the improvement of Soviet-American relations not as an isolated phenomenon, but as an integral—and very important—part of the wider process of radically improving the international atmosphere. Mankind has outgrown the rigid "cold war" armor which it was once forced to wear. It wants to breathe freely and peacefully. And we will be happy if our efforts to better Soviet-American relations help draw more and more nations into the process of détente—be it in Europe or Asia, in Africa or Latin America, in the Middle or the Far East.

We regard it as a very positive fact that the normalization of Soviet-American relations is contributing to the solution of the great and important problem of consolidating peace and security in Europe and of convening the all-European conference.

The improvement of Soviet-American relations undoubtedly played its useful role in promoting the termination of the long drawn-out war in Vietnam. Now that the agreement ending the Vietnam war has come into effect and both our countries, together with other nations are signatories to the document of the Paris Conference on Vietnam, it seems to us to be particularly important that

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the achieved success be consolidated and that all the peoples of Indochina be given the chance to live in peace.

There still exist hotbeds of dangerous tension in the world. In our discussions with President Nixon we touched upon the situation in the Middle East, which is still very acute. We believe that in that area justice should be assured as soon as possible and a stable peace settlement reached that would restore the legitimate rights of those who suffered from the war and ensure the security of all the peoples of that region. This is important for all the peoples of the Middle East, with no exception. It is also important for the maintenance of universal peace.

In short, the ending of conflicts and the prevention of new crisis-fraught situations is an essential condition for creating truly reliable guarantees of peace. And our two countries are called upon to make a worthy contribution to that cause. In our discussions President Nixon and I have devoted a great deal of attention to these matters.

I would like to emphasize at this point that in discussing questions of our bilateral relations and international problems of a general nature we invariably took into account the fact that both the Soviet Union and the United States have their own allies and their own obligations toward various other states. It should be stated quite definitely that our talks, both in their spirit and in the letter of the signed agreements, fully take that fact into consideration.

But the main purport of all that we discussed and agreed upon with President Nixon in the field of international affairs is the firm determination of both sides to make good relations between the U.S.S.R. and the U.S.A. a permanent factor of international peace.

In our time—and I am sure you know this—there are still too many people who would rather make noise about military preparations and the arms race than discuss problems of détente and peaceful cooperation in a constructive spirit.

What can be said on that account?

The Soviet people are perhaps second to none when it comes to knowing what war means. In World War II we won a victory of world-historic significance. But in that war over 20 million Soviet citizens died, 70,000 of our towns and villages were devastated, and one-third of our national wealth was destroyed.

The war wounds have now been healed. Today the Soviet Union is a mightier and more prosperous country than ever before. But we remember the lessons of the war only too well, and that is why the peoples of the Soviet Union value peace so highly; that is why they strongly approve the peace policy of our Party and Government.

For us peace is the highest achievement to which all men should strive if they want to make their life a worthy one. We believe in reason, and we feel that this belief is shared also by the peoples of the United States and of other nations. If that belief were lost, or if it were obscured by a blind faith in strength alone, in the power of nuclear arms, or some other kind of weapon, the fate of civilization—of humanity itself—would be miserable indeed.

Our path has not been an easy one. Our people are proud that in a historically short period of time, after the victory of the Socialist Revolution, backward Russia transformed itself into a major industrial power and achieved outstanding successes in science and culture. We take pride in having built a new society—a most stable and confidently developing society—which has assured all our citizens of social justice and has made the values of modern civilization the property of all the people. We are proud that dozens of previously oppressed nations and nationalities in our country have become genuinely equal, and that in our close-knit family of nations they are developing their economy and culture.

We have great plans for the future. We want to raise considerably the living standards of the Soviet people. We want to make new advances in education and medicine. We want to make our villages and towns more comfortable to live in and more beautiful. We have drafted programs to develop the remote areas of Siberia, the North and the Far East, with their immense natural resources And every Soviet individual is deeply conscious of the fact that the realization of those plans requires peace and peaceful cooperation with other nations.

Of course, like any other country, we have quite a few problems and quite a few shortcomings. But the solution to all the problems we face requires, as in the case of other nations, not war or an artificial fanning of tensions, but peace and creative labor, which, we are convinced are the only things that can guarantee well-being and abundance of material and spiritual benefits for all members of society.

I have attempted to give a brief account of the thoughts and plans of the Soviet people and to explain the nature of the Soviet Union's foreign policy. Its peaceful essence stems from the very core of our society. And it is by no mere chance that the very concept of peaceful coexistence which today is turning more and more into a universally recognized basis for the development of relations between states with different social systems, was evolved by Vladimir Ilyich Lenin, the founder of the Soviet state.

You probably know that 2 years ago the 24th Congress of our ruling party, the Communist Party of the Soviet Union, approved the Soviet Peace Program, which is a concrete embodiment of the policy of peaceful coexistence in modern conditions. It is a program of active contribution to international détente and to securing a truly lasting peace on earth for many generations to come. It expresses not only the convictions and intentions of our people but also, we are sure, the aspirations of millions and

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millions of peace-loving people all over the world. We are implementing this program, working hand-in-hand with our friends and allies, the socialist countries. On the basis of this program we seek to build relations of good will and mutually beneficial cooperation with all countries that have a similar desire. And the improvement of Soviet-American relations occupies its rightful place in that program.

Dear viewers, the importance and complexity of the problems on the agenda of our talks with President Nixon, of our meeting and discussions with members of the Senate Foreign Relations Committee, headed by Senator Fulbright, and with prominent representatives of the American business community, called for a tight work schedule on this visit.

As I have already pointed out, these were fruitful discussions held in a good atmosphere. This gives us a feeling of satisfaction.

At the same time, I do personally regret that the extreme pressure of business has not given me and my colleagues who accompanied me and took part in our work a chance to see more of your country. While still in Moscow, and then here, in the United States, I received many warm letters from various American cities, organizations, companies, and private citizens kindly inviting me to visit this or that town, to see plants, farms, and universities, or to be a guest in the homes of Americans. I am taking this opportunity to express my sincere gratitude to all those who wrote such letters. I regret that, for the reasons I have just mentioned, I was unable to take up those invitations.

Of course, it would have been interesting to visit New York and Chicago and Detroit and Los Angeles, to see some of your industrial projects and farms, to talk to American working people, whose achievements are admired by Soviet people. Perhaps the future will offer such an opportunity, especially since President Nixon and I have definitely agreed that in the future our contacts will be placed on a regular footing. We are looking forward to President Nixon's visit to the Soviet Union next year.

But even though this brief visit did not give me a chance to see as much as I would like to in America, I nevertheless have every reason, when I return home, to tell my colleagues and all Soviet people both about the important political results of the visit and about the atmosphere of good will and the trend in favor of peace, of détente, and of improving relations between our two countries. It is a trend which we felt during our stay in the United States and during our contacts with government and public leaders of your country, and with many American citizens. I can assure you that these feelings are fully shared by Soviet people.

I do not believe I will be divulging a major secret if I tell you that in my talks with President Nixon over the last few days we not only addressed ourselves to current political problems but also tried to look ahead and to take into account the future interests of the peoples of both our countries. In so doing we proceeded from the assumption that in politics, those who do not look ahead will inevitably find themselves in the rear, among the stragglers. A year ago in Moscow we laid the foundation for improving Soviet-American relations. Now this great and important objective has been successfully brought closer. It is our hope that this trend will continue, for it meets the interests of our two great peoples and of all mankind.

In conclusion, I want to express my sincere gratitude to the American people, to the President and the Government of the United States for their hospitality, for their kindness, and numerous expressions of warm feelings toward the Soviet people and us, their representatives.

Dear Americans, please accept my wishes for well-being and happiness to all of you.

Thank you.

NOTE: General Secretary Brezhnev taped the address at the Western White House in San Clemente, Calif., for broadcast on nationwide radio and television at 6 p.m., e.d.t., Sunday, June 24, 1973.

VISIT OF GENERAL SECRETARY BREZHNEV OF THE SOVIET UNION

Text of the Joint United States-Soviet Communique Issued at the Conclusion of Summit Meetings Between the President and General Secretary Brezhnev. Dated June 24, 1973. Released June 25, 1973

At the invitation of the President of the United States, Richard Nixon, extended during his official visit to the USSR in May 1972, and in accordance with a subsequent agreement, General Secretary of the Central Committee of the Communist Party of the Soviet Union, Mr. Leonid I. Brezhnev, paid an official visit to the United States from June 18 to June 25. Mr. Brezhnev was accompanied by A. A. Gromyko,

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Minister of Foreign Affairs of the USSR, Member of the Politbureau of the Central Committee, CPSU; N. S. Patolichev, Minister of Foreign Trade; B. A. Bugayev, Minister of Civil Aviation; G. E. Tsukanov and A. M. Aleksandrov, Assistants to the General Secretary of the Central Committee, CPSU; L. I. Zamyatin, General Director of TASS; E. I. Chazov, Deputy Minister of Public Health of the USSR; G. M. Korniyenko, Member of the Collegium of the Ministry of Foreign Affairs of the USSR; G. A. Arbstov, Director of the USA Institute of the Academy of Sciences of the USSR.

President Nixon and General Secretary Brezhnev held thorough and constructive discussions on the progress achieved in the development of US-Soviet relations and on a number of major international problems of mutual interest.

Also taking part in the conversations held in Washington, Camp David, and San Clemente, were:

On the American side William P. Rogers, Secretary of State; George P. Shultz, Secretary of the Treasury, Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs.

On the Soviet side A. A. Gromyko, Minister of Foreign Affairs of the USSR, Member of the Politbureau of the Central Committee, CPSU; A. F. Dobrynin, Soviet Ambassador to the USA; N. S. Patolichev, Minister of Foreign Trade; B. P. Bugayev, Minister of Civil Aviation; A. M. Aleksandrov and G. E. Tsukanov, Assistants to the General Secretary of the Central Committee, CPSU; G. M. Korniyenko, Member of the Collegium of the Ministry of Foreign Affairs of the USSR.

I. The General State of US-Soviet Relations

Both Sides expressed their mutual satisfaction with the fact that the American-Soviet summit meeting in Moscow in May 1972 and the joint decisions taken there have resulted in a substantial advance in the strengthening of peaceful relations between the USA and the USSR and have created the basis for the further development of broad and mutually beneficial cooperation in various fields of mutual interest to the peoples of both countries and in the interests of all mankind. They noted their satisfaction with the mutual effort to implement strictly and fully the treaties and agreements concluded between the USA and the USSR, and to expand areas of cooperation.

They agreed that the process of reshaping relations between the USA and the USSR on the basis of peaceful coexistence and equal security as set forth in the Basic Principles of Relations Between the USA and the USSR signed in Moscow on May 29, 1972 is progressing in an encouraging manner. They emphasized the great importance that each Side attaches to these Basic Principles. They reaffirmed their commitment to the continued scrupulous implementation and to the enhancement of the effectiveness of each of the provisions of that document.

Both Sides noted with satisfaction that the outcome of the US-Soviet meeting in Moscow in May 1972 was welcomed by other States and by world opinion as an important contribution to strengthening peace and international security, to curbing the arms race and to developing businesslike cooperation among States with different social systems.

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Both Sides viewed the return visit to the USA of the General Secretary of the Central Committee of the CPSU, L. I. Brezhnev, and the talks held during the visit as an expression of their mutual determination to continue the course toward a major improvement in US-Soviet relations.

Both Sides are convinced that the discussions they have just held represent a further milestone in the constructive development of their relations.

Convinced that such a development of American-Soviet relations serves the interests of both of their peoples and all of mankind, it was decided to take further major steps to give these relations maximum stability and to turn the development of friendship and cooperation between their peoples into a permanent factor for worldwide peace.

II. The Prevention of Nuclear War and the Limitation of Strategic Armaments

Issues related to the maintenance and strengthening of international peace were a central point of the talks between President Nixon and General Secretary Brezhnev.

Conscious of the exceptional importance for all mankind of taking effective measures to that end, they discussed ways in which both Sides could work toward removing the danger of war, and especially nuclear war, between the USA and the USSR and between either party and other countries. Consequently, in accordance with the Charter of the United Nations and the Basic Principles of Relations of May 29, 1972, it was decided to conclude an Agreement Between the USA and the USSR on the Prevention of Nuclear War. That Agreement was signed by the President and the General Secretary on June 22, 1973. The text has been published separately.

The President and the General Secretary, in appraising this Agreement, believe that it constitutes a historical landmark in Soviet-American relations and substantially strengthens the foundations of international security as a whole. The United States and the Soviet Union state their readiness to consider additional ways of strengthening peace and removing forever the danger of war, and particularly nuclear war.

In the course of the meetings, intensive discussions were held on questions of strategic arms limitation. In this connection both Sides emphasized the fundamental importance of the Treaty on the Limitation of Anti-Ballistic Missile Systems and the Interim Agreement on Certain Measures with Respect to the Limitation of Strategic Offensive Arms signed between the USA and the USSR in May 1972 which, for the first time in history, place actual limits on the most modern and most formidable types of armaments.

Having exchanged views on the progress in the implementation of these agreements, both Sides reaffirmed their intention to carry them out and their readiness to move ahead jointly toward an agreement on the further limitation of strategic arms.

Both Sides noted that progress has been made in the negotiations that resumed in November 1972, and that the prospects for reaching a permanent agreement on more complete measures limiting strategic offensive armaments are favorable.

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Both Sides agreed that the progress made in the limitation of strategic armaments is an exceedingly important contribution to the strengthening of US-Soviet relations and to world peace.

On the basis of their discussions, the President and the General Secretary signed on June 21, 1973, Basic Principles of Negotiations on the Further Limitation of Strategic Offensive Arms. The text has been published separately.

The USA and the USSR attach great importance to joining with all States in the cause of strengthening peace, reducing the burden of armaments, and reaching agreements on arms limitation and disarmament measures.

Considering the important role which an effective international agreement with respect to chemical weapons would play, the two Sides agreed to continue their efforts to conclude such an agreement in cooperation with other countries.

The two Sides agree to make every effort to facilitate the work of the Committee on Disarmament which has been meeting in Geneva. They will actively participate in negotiations aimed at working out new measures to curb and end the arms race. They reaffirm that the ultimate objective is general and complete disarmament, including nuclear disarmament, under strict international control. A world disarmament conference could play a role in this process at an appropriate time.

III. International Questions: The Reduction of Tensions and Strengthening of International Security

President Nixon and General Secretary Brezhnev reviewed major questions of the current international situation. They gave special attention to the developments which have occurred since the time of the US-Soviet summit meeting in Moscow. It was noted with satisfaction that positive trends are developing in international relations toward the further relaxation of tensions and the strengthening of cooperative relations in the interests of peace. In the opinion of both Sides, the current process of improvement in the international situation creates new and favorable opportunities for reducing tensions, settling outstanding international issues, and creating a permanent structure of peace.

Indochina

The two Sides expressed their deep satisfaction at the conclusion of the Agreement on Ending the War and Restoring Peace in Vietnam, and also at the results of the International Conference on Vietnam which approved and supported that Agreement.

The two Sides are convinced that the conclusion of the Agreement on Ending the War and Restoring Peace in Vietnam, and the subsequent signing of the Agreement on Restoring Peace and Achieving National Concord in Laos, meet the fundamental interests and aspirations of the peoples of Vietnam and Laos and open up a possibility for establishing a lasting peace in Indochina, based on respect for the independence, sovereignty, unity and territorial integrity of the countries of that area. Both Sides emphasized that these agreements must be strictly implemented.

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They further stressed the need to bring an early end to the military conflict in Cambodia in order to bring peace to the entire area of Indochina. They also reaffirmed their stand that the political futures of Vietnam, Laos, and Cambodia should be left to the respective peoples to determine, free from outside interference.

Europe

In the course of the talks both Sides noted with satisfaction that in Europe the process of relaxing tensions and developing cooperation is actively continuing and thereby contributing to international stability.

The two Sides expressed satisfaction with the further normalization of relations among European countries resulting from treaties and agreements signed in recent years, particularly between the USSR and the FRG. They also welcome the coming into force of the Quadripartite Agreement of September 3, 1971. They share the conviction that strict observance of the treaties and agreements that have been concluded will contribute to the security and well-being of all parties concerned.

