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VOLUME XXXVI: Numbers 915–939

January 7–June 24, 1957
Correction for Volume XXXVI

The Editor of the BULLETIN wishes to call attention to the following error in volume XXXVI:

February 25, page 295: The sentence beginning at the bottom of the first column should read, “The second historical fact which I ask you to remember as we explore the international scene of today is the emergence of international communism as the one great, aggressive threat to the liberties of mankind.”
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Messages From President Eisenhower and Secretary Dulles and Statements by Ambassador Henry Cabot Lodge, Jr.

COLOMBO PLAN NATIONS REVIEW ECONOMIC PROGRESS
Final Communiqué and Extract From Annual Report

REPORT OF THE COMMITTEE OF THREE ON NON-MILITARY CO-OPERATION IN NATO

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.
Secretary Dulles' News Conference of December 18

Press release 624 dated December 18

Following is the Department of State’s release of Secretary Dulles’ news conference of December 18.

Secretary Dulles: I am very glad to be back here again after a little absence. I want to take this occasion to again pay public tribute to the capable and dedicated work that was done by Acting Secretary Hoover during my absence. Also, because we may not meet again before Christmas, I want to wish you all a merry Christmas.

Now, if you have questions.

U.S. Forces in Europe

Q. Mr. Secretary, there has been a lot of speculation about the possibility of some kind of positive response by the United States to a reference in Premier Bulganin’s disarmament message on November 17 about reducing forces in Europe. I think that he suggested: one, cutting back and, two, eventually removing all forces. Can you say what kind of response might be made to this idea or what the possibility for action in this field is?

A. Well, I cannot forecast at this time to you the precise terms of the reply that will be made by President Eisenhower to Premier Bulganin. Actually, I believe that the suggested reply is being considered by the Standing Committee of the North Atlantic Treaty Council in pursuance to our policy of exchanging views about these things with the allies most directly concerned. I think I can say this, that there is no plan, and I think there will be no suggestion in the reply, that our strength in Europe will be reduced. We discussed that matter rather fully at the NATO meeting and in our discussion of the new directive to be given to our military authorities. And the assumption is that the United States strength in Europe will continue. That doesn’t mean that there may not be some adjustment or streamlining of the divisions because that is a program that is being considered by the Defense Department in relation to all our divisions everywhere as part of the effort to make them more mobile and better adapted to modern warfare and new weapons. But there is no planning now in contemplation for reducing United States strength in Europe.

Q. Mr. Secretary, could I put the question this way: You have long said that many things are afoot in the Soviet Union, and the evidence is clear that this is true in the satellites. There seems also to be a general feeling here that the satellite situation has changed—the military equation—because the Russians no longer can count on the satellite troops in a conflict with the West. Is this an opportunity to make some new approach on a European political settlement, and, if that were true, would that involve some alteration of the military posture of the two sides?

A. I would think that, if developments within the satellite nations took such a turn that they became genuinely independent nations, that would justify a general review of the situation. The United States has made clear—I expressed it in the speech which I gave at Dallas at the end of October, I think it was—and President Eisenhower said the same thing shortly thereafter, that the United States has no purpose at all to turn these satellite countries into our allies, in the sense that we have no desire to surround the Soviet Union with a band of hostile states and to revive what used to be called the cordon sanitaire, which was developed largely by the French after the First World War with a view to circling the Soviet Union with hostile forces. We have made clear our policy in that respect in the hope of facilitat-

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Q. Mr. Secretary, there has been some suggestion that possibly one of the great boons which might come from the visit of Mr. Nehru to this country would be an eventual settlement of the problem in the Middle East. Can you give us any comment about that, or any indication of what the talks are apt to lead to, sir?

A. No, I'm sorry to say that I do not feel that I can comment upon Prime Minister Nehru's visit here while the visit is still in process. I have not yet had a chance to talk with the President because he is on his way back now from Gettysburg, and I don't know what has transpired there. I had my own talk with Prime Minister Nehru on Sunday afternoon. But while the talks are going on I prefer not to comment upon them.

Question of Consultation With Allies

Q. Mr. Secretary, to what degree is the United States committed by your commitments in the Paris meeting to consult with its allies, and to what degree is it not committed to consult with its allies on international problems?

A. Well, I made clear there that, as far as consultation went, we were prepared to consult fully with our allies about any of our problems or any of our policies in any part of the world. I said that our policies were known, there was nothing secret about them, and we would be glad to discuss them, explain them, and if any of our allies had any suggestions to make we would be glad to take them into account. And I said that applied to our policies whether in relation to the Far East, or the Near East, or this American Hemisphere.

Now, then, I made another point, however, which was that in these areas we are bound by treaty to take action in certain contingencies. All of that is known in advance. It is known, for example, and I pointed out in Paris, that we are bound by treaty with the Republic of China on Taiwan to join with it to defend Taiwan and the Pescadores in the event of attack. If that attack occurs, we will have to comply with our treaty obligations. The time to discuss that policy, if they want to discuss it, is now, and we are prepared to discuss it now, and, indeed, I did expound...
it a year ago, I think, to the Nato Council. Therefore, we are prepared to discuss and counsel with them about policies anywhere. But where action is required we cannot agree to suspend action to which we are bound by treaty with other allies. We cannot suspend action to comply with that treaty in order at that stage to discuss it with the Nato allies.

I would like to add one thought here because there is a good deal of misunderstanding, I found, in Paris on this question of consultation. It is assumed that our complaint about the British and the French is primarily because they failed to consult with us, or with the Nato Council. That is not the case. It is quite true that the actual attack occurred without our knowledge and came as a complete surprise to us. But there had been prior consultation about this matter for nearly 3 months. The views of the United States were fully known as to why we were opposed to this. We had discussed it during the three trips that I made to London, beginning with my first trip there the end of July. It had been discussed with the British and French Ministers when we met here at the Security Council meeting. The matter had been fully discussed; they knew our views; they knew why we were opposed to any such action. And our complaint is not that there was not a discussion of these matters; not that we had not had an opportunity to make our views known—the point was that we considered that such an attack under the circumstances would violate the charter of the United Nations and would violate article 1 of the North Atlantic Treaty itself, which requires all the parties to that treaty to renounce the use of force and to settle their disputes by peaceful means. That is our complaint; that the treaty was violated; not that there was not consultation. And we made perfectly clear that as far as we are concerned we want to live up to our treaty obligations, as we understand them. We are prepared to explain those obligations, to give our interpretations of them, so there is no lack of understanding about what our policies are. But if we are bound by treaty to do something, or if we are bound by treaty not to do something, we expect to conform to those treaties. Those treaty obligations are not themselves a matter of discussion in the sense that we will have to submit to the Nato Council whether or not we comply with our treaties.

Clearing Suez Canal

Q. Mr. Secretary, it seems to be generally agreed that Europe’s economic difficulties will increase in direct proportion to the length of time the Suez Canal remains closed. There are some difficulties regarding the clearing of the canal right now in which Egypt and the United Nations and Britain and France are particularly involved. Do we have a deadline which we have set by which the canal must be cleared, and, whether we have or whether we have not, what are we doing to persuade Mr. Nasser to cooperate in this venture?

A. Well, there is no deadline that I know of fixing a date by which the canal must be cleared. It would be quite impossible to have such a deadline because the engineers who are studying the matter don’t have the slightest idea yet of the full nature of the obstacles or how long it will take to clear the obstacles. Therefore, to have a deadline for completion would be physically and technically impossible. Now we are, of course, deeply concerned that the canal shall get back into operation just as soon as possible. That is a matter of economic and financial concern to the nations of Europe, to the nations of Asia, and to the United States itself, which is carrying some of the financial burdens of this interruption. Therefore, our national interest and our international interest is that the canal shall get back into operation as soon as possible. There are a great many practical and psychological problems that are involved, and our belief is that the best way to get that result is to give backing to the Secretary-General, who has been entrusted with the primary responsibility in this matter. He has competent people as his advisers. We are always at his disposal to give any advice that he thinks he can usefully get from the United States. But we are backing Mr. Hammarskjold in this matter as the best way to get the job done.

Policy on “Cold War”

Q. Mr. Secretary, there are reports from Moscow, from Western correspondents and diplomats there, that the Soviet Government appears to have reached an operational assumption that this Government in Washington desires and intends a resumption of the cold war. Would you please clarify for us the actual policy of this Government in respect to that matter?

January 7, 1957
A. Well, I can say very categorically that the United States does not desire "a resumption of the cold war." Of course, this phrase "cold war" is a somewhat ambiguous phrase, and I don't expect you would find the definition of it if you turn to Webster's Dictionary or the Oxford Dictionary. So there is always a question of definition when there are used somewhat loose phrases of this sort. But the change in the atmosphere that has occurred since the Geneva conference is not due to any action of the United States that I am aware of; certainly, not due to any desire upon our part. It has been due to Soviet action. It has tried to stir up trouble in the Near East, to try to obstruct a settlement of the Near East problems at these Suez conferences. It was always the apparent policy of the Soviet Foreign Minister to try to see to it that no agreement was reached between Egypt and the British and the French. And whenever it looked like an agreement might be near at hand it was the Soviet Government carrying on propaganda in the Arab countries which fought against and denounced the proposed settlement, making it very difficult indeed for the Arab countries to accept the settlement. Then, of course, we know the tragic events of Hungary. I may say, also, of course, there was the fact that at the Geneva summit conference there was a very definite agreement that Germany should be reunified by free elections. That agreement was torn up. All of those have created an impression as to the Soviet policy which seems to be not readily reconcilable with what they indicated at Geneva. Between the actions that have been taken with respect to the Geneva agreement about Germany, the policies in the Near East, and the policies in Hungary, it doesn't look very much as though the Soviet Union wanted really to develop friendly relations with the free world. But the responsibility for that, I think, lies wholly upon the Soviet Union, and there is no desire or plotting on our part to bring that about.

Q. Mr. Secretary, has Britain told the United States that it intends to cut its NATO troop commitment by about perhaps 50 percent?

A. Well, there has been a discussion in Paris at the NATO meeting, and in some of the talks that took place in more restricted groups as a by-product of the Council meeting, that the situation would call for a reconsideration of the United Kingdom forces on the continent of Europe. You may recall that at the time when the pledge of those forces was made, at the time of the London and Paris Accords and the making of the Brussels Treaty, or revision of the Brussels Treaty, the British pledge contained a reference to the possibility of financial considerations justifying a reconsideration of that pledge.3 I think there is a feeling that the financial position of the United Kingdom at the present time does justify some reconsideration of that pledge, and the reconsideration is being given. There has been no decision as yet as to what will take place.

Q. Mr. Secretary, we know that France and Britain need crude oil and fuel oil, and we know that they have a shortage of gasoline. Now we stand ready to give them everything they need, and we have even a surplus of tanker bottoms at present to carry this to them. Why is it they have informed this Government they do not want to take any gasoline when they have a shortage?

A. Well, I am afraid you are out of my depth. I didn't know that they had given such information.

Q. Well, if you don't know it, then maybe they haven't.

A. I don't claim to be omniscient. There are lots of things happen that I don't know about.

Q. We have been told in other press conferences by officers of this administration that Britain and France didn't want gasoline.

A. It may be that their primary desire may be in the form of crude oil [and do their own refining].4

Japan's Admission to U.N.

Q. Mr. Secretary, today and perhaps by this time Japan is scheduled to become the 80th member of the United Nations. Would you have any comment about her accession to membership in the United Nations?

A. I just got word that Japan has been admitted to the United Nations by a vote of 77 in favor and no oppositions. That is an event which the United States very greatly welcomes. We have been seeking that for several years. The road has been rocky because of the Soviet veto that was imposed for so long.

4 Bracketed phrase added to transcript.
You will perhaps recall my very special interest in the Japanese situation because of the part I had in negotiating the Treaty of Peace with Japan. We expressed at that time the hope that Japan would quickly be admitted to the United Nations. Japan is surely entitled to take its place in that grouping of the family of nations. We are confident that Japan, by its presence there, will strengthen the United Nations, that its part will be constructive. So it is not only a result to which the Japanese are entitled and which we are very glad to see happen; it is also a result that the United Nations is entitled to, and that is a point too for which we are gratified.

Q. Mr. Secretary, what is your attitude toward the latest Soviet proposal for admitting Communist China into the United Nations?

A. Well, I would hope that that is an academic question. The United States stands firmly opposed to the admission of Communist China to the United Nations. I don't think I need perhaps to give all the reasons here, but I think they are ample. They have been expressed earlier at the United Nations General Assembly, and there has been no change in our views since then.

Q. Mr. Secretary, can you give us any indication of what sort of a foreign-aid program is being studied now with a view to requests which will be made to the coming session of Congress—for instance, will there be any possibility of economic aid for Poland? Will there be any request for some sort of a little Marshall plan for Western Europe?

A. I would not be able to comment upon the prospective budget which is in preparation. All of the Departments in the Government are under strict injunction not to comment about the budget until it is approved by the President and can be communicated to the Members of Congress. I would say that, quite apart from the details of the budget, and as to the policy involved, it is, I think, well known that the United States has made contact with the new Polish Government with a view to ascertaining whether there is any mutually acceptable program whereby we could give assistance to Poland which would assist it to maintain its growing independence. But it is unlikely that the amount of that would be a major factor in the budget that we are considering. There is no plan that I am aware of being prepared which would represent what might be called "a little Marshall plan."

Q. Mr. Secretary, would you try to clarify a point on troops in Europe? You have said this morning that we oppose and are not considering a reduction in military strength and that we will not accept a line dividing Germany but that this does not preclude a possible adjustment or streamlining of forces. Does this, however, mean that we will not consider a bilateral pullback of forces from Germany with the objective of the unification of Germany?

A. I do not see any present likelihood of that becoming a practical proposition.

Possibility of Visit by Marshal Tito

Q. Mr. Secretary, would you favor an early visit to the United States by Marshal Tito?

A. Well, I think that it would serve a useful purpose if there were a visit from Marshal Tito. There are things which might usefully be talked over, I think, in that way. As you know, I went myself to Brioni and talked with Marshal Tito a year ago last November, and I found that that was a worthwhile conversation. Many things that we talked about then have proved of utility and have indicated an understanding by Marshal Tito of some of the satellite problems which has been confirmed by subsequent events. I think that was a useful talk, and I would think that there might be utility again in such a talk at a high level.

Q. Has a decision been made to invite him, sir?

A. Well, sympathetic consideration is being given to it, although there has not yet been a formal invitation with the fixing of a date, nor indeed do we know definitely that the idea will ever come to consummation. The visit is in the process of detailed development, you might say, at this stage.

Q. Mr. Secretary, there appears to be in Western Europe still some residue of the feeling that, while we pressed the British and French and the Israelis very hard to comply with the United Nations, we have not exerted an equal pressure on the Egyptians to cooperate in both a long-range settlement of the canal problem and in clearing the canal. Now, what could you say on this point spe-
cifically, and including what our views are on whether the canal clearing operations should begin even before all foreign forces are withdrawn from Egypt?

A. Well, on the last point, I would say that in a sense the canal clearing operations are already under way. Of course, they have been for some time under way in the portion of the canal which is under the control or was under the control of the British and the French. They have also begun in the other part of the canal, because there is going on there the engineering exploratory work which must precede any actual physical work of clearing the canal. You have got to know where the obstacles are, what the nature of the obstacles is, you have got to plan as to what you try to do with them, whether you take them away or shift them, what you do.

There is an area of planning there which must precede the physical attacking of the problem. That is under way at the present time, under the direction of General Wheeler. And I believe that that work then will go on without any interruption as the British and French withdrawal is completed.

Now, the question of whether or not British units will be used there is a highly complicated problem, but I believe there will be no serious interruption of the work because, as I say, this engineering survey and planning has to take place first.

Status of Satellites

Q. Mr. Secretary, you have spoken today of the military equation, of the contemplated reply of this Government to the Bulgarin letter, and also of consultation in Paris with our NATO allies. Are we or do we have in the making any startling new proposals to take the initiative at this time, as some people say, of opportunity for the free world?

A. Well, I would not want to characterize our plans as being startling or new, as far as that is concerned. The developments are taking place. We have great hope that they will result in a very important change in the international picture. I doubt whether that change that we hope for can be advanced by anything that is very startling. I have already indicated that the United States is very openminded to any suggestions that might be made as to the status—whether neutralization or otherwise—of satellite countries which would take away any fear, I would hope, by the Soviet Union that it would be physically or militarily endangered if it facilitated this evolution to independence.

Now, that is a basic policy position which has been enunciated by the President and me in the past. It has not been developed further because there has been no particular response to it. But I would hope that perhaps, through that line of thinking, we might at some stage help to produce a situation which would be better from everybody's standpoint, also including the Soviet Union.

I had a talk about 6 months ago, I think, with one of the leading figures in Europe, who knew a great deal about the satellite situation. And he was saying to me, "It's very important that this satellite situation should develop in such a way that the Soviet Union is surrounded by friendly countries." And I said, "We have no desire whatever that the Soviet Union shall be surrounded by unfriendly countries. But," I said, "that is not a matter which is in our control as much as it is in the control of the Soviet Union." I said, "Unless they move fast, they are going to find that they are going to be surrounded by unfriendly peoples and consequently in the long run by unfriendly governments. They have got to move fast or else events will get out of their control."

I said that 6 months ago. And that is the way things have gone. But they haven't gone that way because the United States wanted them to go that way. We would have liked to have seen the evolution in a more complete and orderly way, and we are entirely prepared to make it as clear as can be that the United States has no desire to capitalize upon this situation as part of any program of a hostile character against the Soviet Union.

Q. Is it correct, sir, to assume from what you are saying about the satellite areas that it is this Government's position that this is essentially a unilateral Soviet problem, that we are not prepared to negotiate with the Russians over the status of the satellites or of their forces in the satellites in relation to the Western forces in Western Europe?

A. Well, the Soviet Union has always taken the position that this was a matter it could deal with
and it was no matter that they are willing to discuss with us. You will recall at the summit meeting President Eisenhower raised this problem in his opening speech, and Chairman Bulganin in his reply, as they went around the table, said, "This is a matter which we are going to deal with ourselves and we do not admit of any discussions with anybody about it." Now, that is their decision. If at any time the Soviet Union wanted any more formal expression of our views, we would always be glad to give it to them.

Q. But in the Bulganin, the last Bulganin letter, there was a reference to possible relationship between the Warsaw military setup and NATO. Is this a negotiable possibility from our side?

A. Not in terms of an equating of the Warsaw Pact and NATO, no. That is not the context within which I think the problem ought to be discussed because the Warsaw Pact is totally different from NATO. We would not want to recognize or seem to give sanctity to that Warsaw Pact, which in fact is not a device for providing mutual security for those countries but is a device for perpetuating Soviet control over those countries.

Q. Mr. Secretary, in your considered judgment, is there hope for a peaceful settlement between Israel and her Arab neighbors, particularly Egypt, in the near future, in view of the continued refusal of these neighbors to recognize Israel's sovereignty, and if so, in what way can the United States prove a helpful force for peace?

A. Certainly the United States has hope for a settlement of the political problems, economic problems, refugee problems, and the like in that area. Our basic position remains pretty much the same, or I think it can say the same, as was expressed in the speech on this subject which I made on the 26th of August of last year. Of course, events since then have led to our hopes being considerably deferred. And the atmosphere at the present moment is not, I'm afraid, conducive to bringing about such a settlement at an early date. But the efforts of the United States will continue to be made for a settlement along the lines of my August 26th statement.

Additional U.S. Contribution to U.N. for Hungarian Refugees

WHITE HOUSE ANNOUNCEMENT

White House press release dated December 15

The President announced today that the United States will contribute $4 million to the Secretary-General of the United Nations to be used for assistance to Hungarian refugees.

The contribution is in response to a resolution of the U.N. General Assembly and a joint appeal for help issued by the Secretary-General and the U.N. High Commissioner for Refugees [see below].

An earlier United States contribution of $1 million was made to the United Nations for the same purpose on November 13, 1956. Since that time, the influx of refugees from Hungary into Austria has continued, and more than 130,000 have escaped into Austria from their homeland.

The additional contribution of $4 million from the United States will assist the Austrian Government, working in cooperation with the High Commissioner, the International Red Cross, and other intergovernmental and voluntary agencies, in meeting the heavy demands placed upon the Republic of Austria by the arrival of these refugees.

In announcing this contribution, the President said that the U.S. Government was proud to join with other governments, through the United Nations, in providing additional means to carry on the humanitarian work of assistance to the Hungarian refugees. He also expressed admiration for the generous and efficient assistance being given the refugees by the Federal Government of Austria and by intergovernmental and private organizations.

STATEMENT BY HENRY CABOT LODGE, JR., U.S. REPRESENTATIVE TO THE U.N.

It gives me great pleasure to present to you this check of $4 million as a contribution by the United States Government for aid to Hungarian refugees. It comes in response to the resolutions passed by the United Nations General Assembly

2 Made on presenting the second U.S. contribution for Hungarian refugee relief to U.N. Secretary-General Dag Hammarskjold on Dec. 17 (U.S./U.N. press release 2560).

January 7, 1957
and to the subsequent appeals made by you and the High Commissioner for Refugees asking governments and organizations to contribute generously.

Over 130,000 men, women, and children have so far fled from their homeland; their plight is serious and their care is a legitimate concern of all United Nations members. These people are only seeking the basic human freedoms declared by the United Nations Charter to be the birthright of all and the basis for an enduring peace.

Because of the heartfelt and efficient assistance being given to the Hungarian refugees on their arrival in Austria by the Austrian people through their Government and the various humanitarian organizations there, we expect that a very large part of our contribution will go to the Austrian Government.

And I would like to add this further thought: While the United States Government has now contributed $5 million through the United Nations to aid Hungarian refugees, much more is still needed. The Secretary-General has appealed for a $10 million fund as a minimum necessary to meet immediate requirements.

I hope that all who sympathize with the gallant people of Hungary will back up their convictions with practical assistance.

TEXTS OF U.N. APPEALS TO GOVERNMENTS AND NONGOVERNMENTAL ORGANIZATIONS FOR REFUGEE AID

Appeal to Governments

U.N. press release dated November 29

Following is the text of a telegram addressed today to all governments members of the United Nations and to the Governments of the Federal Republic of Germany, Japan, the Republic of Korea, Monaco, San Marino, Switzerland, the Vatican, and Viet-Nam by the Secretary-General and the United Nations Deputy High Commissioner for Refugees.

Please bring following attention your Government:

Wish gratefully acknowledge generous efforts being made by many governments in implementation of Gen Assembly resolution A/Res/398 concerning assistance to refugees from Hungary, and have honour request that immediate attention be given subsequent resolution A/Res/-... adopted by GenAssembly on 21 November at its eleventh session and transmitted by me to your Permanent Representative on 26 November. This resolution urges governments and non-governmental organizations "To make contributions to the SecGen, the United Nations High Commissioner for Refugees or other appropriate agencies for the care and resettlement of Hungarian refugees and to coordinate their aid programmes in consultation with the Office of the High Commissioner."

A situation of the utmost urgency has now developed. In a communication to the SecGen, the Permanent Representative of Austria to U Nations wrote on 26 November "The Hungarians streaming into Austria at the present time arrive deprived of any means and in a state of exhaustion. They have to be cared for immediately, to be fed and clothed. The Austrian Federal Government, in cooperation with everyone willing to help, is undertaking all possible efforts to accommodate these unfortunate people as quickly as possible. But, in spite of all the desperate efforts on the part of the Austrian authorities and the Austrian people to cope with this difficult problem, Austria cannot do it alone. She necessarily depends on generous joint immediate help from other countries." The Office of the High Commissioner for Refugees in a report (Document A/3371) submitted on 10 November estimated original cost of care for refugees then expected to remain in Austria for six months. At that time, only some thirty-four thousand refugees had arrived and minimum number expected to remain for six months was estimated at twenty thousand. As of 28 November, the Office of the High Commissioner reports that approximately ninety-two thousand arrivals had so far been recorded, as against approximately twenty-two thousand departures. The High Commissioner's original estimate of the number of refugees likely to remain in Austria therefore requires substantial upward revision, bearing in mind the time element involved in completing arrangements for resettlement, and the reluctance of many refugees to move again pending clarification of the situation in their home country. In light of information available at that time, original estimate of High Commissioner's office was that 6,530,000 dollars would be minimum sum required to provide for expected twenty thousand refugees in Austria during six months, in addition to aid provided on emergency basis by Red Cross and other agencies. Already on 21 November, the growing influx of refugees made it necessary to submit an addendum to this original report and estimate pointing out that it was obvious that original figures no longer applied and concluding "Any appeal following GenAssembly action would have to be based on new estimates."

While it is still not possible to estimate exactly dimensions of problem over next six months, it is now considered in light of present information as to number of refugees in Austria and those likely to be moved elsewhere in immediate future, and offers of assistance already communicated to the SecGen and the Deputy High Commissioner, that not less than a further ten million dollars will be required for meeting minimum needs for estimated sixty thousand Hungarian refugees for next six months.

We would therefore be grateful to receive at your earliest convenience an indication of any further assistance you are prepared in this emergency to make available to the SecGen or to the Office of the High Commissioner for Refugees. We would request precise indications of the nature and extent of such assistance, whether in cash or in the form of temporary asylum or resettlement offers.
Interference by Czechoslovak Police
With Visitors to U.S. Embassy

Following is the substantive portion of a note sent by the U.S. Embassy at Prague to the Czechoslovak Foreign Office on December 7.

It has been noted for some weeks that uniformed police stationed at the entrance to the chancery have been interfering with visitors to the Embassy, requiring them to produce identity documents, making notes from such documents and on occasion questioning them. The interference even extended to American citizens and members of other diplomatic missions in Prague attempting to enter the chancery.

The Embassy considers this action entirely unwarranted and requests that action be taken to bring about its prompt termination.

Representatives of American Presidents
To Hold Second Meeting

Press release 630 dated December 21

The State Department announced on December 21 that the next meeting of the Inter-American Committee of Presidential Representatives will convene in Washington on January 28, 1957. Official notification of the date has been sent to all representatives of the American Presidents by the Committee's secretariat, which is located in the Department of State.

The Committee was formed as a result of the proposal advanced by President Dwight D. Eisenhower at the Panama Meeting of American Presidents last July. At that time the Presidents agreed to name personal representatives to form a committee for the purpose of drawing up recommendations on strengthening the Organization of American States through increased activities in the economic, social, financial, technical, and atomic energy fields.

The representative of the President of the United States is Milton S. Eisenhower, president of the Johns Hopkins University, who was elected chairman of the Committee at its first session, held at Washington September 17–19, 1956.

2 For text of communique issued following the first session, see ibid., Oct. 1, 1956, p. 513.
Mutual Security and Soviet Foreign Aid

by Philander P. Claxton, Jr.
Special Assistant to the Assistant Secretary for Congressional Relations

Until the events of the last few weeks in Eastern Europe and the Middle East there seemed to be, since the death of Stalin and particularly since the summit meeting a year ago and the 20th Party Congress last February, a new trend in Soviet foreign policy. This new trend was apparent in all East-West relations as a marked campaign to make the declared Soviet policy of "competitive coexistence" seem plausible. It was particularly apparent in Soviet policies and behavior toward the so-called underdeveloped countries, especially certain countries of Asia, where the Sino-Soviet bloc countries have been engaged in an unprecedented drive to establish good relations by offers of increased trade, credits, and technical assistance.

My purpose tonight is to examine with you the main outlines of this new Soviet economic diplomacy—and its significance to our friends in the world and to ourselves—as it has developed over the last 3 years. The indications have been that the new policy of economic penetration was intended to be of some extended duration. I believe that for the purpose of this evening's discussion—as well as for tentative planning purposes—it may be considered as still underlying the present violence. It must be recognized, however, that Soviet behavior in Hungary and in the Middle East crisis suggests that Soviet diplomacy may be entering a new, tougher phase which would require substantial revision of this assumption.

Let us consider first the magnitude and form of the Sino-Soviet bloc's economic offensive.

There have been three principal economic means which the bloc has employed to expand its ties with free-world countries: (1) its trade-promotion drive, (2) its offers of credit, and (3) its technical assistance.

Trade-Promotion Drive

The trade-promotion drive by the end of August of this year had achieved 203 trade and payments agreements between bloc and nonbloc countries. This represented nearly double the number of such agreements in force at the end of 1953, with most of the increase accounted for by underdeveloped countries. These bilateral agreements generally specify the level of trade and types of commodities for which the two countries will provide official trading facilities. They do not assure that trade will reach the specified levels, and in actual practice exchanges have often been much lower.

However, bloc trade with the free world during the first quarter of this year was moving at an annual rate of over $5 billion, of which $1.5 billion was with the underdeveloped countries. On the bloc side, the European satellites accounted for a little over half of the trade; the U.S.S.R., one-third; and Communist China, 15 percent. Bloc trade with the underdeveloped countries is distributed as follows: countries in South Asia and the Far East, 22 percent; those in the Middle East and independent Africa, 28 percent; Latin America, 30 percent; and the underdeveloped countries of nonbloc Europe, 20 percent. In all regions the percentage gains over the level of trade 2 years ago are substantial. On the other hand, there are relatively few countries where

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1 Address made before the 9th annual cross-examination tournament at the University of Pittsburgh, Pittsburgh, Pa., on Dec. 7.
bloc trade represents as much as 10 percent of total foreign trade of the free country. The notable exceptions are Afghanistan, Yugoslavia, Iceland, Burma, Egypt, and Turkey, and in some instances these countries have for some years had fairly significant trading relations with the bloc.

In its trade drive, the bloc has capitalized on the desire of underdeveloped countries to expand their foreign markets for their major products and to stabilize their export earnings. It has widely publicized its willingness to take surplus commodities on long-term contracts and has given the impression that it is sometimes willing to pay premium prices. In return it offers manufactured goods of types which are not produced in adequate quantity in underdeveloped countries and are urgently needed to meet the targets of ambitious economic development programs.

Trade promotion has been pushed energetically through diplomatic channels as well as large numbers of traveling missions and an increasing number of permanent trade offers. Bloc use of local advertising media has expanded noticeably in Latin America and the Near East, and participation in trade fairs has grown impressively. This year bloc countries are expected to participate in 131 fairs and exhibitions in 37 free-world countries. Unlike most of the earlier bloc efforts, in which general trade offers reflected propaganda objectives more than any real desire to do business, the present campaign appears to represent a serious drive to expand markets for a wide variety of bloc products.

While these efforts must be credited with a considerable degree of success, the sailing has not been entirely smooth. For example, some of the underdeveloped countries which have sold or bartered their products to the bloc countries have been disillusioned to find that the bloc countries have thus put the same goods back in the market in competition with the original seller! More important is the growing recognition throughout the free world of the inflexibility and other disadvantages of bloc barter trading. In addition much of the optimism regarding sales to the Communists at favorable prices has proved unwarranted. The Soviets are generally hard traders. This is illustrated by the Burmese experience. Burma's rice crop is its major foreign-exchange earner. Burma was delighted when the bloc offered to buy its surplus rice in barter for goods produced by bloc members. This arrangement, originally hailed as a great benefit to Burma, has turned out to be anything but a gain, since the products offered in return by the bloc are overpriced and have not always been of the types which the Burmese wanted most urgently. In Latin America, as another example, the countries with the largest exports to the bloc have found themselves in the position of creditors since the goods offered by the bloc have had relatively limited appeal to their importers.

Foreign Lending by U. S. S. R.

Let us now turn from the trade promotion aspect of the new Soviet economic diplomacy to its most dramatic feature: the large-scale entry into the foreign lending field. After years of denouncing foreign aid as an unvarnished instrument of Western imperialism, the U.S.S.R. and European satellites have now signed agreements to extend to 11 underdeveloped countries about $1.4 billion in credit for the purchase of Soviet-bloc goods and technical services—including arms. This is more than double the level of a year ago. The largest single beneficiary is Yugoslavia, which, as a Communist country, is a special case. With the exception of Yugoslavia, the emphasis of this lending drive has been on the underdeveloped nations of the Near East and South Asia. Three of these nations, Egypt, India, and Afghanistan, together with Yugoslavia, account for the bulk of the total agreed credits. Credits to India, which have exceeded $100 million, were raised 2 weeks ago by another $126 million. Indonesia also has recently accepted an offer of a $100 million line of credit. In addition, firm offers totaling about $150 million are under consideration by other underdeveloped countries. The U.S.S.R. is providing a little over half of the credits extended and the European satellites the remainder. Recently, even Communist China entered the foreign-assistance field with agreements to provide grants to Cambodia and Nepal. But grants are the exception. Soviet-bloc aid is practically all in the form of credits; and, in at least one case where a gift was involved, the recipient at the same time gave the U.S.S.R. a return gift.

Major emphasis is placed on the claim that these credits have "no strings:" and the appeal of the credits is enhanced by the fact that they ordinarily carry an interest rate of only 2 to 2.5 percent. Moreover, the bloc's terms usually provide for repayment in local currency or commodities.
This feature, however, may hold some later surprises to diminish the early joy of the borrowers. No prices have been agreed on for the commodities to be furnished as repayment, and if the Soviets should choose to drive a hard bargain, the gains from low interest rates could prove highly illusory.

The composition of Soviet-bloc credits reveals a fairly wide variety of projects for developing industry, power, transport, and mineral resources as well as facilities for scientific research and education. Several important agreements involve military items and training. For example: In the case of Egypt, bloc members are supplying in part under credit arrangements substantial quantities of arms, a ceramics factory, a power plant, large bridges, railway engines, coaches and freight cars, and other heavy equipment. In the case of Afghanistan, bloc countries are providing, also in part under credit terms, construction of automotive maintenance shops, an irrigation system, two airports, some oil storage depots, a cement plant, water-supply improvement, and a variety of small industrial plants. In each case the project has been skillfully devised to have a particular appeal to the recipient country, and it must be recognized that, initially at least, the psychological impact of the assistance has been substantial. This, of course, illustrates one of the main features of Soviet tactics: Since the Kremlin's purpose is to achieve political objectives and it has no real desire to promote balanced long-term growth in nonbloc areas, it has not insisted on economic justification for projects. The bloc may even consider that its economic leverage will be increased in countries which borrow more than they will be able to repay. However, again we should not underestimate the favorable impression which the Soviets have made on most of the recipients by the speed with which they have completed loan negotiations and moved to implement agreements, and by the quality of equipment and technical service furnished thus far.

Technical Assistance Programs

The third instrument used by the bloc in its economic offensive is its program of technical assistance to certain underdeveloped countries. Although still small by U.S. standards, these activities have been increasing steadily, and bloc technicians are now at work in 14 different under-developed countries performing a wide variety of technical services. In Egypt, Afghanistan, India, Burma, and other underdeveloped countries, bloc technicians are assisting in local economic-development projects, such as mining, transportation, heavy industry, and manufacturing, and sometimes appear in general advisory capacities to governments. Arms experts from the bloc have appeared in Egypt. Moreover, a growing number of individuals from underdeveloped countries have accepted Communist inducements to go to the bloc countries for training. It should not be assumed that this program is merely a disguised espionage operation. On the other hand, we can assume that no opportunity will be lost for trying to create a favorable disposition toward the Soviet system.

While the Soviets have been expanding their direct technical-assistance activities, they have also reversed their former policy of refusing to participate in the United Nations Technical Assistance Program.

Since the summer of 1953, the Soviet bloc has contributed $5.2 million to the United Nations Technical Assistance Program. Of the total bloc contribution of $5.2 million, the U.S.S.R. has made available $4 million.

The bloc contributions have been used for the supply of bloc equipment and experts, for study tours, and for fellowships within the Soviet bloc. In 1955 approximately $1.3 million was spent, almost all of which was for the supply of bloc equipment. For 1956, projects are approved which use approximately $3.2 million, of which about $1.8 million is for roadbuilding, insect control, and other types of equipment. Six study tours are scheduled, and 41 experts are to be supplied by the bloc under the 1956 United Nations program. The most ambitious project using bloc technical-assistance funds, however, is the technological institute in Bombay sponsored by the U.N. Educational, Scientific and Cultural Organization (Unesco), for which the U.S.S.R. is providing $1.5 million.

All of these activities represent significant changes in the bloc's pattern of behavior in the foreign economic field up to the death of Stalin. Why have the Soviet Union and its satellites now undertaken them? Is the explanation economics? Let us consider first the expansion of trade. The goal of economic self-sufficiency, or autarchy, has traditionally been a paramount factor in Soviet
planning, and it is still too early to conclude that bloc planners have changed their economic thinking in any radical way. However, some greater degree of flexibility rather than rigid adherence to the self-sufficiency concept is apparent. Since trade is still very small in relation to bloc gross national product, we may well see a continuing bloc effort to increase trade with nonbloc countries substantially above current levels. However, it is still most unlikely that the U.S.S.R. would willingly allow trade to reach a point where any important sector of the economy becomes dependent on foreign supplies.

**Political Aspects of Economic Offensive**

It is more difficult to find a convincing economic rationale for the bloc's external-credit programs. The goods and services provided under these programs represent a diversion of resources which may eventually be repaid, but it is difficult to imagine that the program has much appeal to the huge areas within the bloc which are still very much underdeveloped. Some observers have speculated that, since the loans are to be repaid in commodities, the bloc may be attempting to assure its future supplies of such items. In other cases credits may be considered necessary as a means of entering new markets traditionally oriented to the West. Such considerations cannot be ruled out completely, but they do not provide any satisfactory explanation for the type and size of program undertaken in the past 2 years. For these answers we must turn to the political sphere and examine the economic offensive in the broader context of overall Soviet foreign policy and diplomacy.

Since Stalin's death Communist strategy abroad has been significantly altered. Especially since the summit meeting in 1955, the U.S.S.R. has seemed anxious to avoid a general war, no doubt in recognition of the almost unlimited destructiveness of nuclear weapons. The Kremlin has not only modified the tone of its propaganda and official statements in the direction of greater emphasis on peaceful coexistence; it has encouraged cultural and technical exchanges with Western countries; it has granted greater freedom to Western tourists and correspondents; and Soviet leaders like Bulganin and Khrushchev made ostensibly friendly visits to a number of non-Communist countries. After years of delay a peace treaty was concluded with Austria, and overtures were made to bring Yugoslavia back into the Communist fold. Finally, at the 20th Party Congress Stalin was expressly denounced and the doctrine of separate national roads to socialism was proclaimed.

What we saw then was a Soviet communism anxious to avoid war but nevertheless bent, as before, on expansion—expansion by means still aimed at the overthrow of existing institutions but carrying a minimum risk of forceful retaliation by non-Communist countries. Such a policy must find expression on many levels other than military. Even though the U.S.S.R. continues to put vast resources of materials and technology into the arms race and Soviet theoreticians are occupied in trying to reconcile peaceful coexistence with the revolutionary nature of communism, its external policies strive to convince the world that the U.S.S.R. is peaceful.

In the underdeveloped areas, the U.S.S.R. has promoted its campaign for respectability by a wide variety of new as well as old-fashioned kinds of diplomacy. One weapon of Soviet strategy in these areas is anticolonialism, a hypocritical opposition to the colonial policies—past and present—of the Western powers, and an attempt to associate the U.S.S.R. with the legitimate national aspirations of colonial and newly independent peoples. Offers of arms to Egypt, Afghanistan, and Syria may actually be intended to foment local hostilities in the Middle East, but they are represented as demonstrating the U.S.S.R.'s desire to assist these countries in their fight against colonialism.

Next to nationalism, the dominant motivation of the governments and peoples of most underdeveloped countries is their desire for economic progress—generally at a rate more rapid than their domestic resources can support. The Soviet purpose seems to be to convince these peoples that a free private-enterprise system cannot provide rapid economic growth whereas, by following the Soviet model, industrialization can be achieved quickly, without remaining or becoming subservient to Western capitalism. In Marxist theory and propaganda, capitalism has always been identified with colonialism, and the underdeveloped countries, especially the newly independent countries of Asia and Africa, are urged to reject both.

How should we consider these Soviet economic activities? Intrinsically they are not wrong or
dangerous. The U.S. has made substantial contributions to the economic growth of the less developed areas and has encouraged other countries to do likewise. Moreover, we have eagerly sought the elimination of the Iron Curtain between the Communist bloc and the free world and would hope that honest economic contacts could help to achieve this result. The danger becomes evident only when we examine the objectives and motives that so plainly underlie Soviet economic offers and all other Soviet maneuvers.

Mr. Khrushchev himself has provided the free world with a clear warning in his frank statement to the Supreme Soviet early this year: "... we never renounced," he said, "and we will never renounce our ideas, our struggle for the victory of communism." At another time he said—no more plainly but a little more colorfully—that the U.S.S.R. will stop being Communist when shrimp learn to whistle.

Does the danger in the Soviet economic offensive lie then merely in the fact that it may serve Soviet interests? I think not. Our aid programs are also intended to serve our proper national interest. But, as Secretary Dulles said several months ago: "... the crucial question is: What are those interests and how are they intended to be served?" He added:

Our interests will be fully served if other nations maintain their independence and strengthen their free institutions. We have no further aims than these. We want a world environment of freedom. We have shown this, time after time, by electing to give freedom where we could have had conquest. Our historic policy, reflecting the will and the views of our own free people, is wholly compatible with the interests of the less developed countries as their leaders themselves have expressed them.

Implications for U.S. Policy

How seriously must we take this new Communist strategy? Let me cite the warning of the members of the U.S. delegation to the last meeting of the United Nations General Assembly. After watching the activities of the Soviets and learning the reactions of representatives of other countries they issued this statement:

The present period in history may one day be recognized as a major turning point in the struggle between Communism and freedom. It appears to be clearly a shift in the cold war, in which economic and social problems have moved to the forefront.

We believe that the United States must counter these Soviet efforts. We can succeed, not by outbidding Communism in sheer amounts of economic aid, but by making newly independent and newly articulate peoples feel that they can best satisfy their wants by becoming and remaining part of the community of free nations.

We welcome more emphasis on economic and educational endeavors, for we have a proven experience in these fields.

We are in a contest in the field of economic development of underdeveloped countries which is bitterly competitive. Defeat in this contest could be as disastrous as defeat in an armaments race.

We could lose this economic contest unless the country as a whole wakes up to all its implications.

It is significant that two members of the Foreign Affairs Committee of the House of Representatives [Representatives Brooks Hays and Chester E. Merrow] were on the delegation which made this statement and that it was later released to the public by Secretary Dulles with the approval of President Eisenhower.

We need have no concern that the leaders of the newly independent nations of the Near and Far East will be unaware of the dangers of economic dependence on the Soviet Union. At the same time their people are insistent upon progress toward higher standards of living. They know that in the short space of their own lives the Soviet Union has risen from a backward area to a great industrial power. They are perhaps only dimly aware of the cost of this achievement in human misery and loss of liberty. They see and they envy and admire the industrial progress. They want to equal it in their own nations. They will inevitably compel their leaders to turn to the Communist bloc for help unless they find it from another source.

There are, of course, other sources of help available. Private capital investment, with the technical assistance which accompanies it, is and will continue to be a major source. Such lending institutions as our own U.S. Export-Import Bank and the International Bank are also significant sources. Our mutual security program, with its development assistance, technical cooperation, defense support, and military assistance, has been and is an important source of help.

This brings us back to where we started, for the future of this program is now under consideration by a Citizens Advisory Committee appointed by the President, by several of the great committees.
of the Congress, and by the Nation itself as exemplified by the discussions which you have been holding here this week. I would not suggest for a minute that these reviewers think of our own mutual security program as an item-by-item—or even a generalized—response to the new Soviet economic drive. If anything, the reverse is true—the Soviet effort is a flattering imitation of a bold design we have originated and carried out with great success. The lesson for the future is to be ourselves and to shape our helpful efforts to the genuine needs of our friends. Meanwhile, we may keep in mind as a central thought the words of the President in his message to Congress earlier this year:

"The mutual security program is vitally important to our people. Its cost is not disproportionate to our Nation's resources and to our national income. That cost is a low price to pay for the security and vastly greater chances for world peace which the program provides.

"The mutual security program is an indispensable part of our national effort to meet affirmatively the challenge of all the forces which threaten the independence of the free world and to overcome the conditions which make peace insecure and progress difficult." 

NATO Council Resolutions

Following are the texts of two resolutions released by the NATO Information Division on December 14 after their adoption by the North Atlantic Council during its Ministerial Session at Paris December 11-14. (For the text of a communique released at the close of the session, see Bulletin of December 24-31, page 981.)

Resolution on the Peaceful Settlement of Disputes and Differences Between Members of the North Atlantic Treaty Organization

Whereas the parties to the North Atlantic Treaty, under Article I of that treaty, have undertaken "to settle any international disputes in which they may be involved by peaceful means in such a manner that international peace and security and justice are not endangered";

Whereas the parties have further undertaken to seek to eliminate conflicts in their international economic policies and will encourage economic collaboration between any or all of them;

Whereas NATO unity and strength in the pursuit of these objectives remain essential for continuous cooperation in military and non-military fields;

The North Atlantic Council:

Reaffirms the obligations of all its members, under Article I of the Treaty, to settle by peaceful means any dispute between themselves;

Decides that any such disputes which have not proved capable of settlement directly be submitted to good offices procedures within the NATO framework before member governments resort to any other international agency except for disputes of a legal character appropriate for submission to a judicial tribunal and those disputes of an economic character for which attempts at settlement might best be made initially in the appropriate specialised economic organizations;

Recognises the right and duty of member governments and of the Secretary General to bring to its attention matters which in their opinion may threaten the solidarity or effectiveness of the Alliance;

Empowers the Secretary General to offer his good offices informally at any time to member governments involved in a dispute and with their consent to initiate or facilitate procedures of inquiry, mediation, conciliation, or arbitration;

Authorises the Secretary General where he deems it appropriate for the purpose outlined in the preceding paragraph to use the assistance of not more than three permanent representatives chosen by him in each instance.

Resolution on the Report of the Committee of Three on Non-Military Co-operation in NATO

Whereas the North Atlantic Council at its meeting in Paris on 5th May established a Committee composed of the foreign ministers of Italy, Canada and Norway to advise the Council on ways and means to improve and extend NATO co-operation in non-military fields and to develop greater unity within the Atlantic Community;

Whereas the Committee of Three has now reported on the task assigned to it and has submitted to the Council a number of recommendations on such ways and means to improve and extend NATO co-operation in non-military fields;

The North Atlantic Council:

Takes note of the Report of the Committee of Three and

Approves its recommendations; and

Invites the Council in Permanent Session to implement in the light of the comments made by governments the principles and recommendations contained in the Report; and

Invites the Secretary General to draw up for consideration by the Council such further specific proposals as may be required for the implementation of these recommendations and to report periodically on the compliance with these recommendations by governments.

Authorises the Committee of Three to publish their report.

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411062-57-3
Report of the Committee of Three on Non-Military Co-operation in NATO

Following is the text of the report made to the North Atlantic Council by the Committee of Three (Foreign Ministers Gaetano Martino of Italy, Halvard Lange of Norway, and Lester B. Pearson of Canada) as released by the NATO Information Division at Paris on December 14, at the conclusion of the North Atlantic Council meeting.

Chapter 1: General Introduction

The Committee on Non-Military Co-operation, set up by the North Atlantic Council at its session of May, 1956, was requested: “to advise the Council on ways and means to improve and extend NATO co-operation in non-military fields and to develop greater unity within the Atlantic Community”.

2. The Committee has interpreted these terms of reference as requiring it (1) to examine and re-define the objectives and needs of the Alliance, especially in the light of current international developments; and (2) to make recommendations for strengthening its internal solidarity, cohesion and unity.

3. The Committee hopes that the report and recommendations which it now submits will make NATO’s purely defensive and constructive purposes better understood in non-NATO countries; thereby facilitating and encouraging steps to lessen international tension. The events of the last few months have increased this tension and reduced hopes, which had been raised since Stalin’s death, of finding a secure and honourable basis for competitive and ultimately for co-operative coexistence with the Communist world. The effort to this end, however, must go on.

4. Inter-allied relations have also undergone severe strains. The substance of this report was prepared by the Committee of Three in the course of its meetings and inter-governmental consultations last September. Subsequent events have reinforced the Committee’s conviction that the Atlantic Community can develop greater unity only by working constantly to achieve common policies by full and timely consultation on issues of common concern. Unless this is done, the very framework of co-operation in NATO, which has contributed so greatly to the cause of freedom, and which is so vital to its advancement in the future, will be endangered.

5. The foundation of NATO, on which alone a strong superstructure can be built, is the political obligation that its members have taken for collective defence: to consider that an attack on one is an attack on all, which will be met by the collective action of all. There is a tendency at times to overlook the far-reaching importance of this commitment; especially during those periods when the danger of having to invoke it may seem to recede.

6. With this political commitment for collective defence as the cornerstone of the foreign and defence policies of its members, NATO has a solid basis for existence. It is true, of course, that the ways and means by which the obligation is to be discharged may alter as political or strategic conditions alter; as the threat to peace changes its character or its direction. However, any variations in plans and strategic policies which may be required need not weaken NATO or the confidence of its members in NATO and in each other; providing, and the proviso is decisive, that each member retains its will and its capacity to play its part in discharging the political commitment for collective action against aggression which it undertook when it signed the Pact; providing also—and recent events have shown that this is equally important—that any changes in national strategy or policy which affect the coalition are made only after collective consideration.

7. The first essential, then, of a healthy and developing NATO lies in the whole-hearted acceptance by all its members of the political commitment for collective defence, and in the confidence which each has in the will and ability of the others to honour that commitment if aggression should take place.

8. This is our best present deterrent against military aggression; and consequently the best assurance that the commitment undertaken will not be engaged.

9. However, this deterrent role of NATO, based on solidarity and strength, can be discharged only if the political and economic relations between its members are co-operative and close. An Alliance in which the members ignore each other’s interests or engage in political or economic conflict, or harbour suspicions of each other, cannot be effective either for deterrence or defence. Recent experience makes this clearer than ever before.

10. It is useful, in searching for ways and means of strengthening NATO unity and understanding, to recall the origin and the aims of the Organization.

11. The Treaty which was signed in Washington in 1949 was a collective response—we had learned that a purely national response was insufficient for security—to the fear of military aggression by the forces of the USSR and its allies. Those forces were of overwhelming strength. The threat to Greece, the capture of Czechoslovakia, the blockade of Berlin, and the pressure against Yugoslavia showed that they were also aggressive.
12. While fear may have been the main urge for the creation of NATO, there was also the realisation—conscious or instinctive—that in a shrinking nuclear world it was wise and timely to bring about a closer association of kindred Atlantic and Western European nations for other than defence purposes alone; that a partial pooling of sovereignty for mutual protection should also promote progress and co-operation generally. There was a feeling among the governments and peoples concerned, that this closer unity was both natural and desirable; that the common cultural traditions, free institutions and democratic concepts which were being challenged, and were marked for destruction by those who challenged them, were things which should also bring the NATO nations closer together, not only for their defence but for their development. There was, in short, a sense of Atlantic Community, alongside the realisation of an immediate common danger.

13. Any such feeling was certainly not the decisive or even the main impulse in the creation of NATO. Nevertheless, it gave birth to the hope that NATO would grow beyond and above the emergency which brought it into being.

14. The expression of this hope is found in the Preamble and in Articles 2 and 4 of the Treaty. These two Articles, limited in their terms but with at least the promise of the grand design of an Atlantic Community, were included because of this insistent feeling that NATO must become more than a military alliance. They reflected the very real anxiety that if NATO failed to meet this test, it would disappear with the immediate crisis which produced it, even though the need for it might be as great as ever.

15. From the very beginning of NATO, then, it was recognized that while defence co-operation was the first and most urgent requirement, this was not enough. It has also become increasingly realised since the Treaty was signed that security is today far more than a military matter. The strengthening of political consultation and economic co-operation, the development of resources, progress in education and public understanding, all these can be as important, or even more important, for the protection of the security of a nation, or an alliance, as the building of a battleship or the equipping of an army.

16. These two aspects of security—civil and military—can no longer safely be considered in watertight compartments, either within or between nations. Perhaps NATO has not yet fully recognised their essential inter-relationship, or done enough to bring about that close and continuous contact between its civil and military sides which is essential if it is to be strong and enduring.

17. North Atlantic political and economic co-operation, however, let alone unity, will not be brought about in a day or by a declaration, but by creating over the years and through a whole series of national acts and policies, the habits and traditions and precedents for such co-operation and unity. The process will be a slow and gradual one at best; slower than we might wish. We can be satisfied if it is steady and sure. This will not be the case, however, unless the member governments—especially the more powerful ones—are willing to work, to a much greater extent than hitherto, with and through NATO for more than purposes of collective military defence.

18. While the members of NATO have already developed various forms of non-military co-operation between themselves and have been among the most active and constructive participants in various international organizations, NATO as such has been hesitant in entering this field, particularly in regard to economic matters. Its members have been rightly concerned to avoid duplication and to do, through other existing international organizations, the things which can best be done in that way.

19. Recently, however, the members of NATO have been examining and re-assessing the purposes and the needs of the Organization in the light of certain changes in Soviet tactics and policies which have taken place since the death of Stalin, and of the effect of the present turmoil in Eastern Europe on this development.

20. These changes have not diminished the need for collective military defence but they have faced NATO with an additional challenge in which the emphasis is largely non-military in character. NATO must recognize the real nature of the developments which have taken place. An important aspect of the new Soviet policies of competitive coexistence is an attempt to respond to positive initiatives of the Western nations aimed at improving, in an atmosphere of freedom, the lot of the economically less developed countries, and at establishing a just and mutually beneficial trading system in which all countries can prosper. The Soviet Union is now apparently veering towards policies designed to ensnare these countries by economic means and by political subversion, and to fasten on them the same shackles of Communism from which certain members of the Soviet bloc are now striving to release themselves. The members of NATO must maintain their vigilance in dealing with this form of penetration.

21. Meanwhile some of the immediate fears of large-scale all out military aggression against Western Europe have lessened. This process has been facilitated by evidence that the Soviet Government have realised that any such all out aggression would be met by a sure, swift and devastating retaliation, and that there could be no victory in a war of this kind with nuclear weapons on both sides. With an increased Soviet emphasis on non-military or para-military methods, a review is needed of NATO's ability to meet effectively the challenge of penetration under the guise of coexistence, with its emphasis on conflict without catastrophe.

22. Certain questions now take on a new urgency. Have NATO's needs and objectives changed, or should they be changed? Is the Organization operating satisfactorily in the altered circumstances of 1956? If not, what can be done about it? There is the even more far-reaching question: “Can a loose association of sovereign states hold together at all without the common binding force of fear?”

23. The Committee has been examining these questions in the light of its firm conviction that the objectives which governments had in mind when the Pact was signed remain valid; that NATO is as important now to its member states as it was at that time.

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24. The first of these objectives—as has already been pointed out—is security, based on collective action with adequate armed forces both for deterrence and defence.

25. Certainly NATO unity and strength in the pursuit of this objective remain as essential as they were in 1949. Soviet tactics may have changed; but Soviet armed might and ultimate objectives remain unchanged. Moreover, recent events in Eastern Europe show that the Soviet Union will not hesitate in certain circumstances to use force and the threat of force. Therefore the military strength of NATO must not be reduced, though its character and capabilities should be constantly adapted to changing circumstances. Strengthening the political and economic side of NATO is an essential complement to—not a substitute for—continuous cooperation in defence.

26. In spite of these recent events Soviet leaders may place greater emphasis on political, economic and propaganda action. There is no evidence, however, that this will be permitted to prejudice in any way the maintenance of a high level of military power in its most modern form as a base for Soviet activity in these other fields.

27. We should welcome changes in Soviet policies if they were genuinely designed to ease international tensions. But we must remember that the weakening and eventual dissolution of NATO remains a major Communist goal. We must therefore remain on guard so long as Soviet leaders persist in their determination to maintain a preponderance of military power for the achievement of their own political objectives and those of their allies.

28. This brings us again to the second and long-term aim of NATO: the development of an Atlantic Community whose roots are deeper even than the necessity for common defence. This implies nothing less than the permanent association of the free Atlantic peoples for the promotion of their greater unity and the protection and the advancement of the interests which, as free democracies, they have in common.

29. If we are to secure this long-term aim, we must prevent the centrifugal forces of opposition or indifference from weakening the Alliance. NATO has not been destroyed, or even weakened, by the threats or attacks of its enemies. It has faltered at times through the lethargy or complacency of its members; through disension or division between them; by putting narrow national considerations above the collective interest. It could be destroyed by these forces, if they were allowed to subsist. To combat these tendencies, NATO must be used by its members, far more than it has been used, for sincere and genuine consultation and cooperation on questions of common concern. For this purpose, resolution is more important than resolutions; will than words.

30. The problem, however, goes deeper than this. NATO countries are faced by a political as well as a military threat. It comes from the revolutionary doctrines of Communism which have by careful design of the Communist leaders over many years been sowing seeds of falsehood concerning our free and democratic way of life. The best answer to such falsehoods is a continuing demonstration of the superiority of our own institutions over Communist ones. We can show by word and deed that we welcome political progress, economic advancement and orderly social change and that the real reactionaries of this day are these Communist regimes which, adhering to an inflexible pattern of economic and political doctrine, have been more successful in destroying freedom than in promoting it.

31. We must, however, realise that falsehoods concerning our institutions have sometimes been accepted at face value and that there are those, even in the non-Communist world, who under the systematic influence of Communist propaganda, do not accept our own analysis of NATO’s aims and values. They believe that while NATO may have served a useful defensive and deterrent role in the Stalinist era, it is no longer necessary, even for the security of its members; that it is tending now to become an agency for the pooling of the strength and resources of the “colonial” powers in defence of imperial privileges, racial superiority, and Atlantic hegemony under the leadership of the United States. The fact that we know these views to be false and unjustified does not mean that NATO and its governments should not do everything they can to correct and counteract them.

32. NATO should not forget that the influence and interests of its members are not confined to the area covered by the Treaty, and that common interests of the Atlantic Community can be seriously affected by developments outside the Treaty area. Therefore, while striving to improve their relations with each other, and to strengthen and deepen their own unity, they should also be concerned with harmonising their policies in relation to other areas taking into account the broader interests of the whole international community; particularly in working through the United Nations and elsewhere for the maintenance of international peace and security and for the solution of the problems that now divide the world.

33. In following this course, NATO can show that it is more than a defence organization acting and reacting to the ebb and flow of the fears and dangers arising out of Soviet policy. It can prove its desire to co-operate fully with other members of the international community in bringing to reality the principles of the Charter of the United Nations. It can show that it is not merely concerned with preventing the cold war from deteriorating into a shooting one; or with defending itself if such a tragedy should take place; but that it is even more concerned with seizing the political and moral initiative to enable all countries to develop in freedom, and to bring about a secure peace for all nations.

34. Our caution in accepting without question the pacific character of any Soviet moves, our refusal to dismantle our defences before we are convinced that conditions of international confidence have been restored, will, particularly after the events in Hungary, be understood by all people of sincerity and good will. What would not be understood is any unwillingness on our part to seek ways and means of breaking down the barriers with a view to establishing such confidence.

35. The coming together of the Atlantic nations for good and constructive purposes—which is the basic principle and ideal underlying the NATO concept—must rest on and grow from deeper and more permanent factors than the divisions and dangers of the last ten years. It is a historical, rather than a contemporary, develop-
ment and if it is to achieve its real purpose, it must be
considered in that light and the necessary conclusions
drawn. A short-range view will not suffice.
36. The fundamental historical fact underlying this
development is that the nation state, by itself and relying
exclusively on national policy and national power, is in-
adequate for progress or even for survival in the
nuclear age. As the founders of the North Atlantic
Treaty foresaw, the growing interdependence of states,
politically and economically as well as militarily, calls
for an ever-increasing measure of international cohesion
and co-operation. Some states may be able to enjoy a
degree of political and economic independence when
things are going well. No state, however powerful, can
guarantee its security and its welfare by national action
alone.
37. This basic fact underlies our report and the recom-
mandations contained therein which appear in the
subsequent chapters.
38. It has not been difficult to make these recommenda-
tions. It will be far more difficult for the member
governments to carry them into effect. This will re-
quire, on their part, the firm conviction that the trans-
formation of the Atlantic Community into a vital and
vigorou political reality is as important as any purely
national purpose. It will require, above all, the will
to carry this conviction into the realm of practical govern-
mental policy.

Chapter 2: Political Co-operation

I. INTRODUCTION

39. If there is to be vitality and growth in the concept
of the Atlantic Community, the relations between the
members of NATO must rest on a solid basis of confidence
and understanding. Without this there cannot be con-
structive or solid political co-operation.
40. The deepening and strengthening of this political
coaoration does not imply the weakening of the ties of
NATO members with other friendly countries or with
other international associations, particularly the United
Nations. Adherence to NATO is not exclusive or restric-
tive. Nor should the evolution of the Atlantic Commu-
nity through NATO prevent the formation of even closer
relationships among some of its members; for instance
within groups of European countries. The moves toward
Atlantic co-operation and European unity should be
parallel and complementary, not competitive or conflicting.
41. Effective and constructive international co-operation
requires a resolve to work together for the solution
of common problems. There are special ties between
NATO members, special incentives and security interests,
which make this task easier than it otherwise would be. But its successful accomplishment will de-
pend largely on the extent to which member governments,
in their own policies and actions, take into consideration
the interests of the Alliance. This requires not only the
acceptance of the obligation of consultation and co-operation
whenever necessary, but also the development of practices by which the discharge of this obligation be-
comes a normal part of governmental activity.
42. It is easy to profess devotion to the principle of
political—or economic—consultation in NATO. It is
difficult and has in fact been shown to be impossible, if the
proper conviction is lacking, to convert the profession into
practice. Consultation within an alliance means more
than exchange of information, though that is necessary.
It means more than letting the NATO Council know about
national decisions that have already been taken; or try-
ing to enlist support for those decisions. It means the
discussion of problems collectively, in the early stages of
policy formation, and before national positions become
fixed. At best, this will result in collective decisions on
matters of common interest affecting the Alliance. At
the least, it will ensure that no action is taken by one
member without a knowledge of the views of the others.

II. CONSULTATION ON FOREIGN POLICIES

A. Scope and Character of Political Consultation

43. The essential role of consultation in fostering
political co-operation was clearly defined by an earlier
NATO Committee on the North Atlantic Community in
1951:

"... The achievement of a closer degree of co-ordi-
nation of the foreign policies of the members of the North
Atlantic Treaty, through the development of the 'habit
of consultation' on matters of common concern, would greatly
strengthen the solidarity of the North Atlantic Com-
nunity and increase the individual and collective capacity
of its members to serve the peaceful purposes for which
NATO was established. ... In the political field, this
means that while each North Atlantic government retains
full freedom of action and decision with respect to its
own policy, the aim should be to achieve, through ex-
changing information and views, as wide an area of
agreement as possible in the formulation of policies as a
whole.

"Special attention must be paid, as explicitly recog-
nised in Article 4 of the Treaty, to matters of urgent and
immediate importance to the members of NATO, and to
'emergency' situations where it may be necessary to con-
side closely on national lines of conduct affecting the
interests of members of NATO as a whole. There is a
continuing need, however, for effective consultation at an
early stage on current problems, in order that national
policies may be developed and action taken on the basis
of a full awareness of the attitudes and interests of all
the members of NATO. While all members of NATO have
a responsibility to consult with their partners on appro-
priate matters, a large share of responsibility for such
consultation necessarily rests on the more powerful mem-
bers of the Community."

44. These words were written five years ago. They
hold true now more than ever before. If we can say that
they have not been ignored by NATO we must also recog-
nise that the practice of consulting has not so developed
in the NATO Council as to meet the demands of political
changes and world trends. The present need, therefore,
is more than simply broadening the scope and deepening
the character of consultation. There is a pressing re-
quirement for all members to make consultation in NATO
an integral part of the making of national policy. With-
out this the very existence of the North Atlantic Com-
nunity may be in jeopardy.

45. It should, however, be remembered that collective
discussion is not an end in itself, but a means to the end
of harmonising policies. Where common interests of the
Atlantic Community are at stake consultation should al-

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ways seek to arrive at timely agreement on common lines of policy and action.

46. Such agreement, even with the closest possible cooperation and consultation, is not easy to secure. But it is essential to the Atlantic Alliance that a steady and continuous effort be made to bring it about. There cannot be unity in defence and disunity in foreign policy.

47. There are, of course, certain practical limitations to consultation in this field. They are sufficiently obvious in fact to make it unnecessary to emphasise them in words. Indeed the danger is less that they will be minimised or evaded than that they will be exaggerated and used to justify practices which unnecessarily ignore the common interest.

48. One of these limitations is the hard fact that ultimate responsibility for decision and action still rests on national governments. It is conceivable that a situation of extreme emergency may arise when action must be taken by one government before consultation is possible with the others.

49. Another limitation is the difficulty, and indeed the unwisdom, of trying to specify in advance all the subjects and all the situations where consultation is necessary; to separate by area or by subject the matters of NATO concern from those of purely national concern; to define in detail the obligations and duties of consultation. These things have to work themselves out in practice. In this process, experience is a better guide than dogma.

50. The essential thing is that on all occasions and in all circumstances member governments, before acting or even before pronouncing, should keep the interests and the requirements of the Alliance in mind. If they have not the desire and the will to do this, no resolutions or recommendations or declarations by the Council or any Committee of the Council will be of any great value.

51. On the assumption, however, that this will and this desire do exist, the following principles and practices in the field of political consultation are recommended:

(a) members should inform the Council of any development which significantly affects the Alliance. They should do this, not merely as a formality but as a preliminary to effective political consultation;

(b) both individual member governments and the Secretary General should have the right to raise for discussion in the Council any subject which is of common NATO interest and not of a purely domestic character;

(c) a member government should not, without adequate advance consultation, adopt firm policies or make major policy pronouncements on matters which significantly affect the Alliance or any of its members, unless circumstances make such prior consultation obviously and demonstrably impossible;

(d) in developing their national policies, members should take into consideration the interests and views of other governments, particularly those most directly concerned, as expressed in NATO consultation, even where no community of view or consensus has been reached in the Council;

(e) where a consensus has been reached, it should be reflected in the formation of national policies. When for national reasons the consensus is not followed, the government concerned should offer an explanation to the Council. It is even more important that where an agreed and formal recommendation has emerged from the Council discussions, governments should give it full weight in any national actions or policies related to the subject of that recommendation.

B. Annual Political Appraisal

52. To strengthen the process of consultation, it is recommended that Foreign Ministers, at each Spring meeting, should make an appraisal of the political progress of the Alliance and consider the lines along which it should advance.

53. To prepare for this discussion, the Secretary General should submit an annual report:

(a) analysing the major political problems of the Alliance;

(b) reviewing the extent to which member governments have consulted and co-operated on such problems;

(c) indicating the problems and possible developments which may require future consultation, so that difficulties might be resolved and positive and constructive initiatives taken.

54. Member governments, through their Permanent Representatives, should give the Secretary General such information and assistance, including that of technical experts, as he may require in preparing his report.

C. Preparation for Political Consultation

55. Effective consultation also requires careful planning and preparation of the agenda for meetings of the Council both in Ministerial and permanent session. Political questions coming up for discussion in the Council should so far as practicable be previously reviewed and discussed, so that representatives may have background information on the thinking both of their own and of other governments. When appropriate, drafts of resolutions should be prepared in advance as a basis for discussion. Additional preparatory work will also be required for the annual political appraisal referred to in the preceding section.

56. To assist the Permanent Representatives and the Secretary General in discharging their responsibilities for political consultation, there should be constituted under the Council a Committee of Political Advisers from each delegation, aided when necessary by specialists from the capitals. It would meet under the chairmanship of a member of the International Staff appointed by the Secretary General, and would include among its responsibilities current studies such as those on trends of Soviet policy.

III. PEACEFUL SETTLEMENT OF INTER-MEMBER DISPUTES

57. In the development of effective political co-operation in NATO, it is of crucial importance to avoid serious inter-member disputes and to settle them quickly and satisfactorily when they occur. The settlement of such disputes is in the first place the direct responsibility of the member governments concerned, under both the Charter of the United Nations (Article 33) and the
North Atlantic Treaty (Article 1). To clarify NATO's responsibilities in dealing with disputes which have not proved capable of settlement directly and to enable NATO, if necessary, to help in the settlement of such disputes, the Committee recommends that the Council adopt a resolution under Article 1 of the Treaty on the following lines:

(a) reaffirming the obligation of members to settle by peaceful means any dispute between themselves;
(b) declaring their intention to submit any such disputes, which have not proved capable of settlement directly, to good offices procedures within the NATO framework before resorting to any other international agency; except for disputes of a legal character appropriate for submission to a judicial tribunal, and those disputes of an economic character for which attempts at settlement might best be made initially in the appropriate specialised economic organization;
(c) recognising the right and duty of member governments and of the Secretary General to bring to the attention of the Council matters which in their opinion may threaten the solidarity or effectiveness of the Alliance;
(d) empowering the Secretary General to offer his good offices informally at any time to the parties in dispute, and with their consent to initiate or facilitate procedures of enquiry, mediation, conciliation, or arbitration; and
(e) empowering the Secretary General, where he deems it appropriate for the purpose outlined in (d) above, to use the assistance of not more than three Permanent Representatives chosen by him in each instance.

IV. PARLIAMENTARY ASSOCIATIONS AND THE PARLIAMENTARY CONFERENCE

58. Among the best supporters of NATO and its purposes are those Members of Parliament who have had a chance at first hand to see some of its activities and to learn of its problems, and to exchange views with their colleagues from other parliaments. In particular, the formation of national Parliamentary Associations and the activities of the Conference of Members of Parliament from NATO countries have contributed to the development of public support for NATO and solidarity among its members.

59. In order to maintain a close relationship of Parliamentarians with NATO, the following arrangements are recommended:

(a) that the Secretary General continue to place the facilities of NATO headquarters at the disposal of Parliamentary Conferences and give all possible help with arrangements for their meetings;
(b) that invited representatives of member governments and the Secretary General and other senior NATO civil and military officers attend certain of these meetings. In this way the parliamentarians would be informed on the state of the Alliance and the problems before it, and the value of their discussions would be increased.

Chapter 3: Economic Co-operation

I. INTRODUCTION

60. Political co-operation and economic conflict are not reconcilable. Therefore, in the economic as well as in the political field there must be a genuine desire among the members to work together and a readiness to consult on questions of common concern based on the recognition of common interests.

61. These common economic interests shared by the members of NATO call for:

(a) co-operative and national action to achieve healthy and expanding economies, both to promote the well-being and self-confidence of the Atlantic peoples and to serve as the essential support for an adequate defence effort;
(b) the greatest possible freedom in trade and payments and in the movement of manpower and long-term capital;
(c) assistance to economically underdeveloped areas for reasons of enlightened self-interest and to promote better relations among peoples; and
(d) policies which will demonstrate, under conditions of competitive coexistence, the superiority of free institutions in promoting human welfare and economic progress.

62. A recognition of these common NATO interests, and collective and individual effort to promote them, need not in any way prejudice close economic relations with non-NATO countries. Economic, like political co-operation, is and must remain wider than NATO. At the same time, the NATO countries have an interest in any arrangements for especially close economic co-operation among groups of European member nations. It should be possible—as it is desirable—for such special arrangements to promote rather than conflict with the wider objectives of Article 2 of our Treaty, which are of basic importance to the stability and well-being, not only of the North Atlantic area, but of the whole non-Communist world.

II. NATO AND OTHER ORGANIZATIONS

63. While the purposes and principles of Article 2 are of vital importance, it is not necessary that member countries pursue them only through action in NATO itself. It would not serve the interests of the Atlantic Community for NATO to duplicate the operating functions of other international organizations designed for various forms of economic co-operation.1 NATO members play a major part in all these agencies, whose membership is generally well adapted to the purposes they serve.

1 The outstanding instances are the Organization for European Co-operation (OEEC) (which includes all NATO countries as full or associate members and four others); the General Agreement on Tariffs and Trade (GATT); the International Monetary Fund (IMF); the International Bank for Reconstruction and Development (IBRD); the International Finance Corporation (IFC); and the various other United Nations agencies including the Economic Commission for Europe. Several NATO members participate actively in the Colombo Plan for promoting economic development in Asia. Most members are taking an active part in technical assistance programmes and are also participating in discussions of proposals for the creation of a Special United Nations Fund for Economic Development (SUNFED). [Footnote in the original.]
64. Nor do there now appear to be significant new areas for collective economic action requiring execution by NATO itself. In fact, the common economic concerns of the member nations will often best be fostered by continued and increased collaboration both bilaterally and through organizations other than NATO. This collaboration should be reinforced, however, by NATO consultation whenever economic issues of special interest to the Alliance are involved; particularly those which have political or defence implications or affect the economic health of the Atlantic Community as a whole. This, in turn, requires a substantial expansion of exchange of information and views in NATO in the economic as well as in the political field. Such economic consultation should seek to secure a common approach on the part of member governments where the questions are clearly related to the political and security interests of the Alliance. Action resulting from such a common approach, however, should normally be taken by governments either directly or through other international organizations.

65. NATO, as such, should not seek to establish formal relations with these other organizations, and the harmonising of attitudes and actions should be left to the representatives of the NATO governments therein. Nor is it necessary or desirable for NATO members to form a “bloc” in such organizations. This would only alienate other friendly governments. There should, however, be consultation in NATO when economic issues of special political or strategic importance to NATO arise in other organizations and in particular before meetings at which there may be attempts to divide or weaken the Atlantic Alliance, or prejudice its interests.

III. CONFLICTS IN ECONOMIC POLICIES OF NATO COUNTRIES

66. NATO has a positive interest in the resolution of economic disputes which may have political or strategic repercussions damaging to the Alliance. These are to be distinguished from disagreements on economic policy which are normally dealt with through direct negotiations or by multilateral discussions in other organizations. Nothing would be gained by merely having repeated in NATO the same arguments made in other and more technically qualified organizations. It should, however, be open to any member or to the Secretary General to raise in NATO issues on which they feel that consideration elsewhere is not making adequate progress and that NATO consultation might facilitate solutions contributing to the objectives of the Atlantic Community. The procedures for peaceful settlement of political disputes discussed in the previous chapter should also be available for major disputes of an economic character which are appropriate for NATO consideration.

IV. SCIENTIFIC AND TECHNICAL CO-OPERATION

67. One area of special importance to the Atlantic Community is that of science and technology. During the last decade, it has become ever clearer that progress in this field can be decisive in determining the security of nations and their position in world affairs. Such progress is also vital if the Western world is to play its proper role in relation to economically underdeveloped areas.

68. Within the general field of science and technology, there is an especially urgent need to improve the quality and to increase the supply of scientists, engineers and technicians. Responsibility for recruitment, training and utilisation of scientific and technical personnel is primarily a national rather than an international matter. Nor is it a responsibility solely of national governments. In the member countries with federal systems, state and provincial governments play the major part, and many of the universities and institutes of higher learning in the Atlantic area are independent institutions free from detailed control by governments. At the same time, properly designed measures of international co-operation could stimulate individual member countries to adopt more positive policies and, in some cases, help guide them in the most constructive directions.

69. Certain activities in this connection are already being carried out by other organizations. Progress in this field, however, is so crucial to the future of the Atlantic Community that NATO members should ensure that every possibility of fruitful co-operation is examined. As a first concrete step, therefore, it is recommended that a conference be convened composed of one or at the most two outstanding authorities, private or governmental, from each country in order:

(a) to exchange information and views concerning the most urgent problems in the recruitment, training and utilisation of scientists, engineers and technicians, and the best means, both long-term and short-term, of solving those problems;

(b) to foster closer relations among the participants with a view of continued interchange of experience and stimulation of constructive work in member countries; and

(c) to propose specific measures for future international co-operation in this field, through NATO or other international organizations.

V. CONSULTATION ON ECONOMIC PROBLEMS

70. It is agreed that the Atlantic Community has a positive concern with healthy and accelerated development in economically underdeveloped areas, both inside and outside the NATO area. The Committee feels, however, that NATO is not an appropriate agency for administering programmes of assistance for economic development, or even for systematically concerting the relevant policies of member nations. What member countries can and should do is to keep each other and the Organization informed of their programmes and policies in this field. When required NATO should review the adequacy of existing action in relation to the interests of the Alliance.

71. The economic interests of the Atlantic Community cannot be considered in isolation from the activities and policies of the Soviet bloc. The Soviets are resorting all too often to the use of economic measures designed to weaken the Western Alliance, or to create in other areas a high degree of dependence on the Soviet world. In this situation it is more than ever important that NATO countries actively develop their own constructive commercial and financial policies. In particular, they should avoid creating situations of which the Soviet bloc countries might take advantage to the detriment of the Atlantic Community and of other non-Communist countries. In this whole field of competitive economic coexistence
member countries should consult together more fully in order to determine their course deliberately and with the fullest possible knowledge.

72. There has been a considerable evolution in NATO's arrangements for regular economic consultation. In addition, a number of economic matters have been brought before the Council for consideration on an ad hoc basis. No substantial new machinery in this field is called for. However, in view of the extended range of topics for regular exchange of information and consultation described above, there should be established under the Council a Committee of Economic Advisers. This group should be entrusted with preliminary discussion, on a systematic basis, of the matters outlined above, together with such tasks as may be assigned by the Council or approved by the Committee at the Committee's request. It would absorb any continuing function of the Committee of Technical Advisers. Since its duties would not be full-time, member governments could be represented normally by officials mainly concerned with the work of other international economic organizations. Membership, however, should be flexible, the Committee being composed, when appropriate, of specialists from the capitals on particular topics under consideration.

Chapter 4: Cultural Co-operation

73. A sense of community must bind the people as well as the institutions of the Atlantic nations. This will exist only to the extent that there is a realisation of their common cultural heritage and of the values of their free way of life and thought. It is important, therefore, for the NATO countries to promote cultural co-operation among their peoples by all practical means in order to strengthen their unity and develop maximum support for the Alliance. It is particularly important that this cultural co-operation should be wider than continental. This, however, does not preclude particular governments from acting on a more limited multilateral or even bilateral basis to strengthen their own cultural relations within the broader Atlantic framework. The Committee welcomes the measures for cultural co-operation within the Atlantic Community which have been initiated by private individuals and non-governmental groups. These should be encouraged and increased.

74. To further cultural collaboration, the Committee suggests that member governments be guided by the following general principles:

(a) governmental activities in this field should not duplicate but should support and supplement private efforts;
(b) member governments should give priority to those projects which require joint NATO action, and thus contribute to a developing sense of community;
(c) in developing new activities in the cultural field, NATO can most fruitfully place the main emphasis on inspiring and promoting transatlantic contacts;
(d) there should be a realistic appreciation of the financial implications of cultural projects.

75. In order to develop public awareness and understanding of NATO and the Atlantic Community, the Council should work out arrangements for NATO courses and seminars for teachers.

76. NATO and its member governments should broaden their support of other educational and related activities such as the NATO Fellowship and Scholarship Programme; creation of university chairs of Atlantic studies; visiting professorships; government-sponsored programmes for the exchange of persons, especially on a transatlantic basis; use of NATO information materials in schools; and establishment of special NATO awards for students.

77. Governments should actively promote closer relations between NATO and youth organizations and a specialist should be added to the International Staff in this connection. Conferences under NATO auspices of representatives of youth organizations such as that of July 1956 should be held from time to time.

78. In the interests of promoting easier and more frequent contacts among the NATO peoples, governments should review and, if possible, revise their foreign exchange and other policies which restrict travel.

79. In view of the importance of promoting better understanding and goodwill between NATO service personnel, it would be desirable, in co-operation with the military authorities, to extend exchanges of such personnel beyond the limits of normal training programmes. Such exchanges might, as a first step, be developed by governments on a bilateral basis. In addition, member governments should seek the assistance of the Atlantic Treaty Association and other voluntary organizations in the further development of such exchanges.

80. Cultural projects which have a common benefit should be commonly financed. Agreed cultural projects initiated by a single member government or a private organization, such as the recent seminar held at Oxford or the Study Conference sponsored by the Atlantic Treaty Association on "the Role of the School in the Atlantic Community", should receive financial support from NATO where that is necessary to supplement national resources.

Chapter 5: Co-operation in the Information Field

81. The people of the member countries must know about NATO if they are to support it. Therefore they must be informed not only of NATO's aspirations, but of its achievements. There must be substance for an effective NATO information programme and resources to carry it out. The public should be informed to the greatest possible extent of significant results achieved through NATO consultation.

82. NATO information activities should be directed primarily to public opinion in the NATO area. At the same time an understanding outside the NATO area of the objectives and accomplishments of the Organization is necessary if it is to be viewed sympathetically, and if its activities are not to be misinterpreted.

83. The important task of explaining and reporting NATO activities rests primarily on national information services. They cannot discharge this task if member governments do not make adequate provisions in their national programmes for that purpose. It is essential, therefore, that such provision be made. NATO can and should assist national governments in this work. The promotion
of information about and public understanding of NATO and the Atlantic Community should, in fact, be a joint endeavour by the Organization and its members.

84. One of NATO's functions should be to co-ordinate the work of national information services in fields of common interest. Governments should pool their experiences and views in NATO to avoid differences in evaluation and emphasis. This is particularly important in the dissemination of information about NATO to other countries. Co-ordinated policy should underline the defensive character of our Alliance and the importance of its non-military aspects. It should cover also replies to anti-NATO propaganda and the analysis of Communist moves and statements which affect NATO.

85. In its turn, the NATO Information Division must be given the resources by governments as well as their support, without which it could not discharge these new tasks—and should not be asked to do so.

86. In order to facilitate co-operation between the NATO Information Division and national information services, the following specific measures are recommended:

(a) an Officer should be designated by each national information service to maintain liaison with NATO and to be responsible for the dissemination of NATO information material;
(b) governments should submit to NATO the relevant information programmes which they plan to implement, for discussion in the Committee on Information and Cultural Relations. Representatives of national information services should take part in these discussions;
(c) within the NATO Information Division budget, provision should be made for a translation fund so that NATO information material can be translated into the non-official languages of the Alliance, according to reasonable requirements of the member governments;
(d) NATO should, on request, provide national services with special studies on matters of common interest.

87. The journalists' tours sponsored by NATO should be broadened to include others in a position to influence public opinion, such as trade union and youth leaders, teachers and lecturers. Closer relations between private organizations supporting NATO and the NATO Information Division should also be encouraged.

Chapter 6: Organization and Functions

88. The Committee considers that NATO in its present form is capable of discharging the non-military functions required of it. Structural changes are not needed. The machine is basically satisfactory. It is for governments to make use of it.

89. At the same time, certain improvements in the procedures and functioning of the Organization will be required if the recommendations of this report are to be fully implemented. The proposals in this Chapter are submitted for this purpose.

A. Meetings of the Council

90. More time should be allowed for Ministerial Meetings. Experience has shown that, without more time, important issues on the agenda cannot be adequately considered. Decisions concerning some of them will not be reached at all, or will be reached only in an unclear form.

91. Efforts should be made to encourage discussion rather than simply declarations of policy prepared in advance. Arrangements for meetings should be made with this aim in view. For most sessions, the numbers present should be sharply restricted. In order to facilitate free discussions, when Ministers wish to speak in a language other than French or English, consecutive translation into one of these official languages should be provided by interpreters from their own delegations.

92. Meetings of Foreign Ministers should be held whenever required and occasionally in locations other than NATO Headquarters. Ministers might also participate more frequently in regular Council meetings, even though not all of them may find it possible to attend such meetings at the same time. The Council of Permanent Representatives has powers of effective decision: in other words, the authority of the Council as such is the same whether governments are represented by Ministers or by their Permanent Representatives. Thus there should be no firm or formal line between Ministerial and other meetings of the Council.

B. Strengthening the Links Between the Council and Member Governments

93. It is indispensable to the kind of consultations envisaged in this report that Permanent Representatives should be in a position to speak authoritatively and to reflect the current thinking of their governments. Differences in location and in constitutional organization make impossible any uniform arrangements in all member governments. In some cases it might be desirable to designate a high official in the national capital to be concerned primarily with NATO affairs. The purpose would be to help both in fostering NATO consultations whenever national policies impinge on the common interests of the Atlantic Community, and in translating the results of such consultations into effective action within the national governments.

94. To ensure the closest possible connection between current thinking in the governments and consultations in the Council, there might be occasional Council meetings with the participation of specially designated officials or the permanent heads of foreign ministries.

C. Preparation for Council Meetings

95. Items on the agenda of Ministerial Meetings should be thoroughly examined by Permanent Representatives and relevant proposals prepared before Ministers meet. For this purpose it may be found desirable for governments to send senior experts to consult on agenda items before the meetings take place.

96. The preparation of questions for discussion in the Council should be assisted by appropriate use of the Council's Committees of Political and Economic Advisors. (Recommendations on the establishment of these Committees are set forth in Chapter 2, paragraph 56, and Chapter 3, paragraph 72.)

97. In the case of consultations on special subjects, more use should be made of senior experts from national capitals to assist permanent delegations by calling them, on an ad hoc basis, to do preparatory work. Informal
discussions among specialists with corresponding responsibilities are a particularly valuable means of concerted governmental attitudes in the early stages of policy formation.

98. Member governments should make available to one another through NATO "basic position material" for background information. This would help the Alliance as a whole in the consideration of problems of common concern and would assist individual governments to understand more fully the reasons for the position adopted by any member country on a particular issue which might be its special concern, but which might also affect in varying degrees other members of NATO.

D. The Secretary General and the International Staff

99. To enable the Organization to make its full contribution, the role of the Secretary General and the International Staff needs to be enhanced.

100. It is recommended that the Secretary General preside over meetings of the Council in Ministerial, as he does now in other sessions. Such a change with respect to the conduct of the Council's business would follow naturally from the new responsibilities of the Secretary General, arising out of the recommendations of this report. It is also warranted by the Secretary General's unique opportunities for becoming familiar with the problems and the activities of the Alliance as a whole.

101. It would, however, still be desirable to have one Minister chosen each year as President of the Council in accordance with the present practice of alphabetical rotation. This Minister, as President, would continue to have especially close contact with the Secretary General during and between Ministerial Meetings, and would, as at present, act as the spokesman of the Council on all formal occasions. He would also preside at the formal opening and closing of Ministerial sessions of the Council.

102. In addition:

(a) the Secretary General should be encouraged to propose items for NATO consultation in the fields covered by this report and should be responsible for promoting and directing the process of consultation;

(b) in view of these responsibilities, member governments should undertake to keep the Secretary General fully and currently informed through their permanent delegations of their governments' thinking on questions of common concern to the Alliance;

(c) attention is also called to the additional responsibilities of the Secretary General, recommended in connection with the annual political appraisal (Chapter 2, paragraph 52) and the peaceful settlement of disputes (Chapter 2, paragraph 57).

103. The effective functioning of NATO depends in large measure on the efficiency, devotion and morale of its Secretariat. Acceptance of the recommendations in this report would impose on the Secretariat new duties and responsibilities. Governments must, therefore, be prepared to give the International Staff all necessary support, both in finance and personnel. If this is not done, the recommendations of the report, even if accepted by governments, will not be satisfactorily carried out.

Palais de Chaillot
Paris, XVIe.

January 7, 1957

Annex

Committee of Three

Formal Record of Proceedings

The Committee of Three, consisting of Dr. Gaetano Martino (Italy), Mr. Halvard Lange (Norway) and Mr. Lester B. Pearson (Canada) was established by the North Atlantic Council in Ministerial Session on 5th May, 1956, with the following terms of reference:

"... to advise the Council on ways and means to improve and extend NATO co-operation in non-military fields and to develop greater unity within the Atlantic Community."

1. The Committee held its first meetings from 20th to 22nd June, 1956, at NATO Headquarters in Paris. During these discussions, the procedure to be followed by the Committee was established, and it was decided to send a Questionnaire to each NATO member government in order to obtain its views on a number of specific problems with respect to co-operation in the political, economic, cultural and information fields and regarding the organization and functions of NATO. In addition, the Committee issued a memorandum containing explanatory notes and guidance to assist countries in the preparation of their replies to the Questionnaire. The Questionnaire was circulated on 28th June, 1956, and governments were requested to submit their replies by 20th August.

2. The Committee reassembled in Paris on 10th September, 1956, and held a series of meetings lasting until the 22nd of that month. After having examined and analysed the replies to the Questionnaire, the Committee held consultations with each member country individually. The purpose of these consultations was to clarify, where necessary, the position taken by governments in their replies, and to discuss with the representatives of other governments in a preliminary way certain views of the Committee.

4. The consultations took place in the following order:

Wednesday, 13th September a. m. Iceland (represented by Mr. H. G. Anderson, Permanent Representative of Iceland to the North Atlantic Council); a. m. Turkey (represented by Mr. N. Birgi, Secretary General of the Ministry of Foreign Affairs).

Thursday, 13th September a. m. The Netherlands (represented by Mr. J. W. Beyen, Minister for Foreign Affairs); p. m. Greece (represented by Mr. E. Averof, Minister for Foreign Affairs).

Friday, 14th September a. m. Belgium (represented by Mr. P. H. Snauk, Minister for Foreign Affairs); p. m. Germany (represented by Professor Hallstein, Secretary of State for Foreign Affairs).

Monday, 17th September a. m. Luxembourg (represented by Mr. M. J. Beech, Prime Minister and Minister for Foreign Affairs); a. m. France (represented by Mr. C. Pineau, Minister for Foreign Affairs); p. m. United States (represented by Senator George, special representative of President Eisenhower); p. m. Portugal (represented by Mr. P. Cunha, Minister for Foreign Affairs).

Tuesday, 18th September a. m. Denmark (represented by Espen Christiansen, Deputy Foreign Minister); p. m. United Kingdom (represented by Mr. Anthony Nutting, Minister of State for Foreign Affairs).

5. In addition the Committee met with the following groups:
(a) On Wednesday, 12th September, meeting with the Standing Committee of the Conference of Members of Parliament from NATO countries, consisting of the following persons:

Belgium......... Mr. Frans Van Caubelaert
Mr. A. de Meeler
Canada........... Senator, the Hon. Wishart McL.
Robertson, P. C.
France........... Mr. Maurice Schumann
Germany......... Herr F. Berendsen
Dr. Richard Jaeger
Netherlands...... Mr. J. J. Fens
Mr. J. L. Kranenburg
Mr. E. A. Vermeer
Turkey.......... Colonel Seyfi Kurtbek
United Kingdom... Colonel Walter Elliott, C.H., M.C., M.P.
United States.... Congressman Wayne L. Hays, M.C.

(b) On Saturday, 15th September, meeting with the Atlantic Treaty Association, represented by:

Count Morra, Chairman
Dr. Nord, Vice-Chairman
Dr. Flynt, Vice-Chairman and
Mr. John Epstein, Secretary General
and a number of delegates from national member organizations.

(c) On Tuesday, 18th September, meeting with General Elliotte and Mr. Barton, representing the Signatories of the Declaration of Atlantic Unity.

6. As a result of these consultations a draft report to the Council was prepared. In this work the Committee benefited from the expert advice of three special consultants. They were Professor Lincoln Gordon (Harvard University), Professor Guido Carli (Rome) and Mr. Robert Major (Oslo).

7. The Committee met again in New York on 14th November and re-examined the report in the light of the important world events which occurred in the interval since its September meeting. The Committee, after approving the report, furnished the other Foreign Ministers with an advance copy, preparatory to consideration of the report by the North Atlantic Council.

The United Kingdom Government purchased a total of U.S.$300 million from the Fund in 1947 and 1948. These sums have since been fully repaid, partly by repurchase by the United Kingdom and partly by purchases of sterling by other members.

**STATEMENT BY IMF MANAGING DIRECTOR PER JACOBSSON, DECEMBER 10**

The drawing of $561,470,000 is intended to add to the monetary reserves of the United Kingdom to meet payments requirements. This amount will be at the immediate disposal of the United Kingdom.

The stand-by arrangement, on the other hand, will make available the equivalent of $738,530,000 in Fund member currencies to be used at any time during the next twelve months at the request of the United Kingdom, to supplement the amount immediately transferred.

In the speech of the Chancellor of the Exchequer, Mr. Macmillan, on December 4, and in its representations to the Fund the United Kingdom Government has made clear that it intends to maintain the rate of the pound sterling at its present parity and to avoid the reimposition of external controls. To this end the United Kingdom Government has announced that it will follow fiscal, credit and other policies designed to strengthen the economy, both internally and externally.

The pursuit of such policies will clearly promote the objectives of the Fund. For this reason, and in view of the special importance of sterling as a worldwide reserve and trading currency, the Fund has approved a transaction of this magnitude. It has done so in the firm belief that the action taken will permit the policies and measures of the United Kingdom to continue to operate and thus effectively contribute to the restoration of the strong balance-of-payments position which had been emerging in the first half of 1956.

In this connection it should be pointed out that the trading position of the United Kingdom has been and continues to be essentially sound. In the course of 1956, pressure on the economy was eased under the impact of the monetary and fiscal measures and the benefit of investments over the past few years now coming to fruition. The credit squeeze was showing good results, the rise in prices had been checked, and exports, including those to

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**British Arrangements With Monetary Fund and Eximbank**

**INTERNATIONAL MONETARY FUND ANNOUNCEMENT, DECEMBER 10**

The Government of the United Kingdom has made arrangements with the International Monetary Fund under which it may purchase with sterling, from the Fund, up to the amount of its quota of U.S.$1,300 million. These arrangements fall into two parts:

(i) a drawing of U.S.$561,470,000; and
(ii) a stand-by arrangement under which up to the equivalent of U.S.$738,530,000 in foreign currencies may be purchased with sterling at any time during the next twelve months.

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the dollar markets, had reached record levels. A state of equilibrium had almost been achieved.

From the end of July, however, the balance-of-payments position came under pressure. The pressure was not caused by weakness in the current account, but reflected a decline in confidence which caused remittances of sterling to be delayed and payments through sterling to be accelerated. Since sterling serves as a means of payments for half the world's commercial transactions, it is a currency particularly susceptible to these influences. It is for the purpose of reversing this trend against a world-wide trading currency that the International Monetary Fund has today approved support on such a massive scale.

EXIMBANK ANNOUNCEMENT, DECEMBER 21

The Export-Import Bank and the British Embassy announced on December 21 that the bank had authorized a line of credit of $500 million in favor of the British Government to be available for the United Kingdom's dollar requirements for United States goods and services, including dollar requirements for petroleum.

The line of credit will be made against the U.K. Government holding of United States dollar securities. It will be available for a period of 12 months. Repayments will begin 3 years after each disbursement and will be made in semiannual installments over 4½ years thereafter. Interest on each disbursement will be chargeable at 4½ percent, payable semiannually.

U.S. Extends Invitation to Euratom Committee

Press release 629 dated December 21

The Department of State and the Ministry of Foreign Affairs in Brussels on December 21 released the text of a letter from the Secretary of State to Paul-Henri Spaak, Foreign Minister of Belgium and President of the Intergovernmental Conference for the Common Market and EURATOM, together with a translation of the latter's reply, concerning an invitation by the U.S. Government to a group of three distinguished Europeans working on a program of atomic energy development in connection with EURATOM to visit the United States. The texts of the letters follow.

Secretary Dulles to Foreign Minister Spaak

DECEMBER 10, 1956

MY DEAR MR. PRESIDENT: We have noted with great interest the decision of the Brussels Conference to appoint three "Wise Men" whose task it is to establish production targets in the field of nuclear energy for EURATOM, the rate at which nuclear power stations can be installed, and the means and resources needed for the achievement of a common program.

In the past, both the President and I have indicated the sympathetic support of this country for the efforts of the Six Nations to develop an integrated atomic energy community. Not only would a successful EURATOM contribute importantly to the goal of a closer and mutually beneficial association of Western European states, but such a community could do much to further the development of the peaceful uses of atomic energy, the encouragement of which has been a major objective of this country over the last several years.

I would appreciate, therefore, your extending an invitation to the "Wise Men", on behalf of the Chairman of the Atomic Energy Commission and myself, to come to the United States in the course of their study in order that United States Government officials and American private groups can assist them in every appropriate way in carrying out their important mission.

Sincerely yours,

JOHN FOSTER DULLES

His Excellency

PAUL-HENRI SPAAK,
President of the
Intergovernmental Committee
for the Common Market
and EURATOM,
Brussels.

Mr. Spaak to Secretary Dulles

DECEMBER 19, 1956

MR. SECRETARY: The letter that you kindly sent to me on December 10 has received my full attention. I have brought it to the attention of the Committee of the Chiefs of Delegation of the Conference for the Common Market and EURATOM, which met at Paris on December 13.

The Committee was very pleased at the evidence of interest that the American Government continues to show in the efforts of the Six Nations to
create an atomic community. It decided with pleasure to forward to the three Wise Men the invitation in which you and the Chairman of the Atomic Energy Commission invite them to visit the United States in order to complete their work. I have just learned that Messrs. Etzel, Giordani and Armand gratefully accept this invitation and that they plan to go to the United States during the course of the month of January.

Please accept, Mr. Secretary, the assurances of my highest consideration.

P. H. SpaaK

The Honorable
JOHN FOSTER DULLES,
Secretary of State,
Washington.

Colombo Plan Nations Review
Economic Progress

Press release 622 dated December 17

Following are the texts of a communiqué issued on December 5 at Wellington, New Zealand, by the Consultative Committee of the Colombo Plan for Cooperative Economic Development of South and Southeast Asia at the conclusion of its eighth meeting, and of an extract from the Committee's annual report. Walter S. Robertson, Assistant Secretary for Far Eastern Affairs, headed the U.S. delegation to the Consultative Committee meeting. Member governments of the Committee are: Australia, Burma, Cambodia, Canada, Ceylon, India, Indonesia, Japan, Laos, Nepal, New Zealand, Pakistan, the Philippines, Thailand, the United Kingdom together with Malaya and British Borneo, the United States, and Viet-Nam.

COMMUNIQUE OF DECEMBER 5

1. The eighth meeting of the Consultative Committee, representing the member Governments of the Colombo Plan for Cooperative Economic Development in South and South East Asia, was held in Wellington from 4 to 8 December 1956.

2. The meeting reviewed the progress, and considered the problems of development, during the past year, in the countries of the area and surveyed the present economic position of the individual countries, and of the region as a whole. An assessment was made of some of the tasks ahead for the countries of the Colombo Plan in South and South East Asia. A draft report prepared by officials in a preliminary meeting from 19 November to 1 December 1956 was discussed by Ministers who approved the text of the Fifth Annual Report, for publication in member countries' capitals on or after 15 January 1957. The discussions were full, frank and cordial and not the least value of the meeting lay in the friendly personal association between the representatives of the member Governments.

3. In the region as a whole several significant advances were made in both the planning and execution of economic development programmes during the fifth year of the Colombo Plan. In 1955–56, there was progress in the development of the area as a whole, although this progress was not uniform. National income continued to rise at a rate slightly in excess of population growth. Most of the Colombo Plan countries in 1955–56 contributed to and benefited from the continued expansion in world industrial production and trade. Agricultural production, on balance showed a slight improvement over the previous year; there was an increase in mining output, particularly in petroleum production in the area. Significant progress was made in industrial production as a result of greater utilization of existing equipment and expanded facilities resulting from new investment.

4. The past year has been, in a measure, a turning point in the progress of the Asian members of the Colombo Plan. Many countries have recently formulated new or renewed national plans and others have given continuing attention to improving the planning and execution of their public investment projects. For 1955–56, the aim was to expend an estimated £91 million on development in the public sector in countries of the area and for 1956–57 it is the intention to raise the level of expenditure by over a quarter. The greater part of this cost of development in the public sector is being provided through the efforts of the people of the area. In addition to governmental
development projects, private investment is making an important contribution especially in agriculture and small-scale industries.

5. In 1955-56 assistance from contributing member governments of the Plan, from international institutions and from other agencies, was greater than in previous years and the rate at which it was used on specific projects was accelerated. External capital assistance in addition to supplementing the countries' own resources has a value of generating further domestic investment. It was recognized that there is an important place for private external investment as a means of obtaining capital inflow, particularly because of the technical knowledge it brings with it and its flexibility.

6. One of the main obstacles to balanced economic development in the Colombo Plan area is the lack of skilled personnel. Much can be done through capital projects to raise productivity, but without adequate technical skills the fullest use may not be made of new possibilities opened up by higher soil fertility, electric power and new machinery. The main emphasis in improving social services such as health and education, too, must lie with trained staff, helped by modern equipment. For these reasons, successive meetings of the Consultative Committee have stressed the need for the training of students of the area in the more developed countries and the sending of experts to the area. The committee found this year that one of the fruits of the Colombo Plan has been the ability of some countries of the area to send experts to, and receive trainees from their neighbours, and noted that additional opportunities for such intra-regional assistance will increase, as development progresses and more experience is obtained.

7. Since 1950, technical assistance has been extended to approximately 11,000 trainees, while about 4,000 experts have been provided.

8. The Committee took note of the progress reported by the United States on a proposal for a regional nuclear center to be located in Manila. The United States informed the committee of the future steps to be taken in consultation with the members of the Colombo Plan; it was also indicated that the United States was prepared to contribute approximately $20 million to the establishment of the center subject to mutually satisfactory arrangements being worked out with other participating countries. Canada reported on progress in the construction of the Canada-India Reactor. This Reactor is being established at the Indian Atomic Energy Research Centre near Bombay.

9. Two major aspects of development during the period under review were noted: first, the endeavours of countries to attain higher rates of economic growth while preserving the economic and social stability required to make that growth continuous and its results enduring; and second, the need for flexibility in the execution of plans. In some countries, post-war rehabilitation is still to be completed, or other difficulties are still to be overcome, and it is only now that they are beginning to find themselves in a position to formulate development plans. For others, the task is now to move forward from the economic and social basis already provided by their own efforts and by cooperation within the Colombo Plan.

10. These and other problems in the tasks ahead have been discussed in the Annual Report for 1956. Member governments of the Colombo Plan are confident that their friendly and willing cooperation will continue in facing the difficulties and challenges that lie ahead in the building of a new life for the countries of South and South East Asia.

**EXTRACT FROM ANNUAL REPORT**

**SOME TASKS AHEAD**

1. The Annual Reports of the Consultative Committee review the general economic situation and development progress and prospects of South and South East Asia. Such reviews of the past and assessments of the future focus attention on certain problems relating to the future development of the countries of the area which warrant consideration.

2. The 1955 Annual Report, for instance, found wide differences in the economic situation of the countries of the area, that much development work remained to be done, that while the need for external resources remained, the problem of mobilising domestic resources was of paramount importance, and that certain economic problems, common to the region, had been thrown into sharper focus. These issues were broadly stated and drawn out in a necessarily tentative way; only the passage of time would permit more definite conclusions.

3. Another year of experience makes it possible to

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1 For text of a statement made by Mr. Robertson at the meeting, see Bulletin of Dec. 17, 1956, p. 957.

2 For an extract from this report, see ibid., Dec. 12, 1955, p. 995.
delineate issues further and draw provisional conclusions regarding some of the problems common to the area. These may be summarized as follows:

(a) While further progress in the economic growth of the region has been made in the past year countries have become aware of the increasing need for maintaining flexibility in furthering their development programmes, while consolidating existing gains.

(b) In spite of considerable economic growth in past years, the problem of developing sufficient opportunities for productively employing the ever increasing human resources of the area remains.

(c) Varying stages and forms of development and the wide range of experience within the region provide new opportunities for cooperation among the countries of South and South East Asia.

(d) Future development will tend to require more complex and difficult decisions in such matters as the extent to which the fruits of development can and should be devoted to consumption rather than investment, the pattern of investment, and the impact of a country's development programme upon its external situation and the economic life of other countries.

(e) The task ahead will require the mobilization of additional developmental energies in both the public and the private sectors.

(f) While the flow of external resources to the countries in the region has so far been largely in forms of grants, increased opportunities may develop for drawing on foreign private investment and on public and private loans as sources of external capital.

4. The years ahead will require increasing attention to the problems of maintaining flexibility in development programmes while consolidating existing advances and continuing development. For many countries in South and South East Asia, the economic growth process has involved the planning and programming of resources over long periods of time. The implementation of programmes, however, is dependent upon the availability of requisite resources at the right time, in the right place, and in the right combination. Sometimes these resources are not available because of crop failures, foreign exchange stringencies, and unforeseen shortages of equipment and skilled personnel. Under these circumstances, there is a need for flexibility in programmes. Plans provide a broad framework of overall objectives as flexible guides to future policies and action. Constant vigilance will be required to ensure that appropriate adjustments are made to meet changed conditions. It is also necessary in this connection to refer to the possibility of taking steps towards the building of defences within the economies of the countries of the region to enable them to sustain their development despite short-term upsets like drought, floods etc.

5. Countries in the region may find it necessary to give increasing attention not only to flexibility in the implementation of programmes, but also to the more general problem of consolidating existing achievements while continuing to move forward.

6. Countries of the area also find it necessary to devote increasing attention to creating new opportunities for employing their expanding labour force. Available information tends to indicate that development progress may not be providing employment opportunities commensurate with the growth of the labour force. On the other hand, employment opportunities provided by development may not be fully utilized because of the limited availability of necessary skills and talents in the labour force. Future programmes, recognizing both the social and economic exigencies of the situation, are seeking to devote increased attention to creating additional work facilities for the presently unemployed or under-employed, as well as providing needed training for an expanding labour force. Some countries may seek a partial solution to this current and long-term problem through increased emphasis upon industrialisation and greater labour mobility; others may concentrate on additional work opportunities for under-employed agricultural workers; others may devote a portion of their development efforts to projects employing a great deal of labour. The means and varied possible approaches to resolve this difficult situation will, in the years ahead, provide an additional body of common experience upon which all countries may be able to draw.

7. Development progress in South and South East Asia provides a wide range of experience differing from country to country. Some countries, for example, are well advanced in the implementation of long-range development programmes. Others are still engaged in the initial task of assessing resources and determining programme priorities. Continued developmental efforts and progress under differing situations in the countries of the area have produced, in a number of ways, opportunities for interchanges of mutual interest. Some countries have successfully utilised a particular approach or overcome an important obstacle which other countries are about to encounter in some phase of their development. Beginnings have already been made in exchanging experiences in the resolution of particular problems. It is noted, for instance, that one country of the area which has pioneered in community development projects is now responding to the request of another member for assistance in initiating such a programme.

8. Another beginning in the interchange of experience within the area is in the field of training and education. Countries of the area are developing skills and training of interest to each other. This experience is, in many instances, already being shared with others in the area. In some cases, the various experience or techniques developed within the area may have greater applicability and effectiveness than similar experience obtained elsewhere. Out of these opportunities provided by a growing body of economic experience within the area, it may be found that assistance for many of South and South East Asia's development problems can come from the region itself.

9. The informal consultation which has been pursued for many years in Consultative Committee meetings can further assist in this process. Continuing progress in all countries will provide further ideas and problems which can be exchanged profitably with other member countries. Increasingly, aid-recipient countries of the area are also becoming aid-donor countries, particularly in the field of technical assistance. No clear pattern has emerged as to the ultimate extent or intensity of such mutual cooperation but it appears that an opportunity is present in which all could participate and from which all could gain. It
is clear that there is considerable scope for greater regional cooperation in South and South East Asia.

10. The experience of the past year has confirmed once again the importance of viewing the process of development and implementation of programmes in the broadest possible context. Programmes for expanding economic growth are generally conceived in terms of stated objectives relating to the internal economic situation, such as percentage increases in national income, production targets, employment opportunities, and export availabilities. While in many instances the validity of these objectives is derived from important domestic considerations, their realization is often dependent upon external factors beyond the control of the developing country. Many countries of the area find that effective development therefore requires consideration of the proposed programme in a broad setting. On the one hand, there is the genuine desire on the part of many countries to undertake industrialization in order to utilize locally available material resources and to create new employment opportunities. There is a natural and understandable desire on the part of countries to diversify in order to achieve a balanced economy. On the other hand, there is the problem of equating internal programmes with external resources availabilities in such a way as to achieve objectives without engendering critical balance of payments difficulties. It should be borne in mind that any development programmes which lead to an impairment of the export earnings of a country or the prosperity of its trading partners are likely to be self-defeating in the long run. The past decade has witnessed an increasingly discernible movement towards higher levels of world trade. Development can aid this movement and profit from it. In the years ahead, as the Colombo Plan countries of South and South East Asia, with more than one-fifth of the world's population, undertake larger development programmes, the task of considering programmes from the standpoint of both the internal and external impact will become more necessary and, in some instances, more difficult. It is, however, a consideration essential to sound development progress.