They also welcome the prospect of United Nations membership this year for the FRG and the GDR and recall, in this connection, that the USA, USSR, UK and France have signed the Quadripartite Declaration of November 9, 1972, on this subject.

The USA and the USSR reaffirm their desire, guided by the appropriate provisions of the Joint US-USSR Communique adopted in Moscow in May 1972, to continue their separate and joint contributions to strengthening peaceful relations in Europe. Both Sides affirm that ensuring a lasting peace in Europe is a paramount goal of their policies.

In this connection satisfaction was expressed with the fact that as a result of common efforts by many States, including the USA and the USSR, the preparatory work has been successfully completed for the Conference on Security and Cooperation in Europe, which will be convened on July 3, 1973. The USA and the USSR hold the view that the Conference will enhance the possibilities for strengthening European security and developing cooperation among the participating States. The USA and the USSR will conduct their policies so as to realize the goals of the Conference and bring about a new era of good relations in this part of the world.

Reflecting their continued positive attitude toward the Conference, both Sides will make efforts to bring the Conference to a successful conclusion at the earliest possible time. Both Sides proceed from the assumption that progress in the work of the Conference will produce possibilities for completing it at the highest level.

The USA and the USSR believe that the goal of strengthening stability and security in Europe would be further advanced if the relaxation of political tensions were accompanied by a reduction of military tensions in Central Europe. In this respect they attach great importance to the negotiations on the mutual reduction of forces and armaments and associated measures in Central Europe which will begin on October 30, 1973. Both Sides state their readiness to make, along with other States, their contribution to the achievement of mutually acceptable decisions on the substance of this problem, based on the strict observance of the principle of the undiminished security of any of the parties.

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Middle East

The parties expressed their deep concern with the situation in the Middle East and exchanged opinions regarding ways of reaching a Middle East settlement.

Each of the parties set forth its position on this problem.

Both parties agreed to continue to exert their efforts to promote the quickest possible settlement in the Middle East. This settlement should be in accordance with the interests of all states in the area, be consistent with their independence and sovereignty and should take into due account the legitimate interests of the Palestinian people.

IV. Commercial and Economic Relations

The President and the General Secretary thoroughly reviewed the status of and prospects for commercial and economic ties between the USA and the USSR. Both Sides noted with satisfaction the progress achieved in the past year in the normalization and development of commercial and economic relations between them.

They agreed that mutually advantageous cooperation and peaceful relations would be strengthened by the creation of a permanent foundation of economic relationships.

They recall with satisfaction the various agreements on trade and commercial relations signed in the past year. Both Sides note that American-Soviet trade has shown a substantial increase, and that there are favorable prospects for a continued rise in the exchange of goods over the coming years.

They believe that the two countries should aim at a total of 2–3 billion dollars of trade over the next three years. The Joint US-USSR Commercial Commission continues to provide a valuable mechanism to promote the broad-scale growth of economic relations. The two Sides noted with satisfaction that contacts between American firms and their Soviet counterparts are continuing to expand.

Both sides confirmed their firm intention to proceed from their earlier understanding on measures directed at creating more favorable conditions for expanding commercial and other economic ties between the USA and the USSR.

It was noted that as a result of the Agreement Regarding Certain Maritime Matters signed in October 1972, Soviet and American commercial ships have been calling more frequently at ports of the United States and the USSR, respectively, and since late May of this year a new regular passenger line has started operating between New York and Leningrad.

In the course of the current meeting, the two Sides signed a Protocol augmenting existing civil air relations between the USA and the USSR providing for direct air services between Washington and Moscow and New York and Leningrad, increasing the frequency of flights and resolving other questions in the field of civil aviation.

In the context of reviewing prospects for further and more permanent economic cooperation, both Sides expressed themselves in favor of mutually advantageous long term projects. They discussed a number of

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specific projects involving the participation of American companies, including the delivery of Siberian natural gas to the United States. The President indicated that the USA encourages American firms to work out concrete proposals on these projects and will give serious and sympathetic consideration to proposals that are in the interest of both Sides.

To contribute to expanded commercial, cultural and technical relations between the USA and the USSR, the two Sides signed a tax convention to avoid double taxation on income and eliminate, as much as possible, the need for citizens of one country to become involved in the tax system of the other.

A Protocol was also signed on the opening by the end of October 1973 of a Trade Representation of the USSR in Washington and a Commercial Office of the United States in Moscow. In addition a Protocol was signed on questions related to establishing a US-Soviet Chamber of Commerce. These agreements will facilitate the further development of commercial and economic ties between the USA and the USSR.

V. Further Progress in Other Fields of Bilateral Cooperation

The two Sides reviewed the areas of bilateral cooperation in such fields as environmental protection, public health and medicine, exploration of outer space, and science and technology, established by the agreements signed in May 1972 and subsequently. They noted that those agreements are being satisfactorily carried out in practice in accordance with the programs as adopted.

In particular, a joint effort is under way to develop effective means to combat those diseases which are most widespread and dangerous for mankind: cancer, cardiovascular or infectious diseases and arthritis. The medical aspects of the environmental problems are also subjects of cooperative research.

Preparations for the joint space flight of the Apollo and Soyuz spacecraft are proceeding according to an agreed timetable. The joint flight of these spaceships for a rendezvous and docking mission, and mutual visits of American and Soviet astronauts in each other's spacecraft, are scheduled for July 1975.

Building on the foundation created in previous agreements, and recognizing the potential of both the USA and the USSR to undertake cooperative measures in current scientific and technological areas, new projects for fruitful joint efforts were identified and appropriate agreements were concluded.

Peaceful Uses of Atomic Energy

Bearing in mind the great importance of satisfying the growing energy demands in both countries and throughout the world, and recognizing that the development of highly efficient energy sources could contribute to the solution of this problem, the President and General Secretary signed an agreement to expand and strengthen cooperation in the fields of controlled nuclear fusion, fast breeder reactors, and research on the fundamental properties of matter. A Joint Committee on Cooperation in the Peaceful Uses of Atomic Energy will be established to implement this agreement, which has a duration of ten years.

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Agriculture

Recognizing the importance of agriculture in meeting mankind's requirement for food products and the role of science in modern agricultural production, the two Sides concluded an agreement providing for a broad exchange of scientific experience in agricultural research and development, and of information on agricultural economics. A US–USSR Joint Committee on Agricultural Cooperation will be established to oversee joint programs to be carried out under the Agreement.

World Ocean Studies

Considering the unique capabilities and the major interest of both nations in the field of world ocean studies, and noting the extensive experience of US–USSR oceanographic cooperation, the two Sides have agreed to broaden their cooperation and have signed an agreement to this effect. In so doing, they are convinced that the benefits from further development of cooperation in the field of oceanography will accrue not only bilaterally but also to all peoples of the world. A US–USSR Joint Committee on Cooperation in World Ocean Studies will be established to coordinate the implementation of cooperative programs.

Transportation

The two Sides agreed that there are opportunities for cooperation between the USA and the USSR in the solution of problems in the field of transportation. To permit expanded, mutually beneficial cooperation in this field, the two Sides concluded an agreement on this subject. The USA and the USSR further agreed that a Joint Committee on Cooperation in Transportation would be established.

Contacts, Exchanges and Cooperation

Recognizing the general expansion of US-USSR bilateral relations and, in particular, the growing number of exchanges in the fields of science, technology, education and culture, and in other fields of mutual interest, the two Sides agreed to broaden the scope of these activities under a new General Agreement on Contacts, Exchanges, and Cooperation, with a duration of six years. The two Sides agreed to this in the mutual belief that it will further promote better understanding between the peoples of the United States and the Soviet Union and will help to improve the general state of relations between the two countries.

Both Sides believe that the talks at the highest level, which were held in a frank and constructive spirit, were very valuable and made an important contribution to developing mutually advantageous relations between the USA and the USSR. In the view of both Sides, these talks will have a favorable impact on international relations.

They noted that the success of the discussions in the United States was facilitated by the continuing consultation and contacts as agreed in May 1972. They reaffirmed that the practice of consultation should continue. They agreed that further meetings at the highest level should be held regularly.

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Having expressed his appreciation to President Nixon for the hospitality extended during the visit to the United States, General Secretary Brezhnev invited the President to visit the USSR in 1974. The invitation was accepted.

June 24, 1973

RICHARD NIXON
President of the United States of America
L. I. BREZHNEV
General Secretary of the Central Committee, CPSU

NOTE: The text of the joint communique was released at San Clemente, Calif.

Visit of General Secretary Brezhnev of the Soviet Union

News Conference of Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs, on the Joint Communique and the Summit Meeting. June 25, 1973

MR. ZIEGLER. You have the communique, which is embargoed until 1 o'clock, eastern time, and 10 o'clock, Pacific time. Dr. Kissinger is here to discuss that with you and take your questions on the communique and also on the summit between the President and General Secretary.

For the statistics buffs in the press corps, the President and General Secretary spent a total of 47 hours together. They met in formal sessions with advisers or alone for 18¼ hours. In addition, the President and General Secretary were together 28¾ hours at informal gatherings, social functions, and signing ceremonies, and events of that sort.

Q. How much alone, face to face?

MR. ZIEGLER. Almost 10 hours—9½ hours.

DR. KISSINGER. Ladies and gentlemen, I will not go through the communique because I understand you have already had a chance to read it. Let me make a few general observations about the summit and how it fits into the general development of our foreign policy, and then I will take questions about the communique or any other part of the summit which you may wish to raise.

One good way of assessing the results of the summit is to compare last year's communique with this year's communique.

Last year's communique spoke about the desirability of peaceful coexistence. It said: "Having considered various areas of bilateral U.S.-Soviet relations, the two Sides agreed that an improvement in relations is possible and desirable."

This year we say that: "Both Sides are convinced that the discussions they have just held represent a further milestone in the constructive development of their relations.

"Convinced that such a development of American-Soviet relations serves the interests of both of their peoples and all of mankind, it was decided to take further major steps to give these relations maximum stability and to turn the development of friendship and cooperation between their peoples into a permanent factor for worldwide peace."

In other words, what marks the turning point last year, in which the fact of peaceful coexistence required special affirmation and the possibility of improving relations between the United States and the Soviet Union was thought deserving of special note, and this year we are speaking of a continuing relationship.

As a result, as relations between the Soviet Union and the United States proceed along the course that was charted last May, and accelerated this June, we cannot expect that these meetings, which we have affirmed should become a regular part of U.S.-Soviet relationships, will produce a dramatic new departure. It is the strength of this relationship as it develops that the road is charted and that what we expect to see is a further evolution along a path which will be increasingly free of confrontations, and which will become increasingly a part of a stable international system. This is the context in which we see the U.S.-Soviet relationship.

If you look back over previous summit meetings between Soviet and American leaders, they almost invariably occurred in the shadow of some crisis, and they were inevitably directed to removing some source of tension and some cause of confrontation.

In May 1972 we still met in the shadow of the Vietnamese war and the recent decisions that had led to an expansion of military operations in Indochina. But even then, before the first talk enunciated some common principles of conduct and affirmed the desirability of a long-term evolution toward a peaceful and ultimately cooperative relationship between the two states and the two peoples. These expectations were fulfilled over the course of the year, and, therefore, what this summit intended to do was to strengthen the cooperative bonds that had developed in particular areas, to give a new

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impetus to the key areas of negotiations, especially strategic arms limitations and mutual force reductions, and thirdly, to take the joint principles one step further by embodying them in a formal agreement designed to prevent war, and especially nuclear war.

There is nothing I can add to the particular agreements that are enumerated in the communique that deal with the cooperative relationships in various fields and that represent a continuation of a process that started last year.

I can only say from my personal experience in participating in many of these negotiations that what I told you ladies and gentlemen before the summit has been reinforced by the experience of the summit. Many of these agreements do not themselves take the attention and time of the top leaders, and it would be absurd to pretend to you that the General Secretary and the President sit down and discuss the details of the civil aviation agreement, but it is also true that the imminence of their meetings, and the fact that they have determined to give a symbolic expression to this relationship gives an impetus to negotiations that otherwise would drag on for months, and permits the quick resolution of particular issues which, if left to the expert level, could produce extended stalemate. And there is some significance in having the relationship develop on such a broad front, developing on both sides a commitment that is becoming increasingly difficult to reverse.

With respect to the other areas, I have talked to you at some length about the decisions with respect to strategic arms limitation talks. I think you can assume that in addition to what has been stated formally in the agreement on principles, that the two leaders had extensive discussions as to how the process can be accelerated so that a meaningful agreement can be achieved consistent with the deadline that they have set themselves. Therefore, we believe, with considerable hope, that a permanent agreement limiting strategic offensive arms, which would be one of the historic achievements in the field of arms control, can and will be negotiated during the course of 1974.

With respect to the mutual balanced force reductions, we told you before this summit conference that this was not the forum in which to negotiate the specifics. This is a matter of the profoundest concern to our allies, and it had never been intended to discuss the specifics, the specific schemes, at this meeting.

However, as those who have followed the discussions realize, there had been some uncertainty about when these discussions would begin. Prior to the meeting, in the preparatory conferences in Vienna, the Soviet position had tied the opening of the MBFR conference to the ending of the European Security Conference. At this meeting, it was decided that the MBFR conference would begin unconditionally on October 30, and, of course, both leaders agreed that they would make a serious effort to deal with the question of armaments in Central Europe.

The Indochina problem, which last year was a source of contention, has received a common expression in this document.

And finally, there has been the agreement on the prevention of nuclear war. Now, I have seen several comments to the effect that it is nonbinding, that it is not self-enforcing, and no doubt I have contributed to this by comments that reflect my former professorial profession, so let me state our position: that no agreement in history has ever enforced itself. Every agreement in history that has been observed has depended either on the willingness of the parties to observe it or on the willingness of one or the other parties to enforce it, or on the rewards for compliance and the risks of noncompliance.

This agreement is no different from any other agreement in that respect. When great powers make an agreement with each other, they, of course, have the capability of not observing it unless the other side is prepared to draw extreme consequences. But the violation of this agreement would have serious consequences for the whole context of U.S.-Soviet relations, and, conversely, the observance of this agreement can mark, as I said on Friday, a milestone in the achievement of self-restraint by the major countries, a self-restraint which is, by definition, the essence of peace and which we intend to observe, which we expect the Soviet Union to observe, and which can therefore provide the foundation for a new international relationship.

Of course, history is replete with changes of course and we must be vigilant and prepared for such an occurrence, but it is the belief of the President that this period has a unique opportunity to create a new and more peaceful system. It is an opportunity that has come about partly as a result of the enormity of the weapons that would be used in case of a conflict, partly by the depth of human aspiration towards peace, partly as a result of the complexities of a world in which the ideological expectations of any side have not been fully met.

But whatever the reasons, we consider the summit as a further advance along that road, that as these meetings become a regular feature of international life, and as we come to take them more and more for granted, the results will follow paths that will come to seem more and more natural, and we would consider that one of the best signs that a peaceful world is coming into being.

So this is our assessment of the summit and I will be glad to answer any questions on this, or on what I have said, or on the communique, or anything else related to the summit.

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Q. Dr. Kissinger, the communique says positive trends are developing in international relations toward the relaxation of tension and the strengthening of cooperative relations in the interest of peace. I wonder if you would apply that sentence specifically to the Middle East situation and what transpired on it in the summit?

DR. KISSINGER. As you can see from the communique, the Middle East is one of the most complex areas, and it is one in which one has to separate two problems: one, the local tensions; that is, the tensions between the Arab states and Israel, from the so-called great power rivalry in that area. When this Administration came into office, they were inextricably linked. In 1970, the world came close to the brink of war, closer than perhaps was realized generally at the time, over the invasion of Jordan by Syrian tanks, and at that time, every conflict in the Middle East became immediately and inextricably a part of the great rivalry. Even the selection of words by White House briefers was picked up by local newspapers and became a matter of attention in the context of East-West relationships.

Now, I think it is safe to say not that the Soviet Union and we agree on the evolution of the Middle East and how it should be resolved, as the communique makes clear, but I think both sides will make an effort not to become inextricably involved in its conflict with respect to the Arab-Israel conflict.

The communique states that both sides recognize the importance of the solution and that both sides will make efforts to help promote it, and, therefore, we hope that some progress will be made over the course of the year.