11. The review of the past year has focused attention on the all-important relationship between consumption and investment. In the future, as development outlays increase, the maintenance of a balanced relationship between consumption and investment will have greater importance and become increasingly difficult to achieve. Increased consumption is one of the tangible benefits of development and indeed, in a region with very low levels of living, it may be regarded as an important factor in increasing productivity. Too great an increase in investment without a corresponding increase in consumption tends to create strains and stresses which threaten financial stability, particularly in view of the continuing increase in the population of the region. On the other hand, a point can be reached when too great a consumption increase threatens to curtail investment and the future rate of growth. This problem of devising appropriate fiscal and other measures to permit a reasonable increase in both consumption and investment constitutes one of the most difficult tasks for the Governments of the countries of the region.

12. There is no simple solution for resolving the problem posed by the respective roles of consumption and investment. Many countries, as part of the initial phase of development, have encouraged investments which, in one way or another, in agriculture or industry, result in the availability of more consumer goods in the short term. With a relatively sound base they have undertaken expenditure on larger, slower-yielding investment projects with a view to promoting a faster pace of development in the future. This emphasis, however, is not adequate in itself and has to be supplemented by corresponding fiscal and other measures. Such measures have an important bearing on the mobilization and allocation of resources in a developing country.

13. The task of mobilising resources is a continuing one. Past experience in the area indicates that early emphasis is on mobilising resources for those projects which the government plans and directs, such as roads and other basic facilities. At the same time, it becomes necessary and desirable to maximise the efforts and productivity of all parts of the economy. It is essential, therefore, to bring forth, through training, administrative and financial measures, a more widespread initiative throughout the economy. This kind of initiative can be stimulated by a variety of means, including effective policies on the part of governments. Establishment or installation of basic facilities will support the economic efforts of individuals, groups and communities. Farm-to-market roads, for instance, will provide increased outlets for greater output by the individual producer. The assured availability of power can result in the establishment of industrial facilities by private resources. The availability of adequate financial facilities, or programmes of land reform, can provide incentives for the release of new energies in the agricultural and industrial sectors.

14. Development requires a variety of resources, the greater part of which has necessarily to be mobilized internally by the developing country itself. External capital has, however, made a significant contribution to development by supplying goods and services not available for mobilization domestically in the countries of South and South East Asia. Capital to the Colombo Plan area has taken the form principally of grants and loans by governments, private foreign investment and loans from international financial institutions. As economic advances are made in the area, opportunities arise for greater resort to private investment and to private and public lending agencies as sources of external capital.

15. This assessment of the problems and issues of the future which arise out of a review of the past tends to underscore the value of the Consultative Committee as a forum for an annual exchange of views. Experience this year indicates that the desirability of such consultation increases rather than diminishes as development progress is made in South and South East Asia. The Committee clearly affords increasing opportunities for an increased interchange of experiences on common problems. As the Colombo Plan enters its sixth year there is renewed courage, confidence and determination to move ahead in the economic betterment of South and South East Asia. The record of achievement set forth in this Report gives reason to believe that, however great may be the difficulties ahead, they will be overcome.
Need for Alleviating Shortage of Merchant Shipping

Statement by Robert T. Merrill
Chief of the Shipping Division

My name is Robert T. Merrill. I am here at the kind invitation of the Federal Maritime Board to present on behalf of the Department of State certain considerations which lead the Department to believe that the United States public interest would be served by a decision to place in operation as soon as possible a number of vessels presently in the Maritime Administration’s laid-up fleet. The Department is aware of and appreciates the reasoning which led the Congress in the Merchant Sales Act of 1946 to “sterilize” the unsold war-built vessels in the laid-up fleet, prescribing definite standards which must apply as a condition to breaking them out for operation. One of these standards, prescribed in section 5 (e), is that the Board be of the opinion that the operation of the vessels is required in the public interest.

Although the Department believes that under normal circumstances the provision of shipping services, both here and abroad, is a business best governed by the free play of economic forces, it is convinced that in the existing situation we are facing an emergency in shipping where the supply is grossly inadequate for the transport of necessary commercial cargoes and of programs sponsored by United States Government agencies. This situation of extreme shortage has led to the spiraling of rates to levels which will adversely affect the economic structures of friendly importing countries and which will not contribute to the long-term benefit of the countries providing the shipping services or of the shipping companies themselves.

The Department also would be reluctant to recommend the activation of vessels where the period of emergency could be so short that the proportion of break-out expense which might be recovered from operation would be disproportionately small, even when the betterment of the vessels due to break-out is considered. In this instance, however, it believes that the period during which the vessels are needed will be sufficiently long for the Government to recoup the costs involved.

Some of the foreign countries affected by the present shortage of ships were allies of this country in World War II. Some have been assisted in the recovery of their economies by moneys appropriated for Marshall plan aid and subsequent recovery programs because the Congress considered their recovery to be in the United States public interest. Some are parties, together with the United States, to North Atlantic Treaty joint defense arrangements. The Board previously has determined that the carriage of coal from the United States to specific friendly countries is in the United States public interest (the Isbrandtsen case, doc. no. M-67). Under present circumstances the economies of a number of friendly countries would be jeopardized by the shipping shortage which has developed due to the closing of the Suez Canal.

Estimates as to coal exports from the United States, which have been widely quoted in connection with the Board’s decision of October 3 to charter 30 ships to American Coal Shipping, Inc., run over 40 million tons for 1956, 50 million tons for 1957, and as high as 100 million tons in 1960. European industrial production has been increasing, and fuel is needed to support that increase. Shipments from the United States of agricultural products, including grain, are well in advance of normal due to the Public Law 480 programs, and create an additional demand for bulk carriers. New construction of ships has not kept pace with the trend of exports and imports. For some time there has been little or no idle tonnage on the markets; every ship offered was soon employed. From the short- and long-range viewpoint, it does not appear that the release of a reasonable number of vessels from the laid-up fleet will adversely affect the employment of privately owned vessels, whether American or foreign.

The closing of the Suez Canal has complicated the situation, especially the need for tankers, but also for dry-cargo vessels. European firms capable of converting from oil to coal are doing so. Late in November the President approved the reactivation of the Middle East Emergency Committee, which will permit United States oil companies to do joint planning in the movement of petroleum supplies without penalty under the antitrust laws. This should enable up to 500,000 barrels per day of additional oil to be transported from the United States Gulf and from Caribbean

1 Made on Dec. 10 before the Federal Maritime Board.

areas to Western Europe. There is a shortage of dry-cargo vessels as well as of tankers, and more will be needed to meet the minimum fuel requirements of friendly countries. The Suez situation not only has raised rates but has increased the distances many ships must travel and so has increased the general need for more tonnage.

Estimates as to the time that will elapse before the canal is in full operation run as high as 6 months, although partial restoration of operation may be possible sooner.

The coal charter rate from Hampton Roads to the continent of Europe is now well in excess of $15 per ton. When we add to that $11, for the mine price of the coal plus the cost of bringing it to Hampton Roads, we have over $26-per-ton coal at seaports in Belgium and Holland and possibly $40 coal by the time it reaches the consumer. The European economy simply cannot function effectively on the basis of such high-priced fuel, and it is obvious that much of the recovery that has been accomplished with the assistance of the Marshall plan and subsequent enactments will be lost and that countries closely linked to us through Nato and other arrangements will be faced with a serious problem unless something is done to relieve the shortage of shipping which is a primary cause of such high rates. Moreover, we may well jeopardize the export market for coal, which on a continuing basis depends on our ability to deliver large tonnages at stable and competitive rates. If the rates are to increase still further, this would not be likely to attract more ships to the transport of coal because there are now no ships available unless taken from other necessary employment.

The Department is not favoring any particular application for the assignment of vessels. It believes that the Board and the Maritime Administration, in consultation when necessary with agencies responsible for the transport of Government programs, can best determine the number of ships needed to ease the shortage and can best work out, in accordance with the provisions of existing statutes, the terms and conditions of their employment. The Department hopes, however, from the standpoint of the foreign-relations responsibilities entrusted to it, that an adequate number of presently laid-up ships will be made available as soon as possible to meet the present and anticipated needs.

January 7, 1957

U. S., U. K., and Canada Declassify Additional Atomic Energy Data

Statement by Lewis L. Strauss
Chairman, U.S. Atomic Energy Commission

AEC press release dated December 12

A large additional volume of technical information essential to the development of a civilian nuclear industry here and abroad is authorized for open publication under a revised policy covering the declassification of atomic energy information in the United States, Great Britain, and Canada.

The information declassified by the new guide, now approved by the three nations, relates to all phases of nuclear power from ore recovery and fabrication of fuel elements to the design and operation of plants for the chemical recycling of spent fuel elements from civilian reactors.

The new policies covering tripartite declassification involve many areas of nuclear activity. However, of prime interest to American industry is the newly authorized declassification of civilian power reactor information.

Data on concepts, physics, chemistry, components, and other aspects of these reactors have been available through previous tripartite declassification actions. Major release of research reactor data dates back to November 1950. Many categories of restricted data have been available to cleared individuals and organizations in this country under the Atomic Energy Commission’s Civilian Access Permit Program.

The latest action will permit publication of a large portion of that information which hitherto has been governed by access permits. For example, among the facilities that become declassified under the new guide is our first full-scale civilian nuclear power plant now nearing completion at Shippingport near Pittsburgh, Pa.; also, the experimental sodium reactor at Santa Susana, Calif.; the second-stage homogeneous reactor at Oak Ridge, Tenn.; and several others.

However, the access permit program remains as an important aid to the continued integration of U.S. industry and management in the atomic energy program on a free competitive basis.

In addition, and clearly related to the reactor data which will become available, is the declassi-

1 Similar announcements were released simultaneously at London and Ottawa.
fication of the technology of heavy-water manufacture; final stages of the separation of zirconium and hafnium—two metals used in reactors; and the liquid thermal diffusion process of isotope separation, which may be used to make slightly enriched uranium fuel.

Of interest to our friends abroad, especially those now participating in the program of cooperation in peaceful uses of nuclear energy through bilateral agreements, is the fact that pursuant to today’s actions the United States can now effectively cooperate with other friendly nations on an unclassified basis for civil power purposes. This will greatly facilitate the conclusion of agreements for cooperation.

Uranium mining operators, underwriters, and investors in the United States and in other uranium-producing countries will benefit by the removal of all tripartite restrictions on the publication of statistics on overall uranium ore reserves and present and future ore-concentrate production figures. The world uranium industry, which now represents a private investment of many million dollars, will be able to participate in planning for nuclear power development.

The revision of the guide is the result of the long study by the three nations of the security of information, jointly held, on nuclear data growing out of their wartime cooperation in atomic energy development.

As reports, drawings, and other materials are reviewed and declassified under the new guide and published, a substantial volume of information on peaceful uses of atomic energy will be added to the already large store of declassified data.

Today’s announcement does not mean that all the newly declassified data will become available immediately, nor does it mean that the several hundred firms who now have classified material in their files, under the access permit program, will receive immediate notices as to exactly which data are declassified.

However, the Commission will move ahead rapidly in its review of classified information of interest to industry. The Commission expects to institute shortly an accelerated review program similar to the one that examined over 30,000 documents and reports early this year. Following this accelerated review, publication will be encouraged and the most useful of the declassified material should be available within 6 months or less.

The information to be released will provide a practical basis for enlarging and improving high school, college, and university curricula on nuclear science and engineering, and textbook publishers will be enabled to produce new, updated texts and general study aids on nuclear energy applications.

A like opportunity is opened up for the general, technical, and business press to provide a wider scope of information to those readers who need to know more about nuclear energy and its uses.

We are confident that the benefits of the actions announced today will have equal application in the United Kingdom and Canada. For the United States, the new large volume of information to be declassified should speed the development of civilian nuclear power here at home and at the same time enable us to be of greater assistance to other nations in fulfilling the broad aims of President Eisenhower’s atoms-for-peace program.

Applications of atomic energy in the reactor field which are primarily of military interest continue classified.

Letters of Credence

Ecuador

The newly appointed Ambassador of Ecuador, José R. Chiriboga V., presented his credentials to President Eisenhower on December 19. For the text of the Ambassador’s remarks and the text of the President’s reply, see Department of State press release 627.

Board of Foreign Scholarships

The President on December 18 appointed the following to be members of the Board of Foreign Scholarships for terms expiring September 22, 1960: Katherine G. Blyley (reappointment), George Charles S. Benson, and Robert G. Storey.
## Calendar of Meetings

### Adjourned During December 1956

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<tr>
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<td>UNESCO General Conference: 9th Session</td>
<td>New Delhi</td>
<td>Nov. 5 – Dec. 5</td>
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<tr>
<td>ITU International Telegraph and Telephone Consultative Committee</td>
<td>Geneva</td>
<td>Nov. 22 – Dec. 7</td>
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<tr>
<td>(CCIT): Preliminary Study Group</td>
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<tr>
<td>Customs Cooperation Council: 9th Session</td>
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<tr>
<td>U.N. ECE Housing Committee: 13th Session and Working Parties</td>
<td>Brussels</td>
<td>Nov. 26 – Dec. 1</td>
</tr>
<tr>
<td>1st Inter-American Technical Meeting on Housing and Planning</td>
<td>Geneva</td>
<td>Nov. 26 – Dec. 1</td>
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<tr>
<td>U.N. ECE Steel Committee and Working Parties</td>
<td>Bogotá</td>
<td>Nov. 26 – Dec. 7</td>
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<tr>
<td>FAO Plant Protection Committee for Southeast Asia and Pacific Region: 1st Meeting</td>
<td>Bangkok</td>
<td>Dec. 3 – 7</td>
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<tr>
<td>FAO/WHO Technical Meeting on Food Additives</td>
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<td>Dec. 3 – 10</td>
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<tr>
<td>ITU International Telephone Consultative Committee (CCIF):</td>
<td>Rome</td>
<td>Dec. 3 – 14</td>
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<tr>
<td>18th Plenary Assembly (Final Meeting)</td>
<td>Geneva</td>
<td>Dec. 3 – 14</td>
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<tr>
<td>ICAO Panel on Aircraft Rescue and Fire-fighting Equipment at Aerodromes</td>
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<td>Dec. 3 – 14</td>
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<tr>
<td>International Wheat Council: 21st Session</td>
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<td>Dec. 4 – 5</td>
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<tr>
<td>Consultative Committee for Economic Development in South and Southeast Asia (Colombo Plan): Ministerial Meeting</td>
<td>Wellington, New Zealand</td>
<td>Dec. 4 – 8</td>
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<tr>
<td>UNESCO Executive Board: 46th Session</td>
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<td>Dec. 6 (1 day)</td>
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<td>American International Institute for the Protection of Childhood:</td>
<td>New Delhi</td>
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<tr>
<td>Semiannual Meeting of Directing Council</td>
<td>Montevideo</td>
<td>Dec. 8 – 14</td>
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<tr>
<td>ITU International Telegraph Consultative Committee (CCIT):</td>
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<td>Dec. 8 – 14</td>
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<tr>
<td>8th Plenary Session (Final Meeting)</td>
<td>Brisbane, Australia</td>
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<tr>
<td>Symposium on Tropical Cyclones</td>
<td>Wageningen, Netherlands</td>
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<tr>
<td>FAO European Contact Group on the Uses of Isotopes and Radiation</td>
<td>Geneva</td>
<td>Dec. 10 – 14</td>
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<tr>
<td>in Agricultural Research: 1st Meeting</td>
<td>Barbados, British West Indies</td>
<td>Dec. 10 – 15</td>
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<tr>
<td>U.N. ECE Inland Transport Committee</td>
<td>Geneva</td>
<td>Dec. 10 – 15</td>
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<td>Caribbean Commission: 23rd Meeting</td>
<td>New York</td>
<td>Dec. 10 – 18</td>
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<td>U.N. ECE Coal Committee</td>
<td>Rome</td>
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<td>U.N. Trusteeship Council: Special Session</td>
<td>Rome</td>
<td>Dec. 10 – 21</td>
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<tr>
<td>FAO Working Party on Price Support System</td>
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<tr>
<td>U.N. ECE/FAO Conference on European Statisticians on 1960 Census Preparations</td>
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<td>International Tin Study Group: Management Committee</td>
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<td>NATO Council: Ministerial Session</td>
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<td>SEATO Study Group on Skilled Labor</td>
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<tr>
<td>U.N. ECAFÉ Railway Subcommittee: 5th Session of Working Party on Railway Track Sleepers</td>
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<tr>
<td>International Sugar Council: Special Session</td>
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<tr>
<td>ITU International Telegraph and Telephone Consultative Committee (CCIT):</td>
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<tr>
<td>1st Plenary Assembly of New CCIT (former CCIT and CCIF combined)</td>
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<tr>
<td>U.N. Economic and Social Council: Resumed 22nd Session</td>
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### In Session as of December 31, 1956

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<tr>
<td>North Pacific Fur Seal Conference</td>
<td>Washington</td>
<td>Nov. 28, 1955–</td>
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<tr>
<td>U.N. General Assembly: 11th Session</td>
<td>New York</td>
<td>Nov. 12, 1956–</td>
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### Scheduled January 1–March 31, 1957

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<tbody>
<tr>
<td>ICAO Special North Atlantic Fixed Services Meeting</td>
<td>Montreal</td>
<td>Jan. 3–</td>
</tr>
<tr>
<td>ICAO Panel on Visual Aids to Approach and Landing: 1st Meeting</td>
<td>London</td>
<td>Jan. 7–</td>
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### Calendar of Meetings—Continued

#### Scheduled January 1–March 31, 1957—Continued

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<th>Event</th>
<th>Location</th>
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<td>U.N. ECOSOC Transport and Communications Commission: 8th Session</td>
<td>New York</td>
<td>Jan. 7–</td>
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<tr>
<td>U.N. ECE Ad Hoc Working Party on Standardization of Conditions of Sale for Citrus Fruit</td>
<td>Geneva</td>
<td>Jan. 7–</td>
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<tr>
<td>FAO Committee on Commodity Problems: Working Party on Coconut and Coconut Products</td>
<td>Colombo, Ceylon</td>
<td>Jan. 8–</td>
</tr>
<tr>
<td>ICM Working Party</td>
<td>Geneva</td>
<td>Jan. 8–</td>
</tr>
<tr>
<td>WHO Executive Board: 19th Session</td>
<td>Geneva</td>
<td>Jan. 14*–</td>
</tr>
<tr>
<td>WMO Commission for Climatology: 2d Session</td>
<td>Washington</td>
<td>Jan. 14–</td>
</tr>
<tr>
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*Department of State Bulletin*
Admission of Japan to the United Nations

The U.N. General Assembly on December 18 voted to admit Japan to membership in the United Nations. The vote was 77 in favor, none opposed (Hungary and the Union of South Africa were absent). Japan thus became the 80th member of the U.N.; the Assembly on November 12 had unanimously approved the admission of Sudan, Morocco, and Tunisia.

Following are texts of congratulatory messages from President Eisenhower to Prime Minister Ichiro Hatoyama and from Secretary Dulles to Foreign Minister Mamoru Shigemitsu, together with statements made by U.S. Representative Henry Cabot Lodge, Jr., in the Security Council during the debate on Japanese membership and in the General Assembly following the vote. (See also Secretary Dulles’ remarks at his December 18 news conference, page 6.)

PRESIDENT EISENHOWER TO MR. HATOYAMA

White House press release dated December 18
His Excellency
Ichiro Hatoyama,
Prime Minister of Japan,
Tokyo.

Dear Mr. Prime Minister: Please accept my heartfelt congratulations to the Japanese Government and people upon Japan’s achieving long-deserved membership in the United Nations. All free nations repose in this organization their confidence for the peaceful future of mankind. The membership of Japan makes this concept more meaningful than ever before. The American people rejoice in the action of the General Assembly today and welcome Japan as a new and worthy associate in the world’s struggle for peace.

Sincerely,

Dwight D. Eisenhower

SECRETARY DULLES TO MR. SHIGEMITSU

Press release 626 dated December 18
His Excellency
Mamoru Shigemitsu,
Minister of Foreign Affairs of Japan.

Dear Mr. Minister: I am profoundly gratified to welcome Japan as a member of the United Nations. This marks a step for which the Japanese and American peoples have been waiting since the conclusion of the peace treaty of conciliation signed at San Francisco in 1951. I know that we can now look forward to the exertion of Japan’s prestige and influence within the United Nations forum in the vigorous defense of freedom.

Sincerely,

John Foster Dulles

AMBASSADOR LODGE IN THE SECURITY COUNCIL, DECEMBER 12

U.S./U.N. press release 2552

The United States has a high regard for the influence, the culture, and the great contribution to civilization of the great Japanese nation. We have long been aware of the contribution to the strengthening of international peace and security and to the other purposes of the charter which Japan could make as a member of the United Nations. We are sure that the voice of Japan will be a significant addition to the growing participation and responsibility of Asian and of other countries in the United Nations. We also have a great regard and liking for her distinguished representative here, Ambassador [Toshikazu] Kase.

For all these reasons we have looked forward
with keen anticipation—and, I might say, impatience—to a meeting of the Security Council at which the application of Japan to become a member of the United Nations would at last receive the unanimous endorsement which it deserves. On four occasions since 1952, the United States, together with the great majority of the Security Council, has voted for and sponsored Japan’s membership in the United Nations and has tried to be of every possible service to the Japanese Government in assisting it to obtain its rightful place. The grave injustice that has excluded Japan from the United Nations has long needed correction, and we have tried to leave no stone unturned.

Mr. President, I hope and trust that this meeting this morning is the meeting which we have so long awaited and which will mark Japan’s entrance. The question before the Council is the application of Japan for membership in the United Nations. It is a question on which, if I am not mistaken, every member of the Security Council has now taken an affirmative stand. Our duty is therefore simple enough.

Since this question has been waiting for more than 4 years, I trust that now we can act upon it immediately and that the General Assembly can ratify the action of the Security Council in the immediate future and welcome Japan as the 80th member of the United Nations.\(^1\)

AMBASSADOR LODGE IN THE GENERAL ASSEMBLY, DECEMBER 18

U.S. delegation press release 2564

It is the greatest pleasure to extend a warm welcome and the greetings of the United States of America to the newest member of the United Nations, a country with one of the oldest civilizations in the world—Japan.

Out of the productive springs of Japanese culture have come some of the finer things of life which have benefited the entire world. Classical Japanese drama, the delicate feelings of Japanese art, the simple beauty of their architecture, and the subtility of their poetry have enriched the lives of all humanity.

With the addition of Japan to our membership, also, we bring into our midst not only an ancient civilization but also a country with an advanced technology and a modern outlook. This advanced level of technology will enable Japan to contribute greatly to the industrial development of less developed areas. As an industrial nation with a large international trade, Japan can be expected to contribute in many different ways to the work of the United Nations.

Japan began its ties with the modern world a century ago. The United States was actively involved in these new contacts from the very beginning, and our relations, with the exception of the tragic period of the Second World War, have been cordial and close. We confidently believe they will continue thus in the future. We are glad at the thought that a few years ago Mr. Dulles, who is now our Secretary of State, personally undertook the negotiations which resulted in the peace treaty with Japan which restored Japan to its proper sovereign role in the community of nations.

The steady and vigorous efforts of many governments and many people have finally resulted in Japanese admission to this great world forum after it had been unjustly denied its rightful place for many years by a clear-cut abuse of the veto. Let me in particular pay tribute to the untiring efforts of the distinguished representative from Peru, Ambassador Belaunde, through his chairmanship of the Good Offices Committee. The part that he played was indispensable and is a monument to his sagacity and statesmanship.

As representative of the host government, I extend a cordial greeting to the distinguished Foreign Minister of Japan, Mr. Shigenmitsu, and assure him that the United States delegation to the United Nations is looking forward to the constructive contributions which I am confident the Japanese delegation will render to the United Nations on all of the complicated issues with which we must deal.

Mr. President, the admission of this great nation marks a great day for the United Nations. It will greatly increase the influence, vigor, and the value of our organization.

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\(^1\) The Security Council voted unanimously to recommend to the General Assembly that Japan be admitted (U.N. doc. S/3758).
Current U.N. Documents:
A Selected Bibliography

Economic and Social Council

Transport and Communications Commission. Regional Developments in the Field of Inland Transport. Note by the Secretary-General. E/CN.2/175, November 10, 1956. 22 pp. mimeo.
Negotiation of an Agreement with the International Finance Corporation. E/2935, November 20, 1956. Note by the Secretary-General. 1 p. mimeo.

The U.S. Government is the depositary for instruments of acceptance and accession. December 1 was the deadline for the deposit of instruments by those countries which had in July notified the United States of intention to accept the agreement.

On or before December 1, instruments of acceptance of the agreement were deposited with the Government of the United States by the following “importing country” signatory governments listed in annex A to article III: Austria, Belgium, Bolivia, Costa Rica, Denmark, Dominican Republic, Ecuador, Egypt, El Salvador, Federal Republic of Germany, Greece, Guatemala, India, Ireland, Israel, Italy, Japan, Korea, Liberia, Mexico, New Zealand, Nicaragua, Norway, Peru, Philippines, Portugal, Switzerland, Union of South Africa, Vatican City State, and Yugoslavia.

On or before December 1, instruments of accession to the agreement were deposited with the Government of the United States by the following “exporting country” nonsignatory governments in accordance with article XXI of the agreement: Cuba, Haiti, Honduras, Iceland, Indonesia, Saudi Arabia, Spain, and Venezuela. (Panama deposited its instrument of acceptance on December 14, 1956, having been granted an extension of time for that purpose by the International Wheat Council.)

On or before December 1, instruments of acceptance of the agreement were deposited with the Government of the United States by the following “exporting country” signatory governments listed in annex B to article III: Argentina, Australia, Canada, France, Sweden, and the United States of America.

Present membership of the agreement accounts for 100 percent of the guaranteed sales and approximately 85 percent of the guaranteed purchases listed in the agreement.

The agreement is in force pursuant to paragraph 3 of article XX thereof, wherein it is provided that organizational and administrative portions of the agreement enter into force as of July 16, 1956, and the portions of the agreement relating to “rights and obligations” take effect from August 1, 1956.

The 1956 agreement prolongs for a period of 3 years, with certain modifications, the arrangements with respect to purchases and sales of wheat first established by the International Wheat Agreement of 1949 and renewed with modifications in 1953. The stated objective of this agree-

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**TREATY INFORMATION**

**Status of Deposit of Acceptances of International Wheat Agreement**

Press release 628 dated December 20

The International Wheat Agreement of 1956 has been formally accepted by governments representing well over the required two-thirds of the wheat sales and purchases guaranteed in the agreement.1

1 For text of agreement, see S. Exec. I, 84th Cong., 2d sess.; for texts of President Eisenhower’s message of transmittal to the Senate and Secretary Dulles’ report to the President on the agreement, see Bulletin of July 2, 1956, p. 26.

January 7, 1957
ment, and its predecessors, is to “assure supplies of wheat to importing countries and markets for wheat to exporting countries at equitable and stable prices.”

Current Actions

MULTILATERAL

Automotive Traffic
Convention concerning customs facilities for touring. Done at New York June 4, 1954.\(^1\)
Ratification deposited: Luxembourg, November 21, 1956.
Customs convention on temporary importation of private road vehicles. Done at New York June 4, 1954.\(^1\)
Ratification deposited: Luxembourg, November 21, 1956.

Aviation
Protocol amending articles 48 (a), 49 (e), and 61 of the convention on international civil aviation (TIAS 1501) by providing that sessions of the Assembly of the International Civil Aviation Organization shall be held not less than once in 3 years instead of annually. Done at Montreal June 14, 1954.
Ratifications deposited: Libya, December 6, 1956; Greece, December 12, 1956.
Entered into force: December 12, 1956.

Genocide
Convention on prevention and punishment of the crime of genocide. Done at Paris December 9, 1948. Entered into force January 12, 1951.\(^2\)
Accession deposited: Tunisia, November 29, 1956.

Narcotic Drugs
Protocol for limiting and regulating cultivation of the poppy plant, production of, international and wholesale trade in, and use of opium. Done at New York June 23, 1953.\(^3\)
Ratification deposited: Switzerland, November 27, 1956.

United Nations
Admission to membership: Morocco, Sudan, and Tunisia, November 12, 1956; Japan, December 18, 1956.

\(^1\) Not in force.
\(^2\) Not in force for the United States.

Wheat
Acceptance deposited: Panama, December 14, 1956.
Proclaimed by the President: December 11, 1956.

BILATERAL

Burma

Canada
Agreement relating to the dredging of the north channel of Cornwall Island. Effected by exchange of notes at Ottawa November 7 and December 4, 1956. Entered into force December 4, 1956.

Finland
Agreement amending the preamble and articles 1 and 8 of the agreement of July 2, 1952 (TIAS 2555), for financing certain educational exchange programs. Effected by exchange of notes at Helsinki November 30, 1956. Entered into force November 30, 1956.

Spain
Agreement for disposition of equipment and materials furnished by the United States under the Mutual Defense Assistance Agreement of September 26, 1953 (TIAS 2849), and no longer required by Spain. Effected by exchange of notes at Madrid November 27, 1956. Entered into force November 27, 1956.

DEPARTMENT AND FOREIGN SERVICE

Consular Offices

The Department of State announced on December 14 that, effective December 12, 1956, a Consulate General was established at Aleppo, Syria. Alfred Atherton is the principal officer at Aleppo.
January 7, 1957

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†Held for a later issue of the BULLETIN.
The Search for Disarmament

Publication 6398

20 Cents

The Search for Disarmament, a 35-page pamphlet, discusses several aspects of the compelling problem of disarmament, "the limitation, regulation, and control of arms." The pamphlet, based on an address by Francis O. Wilcox, Assistant Secretary for International Organization Affairs, covers the following topics:

- the nature and urgency of the problem;
- disarmament as a safeguard of the national security;
- disarmament as an integral part of national policy;
- major periods of negotiations;
- the present status of disarmament negotiations;
- prospects for disarmament.

Copies of The Search for Disarmament may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at 20 cents each.

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The Department of State Bulletin, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The Bulletin includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.
Visit of Prime Minister Nehru of India

Jawaharlal Nehru, Prime Minister of India, made an official visit to Washington from December 16-20. Following are the joint statement issued by the Prime Minister and President Eisenhower at the close of the visit, texts of the greetings exchanged between the Prime Minister and Vice President Nixon at the National Airport and between the Prime Minister and the President at the White House, and the text of Mr. Nehru’s radio and television address to the Nation on December 18.

JOINT STATEMENT
White House press release dated December 20

Prime Minister Nehru and President Eisenhower had long anticipated a personal meeting to discuss current world problems. In three days in Washington and a day at the President’s farm at Gettysburg, they were afforded in a completely informal atmosphere the opportunity for full and frank talks on a wide range of problems of interest and concern to both countries.

The talks confirmed the broad area of agreement between India and the United States, which are bound together in strong ties of friendship deriving from their common objectives and their adherence to the highest principles of free democracy. The principles and policies of the Governments of India and the United States have evolved on the basis of respect for the dignity of man and of the need to improve the welfare of the individual.

The Prime Minister and the President are convinced that the greater understanding of their respective policies reached at these talks will facilitate the constant efforts of India and the United States towards the achievement of peaceful and friendly intercourse among nations in accordance with the principles of the United Nations.

WELCOME AT NATIONAL AIRPORT
White House press release dated December 16
Greetings by Vice President Nixon

Mr. Prime Minister, it is a very great honor for me to extend on behalf of President Eisenhower and the American people a very warm welcome to you and to the members of your party 1 on the occasion of your visit to the United States.

This visit has a great deal of significance for a number of reasons. This is a decisive moment in history. You represent the largest democracy in the world, and the United States is the second largest democracy in the world; and while as free and independent sovereign nations our Governments do not always agree on policy, we have and share a common dedication and devotion toward developing the kind of a world in which individuals can be free, in which nations can be independent, and in which peoples can live together in peace. And we know that the conversations that you have with President Eisenhower, with other members of our Government, will contribute not only to better understanding between our two Governments and our two peoples but to the cause of world peace, based on freedom and justice, to which we are all devoted.

We only regret that your visit here is brief, that you cannot see more parts of our country; but I can assure you that all of our 167 million American citizens share this expression when I say we are glad to have you with us, and, while you are here, this certainly will be your home.

1 The Prime Minister was accompanied by Mrs. Indira Gandhi, his daughter; G. L. Mehta, Indian Ambassador to the U.S., and Mrs. Mehta; N. R. Pillai, Secretary General, Ministry of External Affairs and Commonwealth Relations; M. O. Mathai, Special Assistant to the Prime Minister; and the following personal assistants: Om Prakash, N. Sreeraman, and Abdul Hamid.

January 14, 1957
Reply by Prime Minister Nehru

Mr. Vice President, I am deeply grateful to you for your welcome and for what you have said. It is a great happiness to me to come here for the second time to this great country, and I consider it a great privilege that I should have the opportunity to meet the President and talk to him at this rather important and even, perhaps, critical moment in our history.

You mentioned, Mr. Vice President, the ideals that govern this great Republic, the ideals of independence and individual freedom. I can assure you that we, in India, adhere to those ideals and that we are going to continue to adhere to them, whatever else may befall us.

We believe in the freedom of the individual, the freedom of the human spirit. And in many other things, too, I have found that there is so much in common, even though we are separated by half the world, between this great Republic and the Republic of India.

And so I thank you again, Mr. Vice President, and I should like to express my gratitude to the President for his gracious invitation to me to come here.

WELCOME AT WHITE HOUSE

White House press release dated December 18

Greetings by President Eisenhower

Mr. Prime Minister, this is an event to which I have long looked forward. It is a privilege and an honor to welcome you to this land—and to this house.

I speak for the American people and the Government when I say that we hope you will find your trip here most enjoyable—that you and your daughter will have a visit that is full of interest.

We thank you for coming.

Reply by Mr. Nehru

Mr. President, I am deeply grateful to you for the gracious invitation which has brought me here and for your kind words. I have been looking forward to this visit for a long time, and now that I am here I feel happy to be not only your guest, Mr. President, but among the American people who are so very friendly and hospitable.

I look forward to these few days here. I am only sorry that my visit is a short one.

Thank you, sir.

ADDRESS BY MR. NEHRU, DECEMBER 18

Friends, I am emboldened to address you in this intimate fashion because of the friendship and hospitality which you, the citizens of the United States, have showered upon me. I have come to your great country on a brief visit at the gracious invitation of your President, whose humanity and whose distinguished and devoted services to the cause of peace have won for him a unique place among the statesmen of the world. I am happy to be here, and my only regret is that I can only stay a few days and have no opportunity of meeting many of you personally.

Five years ago a professor of an American university visited me in Delhi and gave me a gift which I have treasured greatly. This was a mold in brass of Abraham Lincoln's right hand. It is a beautiful hand, strong and firm and yet gentle. It has been kept ever since on my study table, and I look at it every day, and it gives me strength.

This may, perhaps, give you some idea of our thinking and our urges in India. For, above all, we believe in liberty, equality, the dignity of the individual, and the freedom of the human spirit. Because of this we are firmly wedded to the democratic way of life and, in our loyalty to this cause, we will not falter. Nearly 7 years ago we constituted our country into a republic and gave to ourselves a constitution based on these principles and guaranteeing the fundamental human rights of freedom of the individual, equality of man, and the rule of law.

Five years ago we had general elections in our country for our central Parliament as well as for our State Assemblies. These elections were organized on a vast scale by an authority free of government control, so as to insure that they were free and impartial. Early next year we are going to have another general election in which 200 million voters are entitled to participate. You will realize the vastness of these elections when I tell you that there will be 1,200,000 polling booths, so that no voter need have to go far to give his vote.

As you know, India is a big country, with a population of 370 million, one-seventh of the total population of the world. It is a country steeped in

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² Mr. Nehru first visited the U.S. in October 1949.
history and tradition, with a civilization nearly as old as recorded time and a culture nourished on its own soil and blended happily with those of other peoples and of other lands. This year we celebrated in India and in many other countries the 2,500th anniversary of a very great son of India, the Buddha, who gave us a message of peace and compassion.

Toleration and Understanding

Through the centuries India has preached and practiced toleration and understanding and has enriched human thought, art and literature, philosophy and religion. Her sons journeyed far and wide, braving the perils of land and sea, not with thoughts of conquest or domination but as messengers of peace or engaged in the commerce of ideas as well as of her beautiful products. During these millennia of history India has experienced both good and ill, but throughout her checkered history she has remembered the message of peace and tolerance. In our own time this message was proclaimed by our great leader and master, Mahatma Gandhi, who led us to freedom by peaceful and yet effective action on a mass scale.

Nine years ago we won our independence through a bloodless revolution, in conditions of honor and dignity both to ourselves and to the erstwhile rulers of our country. We in India today are children of this revolution and have been conditioned by it. Although your revolution in America took place long ago and the conditions were different here, you will appreciate the revolutionary spirit which we have inherited and which still governs our activities. Having attained political freedom, we are earnestly desirous of removing the many ills that our country suffers from, of eliminating poverty and raising the standards of our people and giving them full and equal opportunities of growth and advancement.

India is supposed to be given to contemplation, and the American people have shown by their history that they possess great energy, dynamism, and the passion to march ahead. Something of that contemplative spirit still remains in India. But at the same time the new India of today has also developed a certain dynamism and a passionate desire to raise the standards of her people. But with that desire is blended the wish to adhere to the moral and spiritual aspects of life.

Economic Development

We are now engaged in a gigantic and exciting task of achieving rapid and large-scale economic development of our country. Such development, in an ancient and underdeveloped country such as India, is only possible with purposive planning. True to our democratic principles and traditions, we seek, in free discussion and consultation as well as in implementation, the enthusiasm and the willing and active cooperation of our people. We completed our first Five-Year Plan 8 months ago, and now we have begun on a more ambitious scale our second Five-Year Plan, which seeks a planned development in agriculture and industry, town and country, and between factory and small-scale and cottage production. I speak of India because it is my country and I have some right to speak for her.

But many other countries in Asia tell the same story, for Asia today is resurgent, and these countries which long lay under foreign yoke have won back their independence and are fired by a new spirit and strive toward new ideals. To them, as to us, independence is as vital as the breath they take to sustain life, and colonialism, in any form, or anywhere, is abhorrent.

The vast strides that technology has made have brought a new age of which the United States of America is the leader. Today the whole world is our neighbor and the old divisions of continents and countries matter less and less. Peace and freedom have become indivisible, and the world cannot continue for long partly free and partly subject. In this atomic age peace has also become a test of human survival.

Recently we have witnessed two tragedies which have powerfully affected men and women all over the world. These are the tragedies in Egypt and Hungary. Our deeply felt sympathies must go out to those who have suffered or are suffering, and all of us must do our utmost to help them and to assist in solving these problems in a peaceful and constructive way. But even these tragedies have one hopeful aspect, for they have demonstrated that the most powerful countries cannot revert to old colonial methods or impose their domination over weak countries. World opinion has shown that it can organize itself to resist such outrages. Perhaps, as an outcome of these tragedies, freedom will be enlarged and will have a more assured basis.
Peace Is India's Aim

The preservation of peace forms the central aim of India's policy. It is in the pursuit of this policy that we have chosen the path of non-alignment in any military or like pact or alliance. Non-alignment does not mean passivity of mind or action, lack of faith or conviction. It does not mean submission to what we consider evil. It is a positive and dynamic approach to such problems that confront us. We believe that each country has not only the right to freedom but also to decide its own policy and way of life. Only thus can true freedom flourish and a people grow according to their own genius.

We believe, therefore, in non-aggression and non-interference by one country in the affairs of another and the growth of tolerance between them and the capacity for peaceful coexistence. We think that by the free exchange of ideas and trade and other contacts between nations each will learn from the other and truth will prevail. We therefore endeavor to maintain friendly relations with all countries, even though we may disagree with them in their policies or structure of government. We think that by this approach we can serve not only our country but also the larger causes of peace and good fellowship in the world.

Between the United States and India there had existed friendly and cordial relations even before India gained her independence. No Indian can forget that in the days of our struggle for freedom we received from your country a full measure of sympathy and support. Our two Republics share a common faith in democratic institutions and the democratic way of life and are dedicated to the cause of peace and freedom. We admire the many qualities that have made this country great and, more especially, the humanity and dynamism of its people and the great principles to which the fathers of the American Revolution gave utterance. We wish to learn from you and we plead for your friendship and your cooperation and sympathy in the great task that we have undertaken in our own country.

I have had the great privilege of having long talks with the President, and we have discussed many problems which confront the world. I can tell you that I have greatly profited by these talks. I shall treasure their memory, and they will help me in many ways in my thinking. I, sincerely hope that an opportunity may be given to us before long to welcome the President in our own country and to demonstrate to him the high respect and esteem in which we hold him.

We have recently witnessed grievous transgressions of the moral standards freely accepted by the nations of the world. During this period of anxiety and distress the United States has added greatly to its prestige by upholding worthily the principles of the charter of the United Nations.

The danger of war is not past, and the future may hold fresh trials and tribulations for humanity. Yet, the forces of peace are strong and the mind of humanity is awake. I believe that peace will triumph.

We are celebrating in this season the festival of peace and good will, and soon the New Year will come to us. May I wish you all a happy New Year and express the hope that this year will see the triumph of peace and freedom all over the world.

United States Responsibilities in New Year

Statement by Secretary Dulles

Press release 638 dated December 28 for release December 31

A New Year always brings new opportunities and fresh hope. This year there are reasons for hope.

All the world now knows that Soviet communism is not the "wave of the future." The future belongs to those who exercise their God-given right to believe, to think, and to choose. That has been most dramatically demonstrated by the heroic people of Hungary. Despite 11 years of Soviet indoctrination, the people rebel and thousands contribute their life blood so that the torch of liberty burns bright for all to see.

In Poland, and in satellite countries generally, there is a rising tide of patriotism and insistence upon governments that will serve the people and respect great national traditions.

In free countries the Communist parties which have been part of international communism show signs of wanting to think for themselves.

Within the Soviet Union itself the people increasingly demand more personal security, more intellectual freedom, and more enjoyment of the fruits of their labor.

So, we can welcome the New Year.

But the future is not without its dangers. The
rulers of Soviet Russia are still powerful, and they still seek success. That is notably the case in the Middle East, where Soviet propaganda vigorously offers communism to those who want freedom and well-being.

The United States has a major responsibility to help prevent the spread to the Middle East of Soviet imperialism. That area is immensely important to all freedom-loving, God-fearing people. There are to be found the holy shrines which symbolize the faith of three great religions. There are the resources, the channels of communication which serve vitally the welfare of the peoples of the Middle East and of other regions.

During the coming year the United States will have to accept an increasing responsibility to assist the free nations of the Middle East, and elsewhere, to maintain their freedom and to develop their welfare. We must live by the Golden Rule. By so serving others we serve ourselves.

American Principles and the United Nations

by Paul G. Hoffman
U.S. Representative to the General Assembly

For the past several weeks I have shared with the distinguished ambassadors on the dais participation in the 11th General Assembly of the United Nations. It has been an exciting and rewarding experience. I have learned at first hand how dedicated the overwhelming percentage of the delegates are to the cause of peace and how complete is their agreement with President Eisenhower's statement that the United Nations is our one best hope for peace. I have sensed also on the part of most of the delegates a keen desire to build greater unity among the people of the world and an appreciation of the fact that unity can come only with better understanding.

May I speak personally for just a moment of my own eagerness to learn more about the traditions, the philosophy, and the culture of Asia. You know much that I would profit by. I have been fascinated at the General Assembly as I have observed the dignity, the kindness, and the tranquillity with which Prince Wan presides over those turbulent sessions. Miss Wolf, the dynamic secretary of the National Council, tells me that the Asian teachers who are supported by the Council are making an indelible impression on their students. Perhaps, if I had had an Asian as a teacher when I was young, I would understand the basis of Prince Wan's serenity.

To my admission that my comprehension of Asia is limited may I add that it is only recently that I have come to have some understanding of the deep sources of strength in our own free society in these United States. I recognize that every nation must forge out its own way of life, but perhaps you will find something of interest in my story.

What Makes America Great?

When I was administrator of the Marshall plan, I was operating under a congressional directive to "sell America" to the countries we were helping. I took on the assignment with enthusiasm and built up a sales story along standardized lines. I thought it was quite effective. It was full of facts about the high standards of living enjoyed by our workers and farmers and the opportunities for everyone in education and in social and cultural life—all supported with statistics about our thousands of schools and factories and the millions of automobiles, radio and television sets, and telephones we owned.

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The people who heard me seemed impressed, but somewhere along the line I became uneasy. My story failed to take into account one very obvious fact—that America was a great country in the times of Washington, Jefferson, and Lincoln, long before we had high standards of living, long before we had our radios and telephones and, yes, even our automobiles. I had been dealing with effects and not causes.

We have, I believe, every reason to be thankful for the fact that, with one-sixteenth of the world's population and approximately one-sixteenth of its natural resources, we turn out one-third of the world's total goods and one-half of all its manufactured products; that in America people of widely different origins and divergent beliefs work together so effectually for their common good; and that we have even made higher education available to practically every citizen who wants it.

But the important question is: How did this all come about? Certainly not because we are a master race, because there is no such thing as a master race. We are in fact an amalgam of races. Anyone who has traveled about the world is well aware that the potential for growth and development is astounding within all people, wherever they are, whatever their color, their religion, or their race. We all know brilliant Chinese, Japanese, Burmese, Negroes, and Indians; wise Catholics, Jews, Protestants, Moslems, and Buddhists. No race or nation has a monopoly on talent or genius. Some of the biggest men, intellectually, come from the smallest nations.

This forces one conclusion—that the United States has become strong and highly productive because more people since the beginning of our country have had a greater opportunity to grow and develop than in any other country of which I have knowledge. As a natural consequence we have had more than our share of individuals who have acquired initiative, imagination, and drive, which are so essential to a country's progress.

The most important question: What has brought this all about? To find the answer we must go back to the founding of the Republic. Our Founding Fathers were profound believers in the dignity and worth of the individual. Many of them were deeply religious, holding all men to be children of God with certain inalienable rights as individuals. And even the few who were not in the formal sense of the word religious shared the conviction that society must serve the individual—that anything else would be a tragic return to serfdom.

They had in mind the creation of a society in which there would be not only equality but certainty of opportunity for everyone—a society whose every child would be born with the opportunity to realize fully his capacities not only to make a good living but for intellectual and spiritual growth.

**Individualism and Voluntarism**

To give reality to this concept, they set forth two great principles that were to be the guidelines of the new nation.

First was the guaranty of freedom and justice for the individual. In our Bill of Rights, we Americans were guaranteed that our Government would not interfere with our right to speak freely on any subject we chose; to assemble freely with others for any peaceful purpose; to worship God in our own way; to be equal with every other American before the law; to be secure in our persons and our property; to be free from unreasonable arrests or detention without real cause; and to a fair public trial if accused of any crime.

The second great principle was the limitation of powers of the Government. The Founding Fathers, thinking of the supreme rights of the individual, were deeply concerned about power. They would have agreed fully with Lord Acton's assertion that "power tends to corrupt and absolute power corrupts absolutely."

They were therefore careful to provide devices for a wide diffusion of decision making. It was not to be the power of government alone to make decisions affecting the lives of the governed. Government in fact was to make as few decisions as possible and the governed as many as possible. A large field was left open to the individual for voluntary action.

So it is that we Americans every day make decisions that help determine the course of our own lives and we join with others to make decisions of mutual importance to us. Our forefathers willed us not only the privilege but the responsibility of voluntary determination.

And voluntarism has flourished almost from the day the Nation was founded. We organize on a voluntary basis to improve our schools, our towns, our health, our spiritual life, our industries, our local and national economies.

This fact has, I believe, had much to do with our becoming a strong society. It is quite inevitable that a society committed to the two principles of
individualism and voluntarism would carry on most of its business activities under a system of free enterprise. Neither governmental monopolies nor private cartels square with these concepts. However, the businessmen of America recognize that there are areas in which public enterprise best serves the public interest.

Not for a moment would any American claim that we have not yet realized the goals set forth for us by our forefathers. America is still unfinished business. Nevertheless we can say, I believe, that each generation since the founding of the Republic has brought expanded opportunities for our growth and development materially and spiritually. We can say with assurance that this free society does encourage growth.

I shall never forget a comment made to me by a friend of mine who had spent the greater part of a year observing the progress in a totalitarian society. When he returned, I asked him the usual stupid question—whether the country he had just visited could achieve the material goals it had set for itself. His answer startled me. He said, “Yes, I believe so,” but he added, “At what a cost!” He meant, of course, that the impact of their ruthless system on people of that country was devastating. It produced goods but withered the souls of men.

Opportunities Before United Nations

In closing, let me add my voice to that of many others in stressing two major opportunities that lie before the United Nations—and of course before the peoples of the world.

First, I submit that the United Nations must work to promote and foster a common understanding among the nations of the world as to what we mean by such words as “righteousness,” “morality,” and “justice.” True, they are difficult of precise definition, and the mores of one people may not be the mores of another people; but there are a number of basic human concepts on which all right-minded people agree. In every religion with which I am familiar we find such underlying concepts: thou shalt not steal; thou shalt not kill; and do unto others as you would have done unto yourself. However we may say these words, or in whatever language we express them, we mean much the same thing.

Furthermore, the area of agreement on what is right and what is wrong is expanding. Under the charter of the United Nations the use of aggression as an instrumentality of national policy is outlawed. The fact that aggression has been labeled as immoral has, of course, put an end to its use.

During the last few years all of us have witnessed events which were essentially tragic and were essentially in violation of the moral concepts we have been talking about tonight. We have seen the tragedy of Korea; we have seen tension arise in many parts of the world. We have seen this world come close to open and widespread conflict in the Middle East, and we have watched and listened with agony to the events in Hungary. Nevertheless, the general agreement that aggression is immoral represents a distinct advance.

The United Nations has acted in these crises to mobilize public opinion, but not always with the speed it should and not always with the unanimity among its members that is such a vital factor. If fires are to be put out, the fire department must get to the fire—and get there fast. If world opinion is to be crystallized quickly against aggression when aggression takes place, all right-minded nations from all parts of the world should unite in deploring the aggression. The key words in our minds today should be neither East nor West, but right or wrong.

These are truly days to try men’s souls. The dangers are great, but so are our opportunities. We can, if we act wisely and take full advantage of the fact that Egypt, Great Britain, France, and Israel have accepted the good offices of the United Nations, move toward a just and humane solution of the problems of the Middle East. We can, in the situation in Hungary, despite the fact that the United Nations has been flouted, take appropriate action in the General Assembly to make it clear once and for all that decent people everywhere will neither ignore nor condone brutality. We can, I sincerely believe, if we act courageously, start laying the foundation for the first enduring peace with honor and justice that this world has ever known.

Recognition of Haitian Government

Press release 631 dated December 24

The U.S. Embassy at Port-au-Prince, Haiti, on December 24 informed the Foreign Minister of Haiti, Jean Price-Mars, that the U.S. Government has recognized the new Government of Haiti.
U.S. Views on British Formula for Self-Government for Cyprus

Statement by Lincoln White
Acting Chief, News Division

The United States has noted with sympathetic interest the long and earnest labors of Lord Radcliffe to find a formula for self-government for Cyprus. The making by the United Kingdom of proposals for self-government could be the first step toward an eventual peaceful and generally acceptable final solution of the Cyprus problem. The formula now produced by Lord Radcliffe seems to be unacceptable in certain respects by some who are concerned with the matter. Nevertheless, the United States still hopes that our three allies who, together with the people of Cyprus, are deeply concerned with this issue, will strive to agree upon a way of moving together toward a solution which is so important to themselves and to the entire free world.

Passports of Newsmen in Red China Valid Only for Return to U.S.

Press release 639 dated December 28

The Department of State has learned that three United States newsmen have gone to Communist China despite the fact that the passports issued to them for travel abroad were specifically marked not valid for travel to Communist China. They did this although the U.S. Government opposes travel by American citizens to an area where their fellow citizens are held as political hostages and where the United States cannot provide normal diplomatic and consular protection. As a result of this misuse of the passports issued to them, their passports will be made valid only for return to the United States. Their cases are being called to the attention of the Treasury Department in view of the relevant provisions of the Trading With the Enemy Act.

It should be clearly understood that in taking this action the United States is not motivated by any desire to deny to the American public information about Communist China. As the Department of State noted on August 7, 1956, the Chinese Communists have created a special im-

Letters of Credence

Libya

The newly appointed Ambassador of Libya, Suleiman Jerbi, presented his credentials to President Eisenhower on December 26. For the text of the Ambassador’s remarks and the text of the President’s reply, see Department of State press release 634.

Panama

The newly appointed Ambassador of Panama, Ricardo M. Arias Espinosa, presented his credentials to President Eisenhower on December 26. For the text of the Ambassador’s remarks and the text of the President’s reply, see Department of State press release 632.

Paraguay

The newly appointed Ambassador of Paraguay, Osvaldo Chaves, presented his credentials to President Eisenhower on December 28. For the text of the Ambassador’s remarks and the text of the President’s reply, see Department of State press release 636.

Imports of Woolen Fabrics

Press release 633 dated December 26

The 1957 low-duty tariff quota on imports of woolen and worsted fabrics will be a single, annual tariff quota, not apportioned by quarters, countries, or otherwise, the Department of State announced on December 26.

A “low-duty tariff quota” is one which, instead of setting an absolute limit on imports, sets a limit only on the amount that can enter at a specified rate. If and when such a quota is exceeded, any additional imports for the rest of the year pay a higher rate. The United States, effective October 1, 1956, established such a quota on woolen and worsted fabrics, invoking the “Geneva wool
fabric reservation" in the General Agreement on Tariffs and Trade.

In response to suggestions that this quota be apportioned, a public notice was issued by the Committee for Reciprocity Information on November 19, 1956, inviting views with regard to methods of applying the tariff quota for 1957. Opinions were sought particularly on the desirability of allocating the annual tariff quota by quarters. The Government agencies concerned, after considering the various statements submitted, and other information, concluded that allocation by quarters or otherwise would lead to greater uncertainties for the trade and less orderly marketing than would be the case under a single, annual tariff quota.

The amount of the tariff quota for 1957 will be announced in the first quarter of the year, as soon as possible after 1956 production figures are available. Under the formula established in the reservation to tariff paragraphs 1108 and 1109 (a) in schedule XX of the General Agreement on Tariffs and Trade, the tariff quota for 1957 will be not less than 5 percent of the average annual U.S. production of similar fabrics in the years 1954-56. For the final quarter of 1956 the tariff quota of 3.5 million pounds was established. This 3.5 million pounds is one-quarter of a quantity (14 million pounds) which was determined by the President to be not less than 5 percent of average annual U.S. production of similar fabrics for the calendar years 1953-55.

In reciprocal tariff negotiations in 1947 the United States reduced the ad valorem rate on wool fabrics dutiable under tariff paragraphs 1108 and 1109 (a) to 20 or 25 percent, depending on the type of fabric. However, at the same time, the "Geneva wool fabric reservation" was written into the General Agreement on Tariffs and Trade. This reservation gave the United States the right to make the reduced rate applicable to a quantity not less than 5 percent of average annual U.S. production of similar fabrics in the 3 immediately preceding calendar years. Imports of these fabrics in excess of such an amount may be subject to an ad valorem duty rate no higher than 45 percent ad valorem. These ad valorem rates are in addition to specific (cents-per-pound) rates which are compensatory for the rate of duty on raw wool and which do not change under the reservation.

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President Decides Against Increase in Tariff on Groundfish Fillets

White House (Augusta, Ga.) press release dated December 10

The President announced on December 10 that he has decided against a tariff increase as recommended by the U.S. Tariff Commission in the groundfish fillets "escape clause" case.

The President, in identical letters to the chairmen of the Senate Finance and House Ways and Means Committees, said he was "not persuaded that, on balance, the proposed duty increase would constitute a sound step in resolving the difficulties confronting the domestic groundfish fishing industry. "Because of that conviction," the President continued, "I have decided in view of all of the factors bearing on this case that I cannot accept the Tariff Commission's recommendations."

The President in his letters to the chairmen said that he was "reluctant to impose a barrier to our trade with friendly nations unless such action is essential and clearly promising of positive, productive results to the benefit of the domestic industry in question. My reluctance to impose such a barrier is heightened in this case because the other nations concerned are not only our close friends, but their economic strength is of strategic importance to us in the continuing struggle against the menace of world communism." Canada, Iceland, and Norway are the principal exporters of groundfish fillets to the United States.

The President also said that "it might well be, in fact, that the proposed duty increase would only further complicate the industry's basic problems." The President said that "bold and vigorous steps" should be taken now "to provide root solutions for the industry's problems." The President noted that legislation signed into law by him earlier this year was designed to assist the domestic industry in improving its competitive position. The President said that "the Administration's examination into the industry's problems has continued beyond the enactment of these laws." He said, "these studies . . . look toward the development of additional opportunities for promoting the well-being and sound management of all of our fish and wildlife resources, including our commercial fisheries resources. These further efforts should be of assistance to the domestic groundfish fishing industry in its search for solutions to the fundamental problems it faces."

The U. S. Tariff Commission in its report to the
President on October 12 found, as a result in part of the customs treatment reflecting the trade agreement concession applying to groundfish fillets, that they are being imported into the United States in such increased quantities as to cause serious injury to the domestic industry. The Tariff Commission in its report recommended that imports of groundfish fillets now dutiable at 1% per pound should be made dutiable at 2.8125% per pound and that those now dutiable at 2½% per pound should be made dutiable at 3.75c per pound.

The Tariff Commission’s investigation and report were made pursuant to section 7 of the Trade Agreements Extension Act of 1951, as amended.

The Tariff Commission’s recommendation in this case was unanimous, but, as the President pointed out in his letter to the chairman of the two committees, “It is the Tariff Commission’s responsibility in these matters to investigate and report to the President any finding of serious injury or threat of serious injury within the meaning of the law. It is the President’s responsibility, on the other hand, to consider not only the question of injury and measures recommended for its relief, but also all other pertinent factors bearing on the security and well-being of the nation.”

President’s Letter to Chairmen of Congressional Committees

DECEMBER 10, 1956

DEAR MR. CHAIRMAN: On October twelfth the United States Tariff Commission, pursuant to Section 7 of the Trade Agreements Extension Act of 1951, as amended, submitted to me a report of its findings and recommendations in the groundfish fillets “escape clause” case. The Commission found, as a result in part of the customs treatment reflecting the trade agreement concession applying to these products, that they are being imported into the United States in such increased quantities as to cause serious injury to the domestic industry. The Commission accordingly recommended that those imports of groundfish fillets presently dutiable at 1½% per pound should be dutiable at 2.8125% per pound, and that those dutiable at 2½% per pound should be dutiable at 3.75c per pound.

It is the Tariff Commission’s responsibility in these matters to investigate and report to the President any finding of serious injury or threat of serious injury within the meaning of the law. It is the President’s responsibility, on the other hand, to consider not only the question of injury and measures recommended for its relief, but also all other pertinent factors bearing on the security and well-being of the nation.

As an aspect of national policy dedicated to fostering the security and economic growth of the United States, this nation seeks to encourage in all feasible ways the continued expansion of beneficial trade among the free nations of the world. In view of this policy I am, as I have said before, reluctant to impose a barrier to our trade with friendly nations unless such action is essential and clearly promising of positive, productive results to the benefit of the domestic industry in question. My reluctance to impose such a barrier is heightened in this case because the other nations concerned are not only our close friends, but their economic strength is of strategic importance to us in the continuing struggle against the menace of world communism.

I have analyzed this case with great care. I am fully aware that the domestic groundfish fishing industry is faced with serious problems, but I am not persuaded that, on balance, the proposed duty increase would constitute a sound step in resolving those difficulties. Because of that conviction, I have decided in view of all of the factors bearing on this case that I cannot accept the Tariff Commission’s recommendations. It might well be, in fact, that the proposed duty increase would only further complicate the industry’s basic problems.

Over the years, the consumption of groundfish fillets has shown a persistent upward trend, consumption rising to a record level in 1955. This trend is expected to continue; the United States, by all indications is heading toward a further increased population and a greater expansion of its economy. If, as this growth takes place, there is a proportionate increase in requirements for fish and fish products in the United States, the domestic demand for these products will more than exceed the present combined total of domestically caught fish plus imports. This is an encouraging

1 Copies of the report may be obtained from the U.S. Tariff Commission, Washington 25, D. C.
2 Addressed to Senator Harry Flood Byrd, chairman of the Senate Committee on Finance, and Representative Jere Cooper, chairman of the House Ways and Means Committee.
prospect which the domestic industry should prepare to exploit.

At the same time, I recognize that beset as it is with problems ranging from the age of its vessels to competition with other food products, the fishing industry of the United States will experience difficulties in the years ahead, despite the bright prospects for increased consumption of fish and fish products, unless bold and vigorous steps are taken now to provide root solutions for the industry's problems. To this end, the Administration last year proposed and I signed into law several bills designed to assist the industry in improving its competitive position. These laws include provisions for increased funds for research and market development programs, educational grants, and a $10 million revolving loan fund for vessel and equipment improvement purposes.

The Administration's examination into the industry's problems has continued beyond the enactment of these laws. These studies, in which we are benefitting from consultations with State and local officials and private groups, look toward the development of additional opportunities for promoting the well-being and sound management of all of our fish and wildlife resources, including our commercial fisheries resources. These further efforts should be of assistance to the domestic groundfish fishing industry in its search for solutions to the fundamental problems it faces. They should also help the industry to improve its position without the imposition of further trade restrictions which might actually discourage needed improvements.

This approach is consistent with our objective of achieving a dynamic, expanding, free enterprise economy and also accords with our national policy of seeking the highest attainable levels of mutually profitable and beneficial trade and investment among the countries of the free world.

Dwight D. Eisenhower

Question of Legislation on Loyalty of Americans Employed by International Organizations

Statement by Francis O. Wilcox
Assistant Secretary for International Organization Affairs

I wish to preface my remarks by saying I appreciate the consideration shown by the subcommittee in permitting me to choose the time most convenient for my appearance. I also appreciate the opportunity extended to me to comment on the question of the desirability of legislation dealing with the loyalty measures to be applicable to American nationals employed by, or seeking employment with, public international organizations.

This is not the first opportunity the Department of State has had to comment on legislation of the type now under consideration. In 1953 the Department, when commenting on S. 3, observed that it seemed in the best interest of the United States to give the executive procedure a thorough-going try and that the question of any legislative approach to the problem be held in abeyance pending an assessment of the results produced under that procedure. In 1955 the Department, then commenting on S. 782 and having had the benefit of seeing the results of the Executive order procedure, recommended that legislation was unnecessary. The Department observed that the objective of S. 782 had already been achieved under the Executive order procedure.

As I see it, the objectives of the Congress and of the executive branch in these matters are identical. There are two principal objectives. First, we should seek to have additional top-flight Americans employed by international organizations. Second, and equally important, these Americans must be people of the highest loyalty and integrity. In order to achieve these objec-

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tives we must be certain that the loyalty clearance procedure satisfies loyalty and security needs without creating any unnecessary obstacles to the recruitment of qualified Americans. An unwieldy process, or major changes at this time, could discourage Americans from seeking employment with international organizations. Also, international organizations might tend to exclude Americans from their employment programs simply to avoid becoming involved in protracted or new and untried procedures. In order to continue to receive the maximum cooperation from the organizations concerned, it seems best that we adhere to a procedure which they have accepted. It seems to me that any departure from the procedure now in effect would needlessly reopen to public international debate the question of this Government’s obligation to respect the independent character of international secretariats.

Since January 0, 1953, the loyalty clearance of Americans employed by, or seeking employment with, public international organizations has been accomplished under the provisions of Executive Order 10422, as amended by Executive Order 10459 on June 2, 1953. The Executive order, as amended, assigns specific areas of responsibility to the International Organizations Employees Loyalty Board and to the Department of State. Since Judge Henry S. Waldman, Chairman of the International Organizations Employees Loyalty Board, is scheduled to appear before the subcommittee, I shall confine my statement to the Department of State’s functions pursuant to the terms of the Executive order.

The Executive order designates the Secretary of State as the channel through which personnel forms are to be routed to the Loyalty Board by the individual employee or applicant. In practice, with the concurrence of the Loyalty Board, some international organizations forward the personnel forms directly to the Loyalty Board. The Secretary of State is also the channel through which the Loyalty Board forwards its advisory determinations to the executive heads of the international organizations. These determinations are made by the Loyalty Board upon the basis of reports of investigation which the Board retains. Thus, in this connection, the Department of State acts as a courier. It does not evaluate either the reports of investigation or the advisory determinations.

As we are all aware, the Executive order has no binding force and effect upon international organizations. An advisory determination, whether favorable or adverse, submitted to the executive head of an organization is for, and I quote the Executive order, “his use in exercising his rights and duties with respect to the personnel.” The decision as to whether a given employee, or applicant for employment, meets the required standard of integrity is made by the executive head.

The most important function exercised by the Department of State, in order to give force and effect to the provisions of the Executive order, relates to the arrangements negotiated with the executive heads of organizations employing, or contemplating the employment of, American nationals. Following the issuance of the Executive order in January 1953, the Department of State negotiated arrangements with the organizations concerned. The arrangements, in substance, provide that employees of American nationality, or American nationals seeking employment, execute appropriate personnel forms for submission to the Loyalty Board. Furthermore, under the arrangements, the executive heads of the organizations take into consideration the Loyalty Board’s advisory determination in deciding whether to employ or retain the American concerned.

The Department of State and the International Organizations Employees Loyalty Board have worked together closely to give full effect to the intent of the Executive order. In the light of the experience gained since January 1953, it is the Department’s considered opinion that the Executive order’s mandate has been carried out. The Department of State and the Loyalty Board working together have, wherever necessary, and without sacrificing the intent of the Executive order, overcome the administrative problems which arose. We have also been successful in establishing machinery which permits the expeditious completion of the investigative procedure without unduly hampering the recruitment and employment of qualified Americans.

It has been the expressed desire of both the executive branch and the legislative branch that more Americans obtain employment with international organizations. In fact, in appearances before

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committees of both the Senate and the House, I am frequently asked if we are doing everything possible to encourage and increase the employment of Americans by international organizations. The Department of State is convinced that the goal is being met within the spirit and intent of the Executive order. It is the Department of State's considered opinion also that legislation of the type proposed in 1953 and 1955—I refer to S. 3 and S. 782—would add nothing to the safeguards contained in the Executive order. Indeed, it would have an adverse effect on the recruitment and employment of Americans by international organizations. I feel very strongly that legislation which would serve to supplant the Executive order procedure would set the United States back 2 or 3 years in its efforts to see qualified, competent Americans of high integrity on the payroll of international organizations in which the United States participates.

The basic reason for my conclusion is that we have spent 3 years in setting up and improving a working system. The organizations have gradually come to understand it and to work with us under it. If we change this system, as the draft bills would have done, we would create new problems and have to start the difficult process all over again. Moreover, there are a number of countries in these organizations which have been critical of us all along. We have now largely succeeded in overcoming these criticisms. It would not now be in the national interest to pursue a course which would again stir up this criticism and ill will.

For these reasons the Department of State is opposed to proposals such as those under discussion. I am certain that Mr. Waldman's presentation and analysis of the Executive order procedure will make it abundantly clear that the procedure has served to overcome the conditions which existed prior to 1953, whereby employment with international organizations could be obtained without proper and adequate review of information.

In closing, Mr. Chairman, I wish to emphasize that the United States remains determined that there should be no question regarding the loyalty or integrity of our citizens who hold positions with international organizations and that they should be sound and responsible Americans. We have done and shall continue to do everything we can to this end. I think it is fair to state that we have made remarkable progress since this problem came into sharp focus in 1952. The procedure we have today serves the best interests of the United States. We believe this procedure will continue to meet the common objectives of the Congress and of the executive branch.

Membership of Mexican-U.S. Defense Commission

Executive Order 10692

Amendment of Executive Order No. 9080 to provide for the designation of members of the Joint Mexican-United States Defense Commission by the Secretary of Defense

By virtue of the authority vested in me as President of the United States it is ordered as follows:

Section 1. The third paragraph of Executive Order No. 9080 of February 27, 1942, authorizing the creation of the Joint Mexican-United States Defense Commission, is hereby amended to read as follows:

"The United States membership of the Commission shall consist of an Army member, a Navy member, and an Air Force member, each of whom shall be designated by the Secretary of Defense and serve during the pleasure of the Secretary. The Secretary shall designate from among the United States members the chairman thereof and may designate alternate United States members of the Commission."

Sec. 2. The amendment made by section 1 hereof shall not be construed as terminating the tenure of any person who is a member, chairman, or alternate member of the United States section of the Commission on the date of this order, but such tenure may be terminated by the Secretary of Defense.


Proposed U.N. Conference on Law of the Sea

Statement by Edward S. Greenbaum
U.S. Representative to the General Assembly

The United States delegation has been extremely interested in the general debate which is now drawing to a close on the International Law Commission's report on the law of the sea. At the outset I would like to take this opportunity to subscribe to the eloquent tribute that my colleagues have paid to the International Law Commission for its work in preparing this report. I can do so with complete detachment and sincerity because I have had no part in this magnificent work. The Committee has indeed been fortunate in having some of the distinguished members of the Commission assist us in our discussions here. Included among them is the able rapporteur, Professor François, who has made so great a contribution to the formulation of this report. The United States Government believes that the Law Commission's report constitutes a major contribution to the solution to the problems of the sea, a subject which has occupied scholars for so many years—a subject which in our troubled world of today is becoming of ever-increasing importance. The solution of these problems is of the greatest importance to all the nations of the world, and we as lawyers have the responsibility of carrying out this important task. In so doing we will be fulfilling a fundamental principle of the United Nations, which is to seek solutions of international disputes or situations "in conformity with the principles of justice and international law." The report now before us affords us a challenging opportunity to formulate rules of international law in this vitally important field.

How can this best be done? We believe by acting favorably upon the recommendations of the International Law Commission. Accordingly, the United States delegation, along with 21 other states, has joined in cosponsoring the resolution which is now before the Committee, which would implement the recommendation of the International Law Commission that an international conference of plenipotentiaries should be convened to examine the law of the sea. The United States has cosponsored this resolution because of our view that reference of the whole subject of the law of the sea to a conference is the only effective method of dealing with the problem.

Since we do not believe that the Sixth Committee should make any decisions on substantive matters at this time, the United States delegation will not comment in detail upon all aspects of the 73 draft articles which have been submitted by the Commission. However, during our general debate much has been said by other delegations on many of the major questions involved. In the interest of recording our own views on some of these questions I will discuss briefly a few of the major points covered in the Commission's report. In so doing I fully realize that, after the extremely interesting and illuminating remarks that you have heard from so many distinguished

1 Made in Committee VI (Legal) on Dec. 14 (U.S. delegation press release 2557).
Text of Resolution Convoking Conference on Law of the Sea


The General Assembly,

Having received the report of the International Law Commission covering the work of its eighth session, which contains draft articles and commentaries on the law of the sea,

Recalling that the General Assembly in resolution 798 (VIII) of 7 December 1953, “having regard to the fact that the problems relating to the high seas, territorial waters, contiguous zones, the continental shelf and the superjacent waters were closely linked together juridically as well as physically”, decided not to deal with any aspect of those matters until all the problems involved had been studied by the International Law Commission and reported upon by it to the General Assembly,

Considering that its resolution 899 (IX) of 14 December 1954 requested the International Law Commission to submit its final report on these subjects in time for the General Assembly to consider them “as a whole” at its eleventh session,

Taking into account also paragraph 29 of the Commission’s report wherein “the Commission considers—and the comments of Governments have confirmed this view—that the various sections of the law of the sea hold together, and are so closely interdependent that it would be extremely difficult to deal with only one part and leave the others aside”,

1. Expresses its appreciation to the Commission for its valuable work on this complex subject;

2. Decides, in accordance with the recommendation contained in paragraph 28 of the Commission’s report, that an international conference of plenipotentiaries should be convoked to examine the law of the sea, taking account not only of the legal but also of the technical, biological, economic and political aspects of the problem, and to embody the results of its work in one or more international conventions or such other instruments as it may deem appropriate;

3. Recommends that the conference should study the question of free access to the sea of landlocked countries, as established by international practice or treaties;

4. Requests the Secretary-General to convocate such a conference at Rome early in March 1958;

5. Invites all States Members of the United Nations and States members of the specialized agencies to participate in the conference and to include among their representatives experts competent in the fields to be considered;

6. Invites the interested specialized agencies and inter-governmental bodies to send observers to the conference;

7. Requests the Secretary-General to invite appropriate experts to advise and assist the Secretariat in preparing the conference, with the following terms of reference:

(a) to obtain in the manner which they think most appropriate from the invited Governments any further provisional comments the Governments may wish to make on the Commission’s report and related matters, and to present to the conference in systematic form any comments made by the Governments and the relevant statements made in the Sixth Committee in the eleventh and previous sessions of the General Assembly;

(b) to present to the conference recommendations concerning its method of work and procedures, and other questions of an administrative nature;

(c) to prepare or arrange for the preparation of working documents of a legal, technical, scientific or economic nature in order to facilitate the work of the conference;

8. Requests the Secretary-General to arrange also for the necessary staff and facilities which would be required for the conference, it being understood that the technical services of such experts as are needed will be utilized;

9. Refers to the conference the Commission’s report as the basis for its consideration of the various problems involved in the development and codification of the law of the sea; and also the verbatim records of the relevant debates in the General Assembly, for consideration by the conference in conjunction with the Commission’s report;

10. Requests the Secretary-General to transmit to the conference all such records of world-wide or regional international meetings as may serve as official background material for its work;

11. Calls upon the invited Governments and groups thereof to utilize the time remaining before the opening of the conference for exchanges of views on the controversial questions relative to the law of the sea;

12. Expresses the hope that the conference will be fully attended.

1 Introdced on Nov. 27 (A/C.6/ L.385); adopted by Committee VI, as amended, on Dec. 20 by a vote of 65-1 (Iceland).

2 For text, see Bulletin of Jan. 10, 1955, p. 64.
delegates, it is difficult to contribute new ideas or make worthwhile remarks that have not already been presented. Nevertheless, we venture the hope that the few comments that we would like to make may be helpful.

Breadth of the Territorial Sea

First of all, Mr. Chairman, I would like to refer to the question of the breadth of the territorial sea. In the report of the Commission covering the work of its seventh session, the Commission considered that “international law does not require states to recognize a breadth [of territorial sea] beyond three miles.” The United States considers that this is the true legal situation and indeed feels that it would be unrealistic, in the absence of general agreement upon a breadth of territorial waters in excess of 3 miles, to expect states which adhere to this traditional limit to recognize unilateral attempts of other states to appropriate large areas of what had theretofore been recognized as high seas. There is universal agreement that each state is entitled to a territorial sea of a breadth of 3 miles, but, as has been evidenced by the debates of the past days, there is wide disagreement as to the legality of claims to territorial seas in excess of 3 miles.

There have been several statements that this 3-mile rule is an obsolete one. It has been suggested that because it is an old rule it is no longer valid for the modern world. My Government certainly does not accept this point of view. Our attitude on the breadth of the territorial sea is based in large part upon our traditional and strong adherence to the principle of the freedom of the sea, a principle under which the oceans of the world are to be open freely to the ships of all nations, large and small, and under which principle the strong nations are prevented from asserting their power to control the seas at the expense of the weak. We do not think that changes have occurred on the international scene which require the abandonment of the 3-mile rule. It is, of course, correct to argue that we should not blindly follow a rule of law merely because it has persisted for many years. We do not argue that a law should be retained just because it is ancient, but neither do we believe that a law must be regarded as obsolete and should be abandoned just because it is ancient. On the contrary, there is a strong presumption that a long accepted rule of law has valid and sound reasons for persisting throughout the years.

The rules of the road are examples of rules of conduct which have an ancient origin but which continue to have validity in modern times. The Ten Commandments are ancient, but that does not mean that they are obsolete. The teachings of the Koran are old, but that does not make them invalid today.

I do not mean to suggest that the 3-mile rule is on a plane with or of the same character as the laws laid down in the Ten Commandments or the Koran. What I do mean to say is that those who advocate changing a rule that has been upheld throughout the years have the heavy burden of demonstrating that the rule has outlived its usefulness and can no longer be upheld. They also have the burden of demonstrating that the objectives sought cannot be accomplished in some other way. With specific reference to the question of the breadth of the territorial sea, those who seek to justify extending the 3-mile limit must justify restricting the freedom of the seas. Every mile by which the territorial sea is widened encroaches to that extent upon the extent of the high seas and thereby lessens the freedom of the seas. The International Law Commission emphasizes this point in article 27 of the draft, where it states that “the high seas being open to all nations, no State may validly purport to subject any part of them to its sovereignty.”

I do not, of course, mean to imply that the question of the extent of the territorial sea should not be examined in the light of some of the arguments which have been advanced in favor of expanding the 3-mile rule. There have been a number of reasons advanced, some of which the United States regards with sympathy, in support of the claims for increasing the rights on the part of coastal states over areas of the sea off their coasts. However, the United States view is that none of the reasons which have been advanced leads to the conclusion that the 3-mile rule of international law must be changed to allow for a wider breadth of territorial sea. The problems which generally concern a large number of coastal states, particularly as they involve the fish stocks off their coasts, may be met, we believe, by means other than through extensions of the territorial sea.

The United States delegation has been dis-
turbed to hear the position which was taken during the debates by several other delegations, that each state possesses the right to establish unilaterally and according to its conception of its own best interests whatever breadth of territorial sea it desires. Of course, it must be clear to anyone who asserts this position that inherent in it is the possibility of conflict with the states who could not accept an outward extension of a territorial sea which another state might claim.

Carried to its logical conclusion this concept would result in complete chaos and the disappearance of the freedom of the seas. As I have stated before, Mr. Chairman, it is universally accepted that states are entitled to a 3-mile breadth of territorial sea. It is in the interest of maintaining this general acceptance and of avoiding international controversy over diverse claims to territorial seas that the United States strongly supports the attempt through a conference to arrive at solutions. With regard to the alleged right of each state unilaterally to delimit its territorial sea, it is pertinent to recall the statement made by the International Court of Justice in the Norwegian fisheries case which establishes the lack of validity of such an extreme position:

The delimitation of sea areas has always an international aspect; it cannot be dependent merely upon the will of the coastal State as expressed in its municipal law. Although it is true that the act of delimitation is necessarily a unilateral act, because only the coastal State is competent to undertake it, the validity of the delimitation with regard to other States depends upon international law.

Work of Inter-American Conferences

Now, Mr. Chairman, I should like to refer briefly to the work of the Inter-American Council of Jurists, which met in Mexico City in the early part of 1956 and of the Inter-American Specialized Conference, which met at Ciudad Trujillo a month later. I refer to these two conferences because we have heard reference to them, in some of the other statements which have been presented, which may have inadvertently given a wrong impression to some delegates. It is important that this Committee understand that the Mexico City resolution of the Inter-American Council of Jurists, which contains the novel notion that each state is free to determine its territorial waters, provided that it does so within "reasonable" limits, was merely a "preparatory study." The Council had been requested to make this study in preparation for a plenipotentiary conference which was held the following month at Ciudad Trujillo. This preparatory study was not approved by the later conference. Instead, the conference simply resolved to record the fact that "the states represented at this conference take different positions with respect to the breadth of the territorial sea" and recommended that the American States continue "diligently to examine" the matter "with a view to finding satisfactory solutions." The United States Government, therefore, considers that the Mexico City resolution cannot be regarded as the expression of the position of the American Republics on the question of the breadth of the territorial sea. As the delegates of several American Republics have correctly stated, the only official position of the Organization of American States is the resolution of the Ciudad Trujillo conference.

Before I leave the subject of the territorial sea, Mr. Chairman, I would like to urge the members of the U.N. to give very careful consideration to any proposals the final effect of which would be to restrict the freedom of the seas. In this day of improved methods of transportation and communication, which have served to bring nations ever closer together, it is vitally important that the international highways of the sea and of the superjacent air should not be brought under the domination or control of national states. Any proposals which would result in restricting the freedom of the seas would not be progress but rather a retrogression to those past eras when the high seas were under the domination of national states. We sincerely believe that the doctrine of the freedom of the seas, in its widest implications, is the principle fairest to all, large and small.

Any purported widening of the territorial sea will to that extent impinge upon the freedom of the seas. As the International Law Commission states in article 27,

Freedom of the high seas comprises, inter alia,
1. Freedom of navigation,
2. Freedom of fishing,
3. Freedom to lay submarine cables and pipelines,
4. Freedom to fly over the high seas.

*Ibid., p. 897.
This means that when a coastal state purports to extend its territorial waters it in effect says to all other states, “You may no longer have freedom to navigate, to fish, to lay cables and pipelines, or to fly over these waters.” We firmly believe that the legitimate needs of coastal states can be adequately met without their taking drastic action which involves these consequences.

In defense of extreme claims to territorial seas, it has been stated that their objective is only the control of natural resources of such seas and that freedom of navigation will not thereby be interfered with, since under international law foreign vessels have a right of innocent passage through the territorial sea. It will be evident at once that there is quite a difference between freedom of navigation on the high seas and the right of innocent passage through the territorial sea. Once a ship leaves the high seas and enters the territorial sea of another state the exclusive jurisdiction of its own state ceases and it becomes subject to the laws and regulations of the sovereign of the territorial sea. Although the ship has a right of innocent passage, this right is circumscribed by a number of restrictions, which an examination of articles 15, 16, 17, and 18 of the International Law Commission’s draft will indicate and which it is not necessary to discuss in detail here. Not only is this right restricted, but in certain circumstances the right of innocent passage may be temporarily suspended altogether. Of course the coastal state is the judge, at least in the first instance, as to when these conditions exist.

As I have noted earlier in my statement, Mr. Chairman, the reasons which appear to be most frequently advanced in support of extensions of the territorial sea relate to questions concerning high-seas fisheries, and they seem in particular to be based upon the concern on the part of coastal states over the possibility of depletion of high-seas fisheries and the desire to take measures for their conservation. The United States Government is in sympathy with this concern on the part of coastal states, and we acknowledge that special recognition must be given to their interests in conserving the resources of the high seas adjacent to their territorial seas. In this connection we note that the International Law Commission, in its draft articles on high-seas fisheries, has made what we consider to be very useful proposals for taking account of the special interests of the coastal states.

We believe that there exists a very real hope for an agreement satisfactory to most states, under which all legitimate national interests in the fish stocks of the high seas will be taken into account. As my delegation is particularly interested in the fishery articles as proposed by the Commission, I would like at this point to comment briefly on certain aspects of this part of the Commission’s report.

Commission’s Proposals on Fisheries

During the past several days a number of statements have been made by delegates that the purpose of certain claims to sovereignty over great widths of the seas was solely for the conservation of natural resources. Article 50 of the Law Commission’s report defines the term “conservation,” a definition derived from the report of the 1955 Rome Conference on Conservation of the Living Resources of the Sea. It is the understanding of my Government that the objective of the Law Commission articles on fisheries is to assure such “conservation” throughout all areas of the high seas—those areas adjacent to the territorial waters of states as well as the more offshore areas. To the extent, then, that fishery articles achieve this objective, they take care of the conservation problem in a satisfactory manner without the necessity for extensions of sovereignty.

My Government has carefully studied the fishery articles and is of the opinion that, with some modifications to meet certain practical problems of conservation, administration, and management, the articles will provide a solution for the conservation issues. Many of the proposals included in these articles are contained in one form or another in present successful fishery conservation conventions or are derived from the experience obtained in the operation of these conventions. Thus there is evidence that this is a practical approach to the conservation problem. The Law Commission articles are particularly promising in this respect, for they include certain procedures, designed to assure the effective operation of the conservation proposals, which are more fully developed than in existing conventions. The effectiveness of these provisions would be true whether the methods of fishing are by small boats or by long-range mechanized fleets. My Government

believes that a careful, objective study of these articles will lead others to substantially these same conclusions.

Before leaving this subject, I might add that, if the purpose of the claims of certain countries to sovereignty over broad areas of the sea is other than conservation, then the proposed ILC fishery articles might not satisfy such other purpose.

**Question of Arbitration**

Objections have been voiced by some delegates to the Law Commission proposals for obligatory arbitration. I am inclined to believe that in some cases at least these objections are based on a misunderstanding of the nature of the differences to be arbitrated and of the type of arbitration proposed.

The articles provide that the fishing states regulate and restrict their fishing activities when required for the purposes of conservation and that under certain specified conditions these states agree that their fishermen on the high seas be subject to the regulatory conservation measures of other states, measures in whose formulation they would have no voice. Under other specified conditions unilateral conservation action by the coastal state would be authorized. The Commission suggests specific criteria to be used in determining the reality of the conditions specified for each situation.

As the reasons for these proposals are better understood, we can be optimistic that most fishing states will be prepared to subject themselves, although perhaps reluctantly, to these new and in some cases drastic limitations on their historic sovereign rights, but only if they can be assured that in fact the stipulated conditions exist. To provide this assurance, the Law Commission proposes that, when the existence of these conditions is questioned and other means of determining the facts fail, the question shall be referred to an arbitral commission of the type defined. It should be noted that the arbitral procedures referred to in the ILC articles do not preclude resort to other methods of peaceful settlement which may be found agreeable to the parties in dispute. It is only when other methods fail or are not desired by the parties that the ILC arbitral procedure would be utilized. The term "arbitral commission" itself seems somewhat of a misnomer; for the commission has more of the nature of a factfinding body than of the traditional arbitral body. The function of the "arbitral commission," as proposed by the Law Commission, is to determine whether or not the specified conditions exist. It should also be noted that, under the International Law Commission's proposals, the parties to the dispute would themselves participate in setting up the "arbitral commission."

I believe it is most probable that a full understanding of the problem dealt with and a thorough study of the factfinding procedure proposed by the International Law Commission will result in general support of such procedure as an equitable solution. Certainly, without a procedure such as this, most states could not be expected to accept the proposed restrictions on their sovereign rights. Furthermore, if states agree on the conditions that justify the subjection of their nationals while operating on the high seas to the conservation regulations of other states, then there appears to be no valid reason why they should object to a procedure designed to best determine whether such conditions exist. We ask those who object to this proposal: how else should these disputes be resolved?

**The Continental Shelf**

Turning now to the question of the continental shelf, my delegation has listened with interest to the discussion of this subject and particularly to the references which have been made to the proclamation respecting the natural resources of the subsoil and seabed of the continental shelf which was issued by the President of the United States on September 28, 1945. While it may not have been the first made by any state with respect to the shelf, this proclamation did constitute what may be regarded as a landmark in the development of international law in this field. Before the issuance of this proclamation there was what might be regarded as a void in international law with respect to the exploitation of the continental shelf. With the development of techniques making practicable the development of the resources of the shelf, it was deemed necessary that attention be given to the development of international law with respect to the activities of states in exploiting the resources of the shelf. Under the proclamation the United States regards "the natural resources of the subsoil and seabed of the continental

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shelf beneath the high seas but contiguous to the coasts of the United States as appertaining to the United States, subject to its jurisdiction and control.” This claim was, we believe, based upon considerations which strongly support the conclusion that control of the development of the continental shelf should reside in the coastal state. The reasons supporting this conclusion, as summarized in the proclamation, are:

1. The effectiveness of measures to utilize or conserve the resources of the shelf is contingent upon cooperation and protection from shore.

2. The continental shelf may be regarded as an extension of the land-mass of the coastal nation and thus naturally appurtenant to it.

3. The resources frequently form a seaward extension of a pool or deposit lying within the territory.

4. The interest of self-protection compels the coastal nation to keep close watch over activities off its shores which are of the nature necessary for the utilization of these resources.

In making this proclamation, the United States was careful not to violate the established principle of freedom of the seas as it applied to the high seas above the shelf. The proclamation expressly states that “the character as high seas of the waters above the continental shelf and the right to their free and unimpeded navigation are in no way thus affected.” It thus specifically rejects the concept of asserting sovereignty over the high seas. Following upon the United States proclamation, there came a series of proclamations on the part of other states laying claim to the continental shelf. Some of these proclamations, which have been represented as being based upon the United States proclamation, differ in at least one important respect from the United States proclamation, that is, they claim not only the shelf but also the adjacent waters. In the view of the United States, areas of the high seas cannot be appropriated by the coastal state in connection with what may otherwise be a legitimate claim to the continental shelf.

Mr. Chairman, several times during the general debate we have heard reference to the Law Commission’s definition of piracy as set out in article 39 of the report. As a part of the discussion of this subject the Committee has had to listen to charges of alleged support on the part of the United States Navy for alleged acts of piracy in the China seas. There have also been allegations of coercion on the part of the United States Government with respect to some of the seamen from the seized ships who came to the United States. These charges were and are categorically denied. The United States Government merely desires to remind the Committee that this subject was taken up and fully answered at the Assembly during its 9th session in 1954.9 With respect to the charges of coercion of the seamen in question I would like to affirm that the United States Government extended asylum to these men at their own request. This, of course, was not the first, nor I dare say will it be the last, occasion on which persons in similar circumstances have seized the opportunity to escape to freedom.

I would also like to note briefly the references which have been made to the question of testing nuclear weapons on the high seas. My Government, Mr. Chairman, is firmly convinced that whatever testing we have been responsible for has not been contrary to any rule of international law. However, this is not the appropriate place to discuss this important question. It has serious political elements, and it is our view that it should be considered as a part of the overall problem of disarmament. As you know, it is a subject of discussion and consideration elsewhere in the United Nations.

Mr. Chairman, the discussion which we have had on the Commission’s report has been a long and exceedingly thorough one. The report of the International Law Commission, which should serve as the basis for further consideration of matters relating to the law of the sea, has been in the hands of the member governments for only a relatively short time. The matters involved need to be considered by many departments within each government, and there will need to be adequate time to complete diplomatic preparations before a real possibility of reaching agreement among states may be said to exist. These considerations are especially valid with regard to those states which have recently been admitted to the organization and which therefore have had even less time to prepare their positions on the problems involved. For all these reasons, Mr. Chairman, the United States delegation is strongly of the view that the proper decision which the Assembly should take now is to convene a special

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conference such as that which has been recommended by the International Law Commission in paragraph 28 of the Commission’s report.

In connection with the proposal to convene a conference, there has been made the suggestion that a preparatory commission of governmental representatives be established to assist the Secretary-General in his preparations for the conference. It has even been suggested that this commission might consider the substance of the subjects to be taken up at the conference for the purpose of preparing proposals in addition to those which we already have in the Law Commission’s report. The United States Government does not favor a suggestion of this sort, particularly as it pertains to the possibility of further substantive study by the proposed committee. It is our view that the Law Commission’s excellent report provides the best material to serve as the basis for the deliberations of the conference. The Law Commission’s report is the product of many years of arduous and thorough study by highly qualified persons. The work of preparing this study was entrusted to the Commission by the Assembly. It is our view, Mr. Chairman, that the Secretary-General should be entrusted with the task of preparing the convening of the conference, in consultation with such experts as he considers advisable.

We share the feeling of some delegates that it is regrettable that a delay is necessary, but on balance we agree with the arguments that further time is needed for the careful preparation that will be required on the part of all participants, including particularly the newly admitted members of the United Nations. Accordingly, we believe that the spring of 1958 is a suitable time for the proposed conference. It is our feeling that such a date will in the long run expedite rather than hinder our work and bring to an early fulfillment the objectives we have in mind. We have no preference as to the place and will gladly accept whatever decision is made on this subject.

In conclusion, Mr. Chairman, I want again to stress the importance of maintaining an open mind toward the coming conference. My delegation agrees with the position taken by several other delegations that such an attitude is essential for its success. We should not blindly adhere to a position that we may have taken in debate to meet some specific point. We are not now trying to decide what is the law of the sea, nor what it should be. That is not our present task. We are about to vote on a proposal that an international conference of plenipotentiaries be held for that purpose. If it is held, its task will be to try to establish the law of the sea, including the breadth of the territorial sea, which the International Law Commission suggests, in article 4 of its report, “should be fixed by an international conference.” That determination should be made in the light of all the pertinent facts—technical, biological, economic, political, as well as historical and legal. Our present task is to do everything possible to enable that conference to perform its important duties successfully. It is our purpose to try to aid in that task.

**Financing of United Nations Emergency Force**

Following are texts of statements made in Committee V (Administrative and Budgetary) on December 5, 6, and 17 by Richard Lee Jones, U.S. Representative to the General Assembly.

**STATEMENT OF DECEMBER 5**

U.S. delegation press release 2547

I listened with great interest to the statement made by the representative of the Secretary-General on December 3 concerning the apportionment of the expenses incurred for the United Nations Emergency Force. I noted with satisfaction the Secretary-General’s analysis of the situation and his recommendation that the United Nations expenses for this operation be apportioned on the basis of the regular scale of assessments applying to the financial year 1957.

The United States Government lends its full support to the Secretary-General’s recommendations concerning the financing of UNEF and will cooperate in their implementation energetically once they are approved by the General Assembly.

We are all, I am sure, inspired by the additional effort made by so many nations to contribute directly and without charge to this great cause in the form of troops, materiel, and services. Of

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2 For text of the Secretary-General’s report on administrative and financial arrangements for UNEF, see U.N. doc. 3383 dated Nov. 21.
special note, I think, is the contribution of a non-member, the Swiss Federal Government, in defraying the cost of air transportation in the amount of approximately $500,000. Consistent with the measures taken by these contributing nations, the United States has agreed to contribute, without charge, substantial facilities for the transportation of members of the UNEF and to authorize the use of equipment received by certain members under various United States aid programs. It is hoped that even more nations will be prompted to lend direct assistance. The United States for its part stands prepared to assume additional burdens, outside the common costs budget, commensurate with those that may be undertaken by other nations.

STATEMENT OF DECEMBER 6

U.S. delegation press release 2548

Our delegation has listened with great interest to the views expressed by other delegations on the problem of financing the United Nations Emergency Force. We are very sympathetic with the concern which has been expressed by a number of delegations over their ability to pay their share of the initial $10 million appropriation. We realize that, for a number of countries, this additional cost of their membership in the United Nations will be a real burden.

Nevertheless, Mr. Chairman, we share the view of many others here that this is an obligation which the organization must face, which is inseparable with the spirit of the charter. The vote establishing the UNEF was an overwhelming expression of the membership of the organization, and we can only conclude that the members should be prepared to support their words and votes with deeds.

We know of no more reasonable basis for reflecting these facts and for sharing the common costs of UNEF than the scale of assessments for the regular budget. Certainly, it is improper and impractical to ask the Secretary-General to develop new scales which are political in nature.

This is an important decision we are called upon to take. The application of the scale to this cost will be an indication of the real maturity which the United Nations is achieving.

Many governments, including my own, must accept financial obligations subject to normal constitutional procedures, that is, the appropriation of funds. This is a totally different view from that which has been expressed by several delegations, that they do not consider themselves bound by any action of the General Assembly with respect to the United Nations Emergency Force. This latter view, of course, we cannot accept. We must view the matter as the responsibility of all of us who are partners in this great organization.

In conclusion, Mr. Chairman, I would like to reaffirm the support of the United States Government for the principle laid before us by the Secretary-General.

STATEMENT OF DECEMBER 17

U.S. delegation press release 2559

As one of the sponsors of the amendments contained in document A/C.5/L.414, I wish to make one final statement to this Committee before the vote. It is my duty to emphasize to my distinguished colleagues the deep concern which my Government feels over this issue, both from the point of view of principle and of practical diplomacy and administration. We are concerned now with a decision affecting the strength and prestige and future action of this Assembly.

Six weeks ago, acting with the dispatch required by the situation, the General Assembly took a decision to establish an Emergency Force and authorized the Secretary-General to enter into commitments with respect to it. Almost 4 weeks ago the Secretary-General presented a report on administrative and financial arrangements with respect to a Force which was already in being.

Three weeks ago the General Assembly authorized commitments for that Force up to $10 million to be undertaken in the name of the United Nations. Representatives here have had 3 weeks in which to secure instructions so that they could vote on the third important step in this process—the assessment of those costs.

The world is waiting for this Assembly to back up its commitments, for this Assembly to assume

Footnotes:
3 For text of resolution establishing UNEF, see Bulletin of Nov. 19, 1956, p. 733.
4 This proposal, cosponsored by Canada, Norway, and the U.S., later joined by Finland, would amend a 19-power draft resolution (U.N. doc. A/C.5/L.410) calling for the appointment of a nine-member committee to consider further the question of financing UNEF.
its responsibilities. The world has its eyes on the future. Can the organization be expected to act, to fulfill its promises? Until now we have presented only a promise of postponement.

Over the weekend, Mr. Chairman, we have all heard that the lives of certain members of our Emergency Force in Egypt have been imperiled. What can we expect to be the reaction of troops of that Force, some of whom volunteered for service, should they learn that, while they were risking their lives, members of this organization were declining to give to this operation the financial support which is required?

Canada, Norway, and the United States have offered these amendments to the draft resolution contained in document A/C.5/L.410 because, in our opinion, that resolution is not adequate to deal with the present situation. For the reasons I have mentioned we cannot avoid our responsibility merely by creating a committee to study the matter in all its aspects as this resolution proposes. We must take a basic decision now concerning the financing of the expenses which the Secretary-General has been authorized to make, and this is what is proposed in the first operative paragraph of the amendments.

No matter how much we may rationalize, Mr. Chairman, I believe that all of us who consider this problem seriously must come to the conclusion that the Secretary-General was correct when he proposed that this Committee decide to assess member states on the basis of the regular scale of assessments to secure funds up to the amount of $10 million. I have read again the statement made in this Committee on behalf of the Secretary-General 2 weeks ago, reaffirming his original recommendation. That reasoning is convincing. Members would do well to ask themselves whether they can reject it.

Several days ago, Mr. Chairman, I had a conversation with a representative of one of the smaller countries, who had taken a serious look at this problem. He made an analysis of the situation before us which, I believe, warrants careful consideration—particularly by certain smaller countries which are somewhat inclined to believe that they should not pay their regular share of the common costs of this enterprise and that the so-called great powers should pay all or practically all the UNEF costs.

This representative, whom I shall not identify—I shall refer to him as Ambassador X—pointed out that his country was not happy at the prospect of paying an assessment for UNEF, both because of financial problems involved and because it felt that it bore no particular responsibility for the events which had occurred so far away in Egypt and which necessitated the creation of UNEF. But Ambassador X went on to say his Government would pay its regular assessment because the action by the General Assembly in creating UNEF was of great historical importance in that it established a method for dealing with threats to the peace which his Government strongly favored. The creation of UNEF represented common action through the United Nations rather than unilateral action by great powers to deal with threats to world peace as they alone thought best.

Ambassador X stated that this common action through the United Nations—rather than unilateral great-power action—was what his country and other small countries most earnestly desired. They wished to have a voice in a decision which could bring on or which could avoid another great world conflict. This involved, said Ambassador X, a willingness on the part of small countries to pay their share of the costs of an action on which they had had an opportunity to speak and vote. If they declined to pay their fair share and insisted that the great powers assume the burden of payment, then they could not expect that those powers would long continue, in situations threatening the peace, to seek United Nations action—in which they had but one vote—as opposed to unilateral action, which they could hope to control. In other words, smaller countries could not expect to enjoy the possibility of controlling policies by their votes without assuming the burdens resulting from the execution of these policies.

Mr. Chairman, I suggest that the analysis of the situation made by this distinguished representative warrants careful consideration. The principle involved is very clear. Nevertheless, as I have stated on several occasions, my Government recognizes that, in the present situation, a fully logical and inflexible application of the principle might well present financial problems to certain small countries. Therefore my Government, like a number of other member and nonmember governments, has made and is continuing to make large voluntary contributions [such as transportation, materiel, etc.] to ease the financial burden on the membership as a whole.

We have appointed a United Nations Com-

January 14, 1957
mander [Maj. Gen. E. L. M. Burns] and have given him a task. He must have some basic financial resources under his direct control—for his own headquarters and for the costs of those basic common items which will hold his force together. Beyond this, voluntary contributions are necessary and appropriate. But I must state frankly that such contributions can be expanded to the benefit of the entire membership only if this organization indicates a willingness to share equitably the common expenses of UNEF which we have authorized the Secretary-General to make. I can say that, unless the organization is willing to assess all members on the regular scale up to $10 million, my Government will find it most difficult to justify further voluntary contributions. On the other hand, if this assessment is voted, my Government hopes to be able to expand voluntary contributions and will expect other governments in a position to do so to follow a similar course. Only if this is done is there a real hope that the common costs subject to regular assessment can be kept at $10 million.

But, some ask, what will happen if the common costs exceed $10 million? We have agreed, Mr. Chairman, to the creation of a nine-member committee to study this problem and to recommend how to finance any costs in excess of $10 million. The creation of this committee, of course, implies that it may explore and recommend various methods of financing the excess, including all possibilities of voluntary contributions as well as the possibility of an assessment of members on a scale different from the regular scale of assessments. No one can say now what is a reasonable and appropriate method of financing since we do not know what the excess will be or even if there will be an excess of common costs. And I might add that the newly created committee will not be able to make helpful recommendations until it has received detailed estimates from the Secretary-General. Accordingly, I suggest that, before approving January 20 as the date for the committee to report, we ask the representative of the Secretary-General when helpful estimates might be available.

Finally, Mr. Chairman, with reference to the proposed amendments, a number of delegations have asked the sponsors to drop the proposed second operative paragraph, which reads:

Decides further, that this decision shall be without prejudice to the subsequent apportionment of any expenses in excess of $10 million which may be incurred in connection with UNEF.

There appear to be some doubts about the implications of this paragraph, and, although we believe it would be helpful to retain it, we are prepared to withdraw it and accordingly request that it not be put to the vote.

Mr. Chairman, I wish to say one more word to my colleagues. This vote we are about to take is one of the most important—perhaps the most important—we have ever had in this Committee. It involves the question of whether the member governments really believe in common action to preserve the peace. It involves the question of whether member governments will assume the burden of decisions which the General Assembly takes. Accordingly, it involves the entire future of the organization as an instrument of collective security. There are many eyes upon us at this time, and the entire world will note what we do. I trust that no one will take lightly the responsibility which is ours today.

RESOLUTION ON ADMINISTRATIVE AND FINANCIAL ARRANGEMENTS FOR UNEF

U.N. doc. A/Res/448

The General Assembly,
Recalling its resolutions 1001 (ES–1) of 7 November 1956 and A/Res/412 of 26 November 1956,
Emphasizing the fact that expenses incurred by the Secretary-General under the resolutions of the General Assembly are without prejudice to any subsequent determinations as to responsibilities for situations leading to the creation of the United Nations Emergency Force and to ultimate determination as to claims established as a result of expenses arising in connexion therewith,
Considering that the Secretary-General in his report (A/3302) of 4 November 1956, particularly in paragraph 15, has stated that the question how the Force should be financed requires further study,
Considering that the Secretary-General, in his reports (A/3383 and A/C.5/L/657) dated 21 November and 3 December 1956, has recommended that the expenses relating to

6 Adopted in Committee V on Dec. 20 by a vote of 57 to 8 (Soviet bloc), with 9 abstentions (Bolivia, Cambodia, Egypt, Greece, Israel, Italy, Turkey, Union of South Africa, U. K.), Hungary, Laos, Morocco, Nepal, Nicaragua, and Tunisia were absent. Twenty-five nations joined in sponsoring the final draft, which incorporated the original draft resolution contained in A/C.5/L.410 with the amendments suggested by Canada, Finland, Norway, and the U.S. (A/C.5/L.411). The resolution was adopted in the plenary session on Dec. 21 by a vote of 62 to 8, with 7 abstentions.
the Force should be apportioned in the same manner as the expenses of the Organization.

Considering further that several divergent views, not yet reconciled, have been held by various Member States on contributions or on the method suggested by the Secretary-General for obtaining such contributions,

Considering that the Secretary-General has already been authorized to enter into commitments for the expenses of the Force up to an amount of $10 million,

Considering further that the matter of allocation of the expenses of the Force beyond $10 million necessitates further study in all its aspects,

1. Decides that the expenses of the United Nations Emergency Force, other than for such pay, equipment, supplies and services as may be furnished without charge by Member Governments, shall be borne by the United Nations and shall be apportioned among the Member States, to the extent of $10 million in accordance with the scale of assessments adopted by the General Assembly for contributions to the annual budget of the Organization for the financial year 1957;

2. Decides further that this decision shall be without prejudice to the subsequent apportionment of any expenses in excess of $10 million which may be incurred in connexion with the Force;

3. Decides to establish a Committee composed of Canada, Ceylon, Chile, El Salvador, India, Liberia, Sweden, Union of Soviet Socialist Republics and the United States of America to examine the question of the apportionment of expenses of the Force in excess of $10 million. This Committee shall take into consideration, among other things, the discussions on this matter at the General Assembly, and shall study the question in all its aspects, including the possibility of voluntary contributions, the fixing of maximum amounts for the expenses of the Emergency Force that, with prior approval by the General Assembly, could be established on each occasion, and the principle or the formulation of scales of contributions different from the scale of contributions by Member States to the ordinary budget for 1957. The Committee will present its report as soon as possible.

U.S. Determination To Seek Agreement on Disarmament

Statement by Henry Cabot Lodge, Jr.,
U.S. Representative to the United Nations

We have before us today a factual report, prepared by the Secretariat, on the subject of disarmament. The United States supports the adoption of this draft report and its transmission to the General Assembly for its consideration.

The General Assembly as a whole will, in a few weeks, conduct a review of this record, and it would not be useful to attempt substantive debate in this Commission.

Certain features of the record, however, before us deserve notice.

One is the thoroughness with which this Commission has itself reviewed during 1956 the work of its subcommittee. The United States as a member of the Commission welcomes and will in every way encourage the further development of this trend. In this connection we note, too, the importance of the contributions of all its members, not merely those who are members of the subcommittee.

The United States welcomes, too, evidence of movement on the part of the Soviet Union toward positions that give greater hope for the sound agreement that is so profoundly in the interest alike of the Soviet Union, of the United States, of the members of this Commission, and of the world. As I have already said in the General Assembly, the United States notes with some hope recent indications that the Soviet Union appears willing to consider aerial inspection as a positive factor in the problem of armaments.

Even as we review the record of the year behind us, the United States looks primarily to the year ahead and to the opportunities for progress that it may afford.

The United States is prepared to renew its effort to reach a sound, safeguarded agreement for the reduction and regulation of armaments and armed forces. Such an agreement with effective inspection would be in mutual interests of all nations. It would lessen the danger of war. It would reduce the burdens of armaments. It would ease the nuclear threat. It would facilitate advance in the conditions of living of all peoples. It would accelerate the progress of the atoms-for-peace program for the benefit of mankind. It would create a better atmosphere for solving difficult political questions.

We are aware of the difficulties. But we are determined, with sincerity and persistence, to seek agreement. We are ready thoughtfully to con-

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3 U.S. delegation press release 2526 dated Nov. 22 (not printed).
sider proposals of all governments, and we will take further initiative to reach an agreement which would advance the prospects of a just and lasting peace.

The United States therefore, Mr. Chairman, will propose that a meeting of the Disarmament Subcommittee be held in March after the end of the current session of the General Assembly.

Ninth Session of UNESCO General Conference

Statements by Stanley C. Allyn
Chairman, U.S. Delegation

Following is the text of a statement made on November 9 by Stanley C. Allyn, chairman of the U.S. delegation, at the ninth session of the General Conference of the United Nations Educational, Scientific and Cultural Organization, which met at New Delhi, India, November 5 to December 5, together with a statement released by Mr. Allyn at New York on December 9 following his return from the conference.

STATEMENT OF NOVEMBER 9

Mr. President and my fellow delegates: In the name of my Government and of our delegation to this conference I wish to thank the Government and the people of India for the painstaking preparation that has gone into the conference arrangements. The United States delegation is deeply grateful to our hosts for their hospitality. The cordial atmosphere which pervades this splendid capital city provides an ideal setting for a fruitful meeting.

Our delegation has come to New Delhi eager to listen, to learn, and to contribute what it can to the deliberations of the conference. We know we will be rewarded by this experience and that this conference will produce concrete results.

It is further gratifying to be the guests of a nation so historic, so rich in culture and noble traditions. Our delegation is also aware of India’s brilliant accomplishments within the framework of its Five-Year Plan, and its social reforms of the past 9 years have captivated the imagination of the American people.

It is particularly fitting that the member states chose New Delhi as the site for this General Conference. Asia contains half the world’s population. The whole area is in the process of an evolution with great significance for peoples everywhere.