Q. Is there any significance in the dropping of the word "balanced" from mutual balanced force reduction in the communique, and I notice that you used it once and didn't use it another time.

DR. KISSINGER. That is because I usually speak extemporaneously. No, there is no significance in the dropping of the word "balanced."

In the preparatory discussions in Vienna, there was some discussion about it, but since it concerned entirely procedural matters, it has no substantive significance. The United States position with respect to the mutual balanced force reduction negotiations has been submitted to our allies. We think that it has received substantial support from our allies. We will enter the negotiations, we are convinced, with a reasonable and united position.

What particular adjective one gives to describe it is really less important, but the substance of it will be that it must be balanced, and that it must reflect the principles of this communique and of May 29 last year, that no negotiation can succeed that attempts to give a unilateral advantage to one side or another.

Q. Is there any significance, in the brief material on the Middle East, to the omissions of the word "security" in the phrase "be consistent with their independence and sovereignty"?

DR. KISSINGER. No, I think it is safe to say that both sides recognize that no solution is possible that does not assure the security of the countries concerned. And there is no dispute about this.

Q. Why didn't the communique then say so?

DR. KISSINGER. The truth is that I don't remember any discussion about the word "security," if somebody there thought of it, it almost certainly would have said so.

Q. Dr. Kissinger, do you plan soon to go to China or do you plan to invite a Chinese leader to visit the United States in order to assure them that what they witnessed this past week was not the beginning of some kind of super power condominium?

DR. KISSINGER. We are, of course, always in touch with all interested countries, and it is a fixed element of our policy not to participate in any condominium directed either at our allies or at other interested parties.

We believe that we have a common interest with the Soviet Union in promoting a peaceful order. We believe also that to the extent that a more peaceful conduct emerges by all parties—emerges from our discussions, that all nations benefit.

We have not agreed and we shall not agree nor were we asked to agree, to anything that smacks of super power condominium, and our views on this are well-known to all interested countries.

We have no specific plans at this moment for any of the visits that you have described, and if any should develop, we will, of course, announce them immediately. But we don't have to have such a visit to make that particular point clear.

Q. Dr. Kissinger, there has been a considerable amount of confusion in connection with the SALT agreement about MIRV's. In the agreement it states that national means of inspection will be the only possible means. Is it possible to control MIRV through only national means of inspection, or should we read into the wording there that, in effect, you have abandoned the notion of being able to control MIRV's?

DR. KISSINGER. First, the agreement does not say national means are the only possible means. It says that both sides agree that they must be verifiable by national means. If both sides should decide to have other than national means that wouldn't be precluded, but I think that is extremely unlikely.

So, the realistic assumption has to be that any agreement that will be made is one that will be monitored by national means. Now then, the question is, does that principle really exclude any control of MIRV's?

First, let me say that we believe that MIRV's are an important part of this negotiation, and, therefore, we believe that it is possible to have some restraints on MIRV's

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that can be monitored by national means, and, therefore, a great deal depends on what restraints we are talking about.

If you are talking about bans on production, those would be next to impossible to monitor by national means. If you are talking about deployment, then they are possible to monitor within a margin of error which is larger than is the base in mere quantities, than if you are monitoring quantities, but that is finite. If you are talking about a combination of deployment and improvements in accuracy and so forth, so that you could add certain testing restraints, then you have ever greater possibilities of inspection.

I am not saying that these are our specific proposals. I am saying that you cannot just look at this in terms of one category of restraints and assess the relationship of national means to that one category. You have to do it in the whole complex of MIRV technology and of the kinds of restraints you want to employ, and we think it is possible to put together a package by combining several restraints verifiable by national means.

Q. Dr. Kissinger, on page 12 of the communique, it says they set the goal for trade over the next 3 years $2 to $3 billion. This is the figure for the entire 3-year period, as I understand it; is that right?

DR. KISSINGER. That is right.

Q. Since the current trade is running at, I think, $1.3 billion annually now, '73, would not this be——

DR. KISSINGER. The $1.3 billion includes agricultural. This is excluding agricultural commodities.

Q. Do you have any figure including agricultural commodities?

DR. KISSINGER. I do not have it including agricultural. I think excluding agricultural, it runs at about $600 million now, and I think this envisages an increase of about 50 percent.

Q. Dr. Kissinger, does the communique hint, or more than hint, at an East-West summit at the end of the European Security Conference?

DR. KISSINGER. Well, it obviously mentions it. The position of the communique with respect to the East-West summit is one that we have taken before; that is to say, that the level of the concluding phase of the European Security Conference will be determined by progress that is made in the first two phases, the first of which begins on July 3 at the foreign minister level. Then there will be commission meetings. And upon the conclusion of the commission meetings, one can determine first the final phase of the conference, and secondly, the appropriate level of participation.

We are, in principle, prepared to consider a summit if the results of the first two phases warrant it.

Q. May I ask you to enumerate as briefly as possible the total package of benefits that will accrue to the United States as a result of the past few days activities?

DR. KISSINGER. I can see this is not somebody who has attended previous briefings or he wouldn't have made a demand for brevity. [*Laughter*]

The benefits that accrue to the United States are the benefits that will accrue to all participants in the international system from an improvement in the prospects of peace. To the extent that we live in an atmosphere of confrontation, the United States, as the strongest country in the non-Communist world, and as the one on which the security of most others depends, is immediately drawn closer to the brink of war than almost any other participant.

Secondly, we expect that as a result of many of these cooperative efforts, both peoples will benefit in a concrete way.

With respect to the economic relationships, about which this question is often asked, they have to be seen in the whole context of the web of relations that is developing between the two countries. Most of the large deals that are being talked about will have to be made by private American industry, and they would presumably not be made unless they were thought to be of mutual benefit.

We have taken the view, from the beginning of this Administration, first that negotiations with the Soviet Union should not be conducted on the basis of atmospherics, but on the basis of very concrete negotiation; and secondly, that the economic and political matters should be linked together so that the progress would take place on a broad front. And I must say it is a little ironic that early in the Administration we were all accused of delaying the progress of negotiations, and now many of the same people who accused us then of being too slow are discovering that the benefits may be too one-sided. But the benefits of peace in this period cannot be one-sided.

Q. Dr. Kissinger, what is the reason for including a proposal for a world disarmament conference to be held at an appropriate time? What is your definition of an appropriate time? Does it mean after the treaties on the strategic arms, or what?

DR. KISSINGER. Well, you know that the proposal for a world disarmament conference is one that the Soviet Union has repeatedly made. It was included in last year's communique, and it was repeated in this year's communique, and I think it is safe to say that if our Soviet colleagues and we were pressed to the wall, our definition of the appropriate time might differ. [*Laughter*]

Q. Dr. Kissinger, what we have been listening to is an anthology of the positive results of the summit. Were not there some things that you had hoped to achieve at this particular summit that you have not?

DR. KISSINGER. Either due to lack of imagination or magalomania, I can't really tell you anything that we were hoping to achieve that we didn't. These summits are prepared over a long period of time. This particular

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summit is the result of many exchanges with the Soviet Union: Secretary Peterson's trip in July, my trip in September, Foreign Minister Gromyko's trip to the United States in October, Secretary Schultz's trip in March, my trip in May, many exchanges between the two leaders.

So it really is organically almost impossible for these summits to occur with a long agenda in which you will say we will try this and see what happens. It is impossible, and also undesirable, because when you have the two leaders of the most powerful nations in the world confronting each other, you do not want to have a situation in which a totally unpredictable clash can occur.

So in this meeting, the range of what was attainable was clearly understood by April or May, and the results were within the range that had been previously agreed to.

Now, at the end of each summit, there is always a very extensive meeting between the two leaders in which they decide the sort of problems they can be working on over the next year. We had such a meeting in the Kremlin on the day of the President's departure in 1972, and that was the third time that this agreement on the prevention of nuclear war in a slightly different context was raised.

As you all know, the President and the General Secretary met for 3 hours on Saturday night, and there was a discussion of the sort of problems that could be worked on in preparation for next year's summit, and, of course, there is an unfinished agenda. Obviously, the Middle East is part of the unfinished agenda, but we didn't expect to settle it at this meeting. SALT is part of it. MBFR is part of it. This is where we stand now in relation to next year's summit.

Q. General Secretary Brezhnev said, as he was departing, that he believed that President Nixon could be returning to the Soviet Union as early as 6 to 8 months. He also said that he expects that there will be more important agreements, or equally important agreements, signed there, indicating to some that he was possibly projecting perhaps an interim agreement on SALT.

On those two points, could you give us the United States view on the timing of a visit, and also on possibilities of an interim agreement on SALT which was referred to in an earlier statement by the principals?

DR. KISSINGER. Well, as you saw, the General Secretary was speaking without notes, and in the exuberance of the moment. [*Laughter*]

We don't foreclose a meeting earlier than 12 months that has been customary between the two recent summits, but if we had been asked on that occasion to give our estimate, we would have been somewhat more cautious. So if it is more rapid, then this would indicate a more rapid pace of negotiation than we have foreseen, which we do not exclude, but which we think is unlikely.

Now, it is not at all excluded, as the principals made clear, that there would be an interim agreement on SALT in a period less than the 12 to 14 months that I would have given you as an estimate, and this is one of the matters to which we will now turn.

Q. A follow-up on Mr. Kalb's question. Was chemical weapons control one of the things that had been dropped by April or May, or was that actively under consideration at this summit?

DR. KISSINGER. No.

Q. You suggested that most things had been decided on the agenda by April or May. I wondered if this matter had been excluded at that point for possible agreement or was under active consideration for agreement here?

DR. KISSINGER. When I say "had been decided by April or May," let me make clear what I mean. By the end of my visit to Zavidovo, it was not that everything had been decided, but that the range within which the negotiations between the two leaders would take place had been essentially determined, and, therefore, the shape of probable agreements had become fairly clear. By that time it was clear that there would be no agreement on chemical warfare.

Q. It used to be a theory that it would be a good idea for the top Soviet leaders to come to this country to get an idea of our strength; that is, the size of the country, what the people are like, the size and scope of our production, that kind of thing. This summit conference could have been held on a rock in the Atlantic Ocean for as much or as little that Mr. Brezhnev saw of America and Americans. Did he have at any time any desire to see anything of us and our country outside of the Presidential compound?

DR. KISSINGER. The nature of the travel of the General Secretary was left to him. We made it clear that he could go anywhere he chose and for as long as he wished, so the General Secretary's itinerary was not determined by us. However, it seemed logical to us, as well, that the General Secretary wanted to follow the summit in Moscow, that had been devoted entirely to work with just two very brief side trips, with another summit in the United States of a more or less similar nature, in which the two leaders would spend most of their time in accelerating the momentum of their previous conversations.

I think, however, it is safe to say that now that the basic course has been established, and many of the major agreements have been achieved, that the purpose to which you referred will be realized in future summits. For example, the General Secretary has pointed out to the President that when he returns to the Soviet Union in 1974, the Soviet Union would like it very much if we would agree to a greater exposure to various aspects of Soviet life, and also to see more of the Soviet Union than proved to be the case last year. We have agreed to this.

If these summits become annual events, and the General Secretary returns here in 1975, it can be taken for

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granted that much more extensive travel would be included in his program.

Q. Dr. Kissinger, concerning Indochina on page 8, the last sentence on page 8 says that the leaders may also reaffirm their stand that the political futures of Vietnam, Laos, and Cambodia should be left to the respective peoples to determine, free of outside interference.

Have you detected any change, perhaps, in the Soviet attitude concerning the current fighting in Cambodia, and particularly, do the Soviets disapprove at all of any activities that Hanoi may be undertaking in Cambodia, either supply or military?

DR. KISSINGER. First, let us get the Cambodian problem into perspective. We are talking here of the very last phase of a very prolonged war. We are not talking here of the beginning of another Indochina conflict. I don't want to characterize the Soviet attitude toward Cambodia. I think the Soviet Union should speak for itself.

I think that this sentence here states our view exactly: that we agreed that the future of Cambodia should be left to the Cambodian people, and that peace should come consistent with the sovereignty and the rights of self-determination of the Cambodians. We are actively engaged in attempting to bring this about at this moment, and we believe, as I said previously, that as the relationship among the great powers fall into clearer focus, as one looks at these areas less from their symbolic aspect of either being the spearhead of wars of national liberation or of being conspiracy-directed, it was thought once, from Peking, I think that all countries can adopt a more responsible attitude toward the conflict in Indochina and a more disassociated attitude than was the case in the 1960's.

Q. My impression is that the granting of most-favored-nation status to the Soviet Union, whether or not it is granted, is no longer a serious obstacle to the development of long-term trade. Is that the case?

DR. KISSINGER. No, we believe that the granting of most-favored-nation status to the Soviet Union is important for the development of large-scale trade, and it is extremely important to the development of Soviet-American relations. This was part of the series of understandings in a whole complex of relationships between us and the Soviet Union last year, and it would cast serious doubt on our ability to perform our side of understandings and agreements if, in each case, that part of an agreement that is carried out later by one side or the other is then made the subject of additional conditions that were not part of the original negotiation, and, therefore, I would say that for both symbolic and substantive reasons, and substantively both economic and political, it would be very unfortunate if the request to grant most-favored-nation status to the Soviet Union, which means nondiscriminatory status vis-a-vis the Soviet Union, were not granted.

Q. Can you address yourself to two impressions?

DR. KISSINGER. Impressions or questions?

Q. However you like; impressions and a question. First, is there here a signal to the Russians that they have a free hand where China is concerned, as a follow-up to an earlier question; and the second impression, Dr. Kissinger, in the 89 words devoted to the Middle East, one gets the impression that the Soviet Union and the United States are as far apart as before?

DR. KISSINGER. With respect to the first question, as I said on Friday, I do not want to go into hypothetical cases addressed to particular countries. However, since you raised the question, let me say this: I don't know what a free hand vis-a-vis China means. The Soviet Union has declared officially that it has no military intentions vis-a-vis the People's Republic of China.

On the other hand, it is difficult to conceive a military attack by anybody on the People's Republic of China that would not endanger international peace and security, and, therefore, it would be thought to be, from whatever direction it came, not consistent with our view of this treaty. But I repeat: This does not imply that we have any reason to believe that any such attack is contemplated or that any of this subject was discussed at all between them.

With respect to the Middle East, the communique makes clear that there is no unanimity of views. Whether that is as wide as before or narrower, I think we should let the future decide, but obviously the subject was discussed at some length.

Q. The glowing manner in which the two leaders have described their past weeks——

DR. KISSINGER. What manner?

Q. Glowing manner, the euphoric manner.

DR. KISSINGER. Don't top yourself. [*Laughter*]

Q. ——carries with it the impression that we can now expect an acceleration of demands or requests or proposals, at least within our own country, for the reduction of armaments. A moment ago you talked about the necessity of maintaining vigilance. Would you discuss that in context with the summit meeting?

DR. KISSINGER. This period requires great sophistication on the part of the American people. We have reached this point because we have proceeded from the basis of adequate strength, and because we have consistently taken the position that we would reduce our strength only by agreement with the other side in some agreed relation to the reductions by the other side.

This must remain an essential part of our policy, and we cannot do, as a result of this agreement, unilaterally those things that the Soviet Union will not do. We have made it clear in the communique and we have made it clear in the conduct of our policy that the principal goal of this Administration in the field of foreign policy is to leave behind it a world that can be said to be safer, more

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peaceful, and more permanently free of crisis than the one we found.

But we, in our view, cannot achieve this by unilateral reductions of American strength, and we believe that the course on which we are, which has made, in our judgment, significant progress, can be maintained only if we were to continue to pursue it on the basis of strict reciprocity.

Q. If I may, I would like to come back to this not-so-important adjective, "balance." Isn't it true that the Soviets have quite a different interpretation of balance than you have, and is this one of the reasons why not even the formal title of MBFR talks was spelled out in the communique?

DR. KISSINGER. What was spelled out in the communique is, I believe, consistent with what was agreed to in Vienna. The future of force reductions in Europe will not be determined by adjectives. It will be determined by concrete programs. It will not be determined by constant insinuations of some dark American design.

The United States has taken the view and has stated publicly that our security is integrally linked to the security of our European allies. Therefore, we are prepared to work with our European allies on working out a concrete program that reflects the common conception of security. We have invited our European allies to participate with us in developing this program, and we think the time has come to discuss the program, rather than the adjectives of a title of a conference.