Asia has been called the cradle of civilization. Here man first created and practiced the arts of writing, arithmetic, and mapmaking. Here is the origin of languages like Sanskrit, Hebrew, and others which are the foundation of Western culture. Asians gave things their names, developed the almanac and the calendar, invented the wheel. No great religion on earth is foreign to this area. From Asia, peoples and cultures traveled west, leaving their imprint on the shores of the Mediterranean and the Atlantic.

Sometimes there is a tendency to emphasize the differences and misunderstandings between Asia and the West, while overlooking the many essential values we possess in common. For example, most of the new Asian governments have emphasized the democratic process, the equality of man before the law, and the importance of individual rights. These principles have long been the foundation of most of the Western systems of government, which have not hesitated to defend these principles when the need arose.
Here then, rather than difference, is agreement on essentials.

We both believe in constitutional representative government and the democratic process. We believe in responsible legislatures; in judicaries independent of political pressure; and we insist that our Government officials be accountable to the people.

Nevertheless, as Prime Minister Nehru has already pointed out so movingly, over our peaceful assembly there is a shadow of political tension and armed conflict. We fully associate ourselves with the Prime Minister’s concern that in the Middle East and in Hungary the peace of the world is in jeopardy. We share the hope of all that the ceasefire in Egypt will lead to an enduring peace and that the heroic revolt in Hungary will bring true independence to that country.

Increasing Importance of UNESCO

The situation is grave, but it would be still more serious if we were to abandon our task in the face of these depressing events. To those who believe in the goals of UNESCO, the present crisis is another proof of the continuing, if not indeed of the increasing, importance of UNESCO. Temporary failures and setbacks do not disprove the validity of our objectives. They merely spotlight how much more we need to do.

We should, of course, recognize that there will always be differences of viewpoints and differences in methods of reaching similar objectives. UNESCO offers a forum in which a frank exchange of views can take place.

To a representative of the American community, such a frank exchange is welcome. Within our country we have a great diversity of cultural, social, and economic institutions and groups, all of which enrich our lives. This diversity is a distinguishing characteristic of American society. We welcome new ideas from every source, and it is no more valid to place a single label on the American society than it is to place a single label on the different Asian cultures and ways of life. The use of terms like capitalism, socialism, free enterprise, and state ownership grossly oversimplifies the complex societies in which all of us live.

The American people have evolved a dynamic economy which has supplied material things in great abundance and at the same time has brought a full flowering of human freedom. The sharing of the national product by investors and workers, the cooperation of management and labor, the partnership roles of public ownership and private enterprise, the personal participation in the governing process by the individual citizens—all these are part and parcel of the American society.

The basic conflict in the world today is not socialism versus capitalism. It is the conflict of freedom versus the lack of freedom. It is the question of the freedom of men and of nations to choose for themselves the kind of life—political, social, cultural, religious, and economic—they want to live. In this conflict the United States stands for freedom and the dignity of man. It is only those who would deny this freedom to others who are the ideological opponents of democracies, whether they be Asian or Western and regardless of their economic systems.

UNESCO’s role is to try to bring about a mutual understanding of the great diversities which characterize our respective societies. But it is not its function to try to resolve political differences. These are the proper concern of other U.N. organizations.

Our organization—UNESCO—is now 10 years old. The catalog of its accomplishments is a long one, but it is no cause for any relaxation of effort. Let us say, rather, that it is a base for future progress.

Problems Confronting UNESCO

The educational, scientific, and cultural problems which still confront us are tremendous. We need only study UNESCO’s program to be impressed with its magnitude.

We know that children in schools are outnumbered by children who have no schools. Illiteracy is widespread. Despite the great strides of science we have been able to do little about converting arid and semiarid lands to productive purposes. Social scientists have only begun their explorations of the causes of international tension, of discrimination of many kinds, and of the capacity of societies to adapt to technological change.

In the days ahead we will take up the question of an improved mutual understanding of Asian and Western cultures. We will discover in this area alone a truly massive array of unexplored problems and possibilities. The Director General [Luther Evans] has presented us with program proposals that build solidly on past experience.
He and the secretariat deserve our full support.

In the view of the United States delegation the Director General has made a sound recommendation in the selection of three vital areas of work for the development of long-term projects. The acceleration of teacher training in Latin America will aid nearly a third of Unesco's membership. The promotion of research on increasing the productivity of arid regions grapples with a world-encircling problem affecting more than 40 member nations. The development of mutual appreciation of Asian and Western cultures is of interest to all nations represented here.

The United States expects to participate fully in these major projects and to derive benefit from them. Americans have long been interested in the history, the arts, the traditions, the philosophies, and the peoples of Asia. This interest has grown rapidly since 1945. Some of our great foundations have undertaken programs for the exchange of scholars, for the development of research on Asian cultures, for the training of language specialists, and for a host of other activities.

More than 50 American universities have special study programs dealing with one or more of the cultural areas of Asia. Some 800 organizations and institutions are carrying on activities related to this area.

Last spring the United States National Commission was host to a distinguished group of cultural leaders from 10 countries of South and Southeast Asia. I am delighted to see some of them at this conference. They toured the United States from San Francisco on our west coast to Boston on our east coast, visited our universities and cultural centers, lived in our cities, saw our farms and our factories; and they came to know our people.

It is not for us to say what our Asian visitors learned from this experience, but we can say that the impact on American participants was significant.

In a few months our National Commission will publish a report of this conference which will be made available to Unesco.

In 1957 our National Commission will hold a nationwide conference, perhaps in San Francisco, to discuss the development of mutual appreciation of the cultures of Asia and the West as exemplified by the major project on this subject.

Hope for the Future

We look forward to the next 2 years of Unesco's work with hope and confidence. The growing influence of the organization should enhance the prestige of Unesco and attract more active cooperation on the part of the member states, a cooperation indispensable to achieving our common objectives.

We pledge to Unesco the continuing support of our Government and National Commission.

We are committed to the principles expressed in the constitution of Unesco, principles which harmonize with those in our own Constitution and Bill of Rights. In accordance with these principles this conference must zealously guard the continued integrity of the organization and its program. There must be no attempt to distort its resolutions or work plans for political or propaganda purposes.

The support of my country for Unesco is linked to our support of the United Nations itself. A few days ago our President took occasion to review the position of the United States Government toward the United Nations, in view of the present crisis in the Middle East and the dark events in Eastern Europe. He said:

The processes of the United Nations . . . are not exhausted. . . . I am even more deeply convinced that the processes of the United Nations need further to be developed and strengthened. . . . The passionate longing for peace on the part of all peoples of the earth compels us to speed our search for new and more effective instruments of justice. . . . To our principles guiding us in this quest we must stand fast. In so doing we can honor the hopes of all men for a world in which peace will truly and justly reign.¹

Neither are the processes of Unesco exhausted. The potential of the organization has scarcely been tapped. Despite the impressive achievements of 10 years of effort we all know that we have only begun.

But our task is not to seek the spectacular victory; ours is the slow, methodical, and sometimes thankless task of him who plants trees in the hope that future generations will reap the fruit of his labor.

As we carry on the work of this conference here in New Delhi, we are deeply conscious of the spirit of the father of the Indian nation, Mahatma

¹ Bulletin of Nov. 12, 1956, p. 743.
Gandhi, who throughout his life proclaimed the essential unity and dignity of man, the goals for which the whole Unesco program strives.

RETURN STATEMENT

I have just returned from New Delhi and the Ninth General Conference of the U.N. Educational, Scientific and Cultural Organization. The conference met to determine the U.N. Educational, Scientific and Cultural Organization’s program and budget for the next 2 years—1957 and 1958. The conference met in the midst of the crises in Hungary and the Middle East. Thus what was supposed to be a nonpolitical meeting was inevitably affected by the political repercussions of events several thousand miles away. These political overtones greatly complicated the business of the meeting.

I have come away from the conference with a number of impressions. I have no way of telling the extent to which the good will shown the U.S. delegation reflects the feelings of the people of the various nations toward the United States. But if it is in any way indicative of popular feeling—for example, in South and Southeast Asia—I would be optimistic about the prospect for the American position in the region as well as for an improvement in Asian-American relations.

It may not be generally realized here, but the regard of the less developed nations for Unesco is heartening. Their needs, particularly in the field of education, are urgent. Unesco offers them an opportunity to meet some of these educational and cultural needs without potentially embarrassing commitments. They look to the United States for vigorous and positive leadership in Unesco.

Role of U.S. in Unesco

Unesco holds an immense potential for the United States. If in our participation in Unesco we offer the leadership and the constructive approach expected from us, we have an opportunity to build warm and durable relations in areas that are vital to us in many ways. Furthermore, we have a chance to demonstrate that we can act as an effective force for peace in line with one of our basic foreign policy objectives. In my view Unesco offers a unique instrument to help attain this objective.

I would like also to underscore a secondary American interest of a highly practical nature that we may sometimes overlook, perhaps because it is indirect. Unesco’s most effective work is done in education—helping establish formal school systems where there are none, teaching adults, and providing fundamental education, which is really down-to-earth instruction in better living. The educational level of a country and its standard of living are closely related. Where you find widespread illiteracy, you find per capita incomes of a hundred or two hundred dollars a year. Raise the educational level, and the producing and buying power of the country follows it up. So, to put this on a business basis, the Unesco program helps build production and markets by improving conditions of living. And we all know that depressed economies are vulnerable to Communist exploitation.

Soviet attempts in New Delhi to turn the conference into a sounding board for political propaganda were promptly identified for what they were and met with determined resistance from a vast majority of the delegations, which deeply resented such tactics. Hence, despite these interruptions, a good deal was accomplished.

Emergency educational aid to the damaged school systems in Hungary and the Middle East was approved by acclamation. The three so-called major projects also were incorporated into the program. This represents a step toward a much-needed concentration of Unesco’s energies and resources.

Major Projects

In the light of what I have said, I don’t think I need comment on the first major project—the program to extend primary education in Latin America.

The second major project—arid-zone research—is a question of much concern to many member states, including this country. This effort has been romantically described as “making the desert bloom.” The description is an overstatement. The initial efforts of the ecologists, meteorologists, geologists, and other specialists attacking the problem of the desert will be directed at discovering ways and means of checking its spread. In
addition, Unesco will facilitate a pooling of knowledge on matters relating to the productivity of arid regions.

The third major project aims at improving cultural relations between Asia and the West. Obviously, in an effort of this sort much planning and study is required. For the 2 years to come, this project will be in the experimental or pilot stage to discover effective methods of operation. Unesco, here, is tackling an extremely complex and very important problem, and measurable results may be some time in coming.

My connection with Unesco at New Delhi has convinced me that the organization has undertaken worthwhile work not being covered by any other agency. Its efforts are not only for the general good but are directly in this Nation’s interest. We need Unesco and Unesco needs us.

I have not gone into details of the New Delhi conference, but I hope that our delegation’s official report, which will be available shortly, will be read by many Americans.

**TREATY INFORMATION**

**United States and Canada Sign Salmon Conservation Agreement**

Press release 637 dated December 28

**DEPARTMENT ANNOUNCEMENT**

The United States and Canada signed at Ottawa on December 28 a protocol to the Sockeye Salmon Convention of 1930 placing the pink salmon of the Fraser River System under the terms of the convention. Signing on behalf of the United States were Ambassador Livingston T. Merchant and William C. Herrington, Special Assistant for Fisheries and Wildlife to the Under Secretary of State. Minister of Fisheries James Sinclair signed for Canada.

The protocol amends the 1930 convention in a number of ways. Its most important change is to place the pink salmon of the Fraser River System under the jurisdiction of the International Pacific Salmon Fisheries Commission. The Commission, which was established in 1937, consists of three representatives each from the United States and Canada. It has had since 1937 the responsibility for the investigation and management of the Fraser River sockeye salmon. Its success in the sockeye fisheries has been outstanding.

The Commission will now have the same powers of research and regulation over pink salmon as it has over sockeye salmon. It is charged with so regulating the pink-salmon fisheries as to achieve maximum sustainable productivity of the pink-salmon stocks. At the same time it must, as far as is possible, divide the catch equally between the United States and Canadian fishermen. The convention area remains unchanged. It covers Juan de Fuca Strait, part of Georgia Strait, the Fraser River System, and an area of the high seas of the Pacific Ocean. The Fraser River pink salmon, which make their spawning runs every 2 years through the straits, account for much of the $10 million pink-salmon catch made every other year by the fishermen of Washington and British Columbia.

Other modifications made by the protocol in the convention include an increase in the size of the Commission’s Advisory Committee and a greater flexibility in the Commission’s power to issue regulations in certain areas. The protocol also provides for intensive investigation by the Commission and by research agencies on both sides of the border of all pink-salmon stocks which enter convention waters. The protocol calls for a United States-Canadian Government meeting in its seventh year of operation for a review of research findings and a consideration of further arrangements for pink-salmon conservation.

The protocol is subject to the advice and consent to ratification of the Senate. It will enter into effect upon the exchange of ratifications by the two Governments.

**TEXT OF PROTOCOL**

**Protocol Between the United States of America and Canada to the Convention for the Protection, Preservation and Extension of the Sockeye Salmon Fisheries in the Fraser River System, Signed at Washington on the 26th Day of May, 1930.**

\[1\] Treaty Series 918.
The Government of the United States of America and
the Government of Canada, desiring to coordinate
the programs for the conservation of the sockeye and pink
salmon stocks of common concern by amendment of
the Convention between the United States of America and
Canada for the Protection, Preservation and Extension
of the Sockeye Salmon Fisheries in the Fraser River
System, signed at Washington on the 26th day of May,
1930, hereinafter referred to as the Convention,
Have agreed as follows:

ARTICLE I

The Convention as amended by the present Protocol
shall apply to pink salmon with the following exception:

The understanding stipulated in the Protocol of Ex-
change of Ratifications signed at Washington on the 25th
day of July, 1937, which provides that "the Commission
shall not promulgate or enforce regulations until the
scientific investigations provided for in the Convention
have been made, covering two cycles of sockeye salmon
runs, or eight years;" shall not apply to pink salmon.

ARTICLE II

The following words shall be deleted from the first
sentence of Article IV of the Convention:

"... that when any order is adopted by the Commis-
sion limiting or prohibiting taking sockeye salmon in any
of the territorial waters or on the High Seas described
in paragraph numbered 1 of Article I, such order shall
extend to all such territorial waters and High Seas, and,
similarly, when in any of the waters of the United States
of America embraced in paragraph numbered 2 of Arti-
cle I, such order shall extend to all such waters of the
United States of America, and when in any of the Cana-
dian waters embraced in paragraphs numbered 2 and 3
of Article I, such order shall extend to all such Canadian
waters, and provided further. . . ."

ARTICLE III

The following paragraph shall be added to Article VI
of the Convention:

"All regulations made by the Commission shall be sub-
ject to approval of the two Governments with the excep-
tion of orders for the adjustment of closing or opening of
fishing periods and areas in any fishing season and of
emergency orders required to carry out the provisions of
the Convention."

ARTICLE IV

Article VII of the Convention shall be replaced by the
following Article:

"The Commission shall regulate the fisheries for sockeye
and for pink salmon with a view to allowing, as nearly
as practicable, an equal portion of such sockeye salmon
as may be caught each year and an equal portion of such
pink salmon as may be caught each year to be taken by
the fishermen of each Party."

Paragraph (3) of the understandings stipulated in the
Protocol of Exchange of Ratifications signed at Washin-
nton on the 28th day of July, 1937, shall be amended to
read as follows:

"That the Commission shall set up an Advisory Com-
mittee composed of six persons from each country who
shall be representatives of the various branches of the
industry including, but not limited to, purse seine, gill
net, troll, sport fishing and processing, which Advisory
Committee shall be invited to all non-executive meetings
of the Commission and shall be given full opportunity to
examine and to be heard on all proposed orders, regula-
tions or recommendations."

ARTICLE VI

1. The Parties shall conduct a coordinated investigation
of pink salmon stocks which enter the waters described
in Article I of the Convention for the purpose of determin-
ing the migratory movements of such stocks. That part
of the investigation to be carried out in the waters de-
scribed in Article I of the Convention shall be carried out
by the Commission.

2. Except with regard to that part of the investigation
to be carried out by the Commission, the provisions of
Article III of the Convention with respect to the sharing
of cost shall not apply to the investigation referred to
in this Article.

3. The Parties shall meet in the seventh year after the
entry into force of this Protocol to examine the results
of the investigation referred to in this Article and to
determine what further arrangements for the conserva-
tion of pink salmon stocks of common concern may be
desirable.

ARTICLE VII

Nothing in the Convention or this Protocol shall pre-
clude the Commission from recording such information
on stocks of salmon other than sockeye or pink salmon as
it may acquire incidental to its activities with respect
to sockeye and pink salmon.

ARTICLE VIII

The present Protocol shall be ratified and the exchange
of the instruments of ratification shall take place in Ot-
tawa as soon as possible. It shall come into force on the
day of the exchange of the instruments of ratification.

In witness whereof the undersigned, duly authorized
by their respective Governments, have signed this Proto-
col and have affixed thereto their seals.

DONE in duplicate at Ottawa this 28th day of December
1956.

FOR THE GOVERNMENT OF THE
UNITED STATES OF AMERICA:
LIVINGSTON T. MERCHANT
W. C. HERRINGTON

FOR THE GOVERNMENT OF
CANADA:
JAMES SINCLAIR

January 14, 1957
## Status Lists

**Charter of the United Nations and Statute of the International Court of Justice**


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The Search for Disarmament

Publication 6398

The Search for Disarmament, a 35-page pamphlet, discusses several aspects of the compelling problem of disarmament, "the limitation, regulation, and control of arms." The pamphlet, based on an address by Francis O. Wilcox, Assistant Secretary for International Organization Affairs, covers the following topics:

- the nature and urgency of the problem;
- disarmament as a safeguard of the national security;
- disarmament as an integral part of national policy;
- major periods of negotiations;
- the present status of disarmament negotiations;
- prospects for disarmament.

Copies of The Search for Disarmament may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D. C., at 20 cents each.

Order Form

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.
To the Congress of the United States:

First may I express to you my deep appreciation of your courtesy in giving me, at some inconvenience to yourselves, this early opportunity of addressing you on a matter I deem to be of grave importance to our country.

In my forthcoming State of the Union Message, I shall review the international situation generally. There are worldwide hopes which we can reasonably entertain, and there are worldwide responsibilities which we must carry to make certain that freedom—including our own—may be secure.

There is, however, a special situation in the Middle East which I feel I should, even now, lay before you.

Before doing so it is well to remind ourselves that our basic national objective in international affairs remains peace—a world peace based on justice. Such a peace must include all areas, all peoples of the world if it is to be enduring. There is no nation, great or small, with which we would refuse to negotiate, in mutual good faith, with patience and in the determination to secure a better understanding between us. Out of such understandings must, and eventually will, grow confidence and trust, indispensable ingredients to a program of peace and to plans for lifting from us all the burdens of expensive armaments. To promote these objectives our government works tirelessly, day by day, month by month, year by year. But until a degree of success crowns our efforts that will assure to all nations peaceful existence, we must, in the interests of peace itself, remain vigilant, alert and strong.

I.

The Middle East has abruptly reached a new and critical stage in its long and important history. In past decades many of the countries in that area were not fully self-governing. Other nations exercised considerable authority in the area and the security of the region was largely built around their power. But since the First World War there has been a steady evolution toward self-government and independence. This development the United States has welcomed and has encouraged. Our country supports without reservation the full sovereignty and independence of each and every nation of the Middle East.

The evolution to independence has in the main been a peaceful process. But the area has been often troubled. Persistent cross-currents of distrust and fear with raids back and forth across national boundaries have brought about a high degree of instability in much of the Mid East. Just recently there have been hostilities involving Western European nations that once exercised much influence in the area. Also the relatively large attack by Israel in October has intensified the basic differences between that nation and its Arab neighbors. All this instability has been heightened and, at times, manipulated by International Communism.

II.

Russia’s rulers have long sought to dominate the Middle East. That was true of the Czars and it is true of the Bolsheviks. The reasons are not

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1Delivered before a joint session of the Senate and the House of Representatives on Jan. 5 (White House press release); H. Doc. 46, 85th Cong., 1st sess.

January 21, 1957
hard to find. They do not affect Russia's security, for no one plans to use the Middle East as a base for aggression against Russia. Never for a moment has the United States entertained such a thought.

The Soviet Union has nothing whatsoever to fear from the United States in the Middle East, or anywhere else in the world, so long as its rulers do not themselves first resort to aggression.

That statement I make solemnly and emphatically.

Neither does Russia's desire to dominate the Middle East spring from its own economic interest in the area. Russia does not appreciably use or depend upon the Suez Canal. In 1955 Soviet traffic through the Canal represented only about three fourths of 1% of the total. The Soviets have no need for, and could provide no market for, the petroleum resources which constitute the principal natural wealth of the area. Indeed, the Soviet Union is a substantial exporter of petroleum products.

The reason for Russia's interest in the Middle East is solely that of power politics. Considering her announced purpose of Communizing the world, it is easy to understand her hope of dominating the Middle East.

This region has always been the crossroads of the continents of the Eastern Hemisphere. The Suez Canal enables the nations of Asia and Europe to carry on the commerce that is essential if these countries are to maintain well-rounded and prosperous economies. The Middle East provides a gateway between Eurasia and Africa.

It contains about two thirds of the presently known oil deposits of the world and it normally supplies the petroleum needs of many nations of Europe, Asia and Africa. The nations of Europe are peculiarly dependent upon this supply, and this dependency relates to transportation as well as to production. This has been vividly demonstrated since the closing of the Suez Canal and some of the pipelines. Alternate ways of transportation and, indeed, alternate sources of power can, if necessary, be developed. But these cannot be considered as early prospects.

These things stress the immense importance of the Middle East. If the nations of that area should lose their independence, if they were dominated by alien forces hostile to freedom, that would be both a tragedy for the area and for many other free nations whose economic life would be subject to near strangulation. Western Europe would be endangered just as though there had been no Marshall Plan, no North Atlantic Treaty Organization. The free nations of Asia and Africa, too, would be placed in serious jeopardy. And the countries of the Middle East would lose the markets upon which their economies depend. All this would have the most adverse, if not disastrous, effect upon our own nation's economic life and political prospects.

Then there are other factors, which transcend the material. The Middle East is the birthplace of three great religions—Moslem, Christian and Hebrew. Mecca and Jerusalem are more than places on the map. They symbolize religions which teach that the spirit has supremacy over matter and that the individual has a dignity and rights of which no despotic government can rightfully deprive him. It would be intolerable if the holy places of the Middle East should be subjected to a rule that glorifies atheistic materialism.

International Communism, of course, seeks to mask its purposes of domination by expressions of good will and by superficially attractive offers of political, economic and military aid. But any free nation, which is the subject of Soviet enticement, ought, in elementary wisdom, to look behind the mask.

Remember Estonia, Latvia and Lithuania. In 1939 the Soviet Union entered into mutual assistance pacts with these then independent countries; and the Soviet Foreign Minister, addressing the Extraordinary Fifth Session of the Supreme Soviet in October 1939, solemnly and publicly declared that "we stand for the scrupulous and punctilious observance of the pacts on the basis of complete reciprocity, and we declare that all the nonsensical talk about the Sovietization of the Baltic countries is only to the interest of our common enemies and of all anti-Soviet provocateurs." Yet in 1940, Estonia, Latvia and Lithuania were forcibly incorporated into the Soviet Union.

Soviet control of the satellite nations of Eastern Europe has been forcibly maintained in spite of solemn promises of a contrary intent, made during World War II.

Stalin's death brought hope that this pattern would change. And we read the pledge of the Warsaw Treaty of 1955 that the Soviet Union would follow in satellite countries "the principles of mutual respect for their independence and
sovereignty and non-interference in domestic affairs.” But we have just seen the subjugation of Hungary by naked armed force. In the aftermath of this Hungarian tragedy, world respect for and belief in Soviet promises have sunk to a new low. International Communism needs and seeks a recognizable success.

Thus, we have these simple and indisputable facts:
1. The Middle East, which has always been coveted by Russia, would today be prized more than ever by International Communism.
2. The Soviet rulers continue to show that they do not scruple to use any means to gain their ends.
3. The free nations of the Middle East need, and for the most part want, added strength to assure their continued independence.

III.

Our thoughts naturally turn to the United Nations as a protector of small nations. Its charter gives it primary responsibility for the maintenance of international peace and security. Our country has given the United Nations its full support in relation to the hostilities in Hungary and in Egypt. The United Nations was able to bring about a cease-fire and withdrawal of hostile forces from Egypt because it was dealing with governments and peoples who had a decent respect for the opinions of mankind as reflected in the United Nations General Assembly. But in the case of Hungary, the situation was different. The Soviet Union vetoed action by the Security Council to require the withdrawal of Soviet armed forces from Hungary. And it has shown callous indifference to the recommendations, even the censure, of the General Assembly. The United Nations can always be helpful, but it cannot be a wholly dependable protector of freedom when the ambitions of the Soviet Union are involved.

IV.

Under all the circumstances I have laid before you, a greater responsibility now devolves upon the United States. We have shown, so that none can doubt, our dedication to the principle that force shall not be used internationally for any aggressive purpose and that the integrity and independence of the nations of the Middle East should be inviolate. Seldom in history has a nation’s dedication to principle been tested as severely as ours during recent weeks.

There is general recognition in the Middle East, as elsewhere, that the United States does not seek either political or economic domination over any other people. Our desire is a world environment of freedom, not servitude. On the other hand many, if not all, of the nations of the Middle East are aware of the danger that stems from International Communism and welcome closer cooperation with the United States to realize for themselves the United Nations goals of independence, economic well-being and spiritual growth.

If the Middle East is to continue its geographic role of uniting rather than separating East and West; if its vast economic resources are to serve the well-being of the peoples there, as well as that of others; and if its cultures and religions and their shrines are to be preserved for the uplifting of the spirits of the peoples, then the United States must make more evident its willingness to support the independence of the freedom-loving nations of the area.

V.

Under these circumstances I deem it necessary to seek the cooperation of the Congress. Only with that cooperation can we give the reassurance needed to deter aggression, to give courage and confidence to those who are dedicated to freedom and thus prevent a chain of events which would gravely endanger all of the free world.

There have been several Executive declarations made by the United States in relation to the Middle East. There is the Tripartite Declaration of May 25, 1950, followed by the Presidential assurance of October 31, 1950, to the King of Saudi Arabia. There is the Presidential declaration of April 9, 1956, that the United States will within constitutional means oppose any aggression in the area. There is our Declaration of November 29, 1956, that a threat to the territorial integrity or political independence of Iran, Iraq, Pakistan or Turkey would be viewed by the United States with the utmost gravity.

Nevertheless, weaknesses in the present situation and the increased danger from International Communism, convince me that basic United States policy should now find expression in joint action

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2 A letter expressing U.S. interest in the independence of Saudi Arabia, delivered by U.S. Ambassador Raymond A. Hare at the time he presented his credentials.
by the Congress and the Executive. Furthermore, our joint resolve should be so couched as to make it apparent that if need be our words will be backed by action.

VI.

It is nothing new for the President and the Congress to join to recognize that the national integrity of other free nations is directly related to our own security.

We have joined to create and support the security system of the United Nations. We have reinforced the collective security system of the United Nations by a series of collective defense arrangements. Today we have security treaties with 42 other nations which recognize that their, and our, peace and security are intertwined. We have joined to take decisive action in relation to Greece and Turkey and in relation to Taiwan.

Thus, the United States through the joint action of the President and the Congress, or, in the case of treaties, the Senate, has manifested in many endangered areas its purpose to support free and independent governments — and peace — against external menace, notably the menace of International Communism. Thereby we have helped to maintain peace and security during a period of great danger. It is now essential that the United States should manifest through joint action of the President and the Congress our determination to assist those nations of the Middle East area which desire such assistance.

The action which I propose would have the following features.

It would, first of all, authorize the United States to cooperate with and assist any nation or group of nations in the general area of the Middle East in the development of economic strength dedicated to the maintenance of national independence.

It would, in the second place, authorize the Executive to undertake in the same region programs of military assistance and cooperation with any nation or group of nations which desires such aid.

It would, in the third place, authorize such assistance and cooperation to include the employment of the armed forces of the United States to secure and protect the territorial integrity and political independence of such nations, requesting such aid, against overt armed aggression from any nation controlled by International Communism.

These measures would have to be consonant with the treaty obligations of the United States, including the Charter of the United Nations and with any action or recommendations of the United Nations. They would also, if armed attack occurs, be subject to the overriding authority of the United Nations Security Council in accordance with the Charter.

The present proposal would, in the fourth place, authorize the President to employ, for economic and defensive military purposes, sums available under the Mutual Security Act of 1954, as amended, without regard to existing limitations.

The legislation now requested should not include the authorization or appropriation of funds because I believe that, under the conditions I suggest, presently appropriated funds will be adequate for the balance of the present fiscal year ending June 30. I shall, however, seek in subsequent legislation the authorization of $200,000,000 to be available during each of the fiscal years 1958 and 1959 for discretionary use in the area, in addition to the other mutual security programs for the area hereafter provided for by the Congress.

VII.

This program will not solve all the problems of the Middle East. Neither does it represent the totality of our policies for the area. There are the problems of Palestine and relations between Israel and the Arab States, and the future of the Arab refugees. There is the problem of the future status of the Suez Canal. These difficulties are aggravated by International Communism, but they would exist quite apart from that threat. It is not the purpose of the legislation I propose to deal directly with these problems. The United Nations is actively concerning itself with all these matters, and we are supporting the United Nations. The United States has made clear, notably by Secretary Dulles' address of August 26, 1955, that we are willing to do much to assist the United Nations in solving the basic problems of Palestine.

The proposed legislation is primarily designed to deal with the possibility of Communist aggression, direct and indirect. There is imperative need that any lack of power in the area should be made good, not by external or alien force, but by the increased vigor and security of the independent nations of the area.

Experience shows that indirect aggression rarely if ever succeeds where there is reasonable security against direct aggression; where the government
possesses loyal security forces, and where economic conditions are such as not to make Communism seem an attractive alternative. The program I suggest deals with all three aspects of this matter and thus with the problem of indirect aggression.

It is my hope and belief that if our purpose be proclaimed, as proposed by the requested legislation, that very fact will serve to halt any contemplated aggression. We shall have heartened the patriots who are dedicated to the independence of their nations. They will not feel that they stand alone, under the menace of great power. And I should add that patriotism is, throughout this area, a powerful sentiment. It is true that fear sometimes pervets true patriotism into fanaticism and to the acceptance of dangerous enticements from without. But if that fear can be allayed, then the climate will be more favorable to the attainment of worthy national ambitions.

And as I have indicated, it will also be necessary for us to contribute economically to strengthen those countries, or groups of countries, which have governments manifestly dedicated to the preservation of independence and resistance to subversion. Such measures will provide the greatest insurance against Communist inroads. Words alone are not enough.

VIII.

Let me refer again to the requested authority to employ the armed forces of the United States to assist to defend the territorial integrity and the political independence of any nation in the area against Communist armed aggression. Such authority would not be exercised except at the desire of the nation attacked. Beyond this it is my profound hope that this authority would never have to be exercised at all.

Nothing is more necessary to assure this than that our policy with respect to the defense of the area be promptly and clearly determined and declared. Thus the United Nations and all friendly governments, and indeed governments which are not friendly, will know where we stand.

If, contrary to my hope and expectation, a situation arose which called for the military application of the policy which I ask the Congress to join me in proclaiming, I would of course maintain hour-by-hour contact with the Congress if it were in session. And if the Congress were not in session, and if the situation had grave implications, I would, of course, at once call the Congress into special session.

In the situation now existing, the greatest risk, as is often the case, is that ambitious despots may miscalculate. If power-hungry Communists should either falsely or correctly estimate that the Middle East is inadequately defended, they might be tempted to use open measures of armed attack. If so, that would start a chain of circumstances which would almost surely involve the United States in military action. I am convinced that the best insurance against this dangerous contingency is to make clear now our readiness to cooperate fully and freely with our friends of the Middle East in ways consonant with the purposes and principles of the United Nations. I intend promptly to send a special mission to the Middle East to explain the cooperation we are prepared to give.

IX.

The policy which I outline involves certain burdens and indeed risks for the United States. Those who covet the area will not like what is proposed. Already, they are grossly distorting our purpose. However, before this Americans have seen our nation's vital interests and human freedom in jeopardy, and their fortitude and resolution have been equal to the crisis, regardless of hostile distortion of our words, motives and actions.

Indeed, the sacrifices of the American people in the cause of freedom have, even since the close of World War II, been measured in many billions of dollars and in thousands of the precious lives of our youth. These sacrifices, by which great areas of the world have been preserved to freedom, must not be thrown away.

In those momentous periods of the past, the President and the Congress have united, without partisanship, to serve the vital interests of the United States and of the free world.

The occasion has come for us to manifest again our national unity in support of freedom and to show our deep respect for the rights and independence of every nation—however great, however small. We seek not violence, but peace. To this purpose we must now devote our energies, our determination, ourselves.

Dwight D. Eisenhower

The White House
January 5, 1957
President's Bipartisan Conference With Congressional Leaders

White House press release dated January 1

The President met on January 1 with the leaders of both political parties in the Senate and the House of Representatives for a bipartisan conference on foreign policy, mutual security, and national defense.

During the meeting the leaders also received from the Vice President a review of his report to the President on the Hungarian refugee situation.

The President thanked the leaders for the bipartisan cooperation he had always received from them in the field of foreign affairs.

The Secretary of State then reviewed world developments, particularly during the last 6 months. He expressed the opinion that the position of international communism had deteriorated throughout the world and that the United States at the same time had moved into a position of great opportunity for world leadership for peace and stability as well as for world responsibility.

The President and the Secretary of State then discussed in more detail the Middle East situation. The President asserted that the Middle East was a vitally important area to the entire world. To help that area remain free the President recommended that the Congress join with him in serving notice to the world that the United States would resist any Communist aggression in that area.

Specifically, he requested the leaders: (1) to authorize an enlarged program of economic aid to the nations in that area by authorizing additional monies for the President’s Emergency Fund which would be used for that purpose, and (2) to support a congressional resolution which would be designed to deter Communist armed aggression in the Middle East area.

A general discussion then followed. It was agreed that the matter should be promptly dealt with on the basis of an early Presidential message to the Congress and hearings by the appropriate congressional committees.

The Director of the International Cooperation Administration then reviewed for the leaders the program for the coming year in mutual assistance, including mutual military support and economic and technical assistance for our allies and friends.

The Secretary of Defense and the Chairman of the Joint Chiefs of Staff next outlined the 1958 program of the Defense Establishment of the United States and the measures which they deemed necessary to protect the Nation against attack and to insure peace in the world.

The Chairman of the Atomic Energy Commission followed with a review of the United States’ participation in the President’s atoms-for-peace program through the international atomic program of the United Nations.

The Director of the United States Information Agency stressed the importance of the agency’s program to present to the peoples of the world America’s position in maintaining peace and working for cooperation with all friendly nations.

The Secretary of Commerce urged congressional approval for participation by the United States in the Organization for Trade Cooperation (Otc).

Walter F. George Appointed Special Assistant to President

The President on January 4 appointed Walter F. George to be Special Assistant to the President with the personal rank of Ambassador.
THE PRESIDENT TO PREMIER BULGANIN

White House press release dated January 2

DECEMBER 31, 1956

DEAR MR. CHAIRMAN: I have given careful consideration to the declaration by the Soviet Government to which you had invited my attention in your letter of November 17, 1956, but find myself in basic disagreement with the analysis of your government as it relates to the source of international tension.

The people of the United States cannot accept the declaration's attempt to dismiss as "a slanderous campaign" the world's indignant reaction to the Soviet armed actions against the people of Hungary. While the Soviet Government has not responded to the constructive recommendations of the United Nations with respect to Hungary, the parties at dispute in the Middle East have accepted the assistance of the United Nations. A similar response by the Soviet Union to the resolutions of the United Nations concerning Hungary would constitute a significant step toward the reduction of the tensions to which the Soviet declaration addresses itself.

Your government's statement suggests that the strategic situation in Western Europe is now advantageous to the armed forces of the Soviet Union. This statement does not seem calculated to relieve international tensions. Moreover, I am convinced in the light of my long association with the North Atlantic Treaty Organization that it is fully capable of carrying out its mission of collective defense.

You suggest further meetings of heads of government. I could agree to a meeting whenever circumstances would make it seem likely to accomplish a significant result. But, in my opinion, deliberations within the framework of the United Nations seem most likely to produce a step forward in the highly complicated matter of disarmament. Accordingly the United States will make further proposals there.

I take hope from your apparent willingness to consider aerial inspection as a positive factor in the problem of armaments. Much to my regret, however, your government's declaration does not signify willingness to seek agreement on the basic element of my Geneva proposal of averting surprise attack through aerial inspection of the centers of our military power.

The United States is giving this and your other disarmament proposals careful study. We are prepared to discuss them, as well as the further United States proposals, in forthcoming meetings of the Disarmament Subcommittee.

You may be sure that our government will continue its efforts in behalf of effective control and reduction of all armaments. It will be my never-ending purpose to seek a stable foundation for a just and durable peace in the mutual interest of all nations.

Sincerely,

Dwight D. Eisenhower

PREMIER BULGANIN TO THE PRESIDENT

THE KREMLIN
Moscow
November 17, 1956

DEAR MR. PRESIDENT: The military attack on Egypt has brought on a serious aggravation of the international situation. In consideration of this fact it is the duty of all states and especially those countries which bear the basic responsibility for the preservation of peace to find means for the solution of questions in dispute through negotiations.

In this dangerous moment for the cause of peace
the Soviet Government considers it essential to appeal to the governments of all countries and in the first instance to the governments of the great powers to unite their efforts for their adoption of urgent measures directed towards the prevention of war, cessation of the arms race and the solution of questions in dispute by peaceful means.

In sending to you the declaration of the Soviet Government on the question of disarmament and reduction of international tension my colleagues and I express the hope that the U.S.A. and you personally, Mr. President, will examine with all attention the proposals of the Soviet Government set forth in the declaration.

BULGANIN

Declaration of the Soviet Government Concerning the Question of Disarmament and Reduction of International Tension

November 17, 1956

The armed attack of England, France and Israel on Egypt has created a situation dangerous for the cause of peace and has placed before the peoples in all sharpness the question of the threat of a third world war. It is known that in the above-mentioned countries large scale measures have been carried out for the mobilization of ground, naval and air forces, for calling up reserves, for mobilization of industry, transportation, and lines of communication for servicing military needs. Thus in these countries in essence has been created a wartime situation, especially if it is taken into consideration that in all countries of the North Atlantic bloc (NATO) rabid military propaganda has been unleashed. The aggressive actions of England, France and Israel against Egypt, the military measures undertaken by them, and the situation of war hysteria have created a real danger of expansion of the conflict with the utilization of the destructive means of the latest military equipment.

The unprovoked aggression against Egypt naturally mobilized the peoples of the East in rising to the defense of Egypt, which is struggling for its vital national interests, for independent national existence, and thereby for the defense also of its own national independence.

As a result of the heroic opposition of the Egyptian people, and in the face of the growing indignation of the entire world against the military venture in the Middle East, which has been condemned by the United Nations, the organizers of aggressive war have been forced to cease military operations against Egypt. Nevertheless, it is impossible to consider that the real military danger has been removed and that a military fire will not flare with still greater force. The basis for the concern of the peoples is the fact that at the present time the armed forces and military equipment of England and France are being concentrated on Cyprus and also in Port Said, which was occupied by Anglo-French forces even after the declaration by England and France concerning the cease fire, and consequently in violation of the obligations undertaken by them before the entire world.

For the realization of their military plans for the Middle East, England and France have transferred to the region of military actions large formations including those which were on the territory of Western Germany. The French Government in addition has transferred a significant portion of its army to the region of North Africa for the purpose of suppressing the national liberation movement in Algeria.

As a result of military actions against Egypt, the Suez Canal has been put out of operation for a long period; oil pipelines passing across the territory of Arab countries have been destroyed; there have been disrupted communications, which have vitally important significance for England, France and other countries of Europe, particularly taking into account that all this has led to the cessation of transportation of oil to Europe through the Mediterranean Sea. Thus for England, France and other Western European countries serious difficulties have been created in the receipt of liquid fuel, so essential for industry of these countries and having decisive military significance, insofar as without liquid fuel in contemporary conditions military equipment is dead and armies cannot fight.

Thus, the military adventure against Egypt has led to a serious weakening not only of the political but also of the military strategic positions of England, France and Europe and to a serious weakening of all the military forces of the North Atlantic bloc on the European continent. It is not without reason that, in official circles and the press of the Western powers, it is noted with alarm that a very delicate situation has been created for the organizers of the aggression against Egypt in connection with the fact that their principal armed forces are concentrated in the region of the Near East and in North Africa while those forces which are in Europe remain without sufficient equipment.

There comes to attention the fact that those circles of the Western powers who are responsible for the aggression against Egypt attempt at the present time, through fabrications concerning the aggressive intention of the Soviet Union in the Middle East and Europe, both to distract attention from the fact of the open aggression committed against Egypt and thereby to hide the collapse which this adventure has suffered.

Attempts are being made to fan with regard to the Soviet Union a slanderous campaign in connection with the collapse of the counterrevolutionary military plot against People's Hungary, which is, as has now become completely clear, an integral part of the general plot of the imperialists against the peace and security of the peoples, both in the Middle East and in Europe. All sorts of fabrications are being spread concerning an alleged concentration of Soviet troops undertaken in various countries of Eastern Europe, unusual movements of Soviet forces to the western and southern borders of the U.S.S.R., etc. All this is utilized by certain circles in the West for a rebirth of the cold war, for an ever greater increase of the arms race in the countries of NATO, this basic aggressive grouping which has been openly used
in recent times for the preservation and reestablishment of the shameful system of colonial repression.

The creation of this tense situation, including the intensification of the arms race, is advantageous in the first instance to the monopolists of the United States, England and France, who are squeezing out fabulous profits from military orders. Such a situation permits them also to preserve at high levels the taxes on the working people who are bearing on their shoulders the main burden of expenditures for armament and for preparation for ground, naval and air warfare.

Thus on the one hand it is recognized that the Anglo-French-Israeli aggression against Egypt has created a complicated situation for Western Europe and for NATO as a whole. On the other hand, to the Soviet Union is ascribed all sorts of clumsy schemes in regard to Western Europe, the Middle East, etc., and war hysteria is inflated by every means.

However, those who rush to such means have got themselves completely entangled.

If the Soviet Union were actually guided by any sort of attendant considerations, the situation which has arisen for it from the point of view of the relation of forces between the powers, and had the aggressive intentions which are attributed to it, then it would seem that the Soviet Union could utilize the situation which has been created at the present time for attack against the armed forces of the Atlantic bloc and could have achieved the military objectives ascribed to it in regard to Western Europe even without the use of modern nuclear weapons and rockets.

It can be stated directly that at the present time the strategic situation in Western Europe is advantageous to the Armed Forces of the Soviet Union to an even greater degree than that obtaining at the end of the Second World War, when the mobilized and armed Soviet Army could have become consolidated in all of Western Europe if the Soviet Union had pursued such an aim.

But, at the end of the Second World War as at the present time, the U.S.S.R. did not and does not have any other aims than the preservation and strengthening of peace, which the peoples of all countries long for.

Only during the past year the Soviet Government has unilaterally undertaken major reduction of its armed forces by 1,840,000 men, has cut its military budget by almost 10,000,000,000 rubles, and has liquidated its military bases in Port Arthur and Porkkala Udd. Contrary to the false propaganda of the Western powers, it is not carrying out any kind of mobilization or movement of its troops to its borders. Its troops are occupied with their military tasks and are found at their customary bases. The Soviet people are engaged in peaceful, creative labor in the broad expanses of newly assimilated virgin lands, on gigantic construction projects of the sixth five-year plan, in the laboratories and the scientific institutes, in the various fields of culture, art, and science.

The Soviet Government declares that the Soviet Union has always been and remains an opponent of deciding controversies and disagreements between states by means of war. It has always been guided and is guided by the Leninist policy of peaceful coexistence of states, regard-

less of the differences in their social and state systems. In its relations with other states the Soviet Government is guided by the decisions of the historic 20th Congress of the Communist Party of the Soviet Union, in which there was openly stated to the whole world the negative attitude of the U.S.S.R. toward war as a means of resolving international controversies and in which its clear position on the principles of the coexistence of socialist countries with capitalist countries was set forth.

The Soviet state has stood and henceforth will firmly stand on these basic positions, since this proceeds from the very nature of the socialist state, the basic task of which is the raising of the living standard of its people and the development of the productive forces of society, free from the fetters of capitalist productive relations. It is possible to ensure this not under conditions of war but under conditions of a peaceful development permitting the utilization of the inexhaustible possibilities of raising the socialist economy, culture, and science.

There are no social groups and classes in the Soviet Union which would become rich by war and a military situation and which would be interested in the armament race, in the seizure of foreign territory, and in the unleashing of aggressive wars.

It is well known that Russia has been transformed in a short historical period from a backward agrarian country into a powerful industrial state, possessing all the conditions and resources for a further rapid upsurge of its economy, for the raising of the material welfare and the cultural level of the Soviet people. The fact that the volume of industrial production of the U.S.S.R. has increased by more than twenty times during the past 25 years while the volume of industrial productions of all capitalist countries has increased less than twofold during the same period bears witness to the unprecedented rate of growth of the economy of the Soviet Union.

The Soviet Union possesses an enormous territory, colossal deposits of coal, petroleum, iron ore, and nonferrous metals; inexhaustible reserves of power resources, including the newest methods of producing electric energy through the use of atomic raw materials. The planned economy of the Soviet Union guarantees a normal market for manufactured goods, and therefore the U.S.S.R. is not faced with the problem of conquering markets for its goods. Its economic relations with other states are built on the foundation of equal rights and mutual advantage which provides the possibility for normal exchange of goods in the interest of the further raising of the national economy.

The peoples of the Soviet Union, having taken the path of socialism and having achieved unprecedented successes in the development of its national economy and culture, could be convinced by this experience that the socialist system is the most progressive and provides the possibility of such development of national economy in the U.S.S.R. as well as in the other socialist states as inevitably will guarantee the victory of socialism in peaceful economic competition with capitalism. The Soviet people are engaged in the solution of the task of catching up with and overtaking the most developed capitalist
countries according to the level of per capita production of industrial goods. The Soviet people are confident that, relying on a powerful technology and the great advantages of the socialist economic system, they can in a short historical period attain that many-sided development of the material and spiritual forces of man, and that harmony of social life which the building of communism will bring.

The Soviet Government is profoundly convinced that the interests of the Soviet people in the preservation and strengthening of peace completely coincide with interests of all other peoples of both the West and East. They need not atom bombs nor tanks and cannon but clothing, food, housing, schools for children, and a quiet and secure future. The peoples of the underdeveloped countries want to put an end to age-old backwardness, poverty, and the wretched heritage of colonial oppression.

The events of recent times in the Near East have graphically shown how great are the forces interested in the preservation of peace and ready to restrain aggressors with all resolution. At the same time, these events have shown that the aggressive circles of certain powers are prepared in the name of their narrow interests to throw peace into the abyss of a new world war, threatening the peoples with new military conflicts fraught with serious consequences for mankind.

This is why the Soviet Union at this moment of responsibility is again raising its voice for the cessation of the armaments race, for the prohibition of atomic and hydrogen weapons, and for the prohibition of tests of these weapons.

For the purpose of the practical and speediest realization of these demands, in which all peoples are vitally interested, the Soviet Government proposes:

1) To reduce in the course of two years the armed forces of the Soviet Union, the United States of America, and China to 1-1.5 million men for each of these states, the armed forces of England and France to 650,000 men each, and those of each of the remaining states to 150,000-200,000 men.

As a first step to this, to reduce in the course of the first year, the armed forces of the Union of Soviet Socialist Republics, the United States of America, and China to 2.5 million men and the armed forces of England and France to 750 thousand men for each of these states.

The above-mentioned countries should reduce their armaments accordingly.

2) To effect in the course of the above-mentioned period the ban of atomic and hydrogen weapons, with the cessation of the production of nuclear weapons, the ban on their use, full destruction of stocks of these weapons, and their elimination from the armaments of states.

As a first step, to cease immediately the testing of atomic and hydrogen bombs.

3) To reduce during 1957 by one-third the armed forces of the United States of America, the Union of Soviet Socialist Republics, England, and France stationed on the territory of Germany, with establishment of appropriate control for this reduction.

4) To carry out during 1957 the significant reduction of the armed forces of the United States of America, England, and France stationed on the territory of countries participants in NATO, and the armed forces of the Union of Soviet Socialist Republics stationed on the territory of member-countries of the Warsaw Pact.

5) To liquidate in the course of two years, foreign army, naval, and air bases on the territories of other states.

6) To curtail the military expenditures of governments in the course of two years, corresponding to the reduction of armed forces and armaments, banning of atomic and hydrogen weapons, and the liquidation of foreign military bases on the territories of other states.

7) For observation of the carrying out by the states of the obligations undertaken by them concerning disarmament, to establish a strict and effective international control, utilizing all necessary rights and functions for this purpose.

For the purpose of preventing a sudden attack by one state on another, to establish on the territory of states, on a reciprocal basis, control posts in large ports, railroad junctions, highways, and airports, which will see that no dangerous concentration of armed forces and armaments takes place.

The Soviet Government has already repeatedly expressed its attitude toward the proposal about the so-called plan for aerial photography and declared that this proposal does not decide either the problem of controlling disarmament or preventing aggression.

Considering, however, that the proposal for aerial photography is presented as a condition for reaching agreement on disarmament questions, which creates serious obstacles for achieving such an agreement, the Soviet Government for the purpose of facilitating the quickest achievement of agreement is prepared to consider the question of using aerial photography in the area in Europe where basic military forces of the North Atlantic Pact are located and in countries participating in the Warsaw Pact to a depth of 800 kilometers to the East and West from the line of demarcation of the above-mentioned military forces, if there is agreement of the appropriate states.

In proposing the realization of the above-mentioned measures, the Soviet Government considers that after their implementation it is necessary to raise the question about the complete liquidation of armed forces and armaments of all types with retention by states of only such contingents of militia (police) which are necessary for assuring internal security and the security of frontiers.

The Soviet Government, true to its policy of guaranteeing peace and desire to create confidence among peoples that armaments will never be used for deciding disputes among states, again proposes to conclude a pact of non-aggression among countries belonging to the North Atlantic Alliance and the countries of the Warsaw Pact. Such a pact, considering that among its members would be the Soviet Union and the United States of America, that is, the states having the most powerful armed forces, would radically change the entire international situation, aiding the reduction of international tension and the creation of trust among states.

Since the examination in U.N. agencies of disarmament questions has so far not led to any real results in deciding the question of reducing armaments and prohibiting atomic
weapons, the Soviet Government considers it necessary, along with the continuation of efforts in this direction in agencies of the U.N., to seek more effective means for settling these problems. Considering that the present international situation dictates the necessity for taking immediate measures for the purpose of preventing war and stopping the armaments race, the Soviet Government considers it appropriate to convene a conference of heads of governments of the Union of Soviet Socialist Republics, the United States of America, England, France, and India, as was proposed by the President of the Swiss Confederation. Such a conference could assist achievement of agreements on questions dealing with the problem of disarmament.

The successful conduct of a conference of heads of governments of the five states could prepare for the convocation of a wider conference for examination of these questions, in which the heads of government of all countries participating in NATO and the Warsaw Pact could take part. The Soviet Government considers it desirable that such a conference should also be attended by the heads of government of a series of other countries and, first of all, the Chinese People’s Republic, India, Yugoslavia, Indonesia, and Burma, which are not either in the Warsaw Pact or in such military groups as NATO, SEATO, or the Baghdad Pact.

If difficulties are encountered in convoking a conference of the heads of government of the five powers, then in the opinion of the Soviet Government the convocation of the cited broader conference would meet the interests of reducing international tension and improving the international situation.

The Soviet Government considers it necessary with all seriousness to underscore the fact that before the world at present are two paths: either the path of terminating the cold war, rejecting the policy of “positions of strength,” disarmament, and the creation of all conditions for the peaceful coexistence of states with different economic and social systems, or the continuation of the armaments race, the continuation of the cold war—the path leading to an unprecedentedly burdensome and destructive war which would bring to the entire world inestimable calamities and sufferings.

The Soviet Government has stood and stands for the position that in the world there are no controversial problems which could not be settled peacefully taking into account the legitimate interests of the appropriate states.

As for existing ideological disagreements, they cannot be the basis for exacerbation of relations among states, for propaganda of war, and even more for application of force of one state against another state. Such disagreements can and must be decided by means of a struggle of ideas, in which the advantages of one ideology or other, also of one economic system or other, will be proven by the very course of historical development.

1 Bulletin of Nov. 26, 1956, p. 839.

Submitting its proposals for disarmament, which are dictated by the interests for preserving and strengthening peace among peoples, the Soviet Government expresses the confidence that they will be supported by all who strive not in words but in deeds for the liquidation of the danger of a new war and for the strengthening of universal peace.

Total Visa Issuance Under Refugee Relief Act

Press release 2 dated January 3

The issuance of visas under the Refugee Relief Act of 1953 ended on December 31, 1956. Tentative statistics received by the Department of State from posts abroad report a total visa issuance of 189,967. This figure reflects complete issuance of all visas permitted in all categories of the law plus worldwide orphan issuance where there were a sufficient number of sponsored applicants to meet the requirements. A breakdown of the tentative final figures by category as established in the Refugee Relief Act is as follows:

<table>
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<tr>
<th>Section</th>
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<td>Sec. 4(a) (1)</td>
<td>German Ethnic Expellees residing in Germany and Austria</td>
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<td>Escapes from behind the Iron Curtain in Germany and Austria</td>
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<td>Sec. 4(a) (3)</td>
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<td>Anders Poles in British Isles</td>
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<td>Sec. 4(a) (5) and (6)</td>
<td>(Combined by the Graham Amendment) - Italian Refugees and Preference Category Relates</td>
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<td>Sec. 4(a) (7) and (8)</td>
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<td>Sec. 4(a) (12)</td>
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<td>Sec. 5(a)</td>
<td>Orphans Adopted by United States Citizens</td>
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Providing for the Needs of the Hungarian Refugees

REPORT TO PRESIDENT EISENHOWER BY VICE PRESIDENT NIXON, JANUARY 1, 1957

Introduction

This report deals only with a symptom, and not with the basic problem. No matter how well we care for the victims of oppression, the guilt of those who drove them from their homes, who killed their fellow-countrymen and who today keep their nation in slavery must never be forgotten.

The revolt of the courageous people of Hungary against their oppressors is one of the most significant events in the history of mankind. Without plan or organization they rose up in final revulsion against the subjugation and cruelty which has been imposed upon them. What they did and are doing was not in vain for, by their deeds, they sounded the death knell of international Communism for all the world to hear.

In a discussion confined as is this report to the present plight of the Hungarian refugees, we recognize that we are not dealing with the basic question of how freedom is to be provided for Hungary. Compliance by the U.S.S.R. with the resolution of the United Nations calling for the removal of Soviet troops from Hungary is the only adequate and permanent solution to that problem, and to the problems which face the Hungarian people. Solutions short of this must be considered temporary and basically not satisfactory.

On the basis of a first-hand survey of the Hungarian refugees from the time they cross the border into Austria until they leave the Camp Kilmer Reception Center, I submit the following findings and recommendations:

Number and Character of Refugees

Approximately 155,000 refugees have crossed the border between October 23, 1956 and January 1, 1957. An average of approximately 800 per day are coming across the border at this time. (See Appendix 1)

The quality of the people who fled Hungary is of the highest order. For the most part they were in the forefront of the fight for freedom and fled only when the choice was death or deportation at the hands of the foreign invaders or temporary flight to a foreign land to await the inevitable freedom for Hungary. The large majority are young people—students, technicians, craftsmen and professional people. There are many family units, including a large number of children. (See Appendix 2)

The majority of the refugees who have been interviewed say that they left Hungary because of fear of liquidation or of deportation. The number of floaters and of those who left Hungary purely for economic reasons is relatively small.

The majority of those who have been inter-

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Mr. Nixon left Washington for Vienna on Dec. 18 and returned to Washington on Dec. 24. He visited the Camp Kilmer Reception Center on Dec. 27. The Department of State announced on Dec. 18 (press release 625) that the Vice President's party included Representative Bob Wil- son; William P. Rogers, Deputy Attorney General; John B. Hollister, Director, International Cooperation Admin- istration; Robert L. King, Dwight S. Porter, and H. G. Torbert, Jr., Department of State; and Loie G. Gaunt, Secretary to the Vice President. Lowell T. Coggeshall, Special Assistant to the Secretary of Health, Education, and Welfare, and George Katona, Professor of Psychology, University of Michigan, traveled separately and joined the party in Austria.

Department of State Bulletin
viewed to date have expressed a desire to return to Hungary in the event of a change of government which would make it safe for them to do so.

The problem of checking the security backgrounds of the refugees is not as difficult as usual, due to the fact that in addition to the usual documentary evidence available in such cases, direct evidence is being volunteered by other refugees who are well-informed as to the identity of spies and agents in their communities.

I am convinced that if the screening process which is presently in effect is continued the Hungarian refugees who are admitted to the United States will present no significant risk of internal subversion in this country.

Taking all the above factors into consideration, I believe that the countries which accept these refugees will find that, rather than having assumed a liability, they have acquired a valuable national asset. As Mr. Herbert Hoover said on December 27, 1956, “The Hungarian refugees have proved by their courage and sacrifice that they are the traditional sort of persons who make Americans.”

Disposition of Refugees to Date

88,000 of the 155,000 refugees have been resettled in countries other than Austria, as of January 1. Of this 88,000, 15,000 have gone to the United States, and 73,000 have been accepted in other countries.

Of the 67,000 who are in Austria at this time, the Austrian Government had indicated that approximately 30,000 could be assimilated into the Austrian economy, provided some assistance was given to Austria for the construction of housing and other facilities to provide for them during an adjustment period.

This leaves a minimum of 37,000 in Austria at the present time for whom homes must be found in other countries.

Recommendations as to Future United States Policy on Accepting Additional Refugees

It has been suggested that the United States should announce at this time that it would take a fixed additional number of refugees.

Another suggestion that has been made is that the United States should agree to take a certain percentage of all Hungarian refugees who are presently in Austria, and of those who may come to Austria from Hungary in the future.

I have concluded that it would not be wise for the United States to be tied down either to a fixed percentage or a fixed number.

It should be our policy, along with other free nations of the world, to take our full share of these escapees from Communist tyranny.

We should not place a ceiling on what we will do in fulfilling our traditional national mission of providing a haven of refuge for victims of oppression. In addition, because of the uncertainty of the situation within Hungary, it is not possible for us to make any accurate estimate of what such a fixed number should be.

For us to agree to take a percentage of all refugees is also unrealistic. Conditions change within the various countries which might provide homes for refugees, and our policy should be flexible enough to take such changes into account.
Attorney General To Parole Refugees Until Congress Acts

Statement by President Eisenhower

White House press release dated January 1

The Attorney General will continue to parole Hungarian refugees into the United States until such time as the Congress acts. This action, in my opinion, is clearly in the national interest. It will prevent a stoppage of the flow of these refugees and will permit the United States to continue, along with the other free nations of the world, to do its full share in providing a haven for these victims of oppression.

Our policy should be based on the following principles:

1. All free nations should share to the extent of their capabilities in the responsibility for resettling refugees. Both through the United Nations, and through normal diplomatic channels, the government of the United States should work toward the realization of this objective. The U.S. Escapee Program, the Intergovernmental Committee for European Migration, and the United Nations High Commissioner for Refugees, all of which are engaged in various phases of resettlement activity, should receive support from us for this purpose.

2. Until Congress passes appropriate legislation, admission of Hungarians to the United States should be continued under the parole procedures now in effect. Most of these admissions should continue to apply to Hungarians in Austria to relieve the pressure in that country. However, some should be reserved for the Hungarians now in temporary asylum in Western Europe outside of Austria, with the understanding that they would eventually be admitted to the United States. Preference within this latter group should be given at this time primarily to those with relatives in this country. To this end, we should begin taking applications from the refugees outside of Austria. U.S. diplomatic representatives in the countries who are now offering asylum should wherever possible work out arrangements whereby refugees from Austria could be received in those countries to replace those we take for resettlement in the United States.

3. An amendment to the Immigration and Nationality Act should be presented to the Congress for immediate consideration which would:

   a. Regularize the status of Hungarian refugees brought into the United States under the parole procedure, and

   b. Provide flexible authority to grant admission to this country of additional numbers of Hungarian and other refugees from Communist persecution, through the use of non-quota visas within an annual ceiling.

   Such a provision should take into account the escapees who left Hungary before October 23, 1956, and the meritorious cases of those from other Eastern European countries who can not be resettled in the United States because of the termination of the Refugee Relief Program and the lack of any other legislative authority for their admittance.

   c. I strongly urge the enactment of the amendments to the Immigration and Nationality Act proposed by the President to the Eighty-fourth Congress. Such amendments would provide adequate flexibility in our immigration policy to meet more fully our world responsibilities. For example, it would permit consideration for certain escapees from Communism other than those in Eastern Europe, including Chinese Nationalists who have had to flee from the Communist Government in their country.

4. It has been suggested that no change in the law is needed and that the whole problem of refugees from Communist countries can be handled adequately under the parole provisions of the present Act.

While the Attorney General has interpreted the parole provisions so as to cover the 15,000 Hungarian refugees who have been admitted up to this
time, and while I believe that the applications of additional Hungarian refugees should be processed under that provision between now and the time the Congress has an opportunity to consider amendments to the Act, the circumstances and the limits under which this provision should be applied in the future should be spelled out by the Congress.

As the Attorney General has stated, neither he nor any other administrative official should have unlimited authority to admit aliens to the United States on a parole basis. It is obvious that such power, if arbitrarily used, could completely circumvent the basic purposes and objectives of the Immigration Law.

Economic Assistance by the United States

Our governmental aid for care and maintenance of Hungarian refugees has been partially directed through the United Nations. We should continue our participation with the other free nations in this United Nations effort in order to secure the most effective combination of our resources. But it will be necessary, also, to deal directly with the Austrian government and relief agencies on various aid matters, particularly those involving expenditures affecting the Austrian economy.

In connection with economic assistance to Austria, it should be pointed out that the cost to the Austrian government has been considerable up to this time. Austria is a relatively small country of approximately seven million people. It has a housing shortage. Its economic recovery, though remarkable, was impeded by the long occupation of the country, ended only last year. Its budgetary capabilities are already strained. A substantial refugee program was present in Austria prior to this new influx from Hungary and most facilities were already overflowing. It cost approximately one dollar a day to feed each refugee and in addition substantial amounts must be found to improve or renovate existing buildings, to provide internal transportation, furniture, medical care, and related costs.

The refugees arrive destitute with no possessions but the clothes on their backs and they require some additional clothing and the basic amenities needed for living. Although much financial aid has come from the charitable organizations, particularly the Red Cross Societies, and much more will be given through their help, the fact remains that the residual financial burden falls on the Austrian government. This will in turn require the help of other governments, including our own.

The League of Red Cross Societies, of which the American Red Cross is a member, has assumed responsibility for care and maintenance of 35,000 refugees in the larger camps in Austria. The funds which we have transmitted to the United Nations (five million dollars) have been divided between the Austrian Government and the LcKross based on their respective needs and requirements. Additional financial assistance to LcKross through the United Nations will be required and should be provided.

It is also recommended that the governmental agencies concerned continue to explore the maximum use of surplus agricultural commodities both for the food requirements of the refugees as well as for the generation of counterpart funds which might be used for some of the cash requirements for the relief program.

Most of the cash contributions from our government have up to now been made from the Emergencies Fund provided in Section 401 of the Mutual Security Act. Current estimates are that presently appropriated funds will be adequate to provide for foreseeable costs of the Hungarian Relief Program for this fiscal year—until July 1, 1957.

The United States voluntary agencies may in this emergency period need limited governmental financial aid to assist them in the resettlement program in this country. This assistance would not ordinarily be required, but the sudden influx of Hungarian refugees has in the case of certain agencies placed particularly severe demands on their financial resources which they are unable to meet through the voluntary contributions available to them. To the extent that private contributions are not available there is no alternative but to provide support through government funds.

Coordination of the activities of the voluntary agencies and the Federal Government concerned with refugee resettlement in the United States should continue to be the responsibility of the President’s Committee on Hungarian Refugee Relief. The Committee, under the able direction of Mr. Tracy Voorhees, has done an admirable job.\(^5\)

\(^5\) For a list of the full committee, see ibid., Dec. 24—31, 1956, p. 980.
General Comments

This report is not intended to cover all phases of the refugee problem. A more detailed report has already been submitted orally to the President and additional data on economic assistance will be submitted by Mr. Hollister.

After a thorough examination of the placement procedures at the Kilmer Reception Center, I am convinced that there is no question but that the American economy can easily and profitably assimilate into our economy the refugees from Hungary who are entering the United States. (See Appendix 3)

This report would not be complete without paying tribute to the work of the voluntary agencies who have provided an inspiring example in the best American tradition of extra-governmental charity in welfare work. They moved in quickly when the refugees first began leaving Hungary. They provided food, clothing and care in the first chaotic days. They are processing the refugees for their movement out of Austria and it is to them that we look for the successful resettlement of Hungarian as well as other Iron Curtain refugees in the United States and other countries. They deserve the continued generous financial support of the American people.

I should also like to pay tribute to the American governmental officials who have worked willingly and ably night and day during these last two months. Our Ambassador to Austria and his staff, and the staffs of the Immigration and Naturalization Service, the Public Health Service, and the Department of Labor have all done a superb job. The contribution of the United States Armed Forces in instituting and running the air and sea lifts has been in the best traditions of their respective services. I saw no more striking example of the generous spirit of America than the activities of the wives of Armed Forces personnel who arranged to provide special care for refugees at the various installations through which the refugees passed on their way to the United States.

Another example is the soup kitchen run by the wives of American governmental personnel in Vienna where three to four thousand refugees are fed daily. These are only examples of similar activities at the various installations where American personnel are assigned to this problem.

In conclusion, it is essential that in our necessary and understandable concern over the immediate problem of providing for the needs of refugees we not lose sight of the historical significance of this mass migration of people from an area of slavery to an area of freedom. The Communist leaders thought they were building a new order in Hungary. Instead they erected a monument which will stand forever in history as proof of the ultimate failure of International Communism. Those people, both inside and outside of Hungary, who had the courage to expose by their actions this evil ideology for what it is deserve all the gratitude and support which we in the Free World are so willingly giving today.

Appendix 1

Status Report of Hungarian Refugee Situation, Austria
(as of 31 December 1956, 0700 Hours)

<table>
<thead>
<tr>
<th>Country</th>
<th>Quota</th>
<th>Cumulative total moved</th>
</tr>
</thead>
<tbody>
<tr>
<td>Switzerland</td>
<td>2,000</td>
<td>10,300</td>
</tr>
<tr>
<td>Germany</td>
<td>13,552</td>
<td>10,934</td>
</tr>
<tr>
<td>Holland</td>
<td>3,000</td>
<td>2,920</td>
</tr>
<tr>
<td>France</td>
<td>Unlimited</td>
<td>8,395</td>
</tr>
<tr>
<td>Sweden</td>
<td>4,000</td>
<td>3,993</td>
</tr>
<tr>
<td>United Kingdom</td>
<td>Unlimited</td>
<td>12,866</td>
</tr>
<tr>
<td>Australia</td>
<td>5,000</td>
<td>1,055</td>
</tr>
<tr>
<td>Canada</td>
<td>Unlimited</td>
<td>7,635</td>
</tr>
<tr>
<td>U.S.A</td>
<td>21,500</td>
<td>19,668</td>
</tr>
<tr>
<td>Belgium</td>
<td>3,000</td>
<td>3,019</td>
</tr>
<tr>
<td>New Zealand</td>
<td>1,000</td>
<td>66</td>
</tr>
<tr>
<td>Ireland</td>
<td>1,000</td>
<td>530</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>200</td>
<td>189</td>
</tr>
<tr>
<td>Italy</td>
<td>4,000</td>
<td>3,451</td>
</tr>
<tr>
<td>Spain</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Denmark</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Brazil</td>
<td>3,000</td>
<td>3,000</td>
</tr>
<tr>
<td>Colombia</td>
<td>1,000</td>
<td>1,000</td>
</tr>
<tr>
<td>Chile</td>
<td>1,000</td>
<td>47</td>
</tr>
<tr>
<td>South Africa</td>
<td>500</td>
<td>148</td>
</tr>
<tr>
<td>Norway</td>
<td>1,000</td>
<td>528</td>
</tr>
<tr>
<td>Argentina</td>
<td>2,000</td>
<td>20</td>
</tr>
<tr>
<td>Iceland</td>
<td>50</td>
<td>52</td>
</tr>
<tr>
<td>Israel</td>
<td>750</td>
<td>750</td>
</tr>
</tbody>
</table>

1 Arrivals in Austria. Daily average by weeks for December.

<table>
<thead>
<tr>
<th>Number per day</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>1st week</td>
<td>2,532</td>
</tr>
<tr>
<td>2nd week</td>
<td>1,724</td>
</tr>
<tr>
<td>3rd week</td>
<td>1,185</td>
</tr>
<tr>
<td>4th week</td>
<td>866</td>
</tr>
<tr>
<td>Last 3 days</td>
<td>714</td>
</tr>
</tbody>
</table>

2 6,000 on a temporary basis.

3 2,000 on a temporary basis.

United States Department of Justice
Immigration and Naturalization Service
Appendix 2

Recent Hungarian Refugees and Parolees Admitted to the United States by Major Occupation Group

(received and processed in Central Office through December 28, 1956)

<table>
<thead>
<tr>
<th>Occupation group</th>
<th>Number</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
<td>9,253</td>
</tr>
<tr>
<td>Professional, technical, and kindred workers</td>
<td>1,060</td>
</tr>
<tr>
<td>Farmers and farm managers</td>
<td>112</td>
</tr>
<tr>
<td>Managers, officials, and proprietors, except farm</td>
<td>121</td>
</tr>
<tr>
<td>Clerical and kindred workers</td>
<td>557</td>
</tr>
<tr>
<td>Sales workers</td>
<td>100</td>
</tr>
<tr>
<td>Craftsmen, foremen, and kindred workers</td>
<td>963</td>
</tr>
<tr>
<td>Operatives and kindred workers</td>
<td>1,538</td>
</tr>
<tr>
<td>Private household workers</td>
<td>65</td>
</tr>
<tr>
<td>Service workers, except private household</td>
<td>241</td>
</tr>
<tr>
<td>Farm laborers</td>
<td>99</td>
</tr>
<tr>
<td>Laborers, except farm and mine</td>
<td>435</td>
</tr>
<tr>
<td>No occupation</td>
<td>2,959</td>
</tr>
<tr>
<td>Housewives</td>
<td>746</td>
</tr>
<tr>
<td>Retired</td>
<td>6</td>
</tr>
<tr>
<td>Students</td>
<td>602</td>
</tr>
<tr>
<td>Children under 14 years of age</td>
<td>1,565</td>
</tr>
<tr>
<td>Not reported</td>
<td>40</td>
</tr>
</tbody>
</table>

United States Department of Justice
Immigration and Naturalization Service

Appendix 3

Kilmer Refugee Status Summary

(as of December 30, 1956)

<table>
<thead>
<tr>
<th>Month</th>
<th># of planes arrived</th>
<th># of refugees arrived</th>
<th># of refugees departed</th>
<th>Total planes arrived</th>
<th>Total refugees received</th>
<th>Total refugees departed</th>
<th>Total refugees on hand</th>
</tr>
</thead>
<tbody>
<tr>
<td>Date</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>1 Saturday</td>
<td>2</td>
<td>159</td>
<td>90</td>
<td>13</td>
<td>165</td>
<td>585</td>
<td>33</td>
</tr>
<tr>
<td>2 Sunday</td>
<td>0</td>
<td>0</td>
<td>90</td>
<td>13</td>
<td>95</td>
<td>613</td>
<td>315</td>
</tr>
<tr>
<td>3 Monday</td>
<td>2</td>
<td>143</td>
<td>57</td>
<td>15</td>
<td>158</td>
<td>730</td>
<td>329</td>
</tr>
<tr>
<td>4 Tuesday</td>
<td>3</td>
<td>211</td>
<td>108</td>
<td>18</td>
<td>129</td>
<td>838</td>
<td>331</td>
</tr>
<tr>
<td>5 Wednesday</td>
<td>3</td>
<td>218</td>
<td>156</td>
<td>21</td>
<td>178</td>
<td>994</td>
<td>493</td>
</tr>
<tr>
<td>6 Thursday</td>
<td>4</td>
<td>277</td>
<td>62</td>
<td>25</td>
<td>174</td>
<td>1,056</td>
<td>782</td>
</tr>
<tr>
<td>7 Friday</td>
<td>4</td>
<td>290</td>
<td>97</td>
<td>29</td>
<td>269</td>
<td>1,287</td>
<td>975</td>
</tr>
<tr>
<td>8 Saturday</td>
<td>3</td>
<td>207</td>
<td>223</td>
<td>32</td>
<td>261</td>
<td>1,378</td>
<td>885</td>
</tr>
<tr>
<td>9 Sunday</td>
<td>3</td>
<td>224</td>
<td>144</td>
<td>35</td>
<td>279</td>
<td>1,452</td>
<td>965</td>
</tr>
<tr>
<td>10 Monday</td>
<td>4</td>
<td>292</td>
<td>384</td>
<td>39</td>
<td>331</td>
<td>1,904</td>
<td>873</td>
</tr>
<tr>
<td>11 Tuesday</td>
<td>5</td>
<td>339</td>
<td>161</td>
<td>44</td>
<td>383</td>
<td>2,009</td>
<td>1,071</td>
</tr>
<tr>
<td>12 Wednesday</td>
<td>8</td>
<td>494</td>
<td>163</td>
<td>52</td>
<td>720</td>
<td>2,722</td>
<td>1,402</td>
</tr>
<tr>
<td>13 Thursday</td>
<td>7</td>
<td>717</td>
<td>258</td>
<td>59</td>
<td>1,065</td>
<td>3,382</td>
<td>1,825</td>
</tr>
<tr>
<td>14 Friday</td>
<td>15</td>
<td>1,025</td>
<td>55</td>
<td>74</td>
<td>1,579</td>
<td>4,252</td>
<td>2,222</td>
</tr>
<tr>
<td>15 Saturday</td>
<td>7</td>
<td>466</td>
<td>202</td>
<td>81</td>
<td>558</td>
<td>2,724</td>
<td>2,814</td>
</tr>
<tr>
<td>16 Sunday</td>
<td>12</td>
<td>691</td>
<td>117</td>
<td>93</td>
<td>432</td>
<td>2,841</td>
<td>3,391</td>
</tr>
<tr>
<td>17 Monday</td>
<td>5</td>
<td>330</td>
<td>256</td>
<td>98</td>
<td>756</td>
<td>3,347</td>
<td>3,465</td>
</tr>
<tr>
<td>18 Tuesday</td>
<td>17</td>
<td>1,101</td>
<td>365</td>
<td>115</td>
<td>1,766</td>
<td>3,462</td>
<td>4,201</td>
</tr>
<tr>
<td>19 Wednesday</td>
<td>2</td>
<td>124</td>
<td>350</td>
<td>117</td>
<td>1,091</td>
<td>3,562</td>
<td>3,925</td>
</tr>
<tr>
<td>20 Thursday</td>
<td>6</td>
<td>416</td>
<td>519</td>
<td>123</td>
<td>940</td>
<td>3,381</td>
<td>3,892</td>
</tr>
<tr>
<td>21 Friday</td>
<td>5</td>
<td>318</td>
<td>341</td>
<td>128</td>
<td>515</td>
<td>4,724</td>
<td>3,794</td>
</tr>
<tr>
<td>22 Saturday</td>
<td>11</td>
<td>709</td>
<td>229</td>
<td>139</td>
<td>922</td>
<td>4,951</td>
<td>4,274</td>
</tr>
<tr>
<td>23 Sunday</td>
<td>12</td>
<td>740</td>
<td>169</td>
<td>151</td>
<td>965</td>
<td>4,120</td>
<td>4,845</td>
</tr>
<tr>
<td>24 Monday</td>
<td>8</td>
<td>517</td>
<td>282</td>
<td>159</td>
<td>10,482</td>
<td>3,402</td>
<td>3,050</td>
</tr>
<tr>
<td>25 Tuesday</td>
<td>22</td>
<td>1,406</td>
<td>181</td>
<td>118</td>
<td>1,725</td>
<td>5,588</td>
<td>6,590</td>
</tr>
<tr>
<td>26 Wednesday</td>
<td>9</td>
<td>597</td>
<td>316</td>
<td>160</td>
<td>1,300</td>
<td>5,894</td>
<td>6,581</td>
</tr>
<tr>
<td>27 Thursday</td>
<td>13</td>
<td>870</td>
<td>823</td>
<td>203</td>
<td>13,355</td>
<td>6,727</td>
<td>6,628</td>
</tr>
<tr>
<td>28 Friday</td>
<td>9</td>
<td>596</td>
<td>575</td>
<td>212</td>
<td>13,915</td>
<td>7,302</td>
<td>6,649</td>
</tr>
<tr>
<td>29 Saturday</td>
<td>8</td>
<td>473</td>
<td>542</td>
<td>220</td>
<td>14,424</td>
<td>7,844</td>
<td>6,580</td>
</tr>
<tr>
<td>30 Sunday</td>
<td>7</td>
<td>491</td>
<td>445</td>
<td>227</td>
<td>14,915</td>
<td>8,280</td>
<td>6,626</td>
</tr>
</tbody>
</table>

January 21, 1957
U.S.-Icelandic Defense Negotiations

DEPARTMENT ANNOUNCEMENT

The Department of State announced on December 6 (press release 610) that the Governments of the United States and of Iceland have agreed that recent developments in world affairs and the continuing threat to the security of Iceland and the North Atlantic community call for the presence of defense forces in Iceland under the United States-Iceland Defense Agreement of May 5, 1951, and therefore that the discussions requested by the Government of Iceland concerning the revision of the agreement and the withdrawal of the defense force should be discontinued.1

It has also been decided to set up a group for high-level consultation between the two Governments on matters affecting defense arrangements. In this manner it is hoped that future problems can be reviewed and disposed of as they develop and that the need for formal negotiations under article VII of the agreement can be avoided.

The North Atlantic Council has been informed of the foregoing and has welcomed the arrangements which have been reached.

These agreements are embodied in two exchanges of notes in Reykjavik on December 6 between U.S. Ambassador John J. Muccio and the Icelandic Minister of Foreign Affairs, Gunmundur I. Gundmundsson. The substantive parts of the two exchanges read as follows.

AGREEMENT ON DEFENSE NEGOTIATIONS

Recognizing the traditional principles expressed by the Government of Iceland upon its adherence to the North Atlantic Treaty Organization relating to the stationing of forces in Iceland and the fact that final decision as to the presence of the defense forces in Iceland rests with the Government of Iceland, the Governments of Iceland and the United States have held discussions concerning the revision of the Defense Agreement and the withdrawal of the defense force and have reached an understanding that the recent development of the world affairs and the continuing threat to the security of Iceland and the North Atlantic community call for the presence of defense forces in Iceland under the Defense Agreement and therefore decided:

1. That discussions concerning the revision of the Defense Agreement for the purpose of the withdrawal of the Defense Force will be discontinued until notice is given according to paragraph 2 below.

2. That the six-month period of notice provided for in Article VII of the Defense Agreement will start to run when each Government gives notice.

3. That a Standing Group will study defense needs in the light of the development of world conditions and make recommendations to the Governments how to meet these problems.

AGREEMENT SETTING UP ICELAND DEFENSE STANDING GROUP

An Iceland Defense Standing Group consisting of not more than three senior representatives of each Government will be constituted for the following purposes:

1. to consult from time to time as to the defense needs of Iceland and the North Atlantic area, to consider arrangements appropriate to meeting such needs, and, taking into account the general political and military situation, to make recommendations to the two governments;

2. to make preparations consistent with military readiness for a broader participation by Icelandic nationals in the performance of functions connected with defense insofar as qualified personnel are available, and to assure the establishment of training programs appropriate to this purpose;

3. to endeavor to resolve general problems of policy with regard to the relations between the Icelandic people and the Defense Force.

United States Loan to Iceland Will Finance Imports

The International Cooperation Administration announced on December 28 the conclusion of a $1 million loan to the Iceland Bank of Development to finance essential general imports into Iceland. The loan, which was requested in order to continue Iceland’s economic development program, is guaranteed by the Government of Iceland.

The loan, to be administered by the Export-Import Bank of Washington, will include some $400,000 in Danish kroner and Dutch guilder owned by the United States, chiefly as a result of prior years’ sales of surplus U.S. agricultural commodities to Denmark and to the Netherlands for local currencies. The balance of about $3.4 million will be in dollars.

The loan is repayable in dollars at 3 percent interest, or in either Danish kroner, Dutch guilder, or Icelandic krona at 4 percent interest. The term of the loan is for 22 years, including a 2-year grace period on principal repayments but with no grace for interest payments.

1 For background, see Bulletin of July 30, 1956, p. 192; Aug. 20, 1956, p. 306; and Oct. 15, 1956, p. 580.
Funds for the dollar part of the loan will be drawn from the Special Presidential Fund authorized by Congress for such use as the President determines is important to the security of the United States.

People of Eniwetok and Bikini Compensated for Leaving Homes

The Office of the High Commissioner of the Trust Territory of the Pacific Islands at Guam announced on November 25 that the people of Eniwetok and Bikini have been compensated for moving from their home islands in order to facilitate the atomic experiments of the United States in the Western Pacific.\(^1\) The announcement stated that formal settlement had been made with the former residents of Bikini and Eniwetok, now living at Kili and Ujelang respectively, whereby they are being provided with trust funds and cash amounting in all to half a million dollars, and other considerations in addition. The settlement marks the satisfactory culmination of U.S. efforts to provide adequate compensation for the people who left their familiar habitat for new homes on other islands, in order to provide a testing ground for atomic power.

Terms of the trust agreement amount to $300,000 for the Bikinians now located at Kili and $150,000 for the people of Eniwetok now living at Ujelang. Also, both groups have been given land-use rights to their present island homes, plus an additional $25,000 already delivered in cash to each group, and other considerations. In return, the United States is given land-use rights to Bikini and Eniwetok.

The additional considerations include land-use rights to certain small islands adjacent to their present home in the case of the Kilians, and also a 50-foot boat which they will use in transporting passengers and copra, the dried meat of the coconut, between Kili Island and nearby Jaluit Atoll.

The High Commissioner, Delmas H. Nucker, reported that he had conferred personally with both the former Bikinians and the people of Eniwetok and that, in compliance with the wishes of each group, the Trust Territory Government has agreed to establish the respective trust funds, make the additional payments in cash, and give other considerations. Word that all contracts carrying out the terms of these agreements had been formally signed by the people of Ujelang and Kili, and the initial cash payments delivered, was received at the High Commissioner's office at Guam by dispatch from the Marshall Islands, where a representative of the Trust Territory Government had signed the papers on behalf of the Trust Territory Administration.

The Trust Territory Administration for almost 10 years has been assisting the former Bikini and Eniwetok residents to become established in their new islands. During this period a subsistence and education program has been carried on to insure their welfare and well-being.

"It is gratifying to be able to report that the people of Kili and Ujelang were in total accord with the terms of settlement," the High Commissioner stated following his return from discussions with the relocated families. "Their satisfaction was demonstrated to me during our recent conferences, both of which closed on assurances of complete satisfaction."

The payments for land use by the United States were a subject of discussion at the annual U.N. Trusteeship Council hearings on trust territory affairs in June 1956. The amicable settlement of these Bikini and Eniwetok claims by mutual assent of all parties gives material proof of the United States' fulfillment of its obligations in connection with the Marshall Islands experiments. It also marks a step forward in trust territory administration.

World Bank Loans for Steel Production in Japan and India

**LOAN TO JAPAN**

The World Bank on December 19 announced a loan of $20 million to finance part of the cost of constructing a modern strip mill at the Kawasaki Steel Corporation's plant near Tokyo. The loan was made to the Japan Development Bank, a government agency which supplies long-term credit for industrial development in Japan and acts as

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an instrument for governmental guaranty of private borrowing abroad. The Development Bank will lend the proceeds of the loan to the privately owned Kawasaki Corporation.

The First National City Bank of New York is participating in the loan, without the World Bank's guaranty, to the extent of $1,252,000, representing the first two maturities falling due in May and November 1960.

The rapid industrial growth that Japan is now experiencing has created a shortage of iron and steel, and increased output of these products is essential to meet domestic demand. Furthermore, the steel industry supplies materials for exported products such as machinery and transportation equipment, which are an important factor in Japan's foreign exchange earnings.

Kawasaki, formerly a division of the Kawasaki Dockyard Company, has been producing steel since 1918. It is now one of the largest steel producers in Japan. Until recently it had no blast furnaces and its steel production was based almost entirely on purchased scrap; its principal products were ship plate and steel sheet. In 1950 it became a separate company and undertook iron-making and the expansion of its steel works to enable it to become a fully integrated producer. Space for such expansion was not available at its main works in Kobe, and the company decided to locate its new plant at Chiba on Tokyo Bay, where it would have ready access to the country's principal industrial area.

The first stage of construction at Chiba was completed in 1954; it consisted of a blast furnace, open hearth furnaces, and a high-capacity slabbing mill. The second stage, now to be undertaken with the assistance of the bank loan, will be the construction at Chiba of finishing facilities, consisting of semicontinuous hot and cold strip mills.

LOAN TO INDIA

The World Bank on December 20 announced a loan equivalent to $20 million in various currencies for the expansion of steel production in India. The loan was made to the Indian Iron and Steel Company, Ltd. (Isco), a privately owned Indian company whose steel works are situated at Burnpur in West Bengal. The loan will help to finance additional rolling capacity so that Isco will be able to increase its output of semifinished and finished steel to 800,000 tons annually. Isco is India's second largest steel producer, and the output of its plant accounts for about a third of India's present steel production.

The emphasis in India's second Five-Year Plan is on the expansion of industry and transport, and the development of iron and steel production is the outstanding feature of the industrial program. India is in a particularly good position to produce steel. An abundance of conveniently located raw material—iron ore, coal, manganese, and limestone—and a plentiful supply of labor enable it to produce steel at costs as low as any in the world.

The bank has now lent a total equivalent to $126.5 million to increase iron and steel production in India. This is the second loan to Isco; the first, $31.5 million, was made in December 1952. The other steel loan, $75 million, was made to the Tata Iron and Steel Company, Ltd., in June 1956. The loans are assisting in expansion programs which will enable the two private companies to produce 2.3 million tons of finished steel annually. In addition the Government is building three plants which will have a total production of 2.2 million tons annually. The combined output of the two companies and the Government plants is the target for Indian steel production to be achieved by 1961 under the second Five-Year Plan.

Surplus Commodity Agreement Signed With Brazil

Press release 640 dated December 31

The United States and Brazil on December 31 signed an agreement authorizing the sale to Brazil through private U.S. traders of wheat, edible oils, lard, and dairy products to a total value of $138,700,000, including ocean freight. These sales are being made under authority and provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended. The agreement was signed in the office of Secretary of Agriculture Ezra T. Benson by Ernanio do Amaral Peixoto, Brazilian Ambassador to the United States, and by Acting Deputy Under Secretary of State for Economic Affairs Thorsten V. Kalijarvi.

The agreement provides that payment for the commodities under the sales program will be made in Brazilian currency. A part of the currency accruing will be earmarked for loans designed to

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contribute to Brazil's economic development and will be payable in dollars or Brazilian currency under the terms of a supplemental loan agreement. The balance will be reserved for the use of the United States in Brazil.

Support for Bolivian Economic Stabilization Program

ICA ANNOUNCEMENT

The International Cooperation Administration announced on December 14 that, in its bilateral program with Bolivia, ICA is making available $10 million to assist in the Bolivian Government's stabilization program. Further support for this program is being provided by means of a standby arrangement of $7.5 million with the International Monetary Fund and an exchange agreement for $7.5 million with the United States Treasury.

Monetary stabilization is part of a long-range program for bringing about a balance in Bolivia's overall economic position. The program has been prepared by the Bolivian National Monetary Stabilization Council, headed by Bolivia's President, Hernan Siles Zuazo, aided by three U.S. financial advisers and in consultation with a recent International Monetary Fund mission to Bolivia.

In view of the gravity of the present economic situation, the Bolivian Government has undertaken a comprehensive economic stabilization program, including a fundamental reform of the exchange system as well as comprehensive internal stabilization measures. Bolivia will institute sources of new revenue through increased taxes and will put into effect a tariff reform and a reduction of the expenditures of the Government and autonomous agencies.

TREASURY DEPARTMENT ANNOUNCEMENT

The Treasury Department announced on December 14 that Under Secretary of the Treasury W. Randolph Burgess, the Bolivian Ambassador, Victor Andrade, and the President of the Central Bank of Bolivia, Franklin Antezana Paz, have signed an exchange agreement designed to support a comprehensive Bolivian program for abolishing trade and exchange controls and attaining increased economic stability.

The Bolivian Government proposes to introduce a free exchange market in which the value of its currency unit, the boliviano, will be determined by basic supply and demand forces; it proposes to discontinue all foreign-exchange and import controls. The Bolivian authorities will operate a stabilization fund to minimize exchange rate fluctuations arising from temporary or erratic influences but not to resist fundamental changes dictated by market forces.

The Bolivian Government has announced supporting domestic measures including increased taxes, strict control of bank credit, and reduction of expenditures by the Government and governmental agencies.

In connection with these economic reforms the Bolivian authorities have entered into a standby arrangement with the International Monetary Fund. Further important support for the Bolivian stabilization effort will be provided by the International Cooperation Administration, which has arranged to allocate a specific portion of U.S. aid to Bolivia for direct support of the Bolivian stabilization effort.

The Treasury Exchange Agreement supplements these arrangements. It provides that the Bolivian authorities may request the U.S. Exchange Stabilization Fund to purchase bolivianos up to an amount equivalent to $7.5 million, should the occasion for such purchase arise. Bolivia would subsequently repurchase for dollars any bolivianos so acquired by the Treasury.

MONETARY FUND ANNOUNCEMENT

The International Monetary Fund announced on December 14 that the Government of Bolivia has consulted the fund regarding a comprehensive economic stabilization program which is being put into effect on December 15, 1956.

It provides for a fundamental reform of the exchange system and procedures for exchange stabilization. Major adjustments will be made in the fields of taxes, tariffs, Government expenditures, wages, and social security. Price controls will be removed and measures will be adopted to eliminate the deficits of the principal Government-owned enterprises.

Bolivia’s new exchange system will be based on

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a unified, fluctuating exchange rate, in place of the complex multiple rates that previously existed. Trade and exchange restrictions are being removed. The Central Bank of Bolivia intends to permit the boliviano to find an appropriate level in a free market as quickly as possible. The Bolivian authorities intend to intervene in the market whenever necessary to avoid excessive variations arising from temporary factors.

To support Bolivia's stabilization efforts the fund has agreed to a 1-year standby arrangement under which Bolivia may purchase foreign currencies from the fund equivalent to U.S.$7.5 million. The fund is informed that Bolivia has also concluded an exchange agreement for $7.5 million with the United States Treasury and an arrangement with the International Cooperation Administration of the United States which makes available $10 million for the same purpose.

The fund expects to remain in close touch with the Bolivian authorities during the period of its standby agreement.

Eximbank Loan to Nicaragua for Inter-American Highway

A loan of $2 million to assist Nicaragua in completing its section of the Inter-American Highway in cooperation with the U.S. Bureau of Public Roads was announced on December 27 by Lynn U. Stambaugh, first vice president of the Export-Import Bank.

The loan will aid Nicaragua in building 107 miles of the Inter-American Highway across that country from Honduras to Costa Rica. The highway will extend 1,590 miles from the Texas border through Central American countries to Panama City. The Central American portion is being built by U.S. grants for two-thirds of the cost, each country paying one-third of the total.

Eximbank authorized a $9.5 million loan to Costa Rica in 1955 to complete the Inter-American Highway across that country by 1958. The Nicaraguan project will be completed about July 1959, barring contingencies.

At the present time 135 miles of the highway have been built in Nicaragua, from Sebaco, 65 miles northeast of Managua, to Rivas, 70 miles southeast of Managua. This section of the highway also was assisted by a $2 million Eximbank loan, made in 1951, which has been repaid.

The new project calls for construction and completion of 83 miles of highway between Sebaco and El Espino on the Honduran border and 22 miles of highway between Rivas and Penas Blancas on the Costa Rican border.

Improvement of the section of the highway from Sebaco to El Espino is expected to stimulate the marketing of high-altitude coffee and to some extent lumbering, as well as to encourage through commercial traffic from Honduras. Improvement at the southern end of the highway, between Rivas and Penas Blancas, is expected to develop and expedite traffic between the port of San Juan del Sur and the Managua area, assist the development of cattle ranching in this section of Nicaragua, and facilitate through traffic to Costa Rica.

For both these sections, permanent surfacing of the road is expected to alleviate substantially maintenance problems of the present gravel road, which is badly damaged by the pounding taken during the rainy season from November through May.

Nicaragua's economy has achieved a satisfactory position during the last 6 years. A combination of favorable export prices for coffee and other goods and of sounder economic policies has resulted in substantial development of the country accompanied by a relatively stable internal and external financial position. Increases in internal investment have been mostly in the private sector of the economy, assisted by government credits to enable expanded investment in agriculture.

Total cost of completing the Inter-American Highway in Nicaragua is estimated at $8.5 million and will be met as follows:

<table>
<thead>
<tr>
<th>Description</th>
<th>Amount</th>
</tr>
</thead>
<tbody>
<tr>
<td>U.S. grant</td>
<td>$5.7 million</td>
</tr>
<tr>
<td>Nicaragua's share</td>
<td>2.8 &quot;</td>
</tr>
<tr>
<td>Eximbank loan</td>
<td>2.0 &quot;</td>
</tr>
<tr>
<td>Provided by Nicaragua</td>
<td>0.8 &quot;</td>
</tr>
</tbody>
</table>

Existing administrative arrangements provide that the Government of Nicaragua will disburse loan funds under the supervision and fiscal control of the U.S. Bureau of Public Roads for construction, engineering, and incidental expenses required for the project.

The loan will be repaid in semiannual installments over a 15-year period, commencing not later than August 1, 1959.
President Postpones Action on Tariff on Cotton Velveteen
White House press release dated December 21

The President on December 21 informed the chairmen of the Senate Finance and House Ways and Means Committees that he was extending the period of his consideration of the escape-clause case relating to the tariff on imports of cotton velveteen fabrics.

In its report on this case, dated October 24, 1956, the U.S. Tariff Commission recommended an increase in the duty on such imports. In identical letters to the chairmen of the two committees, the President said, "The Tariff Commission’s report is under intensive consideration in the Executive Branch. Because of the nature of the issues involved, however, it is now apparent that these studies will require more time than is usually necessary in these matters." The President said he was extending the period of his consideration “somewhat beyond the customary sixty-day period which in this case expires December 24, 1956.”

President’s Letter to Chairmen of Congressional Committees

DECEMBER 21, 1956

DEAR MR. CHAIRMAN: On October 24, 1956, the United States Tariff Commission, pursuant to Section 7 of the Trade Agreements Extension Act of 1951, as amended, submitted to me a report of its findings and recommendations with respect to imports of cotton velveteen fabrics.

The Tariff Commission’s report is under intensive consideration in the Executive Branch. Because of the nature of the issues involved, however, it is now apparent that these studies will require more time than is usually necessary in these matters.

I am, therefore, extending the period of my consideration of the Tariff Commission’s report somewhat beyond the customary sixty-day period which in this case expires December 24, 1956. This letter is to notify you, in conformance with the provisions of the law, why I shall not take action within that period.

Sincerely,

Dwight D. Eisenhower

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1 Addressed to Harry Flood Byrd, chairman of the Senate Committee on Finance, and Jere Cooper, chairman of the House Ways and Means Committee.

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U.S. To Advance Funds for Clearing Suez Canal
U.S./U.N. press release 2575 dated January 3

Following is the text of a note sent on January 2 by the Representative of the United States of America to the Secretary-General of the United Nations dealing with the question of advancing funds to defray the expenses of Suez Canal clearance.

The Representative of the United States of America to the United Nations presents his compliments to the Secretary General of the United Nations, and has the honor to refer to his note dated December 25, 1956, regarding advances of funds to defray the expense of initial work in clearing the Suez Canal.

The Government of the United States is deeply interested in the reopening of the Canal as a matter of urgency in order to contribute to the preservation of peace, the strengthening of the economies of Members of the United Nations, and the free flow of international commerce.

The Government of the United States is prepared to advance, in accordance with terms and arrangements to be worked out with the Secretary General, funds up to the amount of five million dollars in response to the Secretary General’s appeal for advances to assure the payment of expenses involved in the initial work of clearing the Canal. It is the understanding of the Government of the United States that the Secretary General is seeking to obtain a maximum of advances on the same basis from the Governments of other United Nations Members, and that the Government of Egypt has given its assurance that the United Nations will have the full cooperation of that Government in the execution of its part in the Canal clearing operations.

1 Not printed.
2 On Jan. 8 the United States advanced $5 million for this purpose, to be transferred to the International Bank for Reconstruction and Development as fiscal agent of the United Nations (U.S./U.N. press release 2578).
The Government of the United States has noted the offer from the Secretary General to provide further information concerning the matter of advance of funds, and will wish to confer with the Secretary General on the terms and arrangements to be made regarding an advance by the United States.

**Treatment of Minorities in Egypt**

*Statement by James J. Wadsworth U.S. Representative to the General Assembly*

The United States has received information concerning the treatment of certain nationals and stateless persons in Egypt which occasions concern. It has not yet been possible to evaluate this information fully. Nor has it been possible to obtain a clarification of some aspects of the situation which are still obscure.

The information which is presently available to the United States indicates that an indeterminate number of persons, including British and French nationals and persons of Jewish origin in Egypt, have been subjected to pressure and intimidation and, in some instances, have been ordered deported. While recognizing the right of any government to take measures which are necessary in the interests of its security, the United States must express its concern at any unwarranted pressures exerted against a minority. The United States Ambassador in Cairo has been requested to bring to the attention of the Government of Egypt the concern of the American people over these reports.

The United States hopes that everything possible will be done to insure that measures will not be employed which will discriminate unjustly against human beings merely because of racial or religious grounds or on the basis of foreign nationality.

Finally, Mr. President, may I suggest that the matter we are now discussing is not one which is likely to benefit from prolonged discussion here. Certainly it will not benefit from any intemperate discussion. That is why, without in any way wanting to cut off the speakers that follow me, I would suggest that we bring this phase of the discussion to an early end.

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1 Made in plenary session on Dec. 21 (U.S. delegation press release 2572).

**Assembly Approves Union of British Togoland With Gold Coast**

Following are texts of statements made by Frank C. Nash, U.S. representative to the General Assembly, during the debate in Committee IV (Trusteeship) and in plenary on the future of British Togoland, together with the Assembly's resolution on the subject.

**STATEMENT IN COMMITTEE IV**

If the recommendation of the Trusteeship Council is endorsed by the General Assembly, as we earnestly hope it will be, the action will mark the end of nearly half a century of international tutelage over the peoples of British Togoland. It will be a heretofore unprecedented action, and we must therefore be sure that the United Nations, for its part, will be acting responsibly and in accord with the principles, goals, and objectives of its charter.

We of this Committee are asked, in effect, to agree with the Administering Authority and the Trusteeship Council that it is the will and desire of the people of British Togoland that the trust agreement should be terminated in favor of integration with a soon to become independent Gold Coast. We are assured that this is the desire of the majority of the people of British Togoland by the United Nations Plebiscite Commissioner, who has informed us that the plebiscite was held in an atmosphere of freedom, impartiality, and fairness.

We have followed with close attention the very clear and effective presentations made by the various oral petitioners for their respective points of view. Let me say, first of all, that we were very favorably impressed with the ability and talent as well as the moderation and restraint shown by the petitioners, all of which augurs well for the political leadership of this part of West Africa.

After weighing the pros and cons, the United States delegation feels that the recommendation of the Trusteeship Council is the right one, and we are prepared to vote for any resolution which invites the Administering Authority to take the remaining steps necessary to give effect to the will of the Togolese people. In doing so, we are fully aware that some of the people of British Togoland would have preferred some delay and that others

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1 Made on Nov. 28 (U.S. delegation press release 2530).
would have preferred a different course of action. But we believe that this minority, for many of whose views we have sympathy and respect, will understand that democratic processes require acceptance of majority decisions and that they will yield graciously to this representative principle.

We are the more ready to support this view because we have full confidence that the Gold Coast Government, under the able and distinguished leadership of Prime Minister Nkrumah, will give every consideration to the interests and welfare of all the people of Togoland.

Mr. Chairman, in this action we are taking one of the most significant steps in the history of the United Nations. It is a step which fulfills the promise of freedom and justice which was undertaken in 1918 when the principle of international tutelage was first enunciated. Before that time, it was the practice that victors in war were entitled to annex the territorial spoils of war and that colonies would pass from one rule to another as if they were mere chattels or pawns on an international chessboard. I am proud to say that it was an American statesman, President Woodrow Wilson, who strongly enunciated the novel doctrine that, in adjusting colonial claims, "the interests of the population concerned must have equal weight with the equitable claims of the government whose title is to be determined." This principle led to the foundation of the mandates system, which later developed into the present trusteeship system. The effects of this principle of international responsibility have had repercussions far beyond the trust territories to which they had immediate application. Never again will the conscience of the free world permit the weaker peoples and smaller nations to be treated as if they were the mere tools and pawns of the more powerful.

Mr. Chairman, our decision with respect to British Togoland, taken at a time when the light of freedom is once again being smothered in certain other parts of the world, is an occasion for renewed confidence and dedication. Freedom, dignity, and equality are inalienable rights which all men are created to enjoy. The suppression of these rights anywhere is an ignoble act which has the inevitable effect of reducing, in some degree, the freedom of all men everywhere.

First of all, we of the United States delegation wish to congratulate the people of British Togoland, who have been freely granted the right to choose their destiny and have cast their lot with their independent neighbors and friends of the Gold Coast.

Secondly, we wish to pay tribute to the Administering Authority, the United Kingdom, which has proved once again that, wherever their influence and administration have extended, people have been taught to respect the principles of democratic or parliamentary government, freedom of speech and assembly, respect for minority rights, judicial procedures, and other basic concepts of self-government. The United Kingdom has discharged its trust well and fully deserves the approbation of the United Nations for a task excellently accomplished.

Next, we would like to congratulate the Government and the people of the Gold Coast—soon to be called Ghana—who have set an example of right conduct between the stronger and the less strong. Had they followed the unhappy example of some nations, they might have attempted to take coercive steps to assimilate these neighboring people in British Togoland. But instead they have fully respected the rights of their neighbors and have trusted to persuasion and example to bring about a freely chosen cooperative relationship.

Finally, we wish to pay tribute to the United Nations, without at the same time forgetting the pioneering efforts of the League of Nations, for having carried out faithfully and effectively the difficult task of international supervision over this territory for nearly half a century, for having offered advice and assistance to the Administering Authority, for having carefully examined any grievances advanced by the inhabitants of Togoland, for having sent periodic visiting missions to the territory, and, finally, for having set up the heretofore unprecedented plebiscite supervision under the competent direction of Señor Espinosa and thus paved the way for the final action which we are now about to take.

Mr. Chairman, there are many difficult problems before the United Nations, and we have grave and sufficient reasons for anxiety and discouragement. But in consummating these final steps toward the freedom and independence of the people of Togoland we have every reason to hope for the future. We believe that this event will have

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Eduardo Espinosa y Prieto of Mexico.
salutary effects throughout the whole non-self-governing world, and we hope that it will serve as an example of the orderly and peaceful way by which a formerly colonial territory can attain self-government or independence.

STATEMENT IN PLENARY SESSION

The vote which we are about to take is unique in the annals of the United Nations. We are for the first time taking the final action by which a trust territory will achieve the status of independence—in this case by a freely chosen integration with a neighboring country which is about to achieve its own independence. Although this Assembly is directly concerned only with the trust territory of British Togoland, its indirect interest and concern with the new forthcoming State of Ghana is very great. Ghana, we hope, will be one of the new members of the United Nations in the near future.

This action, Mr. President, is significant in the view of my delegation because it marks the first termination of a trusteeship agreement, one which in one form or another has existed for nearly half a century. We are thus bringing to an end a trusteeship and replacing it by independence. The role of the United Nations in this development has, in our opinion, been most significant, and in particular we wish to pay tribute to the expert work and indefatigable energy of Señor Espinosa as the agent of this United Nations in supervising the plebiscite by which the people of British Togoland freely chose to join the new State of Ghana.

The United States, Mr. President, will vote in favor of terminating the trusteeship agreement and integrating British Togoland with the new State of Ghana because this is the free choice of the people of British Togoland. This body must, in our opinion, affirm and reaffirm the right of the people in any part of the world to make such a free choice.

Unfortunately, another type of imperialism has emerged in certain areas which has had the effect of suppressing former independent societies and peoples and subjugating them to a cruel and heartless form of alien rule. We have been struggling with such a situation in these Assembly halls during the past several weeks. It is one of the strik-

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*Made on Dec. 13 (U. S. delegation press release 2555).*
We are confident, Mr. President, as I conclude these remarks, that the soon to be independent people of the new State of Ghana, including the people of British Togoland, will prove themselves to be responsible, progressive, and politically mature and thus play a major role as a strong, free, and democratic state which can be an example for the entire world.

TEXT OF RESOLUTION


The General Assembly,

Recalling that, by resolution 944 (X) of 15 December 1955, it recommended, in pursuance of Article 76 b of the Charter of the United Nations, that a plebiscite be organized and conducted in the Trust Territory of Togoland under British administration by the Administering Authority in consultation with and under the supervision of a United Nations Plebiscite Commissioner, in order to ascertain the wishes of its inhabitants in regard to the union of their Territory with an independent Gold Coast or otherwise,

Having received the report of the United Nations Plebiscite Commissioner on the organization, conduct and results of the plebiscite and having noted, in particular, the conclusion contained in the report that the plebiscite was held in an atmosphere of freedom, impartiality and fairness,

Having also received the report of the United Kingdom Plebiscite Administrator,

Noting that the majority of the inhabitants of the Trust Territory participating in the plebiscite have expressed themselves in favour of the union of the Territory with an independent Gold Coast,

Noting also the recommendation of the Trusteeship Council in its resolution 1436 (XVIII) of 31 July 1956 that appropriate steps be taken, in consultation with the Administering Authority, for the termination of the Trusteeship Agreement for the Territory to become effective upon the attainment of independence by the Gold Coast,

Having been informed by the Administering Authority that it is the intention of the United Kingdom Government that the Gold Coast shall become independent on 6 March 1957,

1. Expresses its approval of the union of the Territory of Togoland under British administration with an independent Gold Coast and accordingly invites the Administering Authority to take such steps as are necessary to this end;

2. Resolves, with the agreement of the Administering Authority, that, on the date on which the Gold Coast becomes independent and the union with it of the Territory of Togoland under British administration takes place, the Trusteeship Agreement approved by the General Assembly in its resolution 63 (1) of 13 December 1946 shall cease to be in force, the objectives of trusteeship having been attained;

3. Requests the Government of the United Kingdom of Great Britain and Northern Ireland to notify the Secretary-General as soon as the union of the Territory of Togoland under British administration with an independent Gold Coast has been effected;

4. Requests the Secretary-General to communicate to all Members of the United Nations and to the Trusteeship Council at its nineteenth session the notification by the Government of the United Kingdom referred to in paragraph 3 above.

U.S. Delegations to International Conferences

ICEM Executive Committee

The Department of State announced on January 4 (press release 4) that Scott McLeeod, Administrator of the Bureau of Security and Consular Affairs, will represent the United States at a special meeting of the Executive Committee of the Intergovernmental Committee for European Migration (ICEM) to be held at Geneva, Switzerland, beginning on January 14, 1957. The meeting, called to consider the problems of moving Hungarian refugees in 1957, will follow a meeting of the five-nation working group of Australia, Brazil, Italy, Netherlands, and the United States which has been called for January 8 to consider the financing of refugee movements.