Q. Dr. Kissinger, did they give us to understand that they would play a useful role in seeking a cease-fire in Cambodia, and did we give them to understand that we will be winding down our bombing there in the meantime?

DR. KISSINGER. I don't think any useful purpose is served if I go into the details of these discussions with respect to Cambodia. The primary problem with respect to Cambodia now is whether it is possible in a finite period of time to bring about a negotiation that leads toward a political settlement and produces a rapid cease-fire. The particular tactics of particular operations are subsidiary to that overriding issue which was the subject of discussions.

Q. Dr. Kissinger, does the agreement to prevent nuclear war mean that we would have to enter into consultations with the Russians before we would come to the defense of an ally under attack?

DR. KISSINGER. The agreement for the prevention of nuclear war, in Article 6, makes clear that allied obligations are unaffected. Secondly, the significance of Article 4 is that in case of situations that might produce the danger of nuclear war in general, consultations have to be undertaken. It should, therefore, be seen as a restraint on the diplomacy of both sides and, as I pointed out on Friday, not a guide to action in case those restraints break down and war occurs.

Q. Dr. Kissinger, on the economic front, here you talk about, that serious and sympathetic consideration should be given by the U.S. Government. Earlier you stressed in your discussion——

DR. KISSINGER. Consideration to what?

Q. To proposals that are in the interests of both sides. These are business proposals, presumably. Earlier you stressed the importance of the private corporations in the negotiations. What happens when they conflict, and a corporation says, "This is in our mutual best interest," but perhaps you do not? A case in point right now is the natural gas deals. There are two of them that were discussed before. One corporation went out and made a deal. How do you resolve this question?

DR. KISSINGER. To the extent that corporations can implement their deals without the aid of the Government, we can do no more than express our views to their directive. To the extent that the corporations require the assistance of the Government, or the guarantee of the Government of their investment, we have the possibility of gearing the decisions to our national policy.

Now, with respect to the natural gas deal, we are not under the impression that these companies have the resources to do them entirely on their own and, therefore, we can relate them to national policy, but as the communique says, we are looking on them favorably, but it is hard to discuss in the abstract.

Q. There is a reference in the communique to a meeting at the highest level to complete the ESC. What sort of time frame do you have in mind?

DR. KISSINGER. As you notice, the communique makes no particular reference to a specific time frame, and, therefore, this question will be easier to answer after the foreign ministers have met, and particularly after the commissions have started their work. It will depend to some extent on whether the European participants will decide to take a summer vacation—and the commissions will decide to take a summer vacation in August or not. The time frame is, as the communique says, the quickest possible time, but there is no particular time limit.

Q. We are talking about some period within less than a year, aren't we?

DR. KISSINGER. That would be a reasonable assumption. But it depends on the progress of the conference, but that is a good working hypothesis.

Q. On the Watergate, the inevitable question as to whether Watergate in any way was discussed between the President and the General Secretary, and would you, Dr. Kissinger, be prepared to comment on published speculation that the pressures of Watergate applied a

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more modest negotiating technique on the part of the President in his expectations on the summit?

DR. KISSINGER. With respect to the first question, Watergate was not discussed. And I don't think the point has yet been reached where our domestic travails are discussed with foreign leaders.

Second, the negotiating frame for the summit was established last year and was in no way affected by Watergate.

Q. Dr. Kissinger, did the Soviet side, coming back to the natural gas deals, ask for a more specific, more categorical American endorsement of these, particularly the latest Occidental Petroleum deal, and a promise of guarantees on the credits than is in the communique?

DR. KISSINGER. No, the specific status of the gas deals is now that they have to be moved from these abstract declarations of intent to some concrete propositions. These concrete propositions have to be developed, in the first instance, by the companies concerned that have to make a judgment of the degree of investment that is required and also on whether it is an economic proposition.

At that point, one will have to determine whether this can be done entirely by private capital or if it requires, at least in some of its aspects, some U.S. governmental guarantees. That point has not yet been reached because the projects have not yet been formulated into precise economic propositions.

Q. Dr. Kissinger, in what way are the documents and agreements signed by the General Secretary of the Soviet Communist Party binding in any respect on the Soviet Government? And another rather petty question, is there any connection between the timing of this week's events or at least the communique, this press conference this morning and your press conference Wednesday, if you have one—is there any connection between that timing and the Watergate events going on in Washington?

DR. KISSINGER. With respect to the first question, whenever the General Secretary of the Communist Party signs a document, we are given—it is actually legally a very good question—we are given a document by the Soviet Foreign Ministry pointing out that he has full powers to sign that document because, as you know, Mr. Brezhnev has no official governmental position, so that legally the documents which he signed this year and the documents which he signed last year are fully within Soviet constitutional processes, and we have also an official Soviet statement that he has full governmental powers to sign the document.

Secondly, with respect to my briefings, our view here has always been that the necessities that produce foreign policies are of a permanent nature, and that our objective is what I described at the beginning—to bring about a more peaceful world. They are not geared in any respect to any of the domestic situations.

This schedule was determined at a time when it was believed that Dean would testify last week, and it was agreed then that in view of the fact that the General Secretary's speech was on television yesterday, that his departure statement would be on television yesterday, and in view of the fact that it is more appropriate to release communiques at a time he is leaving the country, that the release of the communique would be on Monday, and, therefore, the briefing of the communique would be on Monday. That is a schedule that was determined, I repeat, at a time when we did not know that the hearings would be postponed.

If I have another briefing on Wednesday, it is in response to the repeated request of many of you ladies and gentlemen that we have a more informal session, less geared to the words of the communique, to set this in better perspective.

But since you have raised the issue, I will say now, I will move you to Thursday, to remove any question about it. The thought had never crossed our mind and we will now, if there is one, have it on Thursday.

Q. Could I suggest that the day is less important than it be sometime later in the afternoon, California time.

DR. KISSINGER. Work it out with Ron. If there is another briefing, the purpose is to permit a somewhat more philosophical discussion of where we are going. The timing should be left to what produces the best philosophical discussion.

Q. Dr. Kissinger, the proposal for a world disarmament conference has been mentioned many times over the years and has not been a subject necessarily of agreement between the Soviet Union and the United States as to its usefulness. I wonder whether the mention of it here in the communique, whether you would characterize it as one of the accomplishments of the summit?

DR. KISSINGER. The world disarmament conference was mentioned in last year's communique, and, therefore, to have it mentioned again cannot be considered a radical departure and one of the principal accomplishments of the conference.

We have said that we would be prepared to discuss it at an appropriate time, and I suspect that this will lead to several exchanges on that subject.

Q. Dr. Kissinger, since there were face-to-face meetings between President Nixon and the General Secretary for 10 hours, how do you know during that period Watergate didn't come up?

DR. KISSINGER. I was present for most of those 10 hours, and I talked to the interpreter when I wasn't present.

REPORTER. Thank you.

NOTE: Press Secretary Ronald L. Ziegler introduced Dr. Kissinger at 9:15 a.m., P.d.t., at the San Clemente Inn, San Clemente, Calif.

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United States Ambassador to Hungary

Announcement of Intention To Nominate Richard F. Pedersen. June 25, 1973

The President today announced his intention to nominate Richard F. Pedersen of Stockton, Calif., to be Ambassador to Hungary. He will succeed Alfred Puhan, who has resigned. Mr. Pedersen is currently serving as Counselor of the Department of State, a position he has held since January 23, 1969.

Mr. Pedersen was born on February 21, 1925, in Miami, Ariz. He received his B.A. degree from the University of the Pacific (1946), his M.A. degree from Stanford University (1947), and his Ph.D. from Harvard University (1950). He holds honorary Doctor of Laws degrees from George Williams College (1964) and the University of the Pacific (1965). During 1943–45, he served with the Infantry, United States Army, European Theater of Operations.

Mr. Pedersen's Government career began in 1950 as a Foreign Affairs Officer (UN Economic and Social Affairs) in the Department of State. Three years later, he became an Adviser in Economic and Social Affairs to the U.S. Mission to the U.N. Over the next 15 years, Mr. Pedersen held successive posts at the U.N. as: Adviser on Political and Security Affairs, U.S. Mission; Senior Adviser, Political and Security Affairs and Chief of Political Section, U.S. Mission; Counselor of the U.S. Mission, with personal rank of Minister; and Senior Adviser to the U.S. Representative to the United Nations, with personal rank of Ambassador. In 1967, he became U.S. Deputy Representative in the Security Council.

Mr. Pedersen is married to the former Nelda Newell Napier. They have a son and two daughters.

NOTE: The announcement was released in San Clemente, Calif.

United States Ambassador to the Sudan

Announcement of Intention To Nominate William D. Brewer. June 25, 1973

The President today announced his intention to nominate William D. Brewer, of Ridgefield, Conn., to be Ambassador to the Democratic Republic of the Sudan. He will succeed Cleo A. Noel, Jr., who was assassinated on March 2, 1973.

Ambassador Brewer has served as Ambassador to Mauritius since April 8, 1970. His career in the Foreign Service began in 1947 when he served as an Economic Officer in Beirut. From 1949–51 he was in Jidda as Chief of the Political-Economic Section and in 1951 he was assigned to Damascus as Chief of the Political Section. Ambassador Brewer served as Principal Officer in Kuwait from 1955–57 and from 1957–61 he was in the Near East Division of the State Department as a Desk Officer covering the Arabian Peninsula (1957–58); Officer in Charge, United Arab Republic Affairs and Sudan Affairs (1959–60). From 1962–65 he was Deputy Chief of Mission in Kabul and was a member of the policy planning staff at the Department of State from 1965–66. He was Country Director for Saudi Arabia, Yemen, Kuwait and Aden from 1966–70. In 1960 he received the Arthur S. Flemming Award.

Ambassador Brewer was born on April 4, 1922, in Middletown, Conn. He graduated from Williams College in 1944 and earned his M.A. degree from the Fletcher School of Law and Diplomacy at Tufts in 1947.

He is married to the former Alice Van Ess and they have three children.

NOTE: The announcement was released at San Clemente, Calif.

Cost of Living Council

Announcement of Appointment of John W. Larson as Counsellor to the Chairman of the Council. June 25, 1973

The President today announced the appointment of John W. Larson as Counsellor to the Chairman of the Cost of Living Council, George P. Shultz. Working under the Director of the Cost of Living Council, John T. Dunlop, Mr. Larson will organize consultations with interested groups regarding Phase IV economic stabilization policies, and coordinate preparation of alternative policies regarding Phase IV for review by the Cost of Living Council.

Mr. Larson is Director of the Administration's Natural Resources Committee and served as Assistant Secretary of the Interior for Program Policy from 1971 to 1973. From 1962 to 1968, he was with the San Francisco law firm of Brobeck, Phleger and Harrison. He became a partner in the firm in 1968.

He was born on June 24, 1935, in Detroit, Mich. Mr. Larson received his B.A. degree in 1957 and his LL. B. in 1962 from Stanford University. From 1957 to 1959, he served as an officer in the U.S. Army.

Mr. Larson is married to the former Pamela Wren. They have one daughter.

NOTE: The announcement was released at San Clemente, Calif.

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1974 Spokane International Exposition on the Environment

Announcement of Appointment of J. Welles Henderson as Commissioner General of the Exposition. June 25, 1973

The President today announced the appointment of J. Welles Henderson, of Gladwyne, Pa., as Commissioner General of the 1974 Spokane International Exposition on the Environment. The 6-month International Exposition will begin in May 1974, in Spokane, Wash.

Mr. Henderson is a partner in the law firm of Rawle and Henderson, in Philadelphia, Pa. He has been with the firm since 1949 and has been a partner since 1956.

He was born on August 29, 1920, in Philadelphia, Pa. Mr. Henderson was graduated cum laude from Princeton University in 1943 and was graduated from the Harvard University School of Law in 1949. He served as an officer in the U.S. Army during World War II and served 1½ years in Italy.

Mr. Henderson is married to the former Hannah Lowell Bradley. They have five children.

NOTE: The announcement was released at San Clemente, Calif.

Federal Property Council

Statement by the President Upon Establishment of the Council and the Appointment of Anne Armstrong as Chairman. June 25, 1973

As our people have gradually pushed across our frontiers and our changing way of life has threatened much of America's natural beauty, we have learned at last that our land must be treated as a precious asset.

The Federal Government today bears a very special responsibility for this resource. One third of all the land in the country—more than 760 million acres—is now owned by our Government. Of this amount, some 56 million acres have been acquired by the Government by purchase or donation just to carry on its daily activities.

Three and one-half years ago, recognizing that we could make more effective use of this irreplaceable heritage and that we have both the opportunity and the need to create more recreational areas, I ordered a review of all Federal holdings. Every agency was asked to determine whether its lands were being well used and to report its findings to the Administrator of General Services.

At the same time, I established a Property Review Board to review the GSA reports and to recommend to me how those properties could be put to better use. It was my intention that the Board would serve as a catalyst in this process and would devote particular attention to identifying lands for recreational uses.

The results of this initiative have been gratifying. Growing directly out of the studies and recommendations was the Legacy of Parks program, under which surplus Federal real property has been made available to State and local governments for parks and recreation, especially near urban areas. In the 28 months since the program was started, 325 properties—including 36 announced today—have been turned over for park and recreational purposes. They cover over 54,000 acres and have an estimated market value of about $150 million.

In addition to furthering our environmental and recreational objectives and our commitment to the sound management of our Federal assets, the Legacy of Parks program is a striking example of the New Federalism in action. Resources of the Federal Government are made available to States and localities for a broad purpose—providing recreational opportunities—and their local communities through their representatives decide how they can best develop those resources to meet their own recreational needs.

While our progress under the Property Review Board has taught us that we can make better use of our Federal lands, it has also made it clear that in order to make optimum use of these resources, we must develop a more coherent set of policies for the handling of all Federal properties. In the absence of general guidelines, a Government agency still determines the use and disposition of its holdings solely on the basis of its own mission and without full regard for our broader policies.

Today, in order to foster the development of more effective national policies that apply to all agencies and departments, I am creating a Federal Property Council within the Executive Office of the President.

It is specifically charged with reviewing all Federal real property policies to test their consistency with the overall objectives of the Government and with recommending to me such reforms, modifications, or initiatives as seem necessary.

The Administrator of General Services will continue to conduct surveys of Federal properties, identifying those which he believes can be put to better use and recommending appropriate action. The Federal Property Council will study his reports and will assist in the resolution of any conflicting claims for the use of properties.

The new Council will also assume all other duties of the Property Review Board, including the development of the Legacy of Parks program. The Board is being abolished.

I have asked Mrs. Anne Armstrong, Counsellor to the President and Chairman of the Property Review Board, to serve as Chairman of the Federal Property Council.

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Other members of the Council will include Roy Ash, Director of the Office of Management and Budget; Bryce Harlow, Counsellor to the President; Leonard Garment, Counsel to the President; Herbert Stein, Chairman of the Council of Economic Advisers; William Timmons, Assistant to the President for Legislative Affairs; and Russell Train, Chairman of the Council of Environmental Quality.

NOTE: The statement was released at San Clemente, Calif.

For the text of the Executive order and an announcement on the Council, see the following two items.

Federal Property Council

Executive Order 11724. June 25, 1973

By virtue of the authority vested in me by section 205(a) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 486(a)), and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. There is hereby established in the Executive Office of the President a Federal Property Council (hereinafter referred to as the Council). The Council shall be composed of the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers, the Chairman of the Council on Environmental Quality, and such other members from the Executive Office of the President as the President may, from time to time, specify. The President shall designate one of the members to be Chairman of the Council, and shall designate its Executive Secretary.

SEC. 2. The Council shall:

(1) develop and review Federal real property policies with respect to their relationship to other policies and to the objectives of the executive branch of the Government and recommend to the President such Federal real property policies or reforms of policies as it deems necessary; and

(2) receive the reports made by the Administrator of General Services pursuant to section 3 of this order, as well as other reports relating to Federal real property requested by the Chairman, with particular attention to resolving conflicting claims on, and alternate uses for, any property described in those reports, and it shall make such reports and submit such recommendations to the President as may be appropriate.

SEC. 3(a) The Administrator of General Services shall:

(1) conduct surveys of real property holdings of executive agencies on a continuing basis and in a manner consistent with the needs of the Council, to identify properties which are not utilized, are underutilized, or are not being put to their optimum use; and

(2) make reports to the President, through the Council, describing any property or portion thereof which has not been reported excess to the requirements of the holding agency and which, in the judgment of the Administrator is either not utilized, is underutilized, or is not being put to the optimum use, and which he recommends should be reported as excess property.

(b) The Administrator of General Services shall participate in the deliberations of the Council, where appropriate.

SEC. 4. As used in this order:

(1) the term "executive agency" means "executive agency" as defined in section 3(a) of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 472(a));

(2) the term "property", however modified, means real property or an interest therein, which is covered by the definition of "property" set forth in section 3(d) of the act (40 U.S.C. 472(d)), and also lands withdrawn or reserved from the public domain which are utilized by executive agencies for purposes other than national forests, national parks, or wildlife reserves; and

(3) the term "excess property" means "excess property" as defined in section 3(e) of the act (40 U.S.C. 472(e)).

SEC. 5. Executive agencies shall cooperate with the Council in the performance of its functions, and shall, to the extent permitted by law, provide it with such information, assistance, and staff support as may be needed to carry out those functions.

SEC. 6. Executive Order No. 11508 of February 10, 1970, and Executive Order No. 11560 of September 23, 1970, are hereby superseded, and the Property Review Board is hereby abolished.

SEC. 7. This order shall be effective as of July 1, 1973.

RICHARD NIXON

The White House,
June 25, 1973.

[Filed with the Office of the Federal Register, 10:03 a.m., June 26, 1973]

NOTE: The text of the Executive order was released at San Clemente, Calif.

For a statement by the President on the Council see the preceding item. For an announcement on the Council see the following item.

Federal Property Council

Announcement of Establishment of the Council and the Appointment of Anne Armstrong as Chairman. June 25, 1973

The President announced today the creation of a Federal Property Council and the appointment of Mrs. Anne Armstrong as its Chairman.

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The Council is being established to develop and review Federal real property policies to ensure their consistency with the broad, overall objectives of the Government. The Council will also assume the responsibilities of the Property Review Board, including the President's Legacy of Parks program. The Property Review Board is being abolished.

Others who will serve on the new Council, along with Mrs. Armstrong, will be Roy Ash, Director, Office of Management and Budget; Leonard Garment, Acting Counsel to the President; Bryce Harlow, Counsellor to the President; Herbert Stein, Chairman, Council of Economic Advisers; William Timmons, Assistant to the President for Legislative Affairs; and Russell Train, Chairman, Council on Environmental Quality.

Mrs. Armstrong has been serving as Chairman of the Property Review Board since February. She will continue her other responsibilities as Counsellor to the President.

Prior to her current assignment, Mrs. Armstrong served as Co-Chairman of the Republican National Committee. She received her B.A. degree from Vassar College and was elected to Phi Beta Kappa. A native of New Orleans, Mrs. Armstrong has for the past 22 years resided in Armstrong, Tex., with her husband and five children.

NOTE: The announcement was released at San Clemente, Calif.

For a statement by the President and an Executive order on the Council, see the preceding two items.

Legacy of Parks Program

Announcement of Transfer of 36 Parcels of Land for Park and Recreation Use Under the Program. June 25, 1973

In conjunction with the creation of the Federal Property Council and the naming of Counsellor Anne Armstrong as its Chairman, the President announced today that 36 additional parcels of Federal property will be transferred to State and local governments for park and recreation use under the Legacy of Parks Program.

Today's announcement brings to 325 the number of properties declared surplus to Federal requirements and made available to State and local governments in all 50 States, the Commonwealth of Puerto Rico, and the District of Columbia under the Legacy of Parks Program since its inception a little over 2 years ago. These 325 properties total 53,717 acres and have an estimated market value of $147,851,676. The program was launched on March 1, 1971, with the first cost-free transfer of $1.1 million worth of Federal property to the County of Nassau, New York.

Included in the 36 properties are tracts in California (six properties), Connecticut, Florida (four properties), Maine (two properties), Massachusetts (two properties), Michigan (two properties), Mississippi, Missouri, Montana, New Mexico, Ohio (two properties), Oklahoma, Pennsylvania, Rhode Island, Texas, Utah, Virginia (four properties), Washington (three properties), and Wisconsin.

NOTE: The release also included a list and description of the lands to be transferred.

The announcement was released at San Clemente, Calif.

Disaster Assistance for North Carolina

Announcement of Disaster Declaration and Authorization of Federal Assistance Following Storms and Flooding. June 25, 1973

The President today declared a major disaster for the State of North Carolina as a result of severe storms and flooding, beginning on May 27, which caused serious and widespread damage to public and private property. The President's action will permit the use of Federal funds in relief and recovery efforts.

In his request for a Presidential declaration, North Carolina Gov. James E. Holshouser, Jr., advised the President that estimates of damage to public facilities, homes, and businesses exceeded $25 million. Federal assistance from the President's Disaster Relief Fund will consist primarily of debris removal and the repair or restoration of damaged or destroyed public facilities, including roads, bridges, sewer and water systems, and public utilities. Low-interest-rate disaster loans will be made available by the Small Business Administration and the Farmers Home Administration under the authorities of the recently enacted Public Law 93–24.

Federal relief activities in North Carolina will be coordinated by the President's Office of Emergency Preparedness, under the direction of Acting Director Darrell M. Trent. Disaster assistance specialists from OEP's Region 4 (Atlanta) office have been in the area working under Joe D. Winkle, Acting Regional Director. Mr. Winkle will be designated as the Federal Coordinating Officer to work with the State in providing Federal disaster assistance under Public Law 91–606.

NOTE: The announcement was released at San Clemente, Calif.

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Disaster Assistance for Texas

Announcement of Disaster Declaration and Authorization of Federal Assistance Following Storms and Flooding. June 25, 1973

The President today declared a major disaster for the State of Texas as a result of severe storms and flooding, beginning on March 23, which caused serious damage to public and private property. The President's action will permit the use of Federal funds for relief and recovery efforts.

In his request for a Presidential declaration, Texas Gov. Dolph Briscoe advised the President that estimates of damage to public facilities and private property exceeded $5 million. Federal disaster assistance from the President's Disaster Relief Fund will consist primarily of debris clearance and the repair of roads, streets, and bridges damaged by the storms and subsequent flooding. Long-term, low-interest-rate disaster loans will be made available by the Small Business Administration under Public Law 92–385.

Federal relief activities in Texas will be coordinated by the President's Office of Emergency Preparedness, under the direction of Acting Director Darrell M. Trent.

Disaster assistance specialists from OEP's Region 6 office in Dallas have been in the area working under the direction of George E. Hastings, Regional Director. Mr. Hastings will be designated as the Federal Coordinating Officer to work with the State in providing Federal disaster assistance under the Disaster Relief Act of 1970, Public Law 91–606.

NOTE: The announcement was released at San Clemente, Calif.

Office of Economic Opportunity

Announcement of Intention To Nominate Alvin Jones Arnett To Be Director. June 26, 1973

The President today announced his intention to nominate Alvin Jones Arnett, of Bethesda, Md., to be Director of the Office of Economic Opportunity. Until his confirmation by the Senate, Mr. Arnett will serve as the Acting Director of OEO.

Since May 29, 1973, Mr. Arnett has been the Deputy Assistant Director for Operations of the Office of Economic Opportunity. He joined OEO as a consultant on February 18, 1973. From 1971 to 1973, he was the Executive Director of the Appalachian Regional Commission. From 1970 to 1971, Mr. Arnett was the executive assistant to Senator J. Glenn Beall, Jr., of Maryland, and from 1967 to 1970 he was with the Appalachian Regional Commission, serving as Special Assistant to the Federal Cochairman (1969–70) and as an Economic Development Analyst (1967–69).

He was born on February 6, 1935, in Saylersville, Ky. Mr. Arnett received his B.S. degree in political science, English-journalism from Florida Southern College in 1957. He served as an officer in the U.S. Coast Guard from 1957 to 1967. He has done graduate work at Villanova University and is presently working on his Ph.D. at the University of Maryland.

Mr. Arnett is married to the former Angela Jones and is the father of three children.

NOTE: The announcement was released at San Clemente, Calif.

Community Development Corporation

Announcement of Intention To Nominate Alberto Faustino Trevino, Jr., To Be a Member of the Board of Directors and General Manager. June 26, 1973

The President today announced his intention to nominate Alberto Faustino Trevino, Jr., of Laguna Beach, Calif., to be a member of the Board of Directors of the Community Development Corporation. He will succeed Samuel C. Jackson who resigned effective March 15, 1973. Mr. Trevino is currently serving as president of the Urban Interface Group, a housing consulting firm, in Laguna Beach, Calif.

A native of Inglewood, Calif., Mr. Trevino was born on December 28, 1931. He earned his B.S. degree from the University of California at Berkeley in 1957 and his M.L.A. degree from Harvard University in 1958, both in landscape architecture. He was a member of the United States Army from 1954–1955.

Mr. Trevino has held the following positions: land planning consultant for Kenneth F. Mitchell & Associates, Los Angeles (1958–1959); senior planner for Victor Gruen & Associates in Beverly Hills, Calif. (1959–1960); associate professor of landscape architecture at the California State Polytechnic College (1960–1961); chief planner for design and analysis of the Irvine Co. at Newport Beach, Calif. (1961–1966); manager, community research and planning for the General Electric Co. in New York City (1966–1968); and president and founder of Concept Environment, Inc., a company to produce modular housing, in Laguna Beach, Calif. (1969–1970). He also serves as a visiting professor of architecture and urban design at the University of Southern California.

Mr. Trevino is married to the former Dolores DuPont. They have ten children.

The Community Development Corporation was established in HUD by the Housing and Urban Development

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Act of 1970 and signed by the President on December 31, 1970. The purpose of the Corporation is to carry out a program of grants, loans, and loan guarantees for assisting new communities, subject to the direction and supervision of the Secretary of HUD. The Corporation will also perform any additional functions, powers, and duties as the Secretary may prescribe from time to time.

Under the provisions of the Housing and Urban Development Act, membership on the Corporation Board of Directors consists of the Secretary of HUD who serves as Chairman of the Board; one person appointed by the President with the advice and consent of the Senate who will serve as the General Manager of the Corporation; and three persons appointed by the Secretary who serve at his pleasure but not more than one of which shall be selected from among officers or employees of the Department of Housing and Urban Development.

NOTE: The announcement was released in San Clemente, Calif.

U.S.-Italian Extradition Treaty

The President's Message to the Senate Transmitting for Advice and Consent to Ratification the Treaty on Extradition Between the United States and Italy. June 26, 1973

To the Senate of the United States:

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Treaty on Extradition between the United States of America and Italy, signed at Rome on January 18, 1973. I transmit also, for the information of the Senate, the report of the Department of State with respect to the Treaty.

The Treaty significantly updates the extradition relations between the United States and Italy and adds to the list of extraditable offenses both narcotic offenses, including those involving psychotropic drugs, and aircraft hijacking.

The Treaty will make a significant contribution to the international effort to control narcotics traffic and to cope with other offenses. I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

RICHARD NIXON

The White House,
June 26, 1973.

NOTE: The text of the message was released in San Clemente, Calif.

Veto of Second Supplemental Appropriation Bill

The President's Message to the House of Representatives Returning H.R. 7447 Without His Approval Because of the "Cambodia Rider." June 27, 1973

To the House of Representatives:

I am returning today without my approval H.R. 7447, the Second Supplemental Appropriation Act of 1973.

I am doing so because of my grave concern that the enactment into law of the "Cambodia rider" to this bill would cripple or destroy the chances for an effective negotiated settlement in Cambodia and the withdrawal of all North Vietnamese troops, as required by Article 20 of the January 27 Vietnam agreement.

After more than ten arduous years of suffering and sacrifice in Indochina, an equitable framework for peace was finally agreed to in Paris last January. We are now involved in concluding the last element of that settlement, a Cambodian settlement. It would be nothing short of tragic if this great accomplishment, bought with the blood of so many Asians and Americans, were to be undone now by Congressional action.

The decision to veto is never easy, but in this case there is no other responsible course open to me. To understand this decision, we should all recognize what the full impact would be if we call a total halt to U.S. air operations in Cambodia, as now sought by the Congress:

—A total halt would virtually remove Communist incentive to negotiate and would thus seriously undercut ongoing diplomatic efforts to achieve a ceasefire in Cambodia. It would effectively reverse the momentum towards lasting peace in Indochina set in motion last January and renewed in the four-party communique signed in Paris on June 13.

—The proposed halt would also gravely jeopardize the ability of the Cambodian armed forces to prevent a Communist military victory achieved with the assistance of outside forces and the installation of a Hanoi-controlled government in Phnom Penh.

—A Communist victory in Cambodia, in turn, would threaten the fragile balance of negotiated agreements, political alignments and military capabilities upon which the overall peace in Southeast Asia depends and on which my assessment of the acceptability of the Vietnam agreements was based.

—Finally, and with even more serious global implications, the legislatively imposed acceptance of the United

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States to Communist violations of the Paris agreements and the conquest of Cambodia by Communist forces would call into question our national commitment not only to the Vietnam settlement but to many other settlements or agreements we have reached or seek to reach with other nations. A serious blow to America's international credibility would have been struck—a blow that would be felt far beyond Indochina.

I cannot permit the initiation of a process which could demolish so substantially the progress which has been made, and the future relationships of the United States with other nations.

However, I must emphasize that the provisions of H.R. 7447, other than the "Cambodia rider," contain a number of appropriations that are essential to the continuity of governmental operations. It is critical that these appropriations be enacted immediately.

By June 28, nine Government agencies will have exhausted their authority to pay the salaries and expenses of their employees. The disruptions that would be caused by a break in the continuity of government are serious and must be prevented. For example, it will be impossible to meet the payroll of the employees at the Social Security Administration, which will threaten to disrupt the flow of benefits to 25 million persons.

But an even greater disservice to the American people—and to all other peace loving people—would be the enactment of a measure which would seriously undermine the chances for a lasting peace in Indochina and jeopardize our efforts to create a stable, enduring structure of peace around the world. It is to prevent such a destructive development that I am returning H.R. 7447 without my approval.

RICHARD NIXON

The White House,
June 27, 1973.

NOTE: The text of the veto message was released at San Clemente, Calif.

Transfer of Certain Functions of the Office of Emergency Preparedness

Executive Order 11725. June 27, 1973

Under and by virtue of the authority vested in me by Reorganization Plan No. 1 of 1958, Reorganization Plan No. 1 of 1973, the Defense Production Act of 1950, as amended (50 U.S.C. App. 2061, et seq.), the Disaster Relief Act of 1970, as amended, (42 U.S.C. 4401, et seq.), and Section 301 of title 3 of the United States Code, and as President of the United States of America, it is hereby ordered as follows:

SECTION 1. The Secretary of Housing and Urban Development is designated and empowered to exercise, without the approval, ratification, or other action of the President:

(1) All authority vested in the President by the Disaster Relief Act of 1970, as amended, and assigned or delegated to the Director of the Office of Emergency Prepardedness by Executive Order No. 11575 of December 31, 1970, as amended by Executive Order No. 11662 of March 29, 1972.

(2) All authority which was vested in the Office of Emergency Preparedness, or the Director thereof, by the Disaster Relief Act of 1970, as amended, and which was transferred to the President by Reorganization Plan No. 1 of 1973.

(3) All authority which was vested in the Director of the Office of Emergency Preparedness with respect to determining whether a major disaster has occurred within the meaning of (A) section 16 of the act of September 23, 1950, as amended, (20 U.S.C. 646), (B) section 7 of the act of September 30, 1950, as amended (20 U.S.C. 241–1), and (C) section 762(a) of the Higher Education Act of 1965 as added by section 161(a) of the Education Amendments of 1972, Public Law 92–318, 86 Stat. 288 at 299 (relating to the furnishing by the Commissioner of Education of disaster relief assistance for educational purposes), and which was transferred to the President by Reorganization Plan No. 1 of 1973.

(4) All authority vested in the Office of Emergency Preparedness or the Director thereof, including serving as Chairman of the National Council on Federal Disaster Assistance, by Executive Order No. 11526 of April 22, 1970.