With funds supplied by 27 member governments, ICEM in 1956 organized the transportation of over 80,000 Hungarian refugees from Austria and will continue this service in 1957.

Mr. McLeeod will be accompanied by George L. Warren, Adviser on Refugees, Department of State.

On the initiative of the United States, ICEM was established in 1951 to help relocate Europe's surplus manpower and refugees. The principal places of relocation providing new homelands and jobs are in Australia, Canada, Latin America, and the United States.
Allowances for American Overseas Personnel

by Joseph W. Lethco

Each American company having personnel on duty in foreign areas has its own personnel policy, and any nonsalary benefits provided for those employees must fit the pattern established in the overall personnel operation. It would be presumptuous of me to expect that my remarks in this meeting will provide, or lead to, solution of a specific type of problem for all companies represented or a general solution to all allowance problems of one company.

What I should like to do is to discuss some of the allowances available to employees of the Department of State assigned to foreign areas and the reasons why each allowance is necessary. Time is too limited to permit any discussion of general personnel policies or some of the fringe, nonallowance benefits that may be available. The allowances to be explained are available to employees of other United States Government agencies, with a few exceptions.

To understand the concept and administration of the various allowances it is necessary to bear in mind the group of employees eligible to receive them. In addition to being an employee of the United States Government, the recipient of an allowance must be an American citizen and a civilian, and must be stationed in a foreign area. At present there are about 30,000 such employees. Excluded are employees of American contractors on Government jobs, alien employees, the Government employees in United States territories and possessions, and military personnel (who, of course, have a separate allowance system).

Another fact fundamental to our allowance system is that an employee’s salary while on foreign duty is the same as in the United States. There is no increase in salary provided for the man going overseas and, conversely, no reduction on return to the United States. Most of the allowances provided are for the purpose of offsetting costs incident to the overseas assignment.

Another important factor is the mobility of Government service in foreign areas. The result of frequent moving is additional expense to the Government and to the employee.

For the purposes of this discussion, Government allowances may be grouped into three categories:

(1) those necessary to cover costs of moving the employee and his family from one post of assignment to another;
(2) those payments needed to cover job-connected expenses; and
(3) allowances related to the post of assignment.

Costs of Changing Posts

The move from one post to another forces certain indirect costs on the employee, but the Government assumes most of the direct expenses. The transportation of the employee and his family are paid, and in lieu of actual expenses for subsistence a fixed rate of per diem is paid to the employee for himself and each member of his family. Travel per diem stops upon arrival at the post of assignment.

The employee’s effects are packed and shipped at Government expense within certain weight

1 Address made before the National Foreign Trade Convention at New York, N.Y., on Nov. 26. Mr. Lethco is Assistant Chief, Allowances Division, Office of Personnel.
limits, the maximum varying from 4,000 pounds gross for the low-paid employee having no family to 18,000 pounds for the high-salaried employee with family. If an employee cannot use his effects at the new post—for example, if he is to occupy Government-owned and -furnished quarters—the unused effects may be stored in lieu of shipment. There is provision also, for storing of effects in an emergency, such as civil disturbances, acts of nature, and so on, and for a maximum of 3 months at a new post while the employee is locating a place to live.

Some of the more or less indirect costs incurred by an employee in the course of a transfer are not offset by the transportation, shipping, and storage provisions. In a change of residence there will be the cost of changing certain pieces of furniture that do not fit the new house or apartment, the insurance on goods shipped (the Government does not insure them against damage or loss), and many other minor expenses. If the old post and the new are in different climates, a partial change of wardrobe may be necessary. The Department offsets part of these indirect costs through payment of a transfer allowance varying in amounts from $100 paid to the single employee transferring between posts in the same climatic zone to $400 for the employee with wife and children who moves into a different climatic zone. The transfer allowance is payable on transfer to Washington from a foreign post. In all cases, it is a one-time, lump-sum payment.

Job-Related Costs

There are two payments available to the employee for expenses directly related to his assignment: the representation allowance and the official residence allotment. I will touch very briefly on those because they are not of primary interest to this group. The representation allowance is to defray costs of official entertaining, purchase of suitable tokens for presentation on appropriate occasions, et cetera. In short, it is to reimburse employees for necessary expenses incurred in promoting the interests of the United States and is limited to funds appropriated specifically for representation purposes.

The chief of mission, his deputy, and occasionally other high-ranking representatives of the United States at a foreign post must maintain residences suitable to their official stations and thereby incur costs beyond what they would have in another capacity at the post. The additional costs may be repaid to them by the Department from the Official Residence Expenses allotment.

Allowances Based on Post of Assignment

Let us now turn to the benefits needed for the employee because of the post to which he is assigned. The first of these, known as the hardship differential, is not related to cost but to environmental conditions and can be covered very briefly.

The hardship differential is additional salary paid to employees assigned to posts involving extraordinarily difficult living conditions, excessive physical hardship, or notably unhealthful conditions. These payments are based upon living conditions, not on living costs. Examples of difficult living conditions might be a local population that is extremely anti-American, or lack of recreational facilities or places of interest. Physical hardship might result from wholly inadequate housing, extremely hot or cold climate or excessive humidity, limited variety of foods available, or no running water and electricity. Notably unhealthful conditions are self-explanatory.

Hardship must exist to a relatively high degree at a post before a differential is payable; less than one-third of the posts now established carry a differential payment for the employee. Employees are expected to overlook considerable hardship as part of the self-sacrifice necessarily involved in overseas service. The rates of additional payment are 10, 15, 20, or 25 percent of base pay, the latter being the legal limit. This compensation for service at a hardship post may appear, at first glance, to be added money in the bank. However, experience has shown that the additional money is spent to help offset the conditions at the post or to take frequent vacation trips to resort or rest areas. The employee may buy air-conditioners if the climate is very hot and humid. Following or during a tour of duty at an unhealthful post there may be large medical costs on behalf of members of his family. There are many uses for the salary differential other than the savings bank.

Allowances and Post Cost Levels

Let us now focus attention on those allowances that are directly related to the maintenance costs for the employee and his family at a post. From the standpoint of both the employee and the ex-
penditure of Government funds the most important of these is the quarters allowance.

Quarters Allowance. By law the Government is required to furnish the employee in foreign areas free housing in the form of Government-owned or -leased quarters, including heat, light, and fuel, or pay him an allowance in lieu thereof. For most employees, the quarters allowance represents the only financial inducement for foreign service. All other allowances merely offset costs incurred because of foreign assignments. With his housing costs at the post being paid, he has, in effect, a bonus equivalent to the amount he would spend for housing while serving in Washington.

The maximum rates for a post are based on the actual costs incurred by all employees at a post and vary, for the individual, by grade and family status. The employee receives only the amount he actually spends for rent, heat, light, and fuel up to the maximum and pays from his own pocket any amount by which his costs exceed the maximum for his grade and family status. The maximums are adjusted as cost reports for all personnel at a post indicate that an adjustment is warranted but are seldom set high enough to give complete coverage of all costs of all personnel at the post. We believe that there may be a tendency for the individual receiving the allowance to be less careful with turning off lights, holding heating costs down, and so on, than he would be if he were paying the bills. Therefore, we consider that reimbursement of 85 to 90 percent of expenditures is adequate. As a general policy, the maximums are set at levels that will provide that percentage of reimbursement to a majority of personnel at the post.

Several American firms have obtained the quarters classifications of posts on a continuing basis. We hope that they have been useful. Anyone utilizing our quarters classifications should check with us as to the representativeness of the class. In certain posts where the Government staff reporting costs is very small the level may not be truly indicative of the average rent level. There are also a number of posts where all United States employees, or the majority of them, reside in Government-owned or -leased quarters, and as a result the quarters classification is either nominal or not indicative of average costs.

Temporary Lodging. When the employee arrives at a post, he spends some time locating and renting a house or apartment, and his furniture may not arrive until later. During this time he and his dependents, if any, usually live in a hotel, with room costs that exceed what the quarters allowance would be if he were paid that allowance. During that time, instead of paying him a quarters allowance, the Department of State and several other agencies pay what is known as a temporary lodgings allowance. Again it is a maximum rate, with reimbursement of actual costs for room rent up to the maximum. It varies by number and ages of the employee’s family and is based on the hotel rates for rooms only, no food or other costs are included. It terminates at the end of 3 months or upon occupation of residence quarters, whichever is sooner. Even if the employee is unable to locate permanent quarters and continues to live in a hotel, the regular quarters allowance replaces the temporary at the end of the 3-month period. Neither the temporary nor the regular quarters allowance is paid concurrently with travel per diem.

Post Allowance. As I have said, the quarters allowance or its substitute, the temporary lodging, is paid to all employees, regardless of their post of assignment, except when free quarters are furnished. However, the quarters allowance inducement to serve abroad will not solve the problems of the employee assigned to Moscow, whose wife finds that a dozen eggs cost $4.80 at the kolkhoz market, or the employee in Caracas, who must pay $4.65 for a carton of regular cigarettes. The post allowance is designed to serve as a balancing factor to keep salaries worth what they would be at home. The basic principle is that an employee at the post, spending his salary and post allowance, will be able to purchase goods and services equivalent to those he could purchase in Washington with his salary only. No post allowance is paid in most areas of the world where costs are at or below Washington levels.

It is through the process of determining the comparative cost of living at the foreign post in relation to like costs in Washington that the Department produces the figures that are believed to be most useful to the American businessman. They are the cost-of-living indexes (excluding quarters costs) that are being furnished at regular intervals to the National Foreign Trade Council for distribution. To understand and use those indexes it is necessary to understand something of
the basic information and procedures that go into their production.

With the premise established that a comparison of living costs is necessary, the first step is to obtain information on the price levels. It is not feasible to price all things for which the family must spend; so a sampling technique is necessary. The list of articles or services to be priced has certain characteristics that are important: (1) each article selected has a generic value in that it represents the cost level of a group of related articles—for example, the price of bread represents the relative level for all baked goods; (2) each article selected must be available for pricing throughout the world; (3) the final list must be a minimum consistent with accurate measurement. The net result is that we collect about 700 prices at each foreign post and in Washington.

It is important that the prices collected represent the actual level at the post—neither bare subsistence nor luxury. Because of the different grades, sizes, and so forth on the market in different parts of the world, it is not possible to select articles exactly comparable; therefore, detailed specifications are not used. We ask for prices of beef—not for sirloin steak, New York style cut. For each article priced we secure the highest, the lowest, and a middle price at each outlet. Using the example of beef, the three prices at a store might be for tenderloin, stew beef, and a chuck roast.

The selection of stores to be included in the sample is on the same basis, that is, a high-priced, a medium-priced, and the lowest level at which an American can trade. We do not price the hole-in-the-wall store in the slum area in which an American cannot be expected to make purchases. The same type of pricing, that is, three levels of stores and three prices for each article in each store, is done in Washington. All prices are reported in the local currency and in local sizes or weights.

The first step in computing the indexes in the Washington office is to convert reported prices, sizes, and weights to American units, using the exchange rate at which the Government employee purchases local currency. For example, pesos per kilogram become cents per pound. Then the median of the prices for an article at the post is compared with the Washington median for the same article. Use of the median instead of the arithmetic average prevents distortion by one extreme price, either high or low.

Applying the Washington expenditure pattern to these price ratios gives us a comparison of the actual price level at the post with that of Washington. This comparison is published in the National Foreign Trade Council’s bulletins as the “local relative”; that is, the relative level of prices.

However, we cannot stop here and call that local relative a comparison of living costs. If a visit to the doctor costs $5 in Washington and $5 at the post, the price relative is 100. But if the employee must see the doctor twice as often at the post, then the cost of doctors at the post is double that of Washington, or $10. It is necessary to take into account that added usage, or “use factor,” by increasing the weight, or importance, of medical care at certain posts.

The use factor adjustments vary by post for the different segments of the budget. Most areas of the world do not have the conveniences that are common in the United States. A few of these are the modern supermarket with its abundance of all kinds of foods, including many that are ready to serve, laundries and cleaning establishments, good medium-priced restaurants, and the many home appliances that cannot be used because of inadequate electricity or wiring or gas, or because of the type of home construction. The climate and health conditions vary, and not the least important factor is the local customs to which Americans must conform in some degree.

The weight for domestic help must be increased to allow for the servants necessary to do the work of laundering and cleaning, marketing, and the increased housework due to lack of modern conveniences. In certain areas, a caste system or other local customs may require more servant help. The servants’ maintenance adds to the food bill and the clothing budget. Lack of refrigeration in a hot, humid climate increases food spoilage and requires further added weight for the food budget. That same climate causes rapid deterioration of clothing and household textiles, or a very cold climate may require more and heavier clothing. Crude laundry and cleaning methods will decrease further the life expectancy of textiles of all kinds.

As we have previously mentioned, the health and sanitation conditions at some posts require more visits to the doctor, thereby increasing medi-
cal costs. For some posts, a weighting factor may be decreased; for example, if no adequate restaurants are available a higher percentage of meals are eaten at home. In that case the weight for "food away from home" is decreased and, concurrently, the volume of food purchased for preparation at home is increased slightly. In short, every effort is made to reflect conditions having a bearing on living costs.

When all the use factors have been applied to the price ratios for the post and the results combined into an average figure, we have a cost-of-living index for the post on the basis of Washington as 100. That index is shown in the Trade Council's bulletin as the "local index" and represents the relative cost of following a typically American expenditure pattern with all goods and services, including imports, purchased on the local market. It is the comparison most commonly used by those American firms who are making any use of our data.

For the Government employee it is necessary to bring into the picture the effect of any special facilities that may be available to him. These include any commissary that may be at the post, any free import privileges he may enjoy, and the volume of goods purchased elsewhere and shipped to the post, either by individual or group order or brought with him at the time he is assigned to the post. These facilities vary from post to post, just as the use factors differ for the various areas. The prices paid through each facility and the local market are combined by the relative importance of each and the resulting averages processed in the same way as previously described for local prices only. This produces the "effective relative" and "effective index" for the Government employee, comparable to the "local relative" and the "local index." The "effective index" is the basis for any post allowance for the Government employee.

As stated previously, the local index is the figure most commonly used by private industry. For most posts it shows higher costs than the effective index. For a few posts, the effective may be higher because certain goods used by Americans are not available locally and the cost of importing them has been included. The local index has omitted their cost if no substitutes are available. Some firms utilize the higher of the two indexes, on the basis that their employees will have to import the same goods as the Government man. However, the effective index may have been reduced because of some special facility, with the result that it is not as high as it would be for the private citizen. You might wish to make some upward adjustment to compensate for that condition. It would usually be small.

An element that is very important and must always be considered is the exchange rate. Obviously, the relatives and indexes are valid only when an employee can obtain local currency for his dollars at the same rate as that used in the index computations. If a company uses a rate different from that shown in the N.F.T.C. publication, the local index may be adjusted by application of the ratio of the rates. That will not hold true for the effective index, which may reflect some purchases in dollars or with a different currency in another country. In indexes furnished to the Council or to a private company, the exchange rates on which they are based are always included.

**Spendable Income.** We have noted that the effective index is the guide to a post allowance. If costs at the post are 10 percent above Washington levels, the employee needs 10 percent more money to spend than he would have in Washington; hence we increase his "spendable income" by 10 percent in the form of a post allowance. Spendable income is that part of base salary remaining after subtracting taxes and savings. The Government employee pays United States income tax regardless of the post of assignment and is exempt from foreign income taxes. His savings represent dollars left in this country and include retirement deductions and life insurance premiums, as well as any other savings. The average by salary group is derived from a study of Federal employee expenditures, which shows that, as base pay increases, the proportion of it used for day-to-day living expenses decreases. For example, the man and wife with income of $4,250 use almost 55 percent, or $3,600, for direct living costs; but, if the income is $12,000, only 60 percent, or $7,200, is necessary for such expenses. The rest goes for savings and taxes unaffected by costs. The single man spends about 25 percent less. As the post allowance is an equalizing payment, it is based on that which is to be equalized, that is, that part of his salary that the employee needs to use for living expenses at his post—the spendable income. There are small additional payments for children, roughly approximating the product of the post
index times the taxable income deduction for a dependent.

The post allowance is a flat rate of payment; that is, the employee does not have to account for the use made of it. It is payable only at those posts where costs are in excess of Washington. It is effective the day the employee arrives at the post. We have recently added a small additional amount, known as the supplementary post allowance, to be paid on behalf of each member of the family in excess of two, for the purpose of offsetting part of the cost of eating in the hotel or restaurants while the employee is locating permanent quarters. The supplementary portion stops when the employee and family move into housekeeping quarters or at the end of 3 months after arrival at the post, whichever is sooner.

Education Allowance

There are two other allowances to meet unusual costs that must be borne by the employee. The most important of these is the education allowance. An employee stationed in the United States has the American public school system available for educating his children at little or no cost. He is entitled to comparable education services while on foreign duty. In many areas of the world the cost of educating a child is a major expense, and the Government assists in defraying those costs for children in grades 1 through 12. Maximum rates of allowances, by grades, are established for each post for home study courses, the local school, and, if the local school is inadequate, for attendance at the nearest adequate school away from the post. In the latter case, room, board, and round-trip transportation are included. A school is considered adequate if a child finishing a specified grade at that school can successfully pursue his studies in the next higher grade in the American public schools.

An employee is free to select any school and any method of education for his child but will not receive an allowance in excess of costs incurred or the maximum rate prescribed for his post for the applicable method of education, whichever is less. If the employee wishes to send his child to the United States for secondary education, the Government will pay the cost of one round trip from the post. In that case, no education allowance is payable. The round-trip travel is payable also for college education.

Separation Allowance

The other allowance related to living cost is that paid when it is necessary for the employee to maintain his wife and any minor children outside the country of his assignment. It is paid only when the Government determines that it is necessary—never solely at the request of the employee. Posts are not classified for this allowance. If the Government refuses permission for the family to accompany the employee to his post, as in an area of civil strife where the danger is great, the allowance will be paid automatically. Otherwise, each request is handled individually and decision made on its merits. The amount is based on the size of the family and the employee's salary and offsets part of the additional cost of maintaining separate establishments. In addition to separate maintenance for his family, the employee may receive other allowances to which he is entitled as an employee without dependents at his post.

Conclusion

We have touched on various allowances in which this group might be interested. I would like to refer to certain elements that bear on the subject that were touched lightly or not at all.

(1) Each allowance is designed for a specific purpose and is not payable across the board to all employees. In the Government-owned residence, no quarters allowance is payable. No post allowance is paid in over half the foreign posts. Under no circumstances is it possible for an employee to receive concurrently all the allowances mentioned here today.

(2) Salaries of Government employees are not changed because of changes in posts of assignment. The salaries are established by law. We make up for special conditions through allowances. In the low-cost areas the unchanged salary means a break for the employee. Rotation of assignment prevents any great windfall for anyone.

(3) The cost-of-living indexes are applicable only for Americans. They cannot be used for nationals of any other country, because expenditure patterns and preferences would be different. We pay a post allowance to employees in Paris, but there is no doubt that a Frenchman would find living in Washington far more expensive than in Paris.

(4) The information I have given you on com-
putation of the indexes shows that all comparisons are relative to Washington. That means that post indexes cannot be used to show changes in cost over a period of time unless they are adjusted by changes in the Washington index over the same period. Since Washington is always 100 in the measurement process, it is necessary to use the trend reported for Washington by the Bureau of Labor Statistics in any adjustments of that nature. Also, the measurement procedures do not produce dollar-and-cent budgets for a post, either for the total or for groups of items within the total. To produce such data would require adjustment of the Washington base budget from the data of the expenditure survey and then application of the post ratios.

And, finally, let me say that we are ready to assist American private industry in any way possible. As previously mentioned, we want the user to be familiar with the data. We hesitate to furnish data to anyone who we feel is not aware of its limitations. As many of you already know, we gladly answer correspondence or discuss problems at our office or by telephone. Sitting down at the table and going over problems in detail has proved to be the best method of reaching an understanding.

We are proud of what we believe to be the most comprehensive collection of worldwide data on living costs that can be found in this country or elsewhere. The methodology used is considered by experts, both Government and private, to be as equitable as possible for consistent worldwide application. This is supported by a recent report of a major research organization after detailed analysis of the Department's methods and similar practices by several American firms. The report contains the following statement:

Of all the methods studied, the more comprehensive, thorough and refined is that employed by the State Department. . . . The State Department local index is the best available measurement of overseas living costs applied to an American expenditure pattern and weighted to allow for local customs.

I would like to conclude with another quotation. This is from the letter of a newspaper reporter to his home office, which had just inaugurated a new system of cost-of-living allowances.

I want to tell you, and you can tell Mr. ——, that I am filled with admiration for the new living allowance formula. The arbitrary nature of most living allowances has upset me over and over in the past; it is good to get these things definitely taped down.

This, of course, does not make me happy about having my living allowance cut in half. However, I have no doubt that if you keep track of the State Department index you will very soon find that the allowance here should be raised again.

He was right. The allowances at that post were raised 30 days later.

Cornerstone Ceremony for New Department of State Building

TRANSCRIPT OF CEREMONY

Press release 8 dated January 5

Invocation by the Rt. Rev. Angus Dun:

Lord God of Hosts, Father of all nations, without whom we build in vain, bless the work which we here begin and all who will labor here to preserve our liberties, to maintain the rightful interests of our people and a righteous order among the nations. Grant that with malice toward none, with charity for all, with firmness in the right as Thou dost give us to see the right, we may strive to fulfill Thy purpose for us and to achieve a just and lasting peace with all nations.

Deliver us from self-righteousness and from the pretense of being moved by motives loftier than we have yet been granted. Give us a better understanding of the heritage and hopes of other peoples. Save us from seeking to impose our ways of life upon them. We remember especially those lands and peoples, heirs with us of common liberties, who are now in bondage. Open to us the ways in which we may set forward their deliverance without bringing the devastation of war on them and Thy world.

Give us a just understanding even of those we count as our enemies. Keep us mindful that there is that in us which can make us Thy enemies. And as we need Thy forgiveness, teach us to forgive. All of which we ask in the name of Him who gave Himself to heal our broken humanity, Thy Son, Jesus Christ our Lord. Amen.

Secretary Dulles:

Mr. President, distinguished guests, and fellow members of the Department of State: You, Mr.
President, are about to lay the cornerstone of the new building of the Department of State and then you will go to address the Congress of the United States with reference to matters of the Middle East. These two events are not without relationship to each other. Your address will indicate how greatly have grown the interests and the responsibilities of the United States, and this new building now to be begun will indicate the efforts of the Department of State and of the Foreign Service of the United States to be more fully responsive to those great and growing responsibilities.

There has, indeed, been a growth. The first Secretary of the United States for Foreign Affairs, Robert Livingston, had his office in Philadelphia. There was a total staff of four, including the Secretary himself. The total salary of the four was $6,000, and they were housed in a building 12 feet wide by 30 feet deep. The next Secretary of State was Thomas Jefferson, and by that time the staff had grown to six. And then there came the first Secretary of State to be here in Washington, John Marshall. By that time the staff had grown to nine. Today the staff is about 7,500, and it is scattered through 29 different buildings here in the District of Columbia. That obviously is an inefficient arrangement, and Congress has been wise enough and foresighted enough to recognize that fact and has appropriated the funds to enable this new building to be begun and we hope quickly carried to completion so that we shall all be housed in the same building.

Mr. President, you will be laying this cornerstone with the exact original trowel which was used by George Washington to lay the cornerstone of the National Capitol 164 years ago. And I think that makes it appropriate that on this occasion we should go back and reread what George Washington said in his farewell address about the purposes and objectives of the United States in relation to foreign affairs. After recapitulating some of our problems, he summarized in these words:

It will be worthy of a free, enlightened, and at no distant period a great nation to give to mankind the magnanimous and too novel example of a people always guided by an exalted justice and benevolence.

Mr. President, to that great ideal I, in the name of the Department of State and all of its members and of the Foreign Service of the United States, rededicate ourselves. That, indeed, is a great goal, and we for our part shall do all we can to realize it.

At this point the President of the United States and the Secretary of State assisted in laying the cornerstone.

Benediction by the Most Rev. Patrick A. O'Boyle:

In the Name of the Father and of the Son and of the Holy Ghost, Amen.

Almighty and eternal Father, we humbly invoke Thy blessing upon this historic ceremony. In this critical hour of the world's history, so fraught with danger to the very foundations of civilization, we dedicate this building to Your greater honor and glory and to the cause of lasting peace and friendship among the nations and the peoples of the world. We ask You, Lord, to bless the efforts of our beloved nation toward this long-awaited goal. Help us to be humble and magnanimous in the use of our enormous wealth and power; but help us, too, to have the courage of our convictions and to stand firm for what is right and just in the field of international relations. Help our representatives in the Department of State and in the United Nations to strive with manly fortitude toward the establishment of an international order founded on justice, inspired by charity, and buttressed by a code of international law and international ethics. In Thy infinite mercy and goodness, hasten the day when the suffering peoples of the world may enjoy economic and political security together with that full measure of freedom to which every human being is entitled and without which life is hardly worth the living.

Conscious of our own unworthiness, we implore Thy mercy on a sinful world in the Name of Thy Divine Son, the Prince of Peace, Who Himself has taught us the perfect prayer: Our Father, Who art in Heaven, hallowed be Thy Name; Thy Kingdom come, Thy will be done on earth as it is in Heaven. Give us this day our daily bread and forgive us our trespasses as we forgive those who trespass against us, and lead us not into temptation but deliver us from evil. Amen.

The National Anthem was played by the Marine Corps Band, and the President of the United States and Secretary of State departed.

January 21, 1957
DEPOSIT OF DOCUMENTS

The Department of State announced on January 2 (press release 1) that Secretary Dulles that day had placed documents of historical U.S. foreign-policy interest in a copper box in preparation for the laying of the new State Department building cornerstone by President Eisenhower on January 5. The box was to be placed in a niche in the foundation and sealed in by the cornerstone.

The documents contained in the box were selected by the Department's Historical Division with a view to giving to a future generation an insight into the operations and policies of the Department in the mid-20th century, and also into the international setting and problems of the times.1

HISTORIC TREASURES USED IN CEREMONY

Among the national treasures used by President Eisenhower in laying the cornerstone of the new Department of State building, according to a Department announcement of January 4 (press release 5), was the silver trowel which George Washington used to lay the cornerstone of the U.S. Capitol building on September 18, 1793.

Another national treasure—the desk of Thomas Jefferson, upon which he wrote the Declaration of Independence—was used as the resting place for the trowel before it was handed to the President for the ceremony.

The trowel was loaned by the Alexandria-Washington Lodge No. 28, A. F. and A. M., of Alexandria, which maintains custody of it. It was made by John Duffey, a silversmith of Alexandria, Va., specifically for the Capitol cornerstone ceremony. It has since been used on other historic occasions, including the laying of the cornerstone of the Thomas Jefferson Memorial by President Roosevelt on November 15, 1939.

The Thomas Jefferson desk, loaned by the National Museum, was designed by Mr. Jefferson and made for him by Benjamin Randolph of Philadelphia. It was in the custody of the Department of State for a number of years, was turned over to the Library of Congress in 1921, and shortly thereafter was entrusted to the keeping of the National Museum.

TREATY INFORMATION

Current Actions

MULTILATERAL

Property

Adherence effective: Viet-Nam, December 8, 1956.

Telecommunications

Accession deposited: Tunisia, December 14, 1956.

BILATERAL

Brazil


Canada


Luxembourg


Mexico


Thailand


1The issue of the Bulletin which was selected for inclusion was that for Nov. 19, 1956, containing among other items the statute of the International Atomic Energy Agency, letters exchanged by President Eisenhower and Soviet Premier Bulganin and by the President and Israeli Prime Minister Ben-Gurion, and General Assembly statements and resolutions on the Middle Eastern and Hungarian questions.
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†Held for a later issue of the Bulletin.
The Quest for Peace

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Latin America

1. Communist Penetration in Latin America
2. Economic Development in Latin America
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Public Services Division, provides the public and interested agencies of
the Government with information on developments in the field of foreign
relations and on the work of the Department of State and the Foreign
Service. The BULLETIN includes selected press releases on foreign policy,
issued by the White House and the Department, and statements and ad-
dresses made by the President and by the Secretary of State and other
officers of the Department, as well as special articles on various phases of
international affairs and the functions of the Department. Information is included concerning treaties
and international agreements to which the United States is or may
become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legis-
lative material in the field of international relations are listed currently.
The State of the Union

MESSAGE OF THE PRESIDENT TO THE CONGRESS (EXCERPTS)¹

To the Congress of the United States:

I appear before the Congress today to report on the State of the Union and the relationships of the Union to the other nations of the world. I come here, firmly convinced that at no time in the history of the Republic have circumstances more emphatically underscored the need, in all echelons of government, for vision and wisdom and resolution.

You meet in a season of stress that is testing the fitness of political systems and the validity of political philosophies. Each stress stems in part from causes peculiar to itself. But every stress is a reflection of a universal phenomenon.

In the world today, the surging and understandable tide of nationalism is marked by widespread revulsion and revolt against tyranny, injustice, inequality and poverty. As individuals, joined in a common hunger for freedom, men and women and even children pit their spirit against guns and tanks. On a larger scale, in an ever more persistent search for the self-respect of authentic sovereignty and the economic base on which national independence must rest, peoples ever old ties; seek new alliances; experiment—sometimes dangerously—in their struggle to satisfy these human aspirations.

Particularly, in the past year, this tide has hanged the pattern of attitudes and thinking among millions. The changes already accomplished foreshadow a world transformed by the spirit of freedom. This is no faint and pious hope. The forces now at work in the minds and ears of men will not be spent through many ears. In the main, today’s expressions of nationalism are, in spirit, echoes of our forefathers’ struggle for independence.

This Republic cannot be aloof to these events heralding a new epoch in the affairs of mankind.

Our pledged word, our enlightened self-interest, our character as a Nation commit us to a high role in world affairs: a role of vigorous leadership, ready strength, sympathetic understanding.

The State of the Union at the opening of the 85th Congress continues to vindicate the wisdom of the principles on which this Republic is founded. Proclaimed in the Constitution of the Nation and in many of our historic documents, and founded in devout religious convictions, these principles enunciate:

A vigilant regard for human liberty.
A wise concern for human welfare.
A ceaseless effort for human progress.

Fidelity to these principles, in our relations with other peoples, has won us new friendships and has increased our opportunity for service within the family of nations. The appeal of these principles is universal, lighting fires in the souls of men everywhere. We shall continue to uphold them, against those who deny them and in counselling with our friends.

The existence of a strongly armed imperialistic dictatorship poses a continuing threat to the free world’s and thus to our own Nation’s security and peace. There are certain truths to be remembered here.

First, America alone and isolated cannot assure even its own security. We must be joined by the capability and resolution of nations that have proved themselves dependable defenders of freedom. Isolation from them invites war. Our se-

¹Delivered on Jan. 10 (White House press release); 1 Doc. 1, 85th Cong., 1st sess.
curity is also enhanced by the immeasurable interest that joins us with all peoples who believe that peace with justice must be preserved, that wars of aggression are crimes against humanity.

Another truth is that our survival in today's world requires modern, adequate, dependable military strength. Our Nation has made great strides in assuring a modern defense, so armed in new weapons, so deployed, so equipped, that today our security force is the most powerful in our peace-time history. It can punish heavily any enemy who undertakes to attack us. It is a major deterrent to war.

By our research and development more efficient weapons—some of amazing capabilities—are being constantly created. These vital efforts we shall continue. Yet we must not delude ourselves that safety necessarily increases as expenditures for military research or forces in being go up. Indeed, beyond a wise and reasonable level, which is always changing and is under constant study, money spent on arms may be money wasted on sterile metal or inflated costs, thereby weakening the very security and strength we seek.

National security requires far more than military power. Economic and moral factors play indispensable roles. Any program that endangers our economy could defeat us. Any weakening of our national will and resolution, any diminution of the vigor and initiative of our individual citizens, would strike a blow at the heart of our defenses.

The finest military establishment we can produce must work closely in cooperation with the forces of our friends. Our system of regional pacts, developed within the Charter of the United Nations, serves to increase both our own security and the security of other nations.

This system is still a recent introduction on the world scene. Its problems are many and difficult, because it insists on equality among its members and brings into association some nations traditionally divided. Repeatedly in recent months, the collapse of these regional alliances has been predicted. The strains upon them have been at times indeed severe. Despite these strains our regional alliances have proved durable and strong, and dire predictions of their disintegration have proved completely false.

With other free nations, we should vigorously prosecute measures that will promote mutual strength, prosperity and welfare within the free world. Strength is essentially a product of economic health and social well-being. Consequently, even as we continue our programs of military assistance, we must emphasize aid to our friends in building more productive economies and in better satisfying the natural demands of their people for progress. Thereby we shall move a long way toward a peaceful world.

A sound and safeguarded agreement for open skies, unarmed aerial sentinels, and reduced armament would provide a valuable contribution toward a durable peace in the years ahead. And we have been persistent in our effort to reach such an agreement. We are prepared to make further proposals in the United Nations. We are willing to enter any reliable agreement which would reverse the trend toward ever more devastating nuclear weapons; reciprocally provide against the possibility of surprise attack; mutually control the outer space missile and satellite development; and make feasible a lower level of armaments and armed forces and an easier burden of military expenditures. Our continuing negotiations in this field are a major part of our quest for a confident peace in this atomic age.

This quest requires as well a constructive attitude among all the nations of the free world toward expansion of trade and investment, that can give all of us opportunity to work out economic betterment.

An essential step in this field is the provision of an administrative agency to insure the orderly and proper operation of existing arrangement under which multilateral trade is now carried on. To that end I urge Congressional authorization for United States membership in the propose Organization for Trade Cooperation, an act which will speed removal of discrimination against our export trade.

We welcome the efforts of a number of our European friends to achieve an integrated community to develop a common market. We likewise come their cooperative effort in the field of atomic energy.

To demonstrate once again an unalterable purpose to make of the atom a peaceful servant of humanity, I shortly shall ask the Congress to authorize full United States participation in the International Atomic Energy Agency.

World events have magnified both the responsibilities and the opportunities of the United States Information Agency. Just as, in reen
months, the voice of communism has become more shaken and confused, the voice of truth must be more clearly heard. To enable our Information Agency to cope with these new responsibilities and opportunities, I am asking the Congress to increase appreciably the appropriations for this program and for legislation establishing a career service for the Agency's overseas foreign service officers.

The recent historic events in Hungary demand that all free nations share to the extent of their capabilities in the responsibility of granting asylum to victims of Communist persecution. I request the Congress promptly to enact legislation to regularize the status in the United States of Hungarian refugees brought here as paroees. I shall shortly recommend to the Congress by special message the changes in our immigration laws that I deem necessary in the light of our world responsibilities.

The cost of peace is something we must face boldly, fearlessly. Beyond money, it involves changes in attitudes, the renunciation of old prejudices, even the sacrifice of some seeming self-interest.

Only five days ago I expressed to you the grave concern of your government over the threat of Soviet aggression in the Middle East. I asked for Congressional authorization to help counter this threat. I say again that this matter is of vital and immediate importance to the Nation's and the free world's security and peace. By our proposed programs in the Middle East, we hope to assist in establishing a climate in which constructive and long-term solutions to basic problems of the area may be sought.

From time to time, there will be presented to the Congress requests for other legislation in the broad field of international affairs. All requests will reflect the steadfast purpose of this Administration to pursue peace, based on justice. Although in some cases details will be new, the underlying purpose and objectives will remain the same.

All proposals made by the Administration in this field are based on the free world's unity. This unity may not be immediately obvious unless we examine link by link the chain of relationships that binds us to every area and to every nation. In spirit the free world is one because its peoples uphold the right of independent existence for all nations. I have already alluded to their economic interdependence. But their interdependence extends also into the field of security.

First of all, no reasonable man will question the absolute need for our American neighbors to be prosperous and secure. Their security and prosperity are inextricably bound to our own. And we are, of course, already joined with these neighbors by historic pledges.

Again, no reasonable man will deny that the freedom and prosperity of Western Europe are vital to our own prosperity and security. If the institutions, the skills, the manpower of its peoples were to fall under the domination of an aggressive imperialism, the violent change in the balance of world power and in the pattern of world commerce could not be fully compensated for by any American measures, military or economic.

But these people, whose economic strength is largely dependent on free and uninterrupted movement of oil from the Middle East, cannot prosper—indeed, their economies would be severely impaired—should that area be controlled by an enemy and the movement of oil be subject to its decisions.

Next, to the Eastward, are Asiatic and Far Eastern peoples, recently returned to independent control of their own affairs or now emerging into sovereign statehood. Their potential strength constitutes new assurance for stability and peace in the world—if they can retain their independence. Should they lose freedom and be dominated by an aggressor, the world-wide effects would imperil the security of the free world.

In short, the world has so shrunk that all free nations are our neighbors. Without cooperative neighbors, the United States cannot maintain its own security and welfare, because:

First, America's vital interests are world-wide, embracing both hemispheres and every continent.

Second, we have community of interest with every nation in the free world.

Third, interdependence of interests requires a decent respect for the rights and peace of all peoples.

These principles motivate our actions within the United Nations. There, before all the world, by our loyalty to them, by our practice of them, let us strive to set a standard to which all who seek justice and who hunger for peace can rally.

January 28, 1957
May we at home, here at the Seat of Government, in all the cities and towns and farmlands of America, support these principles in a personal effort of dedication. Thereby each of us can help establish a secure world order in which opportunity for freedom and justice will be more widespread, and in which the resources now dissipated on the armaments of war can be released for the life and growth of all humanity.

When our forefathers prepared the immortal document that proclaimed our independence, they asserted that every individual is endowed by his Creator with certain inalienable rights. As we gaze back through history to that date, it is clear that our nation has striven to live up to this declaration, applying it to nations as well as to individuals.

Today we proudly assert that the government of the United States is still committed to this concept, both in its activities at home and abroad.

The purpose is Divine; the implementation is human.

Our country and its government have made mistakes—human mistakes. They have been of the head—not of the heart. And it is still true that the great concept of the dignity of all men, alike created in the image of the Almighty, has been the compass by which we have tried and are trying to steer our course.

So long as we continue by its guidance, there will be true progress in human affairs, both among ourselves and among those with whom we deal.

To achieve a more perfect fidelity to it, I submit, is a worthy ambition as we meet together in these first days of this, the first session of the 85th Congress.

Dwight D. Eisenhower

The White House
January 10, 1957

Middle East Proposals

Statement by Secretary Dulles

Since World War II, the United States has had to meet a series of critical situations with strong measures backed with national unity.

In 1947 the Congress adopted a major program for military and economic aid to Greece and Turkey, then menaced by Communist aggression.

In 1948 the Congress adopted the European Recovery Program (Marshall plan) in order to sustain freedom and independence in Europe.

In 1949 we entered into the North Atlantic Treaty alliance.

In 1950 the United States fought in Korea against Communist armed aggression.

In 1953 we made a mutual defense treaty with the Republic of Korea.

In 1954 we endorsed the Caracas Declaration calling for action in this hemisphere against international communism.

In 1954 we signed the Southeast Asia Collective Defense Treaty.

In 1955 the Congress authorized the President to employ the armed forces of the United States for the protection of Taiwan and Penghu and related areas, and later that year we ratified a mutual defense treaty with the Republic of China.

These are a few of the momentous steps which the United States has taken during the past decade, as one area after another was menaced by the direct and indirect aggression of the forces of international communism.

Basic U.S. Position

The dangers have been met in different ways, as circumstances dictated. In some cases there was economic aid alone. In some cases there was both economic and military aid. In some cases we dealt only with the military aspect of the problem. Also in some cases there was action by

1 Made before the House Committee on Foreign Affairs on Jan. 7 (press release 7).
the Congress by legislation. In some cases there was action by treaty processes. And in some cases the Executive acted with the tacit acquiescence of the Congress.

But though the needs have been different and the constitutional methods have been different, there have been basic underlying similarities.

In each case we proceeded from the premise that, as it was put by President Truman in his Greek-Turkey message, "totalitarian regimes imposed upon free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States." 2

Also, all our treaty and legislative action has been designed to promote peace by making clear our position in advance and thus to deter aggression and to prevent dangerous miscalculations by would-be aggressors.

Also, in each case our resolve has been impressive because of the national unity which expressed it.

Also, in each case where we have so acted, we have in fact preserved freedom.

The Threat to the Middle East

Today we concern ourselves with the Middle East. Few if any of us doubt that it would be a major disaster for the nations and peoples of the Middle East, and indeed for all the world, if that area were to fall into the grip of international communism.

It would be a political disaster for the nations of the Middle East because then those nations, like the European satellites, would lose the national independence which they so ardently desire and which now they are beginning to exercise in full measure.

It would be an economic disaster to them. The principal economic asset of the area is petroleum, and only the free nations offer an adequate market.

It would be a disaster for the peoples of the Middle East because they are deeply religious peoples and their spiritual suffering would be grievous if they were subjected to the fate of other religious peoples who have fallen under the rule of atheistic, materialistic communism.

The disaster would spread far beyond the confines of the Middle East itself. The economies of many free-world countries depend directly upon natural products of the Middle East and on transportation through the Middle East. And, indirectly, the entire free-world economy is concerned. Western Europe is particularly dependent upon the Middle East. The vast sacrifices the United States has made for the economic recovery of Europe and military defense of Europe would be virtually nullified if the Middle East fell under the control of international communism.

Finally, a Communist breakthrough in the Middle East would encourage the Soviet rulers to resort everywhere to more aggressive policies. It would severely weaken the pressures within the Soviet world for more liberal policies. It would be a severe blow to the struggling peoples of Hungary and Poland who are so valiantly striving for more independence. It would undo, throughout the world, much of the benefit of the earlier actions I have recalled.

For all these reasons, the United States must do whatever it properly can to assist the nations of the Middle East to maintain their independence.

No Single Formula

The question of what to do is extraordinarily difficult. The area is much divided among itself. There is a high degree of disunity between the Arab States and Israel, a discord which has been heightened by the recent Israeli military action in Egypt. There is much disunity between Arab States themselves. There is suspicion against any outside force lest it be a device to reimpose colonialism. That suspicion has been heightened by recent events which impair what have been mutual relations between the Middle East and Europe. There is the problem of the Suez Canal.

It is not feasible to find a simple answer to the question of how the United States can help to keep the area free. It is hard to help in one direction without creating suspicion in another. No single formula will solve all the problems of the Middle East. They will have to be attacked in a variety of ways, as we have steadily sought to do and will continue to do. But the evolution of events now requires us to add a new element to reinforce our other actions in the area.

President Eisenhower's Recommendation

After the most thorough consideration, President Eisenhower has concluded, and has recommended to the Congress, that action be taken which will first of all make unmistakably clear that

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2 Bulletin (supplement) of May 4, 1947, p. 829.
Proposed Resolution on Economic and Military Cooperation in Middle East

JOINT RESOLUTION

To authorize the President to undertake economic and military cooperation with nations in the general area of the Middle East in order to assist in the strengthening and defense of their independence.

WHEREAS a primary purpose of the United States in its relations with all other nations is to develop and sustain a just and enduring peace for all, in accordance with the Charter of the United Nations; and

WHEREAS the peace of the world and the security of the United States are endangered as long as international communism and the nations it controls seek by threat of military action, use of economic pressure, internal subversion, or other means to attempt to bring under their domination peoples now free and independent; and

WHEREAS such danger now exists in the general area of the Middle East: Therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President be and hereby is authorized to cooperate with and assist any nation or group of nations in the general area of the Middle East in the development of economic strength dedicated to the maintenance of national independence.

Sec. 2. The President is authorized to undertake, in the general area of the Middle East, military assistance programs with any nation or group of nations of that area desiring such assistance. Furthermore, he is authorized to employ the Armed Forces of the United States as he deems necessary to secure and protect the territorial integrity and political independence of any such nation or group of nations requesting such aid against overt armed aggression from any nation controlled by international communism; Provided, That such employment shall be consonant with the treaty obligations of the United States and with the Charter of the United Nations and actions and recommendations of the United Nations; and, as specified in Article 51 of the United Nations Charter, measures pursuant thereto shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council to take at any time such action as it deems necessary in order to maintain or restore international peace and security.

Sec. 3. The President is hereby authorized, when he determines that such use is important to the security of the United States, to use for the purposes of this joint resolution, without regard to the provisions of any other law or regulation, not to exceed $200,000,000 from any appropriations now available for carrying out the provisions of the Mutual Security Act of 1954, as amended. This authorization is in addition to other existing authorizations with respect to the use of such appropriations.

Sec. 4. The President shall within the month of January of each year report to the Congress his action hereunder.

Sec. 5. This Joint Resolution shall expire when the President shall determine that the peace and security of the nations in the general area of the Middle East are reasonably assured by international conditions created by action of the United Nations or otherwise.

1 H.J. Res. 117, 85th Cong., 1st sess., introduced on Jan. 5 by Representative Thomas S. Gordon, chairman of the Committee on Foreign Affairs, and referred to the committee.

It is the policy of the United States, declared by the Congress and the President, to cooperate with the nations of the Middle East to maintain their independence.

It would in the second place authorize the President to assist any nation or group of nations in that general area in the development of economic strength dedicated to the maintenance of national independence.

It would in the third place authorize the President to undertake military assistance programs with any such nation or group of nations, if they desire such assistance.

It would in the fourth place authorize the President to employ the armed force of the United States to secure and protect the territorial integrity and political independence of any such nation or group of nations requesting such aid against overt armed aggression from any nation controlled by international communism.

In order to enable the President the better to carry out economic and military assistance programs, it is proposed that from funds already appropriated by past mutual security legislation up to $200 million may be used in the President’s discretion for the Middle East, this authority to be supplementary to his present discretionary authority under existing legislation. This does not involve the authorizing or appropriating of any additional money. We seek greater flexibility in respect of funds already appropriated so that the peace ammunition already provided by the Congress can be more freely and effectively used in what has, since last June, become an area of greater need than was then anticipated. The matter of funds for future fiscal years will be...
The authority to use the armed forces of the United States is designed to apply to cases of overt armed aggression coming from some nation "controlled by international communism." That phrase is taken from the Mutual Security Act. Any employment of armed force would be consonant with the United Nations Charter and the other treaty obligations of the United States, notably the provision found in the charter of the United Nations and in our security treaties that we shall refrain in our international relations from a threat or use of force against the territorial integrity or political independence of any state. Furthermore, such use of force would be subject to article 51 of the charter of the United Nations, which recognizes the inherent right of collective self-defense if an armed attack occurs but which goes on to provide that the exercise of this right of self-defense shall in no way affect the authority and responsibility of the Security Council to take such action as it deems necessary in order to maintain or restore international peace and security. Coordination with the United Nations would be further assured by a provision that any United States use of force shall be consonant with the actions and recommendations of the United Nations.

The proposed legislation is in the judgment of our President necessary to meet the danger.

The danger can take any one or more of several forms. There is the possibility of open armed attack. There is the possibility of subversion, a danger which is increased if there be a sense of insecurity. There is the danger that economic conditions be such as to make communism seem an attractive choice. Any program, to be adequate, must be prepared to meet all three of these dangers and any combination of them. Also, those needs cannot be met under present conditions unless we make clear now, in relation to the Middle East, what we have already made clear in relation to so many areas; namely, that armed Communist attack would have to be met, if need be, by the armed force of the United States.

Is there, in fact, doubt that the United States would, sooner or later, react with force if Communist-controlled governments used open force to conquer the Middle East? Would it not then be obvious that the United States itself was in the process of being imperiled? Would not action be the overwhelming will of the Congress and of the Nation? But if that be so, the time to make clear our resolve is now. Only thus can we adequately serve the cause of freedom and of peace.

You may feel—I do feel—that there is in fact no doubt as to what the Congress would do if international communism set out on a piecemeal conquest of the world by war. But until the Congress has actually spoken, there is doubt in the Middle East and there may be doubt in the Soviet Union. If those doubts persist, then the danger persists and grows. If we elect to wait and see and then decide, the waiting period will greatly heighten vulnerability to both direct attack by overwhelming force and to indirect aggression. And we shall not have deterred the aggression.

Only if Congress quickly dispels doubts, only if it puts the stamp of its approval upon a rounded program of economic and military assistance and reassurance for the Middle East, will it have done the maximum it can do to preserve peace and freedom.

The purpose of the proposed resolution is not war. It is peace. The purpose, as in the other cases where the President and the Congress have acted together to oppose international communism, is to stop world war III before it starts.

Secretary Dulles Comments on "Short Form" Resolution

Press release 11 dated January 9

At the hearing held by the Foreign Affairs Committee of the House of Representatives on January 9 on the pending Middle East joint resolution, Secretary Dulles was requested to comment upon a suggested "short form" resolution which had been reported in the press. The Secretary said that the purposes of the author seemed to coincide with those expressed in the proposed joint resolution (H. J. Res. 117) but that he had doubts regarding the "short form" on the following points:

1. "The United States regards as vital to her interest the preservation of the independence and integrity of the states of the Middle East and, if necessary, will use her armed forces to that end."
lish unilaterally a United States protectorate over the area, irrespective of the desires or requests of the countries themselves, and as such it might well be resented in the area.

2. In dealing with the use of United States armed forces to preserve the independence and integrity of the states of the Middle East, the "short form" would not limit such use to defense against armed attack, which under article 51 of the United Nations Charter is the basis for collective self-defense.

3. It seems to call for United States armed action to preserve the integrity of all the Middle East states not merely against a Communist armed attack but against any external attack, and thus it might, for example, have required United States military intervention in the fighting which occurred last year.

4. It would seem to call for military action to overthrow a regime brought into power from without even though no violence were used. This would raise a question of the conformity of such action with our U.N. Charter obligations and the interpretation of the charter which was adopted by the United States at the United Nations emergency Assembly last October and November.

5. It would not actually grant the President any authority with respect to the use of armed forces even to protect a state of the area, at its request, against Communist armed attack.

6. It does not touch at all upon the economic phase of the problem, which is of extreme importance and urgency.

7. It entirely ignores the U.N. and the importance of coordinating any national action with the authority conferred upon the U.N. by the charter.

In this capacity Mr. Richards will head a special group of State Department, Defense Department, and International Cooperation Administration officials to implement certain aspects of the Government's policies in relation to the Middle East, particularly as they may develop pursuant to the President's request to the Congress for a joint declaration of policy. In addition to advising on policy problems, it is expected that Mr. Richards will travel to the Middle Eastern area in order to assist in the development of administration planning for the area.

Resignation of Sir Anthony Eden as British Prime Minister

Statement by President Eisenhower

White House press release dated January 9

I have just been informed of the official announcement of the resignation of Sir Anthony Eden as head of Her Majesty's Government in the United Kingdom.

Sir Anthony is an old and good friend. During the days of World War II and since, there have been few periods when he and I were not engaged in the study of some problem common to our two countries. Through the years I have developed for him a great respect and admiration.

As Foreign Minister and then as Prime Minister, Sir Anthony has been a dedicated leader in the cause of freedom. He is a staunch believer in the need for unity among the community of free nations, especially between his country and ours.

Mrs. Eisenhower and I extend to him and to Lady Eden our hopes that Sir Anthony will soon fully recover his health so that he may have many useful years of happiness ahead.

James P. Richards Appointed Special Assistant to President

Statement by Secretary Dulles

White House press release dated January 7

The President on January 7 appointed James P. Richards of South Carolina, former chairman of the House Committee on Foreign Affairs, as Special Assistant to the President with personal rank of Ambassador. Mr. Richards' duties will be to advise and assist the President and the Secretary of State on problems of the Middle Eastern area.

Press release dated January 9

It is a matter of deep regret that Sir Anthony Eden has felt compelled to lay down the arduous duties of his office because of health. I have myself known Sir Anthony for many years, and we were closely associated during the period when he was Foreign Minister and I was Secretary of State. We attended together many international conferences and always cooperated closely. Also
since he became Prime Minister I have had several opportunities to see and work with him.

This friendly association has been a privilege to me and through it I came to admire and respect his ability and effective dedication to the cause of freedom in the world and unity between the free nations, particularly between the United Kingdom and the United States. I hope that the opportunity for a rest which will now come to Sir Anthony will assure him many years of happiness and the possibility of his continuing to contribute to the common cause of freedom.

A Step Toward Stability in the Middle East

by Robert C. Hill
Assistant Secretary for Congressional Relations

As you know, North Carolina has been humorously termed a “valley of humility between two mountains of conceit.” It goes without saying that this great State, with its booming and ever-growing industry and its forward-looking attitude, has no reason to be humble. Quite the contrary, it has every reason to be proud of its heritage and confident in its future.

Nevertheless, humility stands out as a true virtue in this day and age, when dictators and prophets of various “isms” strut with vain arrogance on the world stage. Khrushchev and Bulganin have now taken off the garb with which they sought to fool what they believe to be Little Red Riding Hoods of the free world into thinking they are peace-loving characters. In Hungary they showed that their teeth were as sharp and jagged as ever.

Set against the superegos who endanger world peace or who play around the edges with communism, humility is a heartening virtue. It is certainly possessed by our beloved President, Dwight D. Eisenhower. In recent decades, we have witnessed Chief Executives who have acted in the foreign field by decrees called Executive orders. At times they have strained the Presidential powers and acted by fiat. President Eisenhower has, throughout his period of office, recognized that, under the Constitution, there are three coequal branches of Government—the executive, judicial, and legislative. Rather than attempting to infringe upon the rights of Congress, he has sought to bring it into every important aspect of our foreign policy.

That is why, in another of the world situations with which he has dealt so skillfully, this time the crisis in the Middle East, the President has turned to Congress and asked it for the authority necessary to keep out the Communist colonizers and to assist in the just solution of the international problems in the general area of the Middle East.

As Assistant Secretary of State for Congressional Relations, it is my duty and my privilege to work with the Congress on matters affecting our foreign affairs. I have found in the Senate and the House men and women who keenly are aware of the beliefs of their constituents and earnestly and sincerely try to carry out their wishes. I have found that the Members of the Senate and the House put our Nation’s welfare above partisan politics in matters of international relations.

There is no doubt that Americans admired the leadership provided by President Eisenhower and Secretary Dulles from the start of the Suez crisis. They admired the President’s refusal to be stumped by any of the nations involved. They admired him for refusing to tolerate aggression in any form. This stand won him worldwide support.

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in the United Nations. It convinced the nations of the world and of the Middle East that the United States did not intend to see their sovereignty destroyed. President Eisenhower thus brought the prestige of the United States to a new high.