(5) All authority vested in the Director of the Office of Emergency Preparedness by Executive Order No. 11678 of August 16, 1972, relating to the administration of certain temporary disaster relief provisions, and

(6) All other incidental authority relating to matters described in paragraphs (1) through (5) of this section that has been vested in the Office of Emergency Preparedness or the Director thereof by the President by Executive order, proclamation, letter, memorandum, or other form of directive, or otherwise.

SEC. 2. The Secretary of the Treasury is designated and empowered to exercise, without approval, ratification, or other action of the President, all authority which was vested in the Director of the Office of Emergency Preparedness by section 232 of the Trade Expansion Act of 1962, as amended (19 U.S.C. 1862), and which was transferred to the President by Reorganization Plan No. 1 of 1973.

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SEC. 3. All authority vested in the Director of the Office of Emergency Preparedness as of June 30, 1973, by Executive order, proclamation, or other directive issued by or on behalf of the President or otherwise, other than that specified in section 1 (relating to disaster relief), and section 2 (relating to import investigations) of this order, is hereby transferred to the Administrator of General Services who shall exercise such authority in conformance with such guidance as may be provided by the National Security Council and, with respect to the economic and disposal aspects of stockpiling of strategic and critical materials by the Council on Economic Policy. Those functions include, but are not limited to functions under—

(1) Executive Order No. 10242 of May 8, 1951, relating to employment of certain part-time and temporary advisory personnel under the Federal Civil Defense Act of 1950;

(2) Executive Order No. 10296 of October 2, 1951, as amended, relating to the designation of critical defense housing areas pursuant to section 101 of the Defense Housing and Community Facilities and Services Act of 1951, 42 U.S.C. 1591;

(3) Executive Order No. 10421 of December 31, 1952, as amended, relating to the protection of facilities important to the national security;

(4) Executive Order No. 10480 of August 14, 1953, as amended, relating to the administration of the Defense Production Act of 1950, as amended;

(5) Executive Order No. 10494 of October 14, 1953, relating to the liquidation of the Economic Stabilization Agency created under the Defense Production Act of 1950 as amended;

(6) Executive Order No. 10601 of March 21, 1955 (section 3), relating to the designation of strategic materials to be acquired in return for surplus agricultural commodities (Supplemental Stockpile);

(7) Executive Order No. 10634 of August 25, 1955, relating to loans under the Defense Production Act of 1950 with respect to defense facilities damaged by a major disaster;

(8) Executive Order No. 10705 of April 17, 1957, relating to the radio stations during time of war (see Executive Order No. 11556 of September 4, 1970);

(9) Executive Order No. 10900 of January 5, 1961, relating to the Supplemental Stockpile;

(10) Executive Order No. 10952 of July 20, 1961, relating to civil defense functions;

(11) Executive Order No. 10958 of August 14, 1961, relating to civil defense functions;

(12) Executive Order No. 11051 of September 27, 1962, (except sections 404(a) and 405), relating to nonmilitary emergency preparedness planning, particularly under the National Security Act of 1947, as amended, and related functions under the Defense Production Act of 1950, the Strategic and Critical Materials Stockpiling Act, the Supplemental Stockpile and the Buy American Act;

(13) Executive Order No. 11179 of September 22, 1964, relating to the National Defense Executive Reserve;

(14) Executive Order No. 11415 of June 24, 1968, relating to the National Health Resources Advisory Committee;

(15) Executive Order No. 11490 of October 28, 1969, relating to the assignment of emergency preparedness functions to Federal departments and agencies;

(16) Executive Order No. 11556 of September 4, 1970, relating to telecommunications contingency planning;

(17) Section 203(n) of the Federal Property and Administration Services Act of 1949, as amended (40 U.S.C. 484(n)), relating to the disposal of surplus property;

(18) All other incidental authority relating to matters described in paragraphs (1) through (17) of this section that has been vested in the Office of Emergency Preparedness or the Director thereof by the President by Executive order, proclamation, letter, memorandum, or other form of directive, or otherwise.

SEC. 4. All rules, regulations, orders, determinations, permits, contracts, certifications, licenses, and privileges (including all delegations of authority and delegations of authority to redelegate) which have been issued, made, granted, or allowed to become effective by the President, the Director of the Office of Emergency Preparedness, or the Office of Emergency Preparedness or any official thereof, in the performance of functions which are transferred by this order and which are in effect at the time this order takes effect, shall continue in effect according to their terms until modified, terminated, superseded, set aside, or revoked by the President, the Secretary of Housing and Urban Development, the Secretary of the Treasury, or the Administrator of General Services, as the case may be, or other authorized officials, or by operation of law.

SEC. 5. Pursuant to the authority vested in me by section 703 of the Defense Production Act of 1950 as amended (50 U.S.C. App. 2153), the Administrator is authorized to establish a subordinate agency within the General Services Administration to perform such of the functions under the Defense Production Act of 1950, as amended, as have been delegated to him under this order or any other Executive order, as the Administrator deems appropriate. The Administrator is authorized to appoint a head of that agency who shall be compensated at the rate now or hereafter established for level V of the Executive Schedule (5 U.S.C. 5316). That agency and its head shall perform such functions, in addition to functions under the Defense Production Act of 1950, as amended, as the Administrator may, from time to time, prescribe.

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SEC. 6. (a) The transfer of functions accomplished by this Executive order shall in no way be deemed to diminish the need for, or the scope or priority of, the performance of those functions.

(b) All Federal executive departments and agencies are directed to cooperate fully with officials exercising authorities transferred under this order.

SEC. 7. Sections 404(a) and 405 of Executive Order No. 11051, as amended, are hereby revoked.

SEC. 8. This order shall be effective as of July 1, 1973.

RICHARD NIXON

The White House,
June 27, 1973.

[Filed with the Office of the Federal Register, 4:44 p.m., June 27, 1973]

NOTE: The text of the Executive order was released at San Clemente, Calif.

Federal Deposit Insurance Corporation

Announcement of Intention To Nominate George A. LeMaistre To Be a Member of the Board of Directors. June 27, 1973

The President today announced his intention to nominate Mr. George A. LeMaistre of Tuscaloosa, Ala., as a member of the Board of Directors of the Federal Deposit Insurance Corporation. He will replace Mr. Irvine Sprague, whose term has expired.

Mr. LeMaistre was born in Lockhart, Ala., on September 8, 1911. He attended the University of Michigan graduating in 1930 and the University of Alabama School of Law receiving his law degrees in 1933 and his J.D. in 1968.

Mr. LeMaistre was president of the City National Bank of Tuscaloosa from 1960 to 1971. He has been chairman of the board and chief executive officer of the City National Bank of Tuscaloosa since 1971. He has also been an adjunct professor of law at the University of Alabama since 1939.

Mr. LeMaistre is married to the former Virginia Mosby and they have three children.

NOTE: The announcement was released at San Clemente, Calif.

United States Ambassador to Nepal

Announcement of Intention To Nominate William I. Cargo. June 28, 1973

The President today is announcing his intention to nominate William I. Cargo to be Ambassador to Nepal. He will succeed Carol C. Laise, whose resignation was announced today. Mr. Cargo is currently serving in the Department of State as Director of Planning and Coordination Staff.

Born February 27, 1917 in Detroit, Mich., he attended Albion College receiving his B.A. in 1937. He received an A.M. in 1938 and a Ph. D. in 1941 from the University of Michigan. Albion College conferred upon him an LL.D. in 1963 (honorary). He attended the National War College.

Mr. Cargo served with the United States Navy as a Lieutenant (jg.) from 1944 to 1946. He entered the Department of State in 1943 in the Division of Research and Publications. From 1946–52 he was in the Division of Dependent Area Studies, and from 1952–53 he was with the Bureau of United Nations Affairs. He went to Paris/USRO, Office of Security Trade Controls as an Economic Officer in 1954–57. He was appointed an FSO–2 in 1955. From 1957–61 he was with the Office of United Nations Political and Security Affairs as Deputy Director, then Director in 1958. He was promoted to FSO–1 and received the Meritorious Service Award in 1958.

From 1961–63 he was Deputy Representative to the International Atomic Energy Agency, with personal rank of Minister. In 1963–67 he was Deputy Chief of Mission in Karachi and Rawalpindi, and from 1967–69 he was Deputy Chief of Mission, with personal rank of Minister, at Brussels (NATO). Since 1969, he has been Director for Planning and Coordination Staff.

He is married to the former Margaret Ludwig, and they have two children.

NOTE: The announcement was released at San Clemente, Calif.

United States Ambassador to the Dominican Republic

Announcement of Intention To Nominate Robert A. Harwitch. June 28, 1973

The President today is announcing his intention to nominate Robert A. Harwitch, of Chicago, Ill., as Ambassador to the Dominican Republic. He will succeed Francis E. Meloy, Jr., who is resigning.

Mr. Harwitch was born on October 15, 1920 in Worcester, Mass. He attended the University of Wisconsin before receiving his A.B. in 1949 from the University of Chicago.

He served with the United States Army as captain from 1943–47 and was with the Department of Army from 1947–48 as Military Government Officer. In 1950 he was with the Department of Labor as a Field Representative.

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He entered the Foreign Service on November 17, 1950 and was assigned to Lima as a Consular Officer. In 1953 he served as Economic Defense Officer at Hamburg and from 1955–56 at Bonn as Assistant Labor Attaché. He was Labor Attaché at Bogota from 1956–60. During 1960–63 he was assigned to the Bureau of Inter-American Affairs as Officer in Charge of Cuban Affairs, Deputy Director of the Office of Caribbean Affairs, and Deputy Coordinator of Cuban Affairs. He attended the Senior Seminar in Foreign Policy at the Foreign Service Institute, 1963–64. He was Special Assistant to the Chief of Mission at Santiago in 1964. From 1964–66 he was Deputy Chief of Mission at La Paz and then at Vientiane from 1967–69. Since 1969 he has been Deputy Assistant Secretary in the Bureau of Inter-American Affairs.

Mr. Harwitch received the Commendable Service Award in 1960, the Distinguished Service Award in 1963, and the Presidential Management Improvement Certificate in 1970. He is fluent in Spanish, German, and French.

He is married to the former Saralee Pilot, and they have four children.

NOTE: The announcement was released at San Clemente, Calif.

United States Ambassador to Ecuador

Announcement of Intention To Nominate Robert C. Brewster. June 28, 1973

The President today is announcing his intention to nominate Robert C. Brewster of Beatrice, Nebr., as Ambassador to Ecuador. He will succeed Findley Burns, Jr., who is resigning from the Foreign Service.

Born May 31, 1921 in Beatrice, Nebr., he received his BA in 1943 from the University of Washington. Mr. Brewster studied Spanish at the Universidad Nacional de Mexico in the summer of 1946 and attended George Washington University in the summer of 1947. From 1946–48 he was enrolled at Columbia University majoring in International Affairs.

Mr. Brewster served with the United States Navy from 1943–46 as a lieutenant (jg.). He entered the Foreign Service in 1949 and was assigned to Managua as a Consular Officer, then later as Political Officer. From 1951–55 he was stationed at Stuttgart as a Political Officer, and later as Administrative Officer. During 1956–58 he was detailed to the International Cooperation Administration in Washington as Policy Briefing Officer. In 1958 he became Staff Assistant to the Deputy Under Secretary of State for Economic Affairs, and then Staff Assistant to the Under Secretary of State for Economic Affairs. He became in 1959 Special Assistant to the Under Secretary of State for Economic Affairs, and then Special Assistant to the Under Secretary of State. From 1960–61 he attended the National War College. He served as Foreign Service Inspector from 1961–63 and as Deputy Chief of Mission in Asuncion from 1964–66. He was Deputy Executive Director, then Executive Director in the Bureau of European Affairs from 1966–69. From 1969–71 he was Deputy Executive Secretary of the Department and since 1971 he has served as Deputy Director General of the Foreign Service and Director of Personnel.

Mr. Brewster speaks Spanish and German. He received the Meritorious Honor Award in 1970 and the Presidential Management Improvement Certificate in 1971. He is married to the former Mary Blackman.

NOTE: The announcement was released at San Clemente, Calif.

U.S. Court of Customs and Patent Appeals

Announcement of Intention To Nominate Jack Miller To Be an Associate Justice. June 28, 1973

The President today is announcing his intention to nominate former Senator Jack Miller to be an Associate Justice of the U.S. Court of Customs and Patent Appeals succeeding retired Judge J. Lindsay Almond, former Congressman and Governor of Virginia. Senator Miller served for 12 years in the U.S. Senate and is a former assistant professor at the University of Notre Dame College of Law. He engaged in private law practice in Sioux City, Iowa, for 11 years prior to his election to the Senate in 1960. He is a graduate of Columbia University Law School and is a member of the Iowa, Nebraska and District of Columbia Bars. He earned an A.B. degree at Creighton University and an M.A. degree at Catholic University.

NOTE: The announcement was released at San Clemente, Calif.

President's Foreign Intelligence Advisory Board

Announcement of Appointment of Executive Secretary and Four Members. June 28, 1973

The President today is announcing the appointment of Wheaton B. Byers, of Canaan, Conn., as Executive Secretary of the President's Foreign Intelligence Advisory

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Board, succeeding Gerard P. Burke who resigned. Mr. Burke served as Executive Secretary since September 13, 1970.

Mr. Byers has been the Special Assistant to the Executive Secretary of the President's Foreign Intelligence Advisory Board since 1970.

From 1953 to 1970 Mr. Byers was with the Department of State and served in The Hague, the Netherlands, Belgrade, Yugoslavia, Salzburg, Austria, and Berlin, Germany. He has worked in the Bureau of Intelligence and Research at the Department of State, and prior to joining the PFIAB was engaged in economic research.

The President is also announcing the appointment of John S. Foster, Jr., of Falls Church, Va., Clare Boothe Luce, of Honolulu, Hawaii, Robert W. Galvin, of Barrington, Ill., and Leo Cherne, of New York City, N.Y. as members of the President's Foreign Intelligence Advisory Board. They succeed Robert D. Murphy, Frank Pace, Jr., Franklin B. Lincoln, Jr., and Franklin D. Murphy, who have resigned.

John S. Foster, a physicist, is presently the Director of Defense Research and Engineering, Department of Defense.

Clare Boothe Luce served as Congresswoman from Connecticut from 1943 to 1947 and as Ambassador to Italy from 1953 to 1957.

Robert W. Galvin is chairman of the board and chief executive officer of Motorola, Inc., Franklin Park, Ill.

Leo Cherne is executive director of the Research Institute of America.

The Foreign Intelligence Advisory Board advises the President concerning various activities making up the overall national intelligence effort and conducts a continuing assessment of foreign intelligence. The Board reports and makes recommendations to the President for actions in achieving increased effectiveness of the Government's foreign intelligence effort.

The Foreign Intelligence Advisory Board was established by Executive order on March 20, 1969.

NOTE: The announcement was released at San Clemente, Calif.

National Tourism Resources Review Commission

Statement by the President Upon Receiving the Report of the Commission. June 28, 1973

In 1971, I appointed the National Tourism Resources Review Commission to undertake the first comprehensive study ever made of tourism in America. Its chairman was the former Secretary of the Navy, Charles S. Thomas.

Today I have had the pleasure of meeting with Mr. Thomas and receiving the Commission's report. This document, "Destination USA," should better enable us to comprehend the vast potential of tourism, a massive and underestimated force in our economic and social life. The report finds, for example:

—That tourism spending by Americans in 1970 totalled $50 billion, a 100 percent increase over 1960;

—That by 1980 that figure could more than double again to a projected $127 billion;

—And that international tourism is a significant factor in world trade. In recent years some $3 billion has been added to the United States balance of payments deficit by the spending of American tourists abroad.

It is estimated that Americans took 361.2 million trips here and abroad in 1967, the last year in which a travel census count was taken, and we know the figure is much higher today. As tourism continues to expand, our parks, lakes, seashores, and forests, as well as facilities for lodging, food, and transportation will all come under increasing demand. To protect them, and especially our natural resources, we must respond with balanced and farsighted programs.

The current organization of Government resources to cope with American tourism must also be improved. Accordingly, the law that established the Commission directed that a major analysis be undertaken to define the Federal role in tourism.

To reach the goals of better development of our vast tourism resources and more efficient Federal administration of tourism, the Commission has recommended creation of a National Tourism Administration in the Department of Commerce. This proposal will receive careful consideration.

After briefly reviewing this report, I believe the excellent efforts of the National Tourism Resources Review Commission are to be commended, especially the dedication and diligent efforts of Chairman Thomas.

In a radio address to the Nation last July Fourth, I looked towards America's Bicentennial celebration and invited the citizens of all countries to come share with Americans in our festivities. I renew that invitation today in light of this report on tourism. As we consider the future of tourism in the United States, it is especially fitting that we not lose sight of the importance of playing host to the world when we honor our rich past.

NOTE: The 6-volume report is entitled "Destination USA: Report of the National Tourism Resources Review Commission" (Government Printing Office).

The statement was released at San Clemente, Calif.

No Objection To Declassification in Full 2011/04/28 : LOC-HAK-228-10-1-6

Disaster Assistance for Tennessee

Announcement of Disaster Declaration and Authorization of Federal Assistance Following Storms and Flooding. June 28, 1973

The President today declared a major disaster for the State of Tennessee as a result of severe storms and flooding, beginning on May 26, which caused serious and widespread damage to public and private property. The President's action will permit the use of Federal funds in relief and recovery efforts.

In his request for a Presidential declaration, Tennessee Governor Winfield Dunn advised the President that estimates of damage to public facilities, homes, and businesses exceeded $12 million. Federal assistance from the President's Disaster Relief Fund will consist primarily of debris removal and the repair or restoration of damaged or destroyed public facilities, including roads, bridges, sewer and water systems, and public utilities. The President's declaration will also permit the Federal Government to provide temporary housing accommodations for families whose homes were destroyed or seriously damaged and make Disaster Unemployment Assistance available to eligible individuals. Low-interest-rate disaster loans will be made available by the Small Business Administration and the Farmers Home Administration under the authorities of the recently enacted Public Law 93–24.

Federal relief activities in Tennessee will be coordinated by the President's Office of Emergency Preparedness, under the direction of Acting Director Darrell M. Trent. Disaster assistance specialists from OEP's Region 4 (Atlanta) Office have been in the area working under Joe D. Winkle, Acting Regional Director. Mr. Winkle will be designated as the Federal Coordinating Officer to work with the State in providing Federal disaster assistance under Public Law 91–606.

NOTE: The announcement was released at San Clemente, Calif.

ENERGY AND NATURAL RESOURCES

Statement by the President Announcing a Series of Additional Actions To Deal With the Nation's Energy Problem. June 29, 1973

One of the most critical problems on America's agenda today is to meet our vital energy needs.

Two months ago I announced a comprehensive program to move us forward in that effort. Today I am taking the following additional measures:

First, I am appointing John A. Love, Governor of Colorado, to direct a new energy office that will be responsible for formulating and coordinating energy policies at the Presidential level.

Second, I am asking the Congress to create a new Cabinet-level department devoted to energy and natural resources and a new independent Energy Research and Development Administration.

Third, I am initiating a $10 billion program for research and development in the energy field, which will extend over the next 5 years.

Finally, I am launching a conservation drive to reduce anticipated personal consumption of energy resources across the Nation by 5 percent over the next 12 months. The Federal Government will take the lead in this effort, by reducing its anticipated consumption by 7 percent during this same period.

America faces a serious energy problem. While we have only 6 percent of the world's population, we consume one-third of the world's energy output. The supply of domestic energy resources available to us is not keeping pace with our ever-growing demand, and unless we act swiftly and effectively, we could face a genuine energy crisis in the foreseeable future.

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Progress Since April

On April 18, I submitted a message to the Congress discussing the energy challenge and the steps necessary to meet it. That message emphasized that as we work to conserve our energy demands, we must also undertake an intensive effort to expand our energy supplies. I am happy to report that many of these steps are already underway, and that they are proving effective.

—At least eight oil companies have made firm decisions to undertake significant refinery construction projects. Within the next 3 years these projects will increase refinery capacity by more than 1.5 million barrels daily—a 10 percent increase over existing capacity.

—We have announced and carried out a voluntary oil allocation program to help provide farmers and essential government and health services, as well as independent refiners and marketers, with an equitable share of available petroleum.

—A great deal of oil from the Outer Continental Shelf and other Federal lands, which has traditionally been retained by the producers, has been allocated to small independent refiners to augment their present supplies. That figure has already reached 100,000 barrels of oil per day and will increase to 160,000 by mid-August.

—The Council on Environmental Quality has begun a study of the environmental impact of drilling on the Atlantic Outer Continental Shelf and in the Gulf of Alaska. The study is scheduled for completion by next spring.

—The Senate Committee on Interior and Insular Affairs has reported out legislation which would finally permit the construction of an Alaskan pipeline. Legislation will shortly be reported out in the House of Representatives. Since construction of that pipeline would provide 2 million barrels of domestic oil a day, I again urge that the Congress give swift approval to this legislation.

—The Office of Energy Conservation and the Office of Energy Data and Analysis have been established at the Department of the Interior. Although not yet fully staffed, they are now beginning to provide information we must have to proceed with our developing energy policy.

—The Commerce Department has proposed regulations covering the labeling of household appliances so that consumers can make comparisons of the efficiency with which the appliances consume energy.

—The Environmental Protection Agency has published information on gasoline mileage for 1973 automobiles.

—The Department of State is taking steps to consult with the major oil-producing nations to develop the cooperative arrangements needed to ensure adequate and stable sources of oil in the future. We are also working closely with the other major oil-consuming nations in studying ways of meeting growing world demand for energy supplies. These include emergency sharing arrangements, as well as stockpile and rationing programs, which might lead to more coordinated policies for meeting oil supply shortages should they occur in the future.

Several of the steps which I announced in April were in the form of legislative proposals which will help to increase energy supplies. They called for the Alaskan pipeline, competitive pricing of natural gas, licensing of deepwater ports, streamlining of powerplant siting, and a rational framework for controls over surface mining. Only the pipeline request

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has been finally acted on in committee. I hope the Congress will now act quickly and favorably on my other requests.

These steps are a beginning. But they are only a beginning.

Reorganization

The acquisition, distribution, and consumption of energy resources have become increasingly complex and increasingly critical to the functioning of our economy and our society. But the organization of the Federal Government to meet its responsibilities for energy and other natural resource policies has not changed to meet the new demands. The Federal Government cannot effectively meet its obligations in these areas under the present organizational structures, and the time has come to change them.

Energy Policy Office

Effective immediately, the duties of the Special Energy Committee and National Energy Office which I set up 2 months ago to advise and assist in the preliminary organizational phases of the Federal response to the energy challenge will be combined in an expanded Energy Policy Office within the Executive Office of the President. This office will be responsible for the formulation and coordination of energy policies at the Presidential level.

This office will be headed by Governor Love, who will be an Assistant to the President as well as Director of the Energy Policy Office. He will spend full time on this assignment and will report directly to me. My Special Consultant on energy matters, Charles DiBona, will continue in his present advisory capacity, working within the new office.

Department of Energy and Natural Resources

Two years ago I sent to the Congress my proposals for a sweeping reorganization of executive departments and independent agencies to provide an executive branch structure more responsive to the basic goals of public policy. One of those proposals called for a Department of Natural Resources.

During the time these proposals have been receiving the consideration of the Congress, my Administration has continued to refine and improve them. It has become increasingly obvious that reorganization is imperative, and nowhere more clearly so than in the areas of natural resources and related energy matters.

I am therefore proposing today the establishment of a new Cabinet-level Department of Energy and Natural Resources, responsible for the balanced utilization and conservation of America's energy and natural resources.

The Department of Energy and Natural Resources would take charge of all of the present activities of the Department of the Interior, except the Office of Coal Research and certain other energy research and development programs, which would be transferred to a new Energy Research and Development Administration. It would also assume the responsibilities of the Forest Service and certain water resources activities

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of the Soil Conservation Service from the Department of Agriculture; the planning and funding of the civil functions of the Army Corps of Engineers; the duties of the National Oceanic and Atmospheric Administration of the Department of Commerce; the uranium and thorium assessment functions of the Atomic Energy Commission; the functions of the interagency Water Resources Council; and gas pipeline safety functions of the Department of Transportation.

Energy Research and Development Administration

I am further proposing to the Congress that we create an Energy Research and Development Administration.

The new administration would have central responsibility for the planning, management, and conduct of the Government's energy research and development and for working with industry so that promising new technologies can be developed and put promptly to work. The new administration would be organized to give significant new emphasis to fossil fuels and potential new forms of energy, while also assuring continued progress in developing nuclear power.

In order to create the new administration, the present functions of the Atomic Energy Commission, except those pertaining to licensing and related regulatory responsibilities, would be transferred to it as would most of the energy research and development programs of the Department of Interior. The scientific and technological resources of the AEC should provide a solid foundation for building a well-conceived and well-executed effort.

Under my proposal, the five-member organization of the AEC would be retained to provide direction for a separate and renamed Nuclear Energy Commission which would carry on the important licensing and regulatory activities now within the AEC. In addition, I have asked that a comprehensive study be undertaken, in full consultation with the Congress, to determine the best way to organize all energy-related regulatory activities of the Government.

Research and Development

While we must rely on conventional forms of fuel to meet our immediate energy needs, it is clear that the answer to our long-term needs lies in developing new forms of energy.

With this necessity in mind, I am taking three steps immediately to enlarge our Federal energy research and development efforts.

First, I am initiating a Federal energy research and development effort of $10 billion over a 5-year period, beginning in fiscal year 1975. To give impetus to this drive, I am directing that an additional $100 million in fiscal year 1974 he devoted to the acceleration of certain existing projects and the initiation of new projects in a number of critical research and development areas. At least one-half of the funding for the new initiatives for this coming fiscal year will be devoted to coal research and development with emphasis on producing clean liquid fuels from coal, improving mining techniques to increase coal mining safety and productivity, accelerating our coal gasification program, and developing improved combustion systems. The remainder of the $100 million will be for research and development projects on advanced energy conversion

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systems, environmental control, geothermal steam, conservation, and gas-cooled nuclear reactors. While it is essential that we maintain the present budget ceiling for fiscal year 1974, these vital programs must and can be funded within that ceiling.

Second, I am directing the Chairman of the Atomic Energy Commission to undertake an immediate review of Federal and private energy research and development activities, under the general direction of the Energy Policy Office, and to recommend an integrated energy research and development program for the Nation. This program should encourage and actively involve industry in cooperative efforts to develop and demonstrate new technologies that will permit better use of our energy resources. I am also directing the Chairman, in consultation with the Department of the Interior and other agencies, to recommend by September 1 of this year specific projects to which the additional $100 million would be allocated during fiscal year 1974. By December 1 of this year, I am asking for her recommendations for energy research and development programs which should be included in my fiscal year 1975 budget.

Third, I am establishing an Energy Research and Development Advisory Council reporting to the Energy Policy Office, to be composed of leading experts in various areas of energy research and development from outside the Government.

I feel that these steps will greatly improve and expand our current energy research and development effort and will ensure the development of technologies vital to meeting our future energy needs.

CONSERVATION

The Federal Effort

In my Energy Message of April 18, I announced preliminary steps to conserve America's fuel supplies. I said at that time that while energy conservation is a national necessity, conservation efforts could be undertaken on a voluntary basis. I still believe this.

However, public persuasion alone is not sufficient to the challenge confronting us. The Federal Government is the largest consumer of energy in the country, and, as such, it has its own unique role to play in reducing energy consumption and thus setting an example for all consumers.

Effective today, I am therefore ordering the Federal Government to achieve a 7 percent reduction in its anticipated energy consumption over the next 12 months.

I have directed the heads of all Cabinet departments and other Federal agencies to report by July 31 on the specific steps they will take to meet this target. Secretary Morton will be responsible for monitoring agency efforts and reporting their progress to me.

These conservation measures are to be designed to ensure that no vital services are impaired nor the proper functioning of these departments and agencies curtailed. Exceptions will be permitted only in unique circumstances, such as the program of uranium enrichment at the AEC where a substantial reduction in energy consumption would have a detrimental effect on our efforts to provide new forms of energy.

While the precise means of conserving energy will be left to the discretion of Cabinet and agency heads, I am directing that conservation efforts include the following measures:

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—Reduction in the level of air-conditioning of all Federal office buildings throughout the summer.

—Reduction in the number of official trips taken by Federal employees.

—Purchase or leasing of automobiles and other vehicles which provide good gasoline mileage.

Each department and agency is expected to review all of its activities to determine how its own demands might be reduced. The Department of Defense, the largest single consumer of energy within the executive branch, has already examined its activities and has taken steps to reduce its energy demands by 10 percent over last year—steps which will in no way jeopardize our military preparedness.

Conservation in the Private Sector

I am also directing all departments and agencies to work closely with Secretary Morton and the Office of Energy Conservation in the development of long-term energy conservation plans and recommendations for both the private and the public sector.

At my request, the Secretary of the Interior, the Secretary of Commerce, and Governor Love are to meet with representatives of American industry to discuss ways of cutting back on unnecessary consumption of energy and to urge their active participation in the conservation effort.

Further, I have directed the Secretary of Transportation to work with the Nation's airlines, the Civil Aeronautics Board, and the Federal Aviation Administration to reduce flight speeds, and, where possible, the frequency of commercial airline flights. This effort is now underway. By effecting only a small reduction in speeds and flights, it is possible to achieve significant reductions in energy consumption.

Placing the Challenge in Perspective

As these measures cover a broad range of activities in the public and private sectors, I want to put both the problem and the proposed conservation measures into perspective. We all need to understand the dimensions of the challenge, as well as the significance of the role every single American has to play in meeting it.

The Department of the Interior estimates that under the conditions of current usage, our available supply of gasoline this summer could fall short of demand by 1 or 2 percent and possibly as much as 5 percent should the most adverse conditions prevail. To overcome this potential shortage, and to reduce pressure on supplies of other energy resources, I am suggesting that a reasonable and attainable national goal is to reduce anticipated energy use by individual consumers by 5 percent.

We can achieve this goal by making very small alterations in our present living habits, for steps such as those we are taking at the Federal level can be taken with equal effectiveness by private individuals. We need not sacrifice any activities vital to our economy or to our well-being as a people.

Raising the thermostat of an air conditioner by just 4 degrees, for instance, will result in a saving of an estimated 15–20 percent in its use of electricity.

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Just as the Government can obtain energy-efficient automobiles, private citizens can do the same. Nearly three-quarters of the gasoline used in America is consumed by automobiles.

Those who drive automobiles can also assist by driving more slowly. A car traveling 50 miles per hour uses 20 to 25 percent less gasoline per mile than the same car traveling 70 miles per hour. Carpooling and using public transportation will result in further fuel savings.

In order to help reduce driving speeds, I am today taking the additional step of writing to each of the Nation's Governors, asking them to work with their State legislatures to reduce highway speed limits in a manner consistent with safety and efficiency, as well as with energy needs.

I also continue to urge the Congress to pass highway-mass transit legislation which would provide States and localities flexibility to choose between capital investment in highways or mass transit. Diversion of some commuter traffic from single occupant automobiles to mass transit will result in significant energy and environmental benefits and, at the same time, permit the highways to be operated in the efficient manner for which they were designed.

Energy conservation is not just sound policy for the country, it is also good economics for the consumer.

Changing to a more efficient automobile, for example, could produce savings of as much as 1,000 gallons of gas in the course of a year. A savings of 1,000 gallons of gas equals a personal savings of approximately $400.

Cutting down on air conditioning and heating, of course, also cuts down on the family gas or electric or oil bill.

Actions to reduce the rate of growth in energy demands will also improve our ability to protect and improve the quality of our environment.

The conservation of existing energy resources is not a proposal; it is a necessity. It is a requirement that will remain with us indefinitely, and it is for this reason that I believe that the American people must develop an energy conservation ethic.

As a matter of simple prudence and commonsense, we must not waste our resources, however abundant they may seem. To do otherwise, in a world of finite resources, reflects adversely upon what we are as a people and a Nation.

Conclusion

We face a challenge in meeting our energy needs. In the past, the American people have viewed challenges as an opportunity to improve our Nation and to move forward. The steps I have outlined above are not meant to be conclusive. They are part of the ongoing process.

I urge the Congress to act with due concern for our energy needs by rapid consideration of all of my legislative proposals in this field, especially my request to clear the way for the Alaskan pipeline.

Over the coming years it is essential that we increase our supplies of energy.

I urge the members of the Federal Government to play their role in meeting the spirit and the letter of my energy-conservation directives.

I urge private industry to respond with all the imagination and resourcefulness that has made this Nation the richest on earth.

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But the final question of whether we can avoid an energy crisis will be determined by the response of the American people to their country's needs. In the past, whenever we have been faced with real challenges, the American people have joined together to share in the common interest.

I am confident we will do so now.

NOTE: The statement was released at San Clemente, Calif., and Washington, D.C.

For related items, see the following three items.

Energy Policy Office

Executive Order 11726. June 29, 1973

By virtue of the authority vested in me as President of the United States of America, it is hereby ordered as follows:

Energy Policy Office

SECTION 1. There is hereby established in the Executive Office of the President an Energy Policy Office. The office shall be under the immediate supervision and direction of a Director of the Energy Policy Office who shall be designated or appointed by the President.

Functions of the Director

SEC. 2(a). The Director shall be the Administration's chief policy officer with respect to energy matters, and shall be the President's principal adviser concerning those matters.

(b) The Director shall also be responsible for—

(1) identifying major problems, present and prospective, in the energy areas;

(2) making policy recommendations to the President with respect to energy matters;

(3) working with executive branch agencies and outside groups in reviewing policy alternatives with respect to energy matters;

(4) reviewing, commenting on, and making separate recommendations on all other energy-related matters which require Presidential attention;

(5) insuring that executive branch agencies develop short- and long-range plans for dealing with energy matters;

(6) monitoring the implementation of approved energy policies with the assistance of the Office of Management and Budget;

(7) providing guidance and direction to the Oil Policy Committee and its Chairman in the performance of its functions;

(8) providing advice to the Cost of Living Council concerning energy matters;

(9) assuring the development of comprehensive plans and programs to assure the availability of adequate and dependable supplies of energy; and

(10) initiating studies to be carried out by the appropriate Government agencies.

Support

SEC. 3(a). Necessary expenses of the Energy Policy Office may be paid from the Emergency Fund of the President or from such other funds as may be available.

(b) The Administrator of General Services shall provide, on a reimbursable basis, such administrative support as may be needed by the Energy Policy Office.

(c) All departments and agencies of the executive branch shall, to the extent permitted by law, provide assistance and information to the Director of the Energy Policy Office.

SEC. 4. The Director of the Energy Policy Office shall make a report to the President, for transmission to the Congress, no later than March 15, 1974, concerning actions that have been taken and actions that should be taken to carry out the purposes of this order.

Supersedure

SEC. 5. Executive Order No. 11712 of April 18, 1973, is hereby superseded and the Special Committee on Energy and the National Energy Office are hereby abolished.

RICHARD NIXON

The White House,
June 29, 1973.

[Filed with the Office of the Federal Register, 10:12 a.m., July 2, 1973]

NOTE: The text of the Executive order was released at San Clemente, Calif., and Washington, D.C.

For a statement by the President on energy and natural resources, see the preceding item.

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Energy Conservation by the Federal Government

The President's Memorandum for Heads of Departments and Agencies. June 29, 1973

You are hereby directed to review the activities of your agency and your contractors which place demands on our energy resources and determine how demand can be reduced. You are to provide by July 31, 1973, an accounting of your agency's energy consumption and a plan with specific actions and timetables to reduce demands.

I have today established a nationwide goal of reducing expected energy demand by 5 percent over the next twelve months. The Federal Government goal is to reduce the expected demand for energy by 7 percent during this same period.

Steps that should be taken by all agencies include reducing the level of air conditioning in office buildings, with appropriate relaxation of employee dress standards; using more energy efficient automobiles in Federal activities; reducing employee business trips; reducing unnecessary lighting in your agency's buildings; and encouraging greater use of carpools and mass transit by your employees. In addition, several agencies have laboratories and industrial type facilities, some of which are operated by contractors, that provide special opportunities for significant energy conservation measures.

The reports that are due by July 31, 1973, are to be submitted through Secretary Morton. In addition, you are to provide such additional follow-up reports as he may require and to assist him and his new Office of Energy Conservation in identifying new conservation measures.

RICHARD NIXON

NOTE: The text of the memorandum was released at San Clemente, Calif.

For a statement by the President on energy and natural resources, see page 867 of this issue.

Energy Conservation Program

Text of the President's Letter to the Governors of the 50 States. June 29, 1973

Dear Governor:

My April 18 message to the Congress, which was also transmitted to you, detailed actions that must be taken if the Nation is to have adequate and secure supplies of clean energy in the future.

It is particularly urgent that steps to encourage energy conservation begin at once. Today, therefore, I have announced a program to reduce the Nation's anticipated energy demand by 5 percent over the next twelve months. To provide leadership in achieving that goal, the Federal Government will reduce its anticipated energy demand by 7 percent during this same period.

The success of our national effort is primarily in the hands of the American people. Nearly three-quarters of the gasoline used in America is consumed by automobiles. Thus, significant gasoline savings will be realized if the American people will change their driving patterns. It is estimated that a car traveling at 50 miles per hour consumes 20 to 25 percent less fuel per mile than it would at 70 miles per hour. Consequently, I am asking Americans voluntarily to reduce the speed at which they drive this summer.

As part of this effort, I urge you to work with your legislature on reducing highway speed limits in your State, taking into account the objectives of mobility, safety, and energy conservation. I would also urge you to consider the various actions being taken by the Federal Government to save on the energy it uses, and to adopt as many of these measures as are appropriate for your own State.

Americans have the chance to make a virtue of necessity this summer by taking the current energy pinch as an occasion to begin developing not just stopgap measures but a new and enduring energy conservation ethic for the future. You can play a major role in making this effort successful. I hope it will have your strong support.

Sincerely,

RICHARD NIXON

NOTE: The text of the letter was released at San Clemente, Calif.

For a statement by the President on energy and natural resources, see page 867 of this issue.

Disaster Assistance for Alabama

Announcement of Amendment of Disaster Declaration Following Severe Storms and Flooding. June 29, 1973

The President today amended his May 29, 1973, declaration of a major disaster for Alabama as a result of severe storms and flooding beginning about May 27, 1973, to include severe storms and flooding beginning about May 8, 1973. The President's action, taken at the request of Gov. George C. Wallace of Alabama, will permit the use of Federal funds for relief and recovery efforts in areas that sustained severe storm and flood damage on May 8, 1973, and May 19–20, 1973.

In his request for major disaster assistance, Governor Wallace advised the President that estimates of damage to public facilities, homes, and businesses, exceeded $1.3 million. Federal assistance from the President's Disaster

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Relief Fund will consist primarily of debris removal and the repair or restoration of damaged or destroyed public facilities, including roads, bridges, sewer and water systems, and public utilities. Low-interest-rate disaster loans from the Small Business Administration and the Farmers Home Administration will be made under the authorities of the recently enacted Public Law 93–24.

Federal relief activities in the area struck by severe storms and flooding on May 8 and May 19–20 will be coordinated by the President's Office of Emergency Preparedness, under the direction of Acting Director Darrell M. Trent. Disaster assistance specialists from OEP's Region 4 (Atlanta) office have been in the area working under Joe D. Winkle, Acting Regional Director. Mr. Winkle, who was appointed Federal Coordinating Officer following the President's May 29 declaration of a major disaster, will also coordinate the Federal response activities in the area adversely affected by severe storms and flooding on May 8 and May 19–20.

NOTE: The announcement was released at San Clemente, Calif.

Disaster Assistance for Oklahoma

Announcement of Amendment of Disaster Declaration Following a Tornado. June 29, 1973

The President today amended his June 13, 1973, declaration of a major disaster for Oklahoma as a result of severe storms and flooding beginning on or about April 1, 1973, to include damage caused by a tornado which occurred on June 18. The President's action, taken at the request of Gov. David Hall of Oklahoma, will permit the use of Federal funds for relief and recovery efforts in the affected area.

In his request for major disaster assistance, Governor Hall advised the President that estimates of damage to public facilities, homes, and businesses, exceeded $1.2 million. Federal assistance from the President's Disaster Relief Fund will consist primarily of temporary housing, debris removal, and the repair or restoration of damaged or destroyed public facilities, including roads, bridges, sewer and water systems, and public utilities. Low-interest-rate disaster loans from the Small Business Administration will be made under the authorities of the recently enacted Public Law 93–24.

Federal relief activities in the area struck by the tornado on June 18 will be coordinated by the President's Office of Emergency Preparedness, under the direction of Acting Director Darrell M. Trent. Disaster assistance specialists from OEP's Region 6 (Dallas) office have been in the area working under George E. Hastings, Regional Coordinator. Mr. Hastings, who was appointed Federal Coordinating Officer following the President's June 13 declaration of a major disaster, will also coordinate the Federal response activities in the area adversely affected by the tornado on June 18.

NOTE: The announcement was released at San Clemente, Calif.

Walk a Mile for Your Health Day

Statement by the President. June 30, 1973

This Sunday scores of Americans, including Members of the Congress, health and athletic associations, and the President's Council on Physical Fitness and Sports, will join in celebrating "Walk a Mile for Your Health Day." I heartily join in saluting this observance.

Whether out of habit or inclination, millions of men and women in this country do not reap the benefits that simple walking will provide. Yet beyond the obvious health benefits of walking, I know from personal experience that long walks are refreshing exercises of the mind as well as the body. It offers time for reflection and time for personal thought.

"Walk a Mile for Your Health Day" this weekend is an opportunity for all Americans to recognize the many health benefits of walking. It is my hope that we will continue this and other important physical fitness programs on every day thereafter.

NOTE: The statement was released at San Clemente, Calif.

Digest of Other White House Announcements

Following is a listing of items of general interest which were announced to the press during the period covered by this issue but which are not carried elsewhere in the issue. Appointments requiring Senate approval are not included since they appear in the list of nominations submitted to the Senate, below.

June 23

The President hosted a dinner at his residence in San Clemente for members of the Soviet and American delegations who were participating in the summit meeting.

June 24

In a ceremony at the President's residence in San Clemente, he and General Secretary Brezhnev signed the joint communique issued at the conclusion of their meetings. Following the ceremony, they greeted the Skylab astronauts, Capt. Charles Conrad, Jr., Comdr. Joseph P. Kerwin, and Comdr. Paul J. Weitz. The President then accompanied General Secretary Brezhnev to El Toro

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Marine Corps Air Station. The General Secretary departed for Camp David, Md., where he spent the night prior to leaving the United States the following day.

June 25

Prime Minister Gough Whitlam of Australia has accepted the President's invitation to meet with him on July 30 to review matters of common concern to the United States and Australia as partners in the ANZUS Alliance.

June 26

The President has accepted with appreciation for his contributions to the conduct of foreign policy the resignation of Robert H. B. Wade as Assistant Director of the United States Arms Control and Disarmament Agency, effective June 24, 1973.

The White House announced that a Congressional delegation of four Senators and four Representatives will visit the People's Republic of China from July 2–16. The group, headed by Senator Warren G. Magnuson and Representative Thomas E. Morgan, has been invited by the Chinese People's Institute for Foreign Affairs.

June 27

The President today announced the appointment of three members of the Board of Vocational Education for terms expiring February 12, 1976. They are: Carolyn A. Twiname, of the District of Columbia; Jackson R. Champion, of the District of Columbia; and Fernando Oaxaca, of Long Beach, Calif.

June 28

Daniel Patrick Moynihan, United States Ambassador to India and former Counsellor to the President, met with the President and Dr. Kissinger at the Western White House.

The President today accepted with deep appreciation for her contributions to the conduct of foreign policy, the resignation of Carol C. Laise as United States Ambassador to Nepal.

June 29

Governor John A. Love of Colorado met with the President at the Western White House to discuss his appointment as Director of the Energy Policy Office.

Michel Jobert, Foreign Minister of France, met with the President at the Western White House.

The President today accepted with deepest regret the resignation of Kenneth E. BeLieu as Under Secretary of the Army.

The President today accepted, with deep appreciation for his distinguished Government career, the resignation of Frank P. Sanders as Under Secretary of the Navy.

The President today announced his intention to nominate John R. Stevenson, of New York, N.Y., for the rank of Ambassador in connection with his designation as the President's Special Representative for the Law of the Sea Conference and as Chief of Delegation. The conference is to be held in Santiago, Chile, in April 1974.

June 30

The permanent representatives of 15 nations on the Council of the North Atlantic Treaty Organization met with the President at the Western White House.

Members of the Congressional delegation traveling to the People's Republic of China met with the President at the Western White House.

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CHECKLIST OF WHITE HOUSE PRESS RELEASES

Listed below are releases of the Office of the White House Press Secretary during the period covered by this issue which have not been included in the issue.

Released June 23, 1973

News briefing: on the meetings between President Nixon and General Secretary Brezhnev—by Ronald L. Ziegler, Press Secretary to the President, and Leonid Mitrofanovich Zamyatin, Director General, TASS.

Fact sheet: agreement to expand air services

Released June 25, 1973

Fact sheet: The President's Property Review program

News briefing: on the economic statistics of May—by Herbert Stein, Chairman, Marina Whitman, member, and Gary Seevers, member-designate, Council of Economic Advisers

Released June 29, 1973

Fact sheet: President's statement on energy

News briefing: on the President's statement on energy—by John A. Love, Director, Energy Policy Office, and Charles J. DiBona, Special Consultant to the President

Remarks of Melvin R. Laird, Counsellor to the President, in an informal meeting with members of the White House press corps.

CHECKLIST OF WHITE HOUSE PRESS RELEASES—Continued

Released June 29, 1973—Continued

News conference: on Foreign Minister Jobert's meetings with the President and Dr. Kissinger—by Dr. Henry A. Kissinger, Assistant to the President for National Security Affairs, and Michel Jobert, Foreign Minister of France.

Released June 30, 1973

Remarks: On legislative matters—by Melvin R. Laird, Counsellor to the President, and Ronald L. Ziegler, Press Secretary to the President

ACTS APPROVED BY THE PRESIDENT

Approved June 22, 1973

H.R. 4682 ..... Public Law 93-48
An act to provide for the immediate disposal of certain abaca and sisal cordage fiber now held in the national stockpile.

H.R. 5610 ..... Public Law 93-47
An act to amend the Foreign Service Buildings Act, 1926, to authorize additional appropriations, and for other purposes.

Approved June 25, 1973

H.R. 5293 ..... Public Law 93-49
An act to authorize additional appropriations to carry out the Peace Corps Act, and for other purposes.

NOMINATIONS SUBMITTED TO THE SENATE

The following list does not include promotions of members of the Uniformed Services, nominations to the Service Academies, or nominations of Foreign Service officers.

Submitted June 25, 1973

PHILIP K. CROWE, of Maryland, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Denmark.

NOMINATIONS SUBMITTED TO THE SENATE—Continued

Submitted June 26, 1973

ALVIN J. ARNETT, of Maryland, to be Director of the Office of Economic Opportunity.

WILLIAM D. BREWER, of Connecticut, a Foreign Service Officer of class one, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the Democratic Republic of the Sudan.

RICHARD F. PEDERSEN, of California, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Hungary.

Submitted June 27, 1973

PRENTICE H. MARSHALL, of Illinois, to be a United States District Judge for the Northern District of Illinois, vice Alexander J. Napoli, deceased.

ALBERTO FAUSTINO TREVINO, JR., of California, to be a member of the Board of Directors of the Community Development Corporation, vice Samuel C. Jackson, resigned.

Submitted June 28, 1973

GEORGE A. LEMAISTRE, of Alabama, to be a member of the Board of Directors of the Federal Deposit Insurance Corporation for a term of 6 years, vice Irvin H. Sprague, resigned.

JACK R. MILLER, of Iowa, to be an Associate Judge of the United States Court of Customs and Patent Appeals, vice J. Lindsay Almond, Jr., retired.

Editor's Note

Note Concerning the Closing Date of This Issue

President Nixon was in San Clemente, Calif. at the cutoff time of this issue. Releases issued there but not received in time for inclusion in this issue will be printed next week.

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