The next phase with regard to the Middle East logically begins.

The Communist Threat

Under United Nations insistence, Britain and France have withdrawn their forces from Suez. With the way thus cleared, we can assist in dealing with many of the basic problems. The chief of these, as the President and Secretary of State have stressed time and time again to Congress, is the Communist threat in this general area. The Soviet Union has striven mightily for more than two generations to get a foothold, and then gain control, of the rich and strategic Middle East. Russian interest in the Persian Gulf area has been a geopolitical factor since the days of the Czars. The Soviet leaders have sought, with increasing activity, to dominate this area, which is not only a strategic crossroads of the world but wherein lie two-thirds of the free world's oil reserves.

In 1955 President Eisenhower asked for authority to employ American armed forces to protect Formosa, then immediately threatened by attack. There were those who predicted this would lead at once to war. Yet this stern warning delivered jointly by the President and the Congress that the United States was prepared to meet force with force proved effective and remains effective in the Far Eastern area today.

The United States is equally determined not to stand idly by and permit Communist colonialism to absorb this vital area or its now independent people of varying races. The problem of assuring the free movement of the world's commerce through Suez, and the many other challenging problems in this fast-changing area, cannot be solved unless the Communist threat is removed. As in the case of Formosa, it is only fair to let the would-be aggressor know the American people's determination, as expressed by the President and implemented by the Congress, not to permit interference in the affairs of the free nations of the Middle East.

President Eisenhower, in his address to the joint session of Congress exactly one week ago today, pointed out that

The Soviet Union has nothing whatsoever to fear from the United States in the Middle East, or anywhere else in the world, so long as its rulers do not themselves first resort to aggression. . . . Neither does Russia's desire to dominate the Middle East spring from its own economic interest in the area. Russia does not appreciably use or depend upon the Suez Canal, . . . The Soviets have no need for, and could provide no market for, the petroleum resources which constitute the principal natural wealth of the area.

Then the President told the Congress the real motivation for would-be Soviet aggression. He stated:

The reason for Russia's interest in the Middle East is solely that of power politics. Considering her announced purpose of Communizing the world, it is easy to understand her hope of dominating the Middle East.

Later, on January 7, Secretary Dulles told the House Committee on Foreign Affairs: 3

... a Communist breakthrough in the Middle East would encourage the Soviet leaders to resort everywhere to more aggressive policies. It would severely weaken the pressures within the Soviet world for more liberal policies. It would be a severe blow to the struggling peoples of Hungary and Poland who are so valiantly striving for more independence.

The President informed the Congress that

Experience shows that indirect aggression rarely if ever succeeds where there is reasonable security against direct aggression.

As a matter of fact, the House Select Committee on Soviet Aggression—after a careful study of every satellite taken over by the Red bosses and also the non-Russian parts of the Soviet Union absorbed—reported that none was ever swallowed up "without the use or threat of use of the Red Army."

The President also informed the Congress that safeguards against aggression included possession by local governments of loyal security forces and "economic conditions such as not to make Communism seem an attractive alternative."

The actual resolution as introduced in Congress by the new and distinguished chairman, Thomas Gordon, of the House Foreign Affairs Committee is so explicit that I propose to read its salient parts. They are short and to the point, implementing the policy the President requested.

2 See p. 126.
Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President be and hereby is authorized to cooperate with and assist any nation or group of nations in the general area of the Middle East in the development of economic strength dedicated to the maintenance of national independence.

Sec. 2. The President is authorized to undertake, in the general area of the Middle East, military assistance programs with any nation or group of nations of that area desiring such assistance. Furthermore, he is authorized to employ the Armed Forces of the United States as he deems necessary to secure and protect the territorial integrity and political independence of any such nation or group of nations requesting such aid against overt armed aggression from any nation controlled by international communism: Provided, That such employment shall be consonant with the treaty obligations of the United States and with the Charter of the United Nations and actions and recommendations of the United Nations; and, as specified in article 51 of the United Nations Charter, measures pursuant thereto shall be immediately reported to the Security Council and shall not in any way affect the authority and responsibility of the Security Council to take at any time such action as it deems necessary in order to maintain or restore international peace and security.

Sec. 3. The President is hereby authorized, when he determines that such use is important to the security of the United States, to use for the purposes of this joint resolution, without regard to the provisions of any other law or regulation, not to exceed $200,000,000 from any appropriations now available for carrying out the provisions of the Mutual Security Act of 1954, as amended. This authorization is in addition to other existing authorizations with respect to the use of such appropriations.

May I comment that our aims are, in the tradition and spirit of the United States, sincere and noble. That small gallery of critics who feed upon sensationalism and misrepresentation cannot distort these principles.

As many times in our history this is a moment when we can be especially proud of our country and of the institutions which have made us strong and free and thus able to project into this world, long ridden with ancient hates and prejudices, a touch of something new and better for mankind.

For this reason I am certain that the Congress of the United States will adopt the President's program for the Middle East. For this reason I am certain that the American people will give it the same full and enthusiastic support they have given the President himself.

Crumbling Facade of Soviet State

We see the contrast to our own system of freedom and free enterprise in the crumbling facade of the Soviet slave state. This police state has posed to the world as a leader of a "new idea." But what, I ask, is new about tyranny, regimentation, and a planned economy so rigid that it has proved it can never work? This system is, in truth, long outmoded. It goes back before the Dark Ages. All that is different in the Soviet system is the form of the sales technique—and even that is not very new because deceit and lies have been tried before with dismal failure. This technique is to promise everything to everyone; then, if you take over the people, you put them in chains.

The Communist system has begun to crack. The Hungarian revolt proved that men hunger to be free. It proved that this desire to be free is stronger than the indoctrination by the Communists driven home to them since their childhood. It is stronger than self-interest. It is stronger than life itself. The Hungarian patriots showed the world that they prefer to die for freedom than to live under Communist tyranny.

If the Soviet troubles were limited to Hungary, it might not be too difficult a task for the Kremlin's uneasy masters. After all, one big country can crush a smaller defenseless one. But the Kremlin faces the fact there is a gradual stirring in all the satellites, as well as in the U.S.S.R. itself. Let us not forget that almost half the people of the Soviet Union are not Russian. These non-Russians detest their Russian masters.

Anyone could have told the bosses of a so-called new system that bureaucracy and a rigid economic system always had uncorrectable faults. Louis XVI and Marie Antoinette found that out on the guillotine. Why have the Communists been plundering rich Hungary of meat and wheat if their collective farms are doing well? Why are they plundering other satellites to the starvation point? Obviously, the collective farm system is a failure.

It may not be a quick process, but the Communist police state is dying at its roots. Secretary Dulles has repeatedly made clear that internal troubles which may well lead to greater freedom are developing. They are developing far beyond hopes and expectations. The trouble within the Red orbit is serious. I am sure Congress and the American people are aware of this.

History shows that police states with their rigid patterns must expand to live. That is why it is important to prevent such Soviet expansion in the Middle East or anywhere else. That is another
reason why I am so confident that Congress will act on the Middle East resolution with due deliberation and resolve.

In contrast to the failing Soviet system, let us look at our own. The free expression of our divergent views permits us under our traditions of freedom to come up with something approaching the right answer to problems—and to correct our errors quickly after we have made them.

The United States is committed to constant progress; we are not afraid of change within the flexibility of the wise system our forefathers conceived. That is why we in the United States live better today than any people at any time in all history. I think we should take pride in our accomplishments rather than analyzing ourselves too much or concentrating upon the soft points in our national life, which we constantly seek to change.

We should be proud to be patriots even though there has been a campaign for several decades to make patriotism an evil word. We must all be patriots these days. For a nation as strong as ours, unified through pride in its heritage, beliefs, and accomplishments, cannot be defeated. It will play a new role in creating a better and a peaceful world for all mankind.

One cannot deny that these Middle East problems are tremendously difficult, rooted in centuries of hatred and misunderstanding. They will not be solved overnight by any administration—Republican or Democratic. But I say that, regardless of the painstaking, frustrating days ahead, the President's request to Congress is an essential step toward the cherished goal of stability and understanding in this vital region. As such it deserves the firm support of all Americans—Democrats and Republicans—for only by such unity will our great Nation exert moral leadership which is vital to the survival of Western democracy and the welfare of all mankind.

Death of Austrian President

The White House on January 5 made public the following cablegram from President Eisenhower to Chancellor Julius Raab of Austria.

I wish to express to the people of Austria and to you personally my profound sympathy and that of the people of the United States at the death of President Koerner.\(^1\)

Dwight D. Eisenhower

\(^1\)President Theodor Koerner died on Jan. 4.

U.S. To Permit Licensing to Poland of Surplus Farm Commodities

The Department of Commerce announced on January 5 that it now will give consideration to applications for licenses to export surplus agricultural commodities to Poland for U.S. dollars at world market prices. Apart from this action with regard to Poland, the general policy prohibiting exports of subsidized agricultural products has not been changed for Soviet-bloc countries, although at some future time consideration may be given to applications for exports of such commodities to certain other Eastern European countries. Public announcement will be made if, and when, such a decision is taken.

The policy change permits the licensing to Poland of surplus agricultural commodities subsidized or sold by the Commodity Credit Corporation for export, for U.S. dollars at world market prices. To the extent that Poland wishes to make such purchases, this relaxation should permit that country to utilize these commodities for the benefit of the Polish people.

Hungary Lifts Import Duties on Gift Parcels

The Bureau of Foreign Commerce of the Department of Commerce reported on January 9 that the Hungarian Government has announced that gift parcels sent to Hungary will be admitted duty free. Hungarian authorities have advised that until further notice gift parcels addressed to individuals and organizations in that country will not be subject to customs duties. Such parcels may contain any mailable article needed by the addressee and his family, such as clothing, nonperishable foods, and medicines. Items in commercial quantities are not permitted.

U.S. export controls permit shipment of gift packages up to $50 in value by mail to all foreign countries except Communist China and North Korea, without the necessity of applying for individual export licenses. The packages may contain only those items normally sent as gifts, such as food, toilet articles, and civilian clothing. Certain sulphonamide and antibiotic drug preparations may be included in the parcel provided their value does not exceed $25. All other drugs in dosage form may be shipped up to the full $50 limitation.
Only one parcel a week may be sent by any one donor to any one donee.

Mail service to Hungary, which was discontinued on November 23, now has been resumed, the U.S. Postmaster General has announced. Gift packages should conform to Post Office regulations as to size, weight, and permitted contents.

Alleged Overflight of Soviet Area by American Planes

U.S. NOTE OF JANUARY 11

Press release 14 dated January 11

Following is the text of a note delivered on January 11 to the Embassy of the Union of Soviet Socialist Republics in Washington, D.C.

The Department of State informs the Embassy of the Union of Soviet Socialist Republics that the latter's unnumbered note dated December 15, 1956, concerning an alleged overflight of the Vladivostok area by three American planes on December 11, 1956, has been given careful attention.

With respect to the alleged violation of Soviet air space, a thorough investigation has revealed that the only authorized United States Air Force flights in the general area of the Sea of Japan were normal training activities.

If, however, the Union of Soviet Socialist Republics would offer information to enable positive identification of aircraft allegedly involved, or otherwise establish proof of the allegation, the United States Government would be pleased to conduct a further study of the matter.

Department of State,
Washington, D.C.

SOVIET NOTE OF DECEMBER 15

The Government of the Union of Soviet Socialist Republics considers it necessary to advise the Government of the United States as follows:

According to precisely determined data, on December 11, 1956, between 13:07 and 13:21 o'clock, Vladivostok time, three American jet planes, type B-57, coming from the direction of the Sea of Japan, south of Vladivostok, violated the national boundary of the U.S.S.R. by invading the air space of the Soviet Union. These planes penetrated the air space over the territory of the U.S.S.R. in the Vladivostok area. Good weather prevailed in the area violated, with good visibility, which precluded any possibility of the loss of orientation by the fliers during their flight.

This violation by American planes of the air space of the Soviet Union cannot be regarded as other than a premeditated act on the part of the military authorities of the U.S.A. with the clear aim of reconnaissance, which cannot help leading to the aggravation of the international situation in the Far East.

The Government of the Soviet Union strongly protests to the Government of the U.S.A. against this gross violation of the air space of the Soviet Union by American planes and insists that the Government of the U.S.A. take measures to punish the guilty parties and to prevent any future violations of the national boundaries of the U.S.S.R. by American planes.

The Soviet Government considers it necessary to state that in case of any repetition in the future of violations of the air space of the U.S.S.R. by American planes, the Government of the United States of America will have to bear the full responsibility for the consequences of such violations.

King of Saudi Arabia To Visit United States

White House press release dated January 7

The King of Saudi Arabia, His Majesty Saud Ibn Abdul al-Aziz Al Saud, has accepted the President's invitation to visit the United States. The King and his party will visit Washington January 30, 31, and February 1.

This visit is the first state visit of 1957 and marks the first time a reigning monarch of Saudi Arabia has visited the United States. The visit has been under consideration for several months. The President and the King are expected to discuss the problems of the Middle East area which are of mutual interest to the two countries.

Crown Prince Abdul Illah of Iraq To Visit United States

Press release 17 dated January 11

His Royal Highness Crown Prince Abdul Illah of Iraq has indicated his interest in visiting the United States and will pay an informal visit to this country early in February. During the course of the visit he will call on U.S. officials in Washington for discussions of current Middle Eastern problems.

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This will be the Crown Prince's third visit to the United States. As Regent of Iraq, he paid a state visit in 1945 and accompanied King Faisal of Iraq on his state visit in 1952.

World Bank Loan to Japan for Land Reclamation

The World Bank announced on December 19 that documents had been signed that day for a loan equivalent to $4.3 million in various currencies to assist in the execution of land reclamation projects in Japan and to increase imports of dairy cattle. Most of the loan will be used to import equipment which will be operated on pilot projects to test the feasibility of land reclamation in Japan by the application of modern mechanical methods.

The reclamation will be carried out in three different areas of northern Japan: Kamikita in northern Honshu, the Konsen plain in eastern Hokkaido, and the Ishipari River valley in western Hokkaido. The projects are expected to reduce the time and cost involved in transforming an initial 54,000 acres of presently uncultivated land into productive farm areas suitable for mixed farming. If, as expected, mechanized land reclamation proves successful in the pilot areas, the methods developed should be applicable on a larger scale in many other areas of Japan.

The loan was made to the Agricultural Land Development Machinery Public Corporation and is guaranteed by the Government of Japan. The corporation was established by the Japanese Government in 1955. While its initial operation will be in the nature of pilot projects, ultimately its activities will be extended to large-scale reclamation. The loan is for a term of 15 years and bears interest of 5 percent, including the 1 percent commission charged by the bank. Amortization will begin November 1, 1959.

Japan has a pressing need to open new lands to cultivation so that the production of food can be increased. Although its population of 90 million numbers more than half that of the United States, Japan's land area is only one-twentieth as large, and, because of the mountainous terrain, much of this land is unsuitable for cultivation. At present Japan imports about one-fifth of its food requirements, and, with the population growing at the rate of one million a year, output of food will need to be increased by 15 percent within 10 years if the present situation is not to worsen. Presently cultivated land is already intensively used, and it is mainly by developing unused lands for agriculture that Japan can hope to avoid a growing food deficit. This is well understood in Japan, and in recent years the Government has been devoting about 12 percent of its total expenditure to the support and increase of agricultural production. The projects which the bank's loan will assist are part of this effort.

Japan has at least 2.5 million acres of potentially arable land which for various reasons have not been brought under cultivation. Recent efforts to reclaim portions of this acreage have been confined to settling farmers on the land and supporting them while they attempted to clear and prepare areas for agriculture by their own hand labor. Much of the land is covered with scrub growth or hardwood trees so that clearance has been laborious and slow. Following a visit by a bank agricultural mission in 1954, Japan decided to establish pilot projects to test the feasibility of large-scale and rapid reclamation of this type of land by the use of modern clearing and earth-moving equipment.

Neither the natural increase of domestic cattle nor the numbers imported have been sufficient to meet Japan's increasing demand for dairy products in the postwar years. To provide additional stock for existing farms and for new farms to be established on reclaimed lands, Japan needs to import an additional 2,500 head of cattle annually for several years. The bank loan will enable the Government to import 5,000 head of dairy breeding cattle over a period of about 2 years and thus encourage the growth of mixed farming in Japan. The cattle will be imported from Australia.

U.S. Farm Surpluses Finance Development Loan for Brazil

The International Cooperation Administration announced on January 8 that the United States has signed a loan agreement with Brazil which will provide the equivalent of $117,905,000 in Brazilian cruzeiros over the next 3 years to further Brazil's economic development. Funds for this loan will come from sales of U.S. wheat and other farm products to Brazil under title I of the Agricultural Trade Development and Assistance Act of 1954, as amended (Public Law 480).

With proceeds from these sales a line of credit
is being established for the National Bank for Economic Development, an agency of the Brazilian Government, to be used for loans to government, mixed, and private enterprises which are within the scope of the development program of Brazil. Through this loan capital will be provided to expand Brazil's hydroelectric energy output, railroad transportation facilities, and iron and steel production. Included will be loans for such specific projects as construction of the Furnas Dam and other work in the Rio Grande River basin; expansion of power production and other sites of the São Francisco River basin, including the Tres Marias project; and construction of a new railway line between Passo Fundo and General Luiz in Rio Grande do Sul.

The Brazilian Government is undertaking a wide range of development projects essential to the country's economic growth. Much of the planning and work now under way to increase industrial and agricultural production and to improve Brazil's transportation network is being carried out along guidelines set forth by the Joint Brazil-United States Economic Development Commission some 3 years ago. The National Bank for Economic Development, the Brazilian Government lending agency which will channel the loan funds to development enterprises in Brazil, is itself an outgrowth of one of the Joint Commission's recommendations.

This loan agreement supplements an agricultural commodities agreement signed December 31, 1956, 1 which authorized the sale for local currency of $138.7 million worth of U.S. surplus farm products—mostly wheat—to Brazil.

Formal signing of the loan agreement took place on January 7. It was signed for Brazil by Ermâni do Amaral Peixoto, Brazilian Ambassador to the United States, and for the United States by Hawthorne Arey, a director of the Export-Import Bank of Washington, which executes and administers collection of ICA loans.

According to terms of the agreement, the total cruzeiro equivalent of $117,895,000 will be disbursed in three annual installments—the first being $32,980,000. Other provisions call for repayment of the loan by Brazil over a 40-year period, with interest at 4 percent if repaid in cruzeiros and 3 percent if repaid in U.S. dollars.

This is the largest economic development loan thus far extended a Latin American Republic under provisions of title I of the Agricultural Trade Development and Assistance Act. A previous transaction provided for extension of a $31.3 million development loan to Brazil, and other loans have been or are being negotiated with Argentina, Chile, Colombia, Ecuador, Paraguay, and Peru.

**Congressional Documents**

**Relating to Foreign Policy**

**84th Congress, 2d Session**


Legislative History of the Senate Committee on Foreign Relations. 8. Doc. 150, July 26, 1956. 84 pp.


Foreign Policy and Mutual Security. Draft report submitted to the House Committee on Foreign Affairs pursuant to a committee resolution providing that the Committee on Foreign Affairs shall examine and reexamine, under the direction of the chairman, the objectives, methods, and results of the foreign policies and programs of the United States involved in the Mutual Security Act and related legislation, together with hearings held by the Committee on Foreign Affairs October 9–November 28, 1956. December 24, 1956. 367 pp. [Committee print.]

**85th Congress, 1st Session**


Middle East Situation. Address of the President of the United States delivered before a joint session of the Senate and the House of Representatives. H. Doc. 46, January 5, 1957. 8 pp.
General Assembly Establishes Committee To Investigate and Report on Conditions in Hungary

Following are texts of a statement on the Hungarian question by Henry Cabot Lodge, Jr., U.S. Representative to the General Assembly; a report by U.N. Secretary-General Dag Hammarskjold; and a resolution adopted by the Assembly on January 10.

STATEMENT BY AMBASSADOR LODGE

More than 2 months have passed since the Soviet Union attacked the Hungarian people with massive force. Since that time the General Assembly has repeatedly turned its attention to the situation in that terror-stricken little country. It has set forth its objectives, clearly and unequivocally, in a series of resolutions—objectives which have been totally and flagrantly disregarded by the Soviet Government and by the existing Hungarian authorities. In a climactic action the United Nations has even gone so far as to condemn the Soviet oppression of Hungary and to do so by an overwhelming vote.²

We now confront another aspect of this tragic case. On November 16 last, the Secretary-General, pursuant to the resolution adopted by the Assembly on November 4,² appointed a committee of three investigators to look into the situation caused by the Soviet intervention in Hungary.

There is now before us, in document A/3485, a report by the Secretary-General on the investigation with which he has been charged by the Assembly. The Secretary-General has reached two major conclusions.

The first is:

So far there has been no possibility for representatives of the United Nations to make direct observations in Hungary, nor has the cooperation necessary for the investigations been forthcoming from Governments directly concerned.

And here is a second quotation:

... the Assembly may now wish to establish a special ad hoc committee which would take over the activities of the group of investigators established by the Secretary-General, and follow them up under somewhat broader terms of reference.

Now, Mr. President, the United States believes that these observations of the Secretary-General deserve serious and urgent consideration by the Assembly. We believe that the members of the United Nations must continue to focus attention on the problem of Hungary. The valiant Hungarians must not think they have been forgotten. Indeed, they must know that they will be always remembered so long as men prize human liberty. To this end, we should receive the fullest information regarding the situation created by the attack of the Soviet Union on the Hungarians and on the developments which relate to the recommendations of the General Assembly on this subject.

We believe that this objective can best be accomplished by the creation of a committee of governments to be charged with investigating and with reporting on these matters to the present session of the Assembly and thereafter as appropriate. Since we are convinced of the great importance of direct observation in Hungary, we think that this committee should be authorized to establish such observation in Hungary and

1 Made in plenary on Jan. 9 (U.S. delegation press release 2582).
elsewhere, as well as to collect evidence, testimony, and information which will enable it to report fully.

If the delegates will forgive a personal note, but one which I think is pertinent, I would like to say that earlier this week I visited the Hungarian refugee center at Kilmer, N. J., an hour from here. My visit both touched and inspired me. In the first place, these people were fine-looking men and women. With them were many small children who were truly beautiful. Here they were 3,000 miles from their native land. And why? Because they were citizens of a small country, who wanted to live their lives in peace and freedom and who were prevented from doing so by their colossal neighbor to the east.

To say that these obviously God-fearing, simple, industrious people were Fascists, counter-revolutionaries, or Horthyists—to use the phrases of the Soviet speakers—is as untrue and as fantastic to anyone who takes the trouble to go and see these people for himself as it is to suppose that the Russian revolution was the last revolution which will ever occur on this earth.

We must hope that the Soviet rulers will see that what they have done in Hungary is not only morally indefensible but that it constitutes a total failure even when looked at from the solely practical grounds of Soviet strategy.

The plight of the Hungarian people is of vital interest to us all, and particularly, if I may say so, to that majority of the human race which lives in small countries and which wants to be able to live in peace and freedom without oppression from more powerful neighbors, because what can happen to one can happen to another.

The United States, therefore, after considering the issues arising from the Secretary-General's report, has cosponsored with other delegations a resolution which would entrust the mandate I have described to a committee of five governments and which would call upon all member states to give every possible assistance to the committee in the fulfillment of its task. Adoption of this resolution will reaffirm the objectives which we have previously endorsed and provide the Assembly with a means of insuring a flow of information on developments in Hungary.

The resolution is self-explanatory. We are sure that this action will be supported by this Assembly. This action may not be spectacular, but it will surely be useful because it will be a ceaseless vehicle for truth and we know that the truth is mighty and will prevail.

We therefore urge its speedy adoption so that the committee which it establishes can turn promptly to its important work.

REPORT BY SECRETARY-GENERAL

U.N. doc. A/3485 dated January 5

In a report to the General Assembly (A/3403), 30 November 1956, the Secretary-General gave an interim account of action taken by him on the basis of various resolutions adopted by the General Assembly concerning the withdrawal of foreign troops from Hungarian territory and related questions, including that of deportations, and concerning investigations of the situation caused by foreign intervention in Hungary. Humanitarian activities, including assistance to refugees, have been dealt with mainly in other reports.

In his report, 30 November, the Secretary-General drew the attention of the General Assembly specifically to the steps taken for investigation and observation of the developments in Hungary. As announced to the General Assembly, 16 November (A/3359), a group of three had been established by the Secretary-General to assist him in fulfilling the investigatory duties with which he had been charged by the General Assembly. This group consisted of Mr. O. Gundersen, Mr. A. Lall, and Mr. A. Lleras. The Secretary-General wishes to include in the present report an account of the views expressed by this group concerning the nature of and conditions for the investigations with which it was charged.

The group presented to the Secretary-General, 15 December 1956, the following note:

Referring to our conversation with you yesterday when we exchanged views regarding the task of investigation which you asked us to undertake in pursuance of Assembly resolution A/Res/3393 dated 4 November 1956 and in accordance with your information to the General Assembly (A/3359) of 16 November 1956, we would like briefly to state our views at the present stage.

Already in the first conversation we had with you we noted that the resolution of the General Assembly of 4 November 1956 appeared to envisage the process of investigation, observation and reporting as a unified one. Moreover, that resolution, as also subsequent resolutions of the General Assembly, called on the Governments concerned to assist in the process of fact-finding and assessment of the Hungarian situation. While we immediately set out to examine the material made available to us in New York we found that it did not contain sufficient evidence for a
broad-based investigation of the events that had taken place in Hungary. We found ourselves, as it were, in possession of a fringe of the material which we would have required for the kind of assessment of the situation which we felt that the General Assembly had had in view. In short, what we have looked at is the available and generally known material which does not put us in a position to add anything significant to what is common knowledge about the situation in Hungary. We have also taken note of the fact that as a result of your approaches in pursuance of General Assembly resolution A/Res/413 dated 4 December 1956 only one country of those requested has found it possible to offer facilities for observation.

Until it is possible to open up further sources of reliable material through observation on the spot in Hungary and by the co-operation of the Governments directly concerned, there would be little purpose in our attempting an assessment of the present situation or of recent events. In these circumstances the question arises as to whether it is not best for the process of investigation to be suspended for the present, and for the matter to be re-examined at a later stage.

Serious consideration should be given to the conclusion of the group that short of access to reliable material, provided through observation on the spot in Hungary and by the co-operation of Governments directly concerned, there would be little purpose in attempting an assessment of the present situation or of recent events.

So far there has been no possibility for representatives of the United Nations to make direct observations in Hungary, nor has the co-operation necessary for the investigations been forthcoming from Governments directly concerned. The only source of new and direct information, under these circumstances, possibly available might be hearings with refugees from Hungary, conducted, in the first place, in neighbouring countries.

The Government of Austria has declared itself prepared to receive observers for such a purpose. Offers to the United Nations to send observers for hearings with refugees have been received from the United States of America and Italy. Some additional points of significance might be established through hearings with refugees in these countries, but, in order to yield results of value, such hearings must be extensive and organized in a jurisdictively satisfactory form.

The Secretary-General continues, on his part, to try to further the aims of the General Assembly, pursuant to paragraph 5 of the last resolution on the Hungarian question. He has, under present circumstances and pending also the result of efforts along other lines, hesitated now to initiate, himself, further investigatory activities, including hearings with refugees.

The Secretary-General has felt that this might be the proper time for a reconsideration of the form to be given to the investigatory activities. In view of the active and continued concern of the General Assembly for the development, the Assembly may now wish to establish a special ad hoc committee which would take over the activities of the group of investigators established by the Secretary-General, and follow them up under somewhat broader terms of reference.

Such a committee should obviously serve as an organ of the General Assembly for a continued observation of developments in relation to Hungary in all those respects which may be of relevance to the Assembly. The work of a committee with such a mandate might facilitate for the General Assembly the consideration of matters relating to Hungary beyond what could be achieved through an investigation of the kind with which the Secretary-General has been charged. The committee, if established, should report directly to the General Assembly. It would be entitled to all the assistance and facilities which the Secretariat might provide for it in the fulfilment of its task.

RESOLUTION ADOPTED ON JANUARY 10

U.N. doc. A/Res/449

The General Assembly,

Recalling its previous resolutions on the Hungarian problem,

Reaffirming the objectives contained therein and the continuing concern of the United Nations in this matter,

Having received the report of the Secretary-General of 5 January 1957 (A/3485),

Desiring to ensure that the General Assembly and all Members of the United Nations shall be in possession of the fullest and best available information regarding the situation created by the intervention of the Union of Soviet Socialist Republics, through its use of armed force and other means, in the internal affairs of Hungary, as well as regarding developments relating to the recommendations of the General Assembly on this subject,

The Korean Problem in the General Assembly

Statement by Edward S. Greenbaum  
U.S. Representative to the General Assembly

The United States believes that the increase in world tensions arising from the situations in the Middle East and Eastern Europe should not be allowed to obscure the importance of the United Nations responsibility in the Korean situation. On the contrary, this increased tension makes it more urgent to find solutions to these problems.

The United Nations has long been vitally concerned with the Korean problem. Collective action by the United Nations in meeting Communist aggression in Korea was without precedent in the history of this organization. We cannot forget the suffering of the Korean people and the heavy casualties of United Nations forces on behalf of Korean peace, unity, and freedom.

However, for 10 years the efforts of the United Nations to seek a settlement of the Korean problem have run head on against constant Communist resistance. We all know this history. The inflexible and rigid Communist attitude has frustrated past efforts to reach a solution. The result has been continued suffering in Korea. But we hope and believe that United Nations efforts will succeed. They must not fail.

Past discussions here have established clearly that the primary problem in Korea is political unification of the country. Military and political tensions would cease to exist if unification was effected. Conversely, until unification is achieved, the Korean situation will remain a potential danger to world peace.

The Geneva conference of 1954 is the principal term of reference in approaching the Korean problem today. Fifteen nations which had participated in the military action in response to the appeal of the United Nations, in concert with the Republic of Korea, enunciated at the Geneva conference two fundamental principles which they believed provided the basis of a Korean settlement consistent with the objectives of the United Nations. They are:

1. The United Nations, under its Charter, is fully and rightfully empowered to take collective action to repel aggression, to restore peace and security, and to extend its good offices to seeking a peaceful settlement in Korea.
2. In order to establish a unified, independent and
democratic Korea, genuinely free elections should be held under United Nations supervision, for representatives in the National Assembly, in which representation shall be in direct proportion to the indigenous population in Korea.\(^3\)

The Communist side rejected these principles. It advanced instead various formulae for unification that would have assured a North Korean regime veto to the formation of any unified government that was not established under Communist domination. In particular, the Communists opposed any plan for United Nations supervision of the elections and demanded withdrawal of foreign forces as a first step toward unification.

Since the Geneva conference of 1954, this Assembly has twice overwhelmingly endorsed the principles enunciated by the nations representing the United Nations Command side as providing an equitable basis for a Korean settlement. Nevertheless the Chinese Communists and the North Korean regime have not changed their position. This is established in the opening portion of the report of the United Nations Commission for the Unification and Rehabilitation of Korea.\(^3\)

**Progress in Republic of Korea**

Despite the failure to achieve peaceful unification of the country, the Republic of Korea has continued to develop the representative character of its government. There has been the free expression of the popular will. A strong two-party system is clearly emerging. We see this confirmed in the UNCUR\(\text{K}\) report. We are encouraged to note in the UNCUR\(\text{K}\) report that progressive evidence of the deepening of democratic roots has continued.

1956 saw the pattern of progress maintained. This is eloquently demonstrated by the 1956 elections for President and Vice President on May 15. President Syngman Rhee was reelected by a substantial majority, but the opposition Democratic Party, formed by a merger of various opposition groups, secured the election of its candidate, Chang Myon, as Vice President. Subsequently, the administration party, the Liberal Party, won in the great majority of elections for provincial and local positions. The UNCUR\(\text{K}\) report gives complete information as to how more than 7 million free Koreans voted.

Since this Assembly in 1947 first called for free elections throughout Korea under United Nations auspices as a basis for Korean unification, three national legislative elections, as well as various local and provincial and presidential elections, have been held. All of these have been under the observation of the United Nations Commission.

This wholesome demonstration of free elections should be contrasted with what has taken place in North Korea. There has never been any United Nations observation in the north. There we merely have the bald announcement by the North Korean regime that local and provincial elections were held on November 20 and 27, 1956. But we have no means of confirming this. How does the General Assembly know that these elections actually took place? Under what conditions and with what results? Were such elections in North Korea only a repetition of the carefully staged demonstrations which occurred in North Korea before hostilities began in 1950? No elections have been held for an assembly in North Korea since 1948, when the Communists excluded the United Nations Commission and refused to participate in free elections under United Nations observation throughout Korea. The delegates will recall that it was on the basis of these staged elections in 1948 that the Communists pretended to represent the whole of the Korean people. If the Communists wish to demonstrate good faith, the elections announced for North Korea this year afford an excellent opportunity for them to do so.

Pending a political settlement of the Korean problem, the military forces of the United Nations Command remain in the field, facing those of North Korea and the Chinese Communists. The armistice of 1953 established an effective cease-fire. During these 3 years no more than minor incidents have disturbed that cease-fire.

The reinforcement provisions of the armistice, however, which were designed to maintain a balance between the forces in the field, have not been observed by the Communist side. They have violated these provisions cynically in many respects. The most obvious and serious of the many violations relates to the introduction of combat aircraft.

It is a well-known fact, established by aerial photographs in the closing hours of the Korean hostilities, that the Communist side did not have any combat aircraft in North Korea at the time of the signing of the armistice agreement. Yet

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\(^3\) U.N. doc. A/3172.
the Communists now have a strong air force in North Korea numbering approximately 750 planes; half of them are jets. They offer no explanation of the entry of these aircraft. Not until January 1956 did they present any report on aircraft to the Neutral Nations Supervisory Commission, and then they merely reported destruction of aircraft whose presence in North Korea was previously denied by the Communist side. They have still reported no entries or departures of combat aircraft.

The United Nations Command, which itself continues carefully to observe the reinforcement provisions of the armistice agreement, has repeatedly called upon the Communist side in the Military Armistice Commission to correct these obvious defaults with respect to the reporting and reinforcement provisions of the armistice agreement.

In May of this year the United Nations Command was impelled, after long negotiation and consultation, to take action on the problem of the Neutral Nations Supervisory Commission, which is closely related to the problem of Communist violation of the reinforcement provisions of the armistice agreement. The United States, in its capacity as the Unified Command, reported on August 15 in detail to the U.N. on this action.4

Prisoners of War

There is another armistice problem about which I wish to speak briefly. It is the failure of the Communist side to account for United Nations Command prisoners of war and the continued Communist detention of Korean and foreign civilians. At this time, when the Chinese Communists have recently announced adherence to the Geneva conventions governing the treatment of prisoners of war and of civilians, though with the same qualifying reservations attached by the U.S.S.R., it should be noted that in Korea they are still defying both the letter and spirit of those conventions and of the armistice agreement.

More than 3 years after the signing of the armistice agreement, the Communist side still has not given a satisfactory accounting for United Nations Command prisoners of war as required by the armistice agreement. The United States is continuing to press for an accounting of some 450 personnel, of whose fate we have reason to believe the


Text of Resolution on Korea 1

U.N. doc A/Res/452(A)

The General Assembly,

Having noted the report of the United Nations Commission for the Unification and Rehabilitation of Korea (A/3172),

Recalling resolutions 811 (IX) and 910 (X) of 11 December 1954 and 29 November 1955 respectively,

Noting that the Armistice Agreement of 27 July 1953 remains in effect,

1. Reaffirms that the objectives of the United Nations are to bring about by peaceful means the establishment of a unified, independent and democratic Korea under a representative form of government, and the full restoration of international peace and security in the area;

2. Urges that continuing efforts be made to achieve these objectives in accordance with the fundamental principles for unification set forth by the nations participating in the Korean Political Conference, held at Geneva in 1954, on behalf of the United Nations and reaffirmed by the General Assembly in resolutions 811 (IX) and 910 (X);

3. Calls upon the United Nations Commission for the Unification and Rehabilitation of Korea to continue its work in accordance with existing resolutions of the General Assembly and to observe and report on elections throughout Korea, and calls upon all States and authorities to facilitate this activity on the part of the Commission;

4. Requests the Secretary-General to place the Korean question on the provisional agenda of the twelfth session of the General Assembly.

1 Sponsored by the U.S. (U.N. doc. A/C.1/L.158) ; adopted by Committee I on Jan. 8 by a vote of 57 to 8 (Soviet bloc), with 13 abstentions; adopted by the General Assembly on Jan. 11 by a vote of 57–8–9.

egan States is not the only government suffering from this situation. Other governments which contributed military forces to the United Nations Command also have personnel for whom no accounting has been given. Most of the unaccounted personnel were in the military services of the Republic of Korea. There is substantial evidence that a great number are still being detained by the North Korean regime.

Refugees escaping from the North Korean area continue to bring eye-witness reports regarding such personnel. Also held by the North Korean regime are thousands of South Koreans who were removed from South Korea during the hostilities.

This Communist detention of prisoners of war
and Korean and foreign civilians is a continuing and cruel injustice. The suffering of the individuals immediately affected and anguish of their families and associates are of deep concern to my Government.

At its 10th session, the General Assembly requested India to report to this session on the progress made toward the final settlement of the ex-prisoners of war in neutral countries. It has done so. It reports that 88 ex-prisoners refused repatriation and chose settlement in neutral countries. These ex-prisoners were taken to India pending their final disposition. The disposition of these individuals is now near completion as a result of arrangements that have been made for their settlement in neutral countries of their choice. It is gratifying that most of the ex-prisoners will be able to start a new life as free men in their newly adopted countries.

Brazil, Mexico, and Argentina generously offered to accept for permanent resettlement former prisoners who desired to go to Latin America. Most ex-prisoners who so opted have already emigrated to these countries or are waiting for final arrangements to be completed. The United States wishes to express its appreciation to the Governments of Brazil, Mexico, and Argentina for their humanitarian and generous offers to accept these ex-prisoners for settlement. It also desires to record its appreciation to the Government of India and the Secretary-General for their efforts in making the necessary arrangements for this resettlement.

**Question of U.N. Membership**

Mr. Chairman, no review of developments in Korea should ignore one other recent development. I refer to the strong and increasingly widespread expressions by many Koreans asking for the early admission of the Republic of Korea to membership in the United Nations. Recently a representative of the Republic of Korea presented to the Secretary-General of the United Nations a petition containing millions of signatures of Koreans who look to the day when the Republic of Korea will be represented here as a full member of this organization. Although the Republic of Korea belongs to various specialized agencies of the United Nations, it has been excluded from membership in this body by the arbitrary veto of the Soviet Union. The United Nations approved the establishment of the Republic of Korea as an independent government. The General Assembly on previous occasions has recommended the admission of the Republic of Korea to the United Nations. Morally and legally it is entitled to membership. The United States urges its early admission to the United Nations.

In conclusion, Mr. Chairman, I should like to make a few brief observations regarding the resolution submitted by my delegation. The United States is vitally concerned that the sacrifices which were made by its troops and the troops of other nations in Korea shall not be in vain. It knows that all the nations who joined with it in the task of turning back aggression share this feeling. It is for that reason that we have offered a draft resolution which records our determination that the United Nations will continue the task it started and “establish a unified, independent, and democratic Korea.”

We regard this resolution as an important one. We hope that it can be adopted by this Committee speedily and with wide support. By so doing this Committee will enable the United Nations to reaffirm unequivocally its objectives in Korea. Such action will make clear that the objective of a free, independent, unified Korea remains paramount in our minds. Such action will also make clear that this objective should be achieved in a way consistent with the principles of the Geneva conference. To do less would be to shirk the responsibility which is ours.

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U.S. Policy and Practices in the Field of International Travel

Following is a report submitted by the United States to the U.N. Secretary-General on action taken by this country to facilitate international travel.1

The following data is related to correspondingly numbered paragraphs of resolution 563 XIX:
1. (a) The United States has examined and found beneficial the effect of increased tourism on its internal economy and on international trade, and is continuously engaged in encouraging further increases. As the proponent of numerous declarations relative to the desirability of increasing tourism, in various international forums, the United States believes its strong endorsement of the intent of this resolution is well known.

1. (b) The tourist facilities in the United States are believed to be in an advanced state of development. As of interest in support of this, United States domestic travel has attained a volume of $15 billion annually, encouraged by the transportation, hotel and other facilities, and stimulated by the numerous and varied attractions. Recent statistics show the expenditures by United States citizens abroad to have reached a total of $1.6 billion.

1 Excerpt from annex II of a report by the Secretary-General (U.N. doc. E/2333, dated Nov. 23, 1956) to the 22d session of the Economic and Social Council, made in response to a resolution passed during the 19th session of ECOSOC (see box). The document contains five sections: I. Introduction; II. Summary of Comments of Governments Concerning Measures Taken in Response to ECOSOC Resolution 563 (XIX); III. Action by International Organizations; IV. International Tourist Statistics; and V. Conclusion; also, three annexes containing the Secretary-General's note to the various countries requesting information, the texts of the replies of the Governments, and information about the World Health Organization's activities relating to development of international travel. The U.S. report is entitled: "Information Concerning Action in the United States for Inclusion in the Report of Secretary-General to the 23rd Session of the Economic and Social Council, Pursuant to Resolution 563 XIX of 31 March 1956."

January 28, 1957

1. (c) Implementation of the suggestion that adequate support be given official organizations engaged in the development of tourism has taken place. Commencing 1 July 1956 the International Travel Division in the Department of Commerce has been provided with funds by congressional appropriation to promote international travel. In this same framework a Travel Advisory Committee has been formed composed of 30 executives of the principal tourism organizations in private industry. In addition there has been established an Interdepartmental Committee on Foreign Travel with membership from all the executive agencies concerned with international travel or with border crossing formalities. Full co-operation between government and private agencies is thereby attained.

1. (d) All United States embassies have been instructed to negotiate with the Governments to which they are accredited to work out broad agreements which will facilitate travel on a reciprocal basis and thereby assure to Americans the rights and privileges which the United States is offering to foreigners.

Among the changes are the following:

1. A non-immigrant visa may be valid for any number of visits within a period of four years and with no fee. Two years was the previous maximum validity. (A United States passport has a maximum validity of four years.)

2. A non-immigrant visa may be revalidated up to four years without a formal application. The previous period was two years.

3. A non-immigrant visa may be revalidated within a year, rather than three months as previously required. This is to facilitate the travel of those who reside long distances from the United States and could hardly be expected to pay another visit to the United States within a short period of time.

4. Consular officers have been instructed that they may issue a non-immigrant visa valid for two
Development of International Travel

U.N. doc. E/Resolution 563 (XIX) 1

The Economic and Social Council,
Having considered the proposal made by the United States of America concerning the development of international travel, its present increasing volume and future prospects (document E/2688), 2

Recognizing the importance of international travel in promoting international understanding and cultural relationships, in fostering international trade, in furthering economic development and in contributing towards the improvement of balances of payment,
Taking into account the useful work already performed in this field by national, international and regional organizations, including the United Nations and its regional economic commissions,
1. Invites States Members of the United Nations and of the specialized agencies:

(a) To examine the beneficial effect which increased tourism could have on their internal economy, and the part it plays in international trade;
(b) To survey their tourist facilities to determine existing deficiencies, and to encourage the development of transportation, hotel and other needed facilities, amenities and attractions;
(c) To give adequate support to the official organizations engaged in the development of tourism, and to encourage their co-operation with private agencies in this field;
(d) To simplify wherever practicable the entry and exit procedures and formalities applicable to tourists, and to co-operate in the development of international travel arrangements designed to facilitate tourism;
(e) To encourage the exchange of technical advice between countries possessing well-developed tourist programmes and facilities and those with less experience;

2. Requests the organs of the United Nations and the appropriate specialized agencies to give favourable consideration to constructive projects which are within their competence and are designed to increase tourist facilities and to promote travel;
3. Requests the Secretary-General to study the statistics available relating to tourist travel and to report to the Statistical Commission as early as possible with a view to the establishment of uniform definitions, standards and methods;
4. Further invites the non-governmental organizations concerned with tourism to continue and increase their efforts to promote international travel;
5. Further requests the Secretary-General to submit to the Council at its twenty-third session a report on the measures taken in response to this resolution.

1 For a statement on this resolution by the U.S. representative in ECOSOC, see Bulletin of May 2, 1955, p. 741.

entries in cases where this may be required when an alien wishes to visit the United States, proceed to a third country, and then return to the United States on his way home. Heretofore, in some instances an alien has been required to wait some time in the third country before he could get the visa to return to his home through the United States. The new provision for a round-trip visa will facilitate the travel of these people.

5. Where foreign countries require single entry visas on a reciprocal basis, the Department proposes a joint agreement to allow citizens of both countries to buy at any one time as many such visas, or entries, as he may desire. Now he must go to the issuing office every time he wants to make a trip.

6. Heretofore, one type of visa has been required for a businessman and another type for a tourist for pleasure. The Department, after consultation with the Immigration and Naturalization Service, has instructed consuls to issue visas valid both for business and for pleasure where no fees are required, or where the fees for the two different types of visas are the same. If any other country charges different fees for these two types of visas, American consular officers may now issue a visa valid both for business or for pleasure, if the alien desires to pay the higher fee.

7. The Department has also provided that aliens may have their names registered and maintained on quota waiting lists and still be issued non-immigrant visas for bona fide visits, with the proviso that any violation of non-immigrant status will result in the removal of the name from the quota waiting list. Further, the name may not be reinstated as of the date of original priority.

8. In co-operation with other agencies of Government, the Department is adopting a new and simplified application form for a non-immigrant visa. Questionnaire forms and preliminary application blanks which have been used in the past and which have slowed up the issuance of non-
immigrant visas will now be used only when it is necessary to mail them to persons living some distance from the Consulate.

9. A bill endorsed by the Department is pending in Congress which would eliminate the issuance of fee stamps and the Department has under consideration a simplified system of recording fees in an effort to speed up the process of issuing a visa.

The United States also participates actively in numerous organizations interested in the development of international tourism. Through the organizations and by other means the United States actively seeks international arrangements to facilitate tourism. In 1956 the United States ratified the United Nations Conventions on Customs Facilities for tourists’ personal effects and automobiles.

1. (c) The United States has offered to Latin American Governments through the International Cooperation Administration, advice and technical assistance on the broad problems of expanding tourism, and it is now in a position to provide technical assistance for other countries in the field of tourism, if adequate justification therefore is demonstrated. The International Cooperation Administration is prepared to finance limited amounts of technical assistance to countries participating in the Mutual Security Program. It is willing, for example, to undertake technical training of foreign nationals and the sending of American experts overseas to provide consultation and training in technical aspects of tourism. These are the types of activities which the U.S. Government has already carried out to some extent in the Mutual Security Program.

Relation Between the Practices of the United States and the Recommendations of the Meeting of Experts to Prepare for a World Conference on Passports and Frontier Formalities (Geneva, 14–25 April 1947)

U.S. Status as of 1 July 1956

There follows a statement of the practices followed by the United States Government as of 1 July 1956 and of the extent to which the United States is willing to go to conform to the specific recommendations and conclusions agreed to by the Meeting of Experts:

I. Documents

A. Passports

(i) With regard to American citizens traveling abroad there is no permanent provision of law under which passports are required for such travel either to depart from or enter into the United States. As a war-time measure, however, regulations were instituted requiring passports of all United States nationals, with certain exceptions, departing from or entering into the United States after 15 January 1942. Shortly after the surrender of Japan these regulations were amended to permit United States nationals to travel without passports between the United States and foreign territories in the Western Hemisphere.

With regard to aliens entering the United States, the Government of the United States had concluded, prior to the Meeting of Experts at Geneva, bilateral emergency arrangements with respect to citizens of Canada and Mexico entering the United States temporarily. It has been the experience of this Government that bilateral agreements abolishing the passport requirement for travel between countries are appropriate between countries having common frontiers. Under such circumstances, the exclusion or deportation of an alien to his country of nationality, whenever these measures are necessary, is relatively easy to accomplish.

However, with regard to aliens coming into the United States from countries which do not have a common boundary with the United States this Government has not found it possible to conclude satisfactory bilateral or multilateral agreements for the reciprocal waiver of passport requirements primarily because foreign governments have not been willing to agree to receive back into their territory all persons who may have entered the United States from such territory regardless of their nationality or citizenship status. Such a provision would of necessity be part of any agreement because aliens coming to the United States from non-contiguous countries must be deported when (1) upon arrival they are found not to be en-

2 For an article on this meeting, see Bulletin of June 22, 1947, p. 1201.

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titled to admission as bona fide non-immigrants under the laws and regulations of the United States and (2) after arrival they become deportable either for overstaying their period of admission or because of objectionable activities in this country. If such aliens were not in possession of valid passports, the Government of the United States would be subjected to considerable expense and delay in arranging for their deportation. The current United States practice of requiring passports for aliens arriving in the United States from non-contiguous territories provides this country with a reasonable assurance that some foreign country will receive the alien whenever he becomes deportable. Any bilateral or multilateral agreement abolishing the passport requirements would have to provide the same assurance to the United States Government.

For these reasons the Government of the United States concurs in the conclusion of the Meeting of Experts at Geneva that the abolition of the passport requirements of aliens generally is not feasible at present except upon basis of reciprocal bilateral or multilateral agreement.

(ii) The “international-type” of passport recommended by the Conferences of 1920 and 1926 in a somewhat simplified form is issued by the United States.

(iii) The present form of passport issued by the United States was adopted many years ago as being the simplest form of document for international travel. The non-immigrant card does not simplify the passport regime because it sets up two passport systems, non-immigrant and other passports, and it complicates the issuance of a passport by requiring the issuing authority to determine the non-immigrant intent of the applicant for such a passport and officially warrant the purpose of the holder. This is a much more complex matter than the official establishment of the identity and nationality required in connexion with the current passport regime.

While the United States does not propose to change its procedure relative to the use of the passport indicated in (ii) above, it is prepared to recognize a tourist card issued by a foreign country (such as that recommended in Resolution I of the Third Inter-American Travel Congress of Bariloche, 1949), provided such card contains all the information necessary for a document of identity and nationality, and bears a valid visa issued by a United States consular officer.

The United States has developed a simplified border-crossing procedure for use by Mexicans, Canadians, British subjects domiciled in Canada, aliens permanently residing in the U.S., and United States citizens in travel to and from Canada and Mexico for short visits. This has been possible due to the common borders between these countries and the United States and the existence of an understanding that any visitors from their territory found to be inadmissible will be received back.

(iv) The United States cannot under present legislation issue a “collective passport”. However, it does issue a passport to include members of a family group. The Government of the United States also on occasion provides special facilities for group movements into the United States.

(v) An American passport may be issued for any period up to two years, thereafter the passport may be renewed for a period or periods not exceeding two years. Thus, it has a potential validity of four years from the date of issue. It is the present practice of the United States to issue passports valid for the full period of two years and to renew them for a similar period in the absence of good reason for limiting the documents to a shorter period. The United States considers it impracticable to issue a passport for so long a period as five years since, under the Immigration and Nationality Act, the nationality of the United States may be lost by the performance of a number of acts or the fulfillment of certain conditions and it is considered desirable that an American citizen who is abroad or intends to travel abroad present his case to an appropriate American official at least every two years to determine his nationality status. After an American national has been issued one passport, subsequent passports are obtainable expeditiously and with much less formality.

(vi) In time of peace, the United States issues passports to nationals of this country valid for travel in all foreign countries in the absence of good reasons for restricting their validity for use in certain countries or areas and subject, of course, to compliance with the regulations of foreign countries.

(vii) The fee of $9.00 which is charged for the
issuance of an American passport approximates the cost of issuing such a document and the services connected therewith in the United States and on the part of diplomatic and consular officers of the United States abroad.

(viii) The United States has constantly sought to make it possible for American nationals to apply for passports with as little burden and inconvenience as possible. Applications for passports may be made before passport agents in Washington, D.C., New York, N.Y., San Francisco, Calif., Boston, Mass., New Orleans, La., Chicago, Ill.,* and before clerks of all Federal courts and clerks of all state courts having authority to naturalize aliens. There are about 3800 such courts conveniently located throughout the United States. Applications for passports by persons residing in American Samoa, Guam, Hawaii, Puerto Rico, and the Virgin Islands may be made to the chief executive of these islands. Abroad, American nationals may apply for passports in all American diplomatic and consular offices. Each applicant for a passport, whether in the United States or abroad, is obliged under the law to make initial formal applications to any of these offices in person and under oath. Applications for renewals may be made in writing. United States passport application forms have been revised to make the application procedure simpler and faster.

B. Visas

(i) The Government of the United States does not normally require exit visas or departure permits of aliens seeking to leave the United States. However, as a preliminary formality at the point of departure, a form of exit control is exercised to insure payment of Federal income tax liabilities.

(ii) Although the Meeting of Experts at Geneva declined to recognize a distinction between countries which have, and those which do not have a quota system for immigrants so far as the question of abolishing non-immigrant visa requirements is concerned, the Delegation of the United States did not agree that there should be no such distinction. The Government of the United States supports that view.

The United States has recommended that entrance and transit visas should be abolished by countries having no quantitative immigration restrictions.

The United States has waived the visa requirement for non-immigrant travel by Canadians and for certain Mexican citizens.

Pursuant to the President's Directive of 26 May 1954 to facilitate international travel,* the validity period of most types of non-immigrant visas has been extended by bilateral negotiation on a reciprocal basis to forty-eight months for nationals of fifty-seven countries.

However in general the waiver of visa requirements for many countries is impracticable for the following reasons:

Inadmissible aliens and quota immigrants in excess of the immigration quotas are now stopped at their foreign source. The demand for visas under the quotas is increasing and many quotas are oversubscribed. In such a situation experience shows that many aliens attempt to evade quota restrictions by seeking to enter the United States in the guise of non-immigrants. Except for the present non-immigrant visa system many thousands of immigrants would arrive at ports of entry in the United States and seek entry in a non-immigrant status. Some would be admitted temporarily and would have to be apprehended and deported for overstaying the period of their admission, while many others would have to be excluded and returned to the countries whence they came, at great cost to the Government of the United States and the transportation companies.

Furthermore, unless aliens desirous of proceeding to the United States are first examined by of--

*The directive, in the form of a memorandum from the President to the Departments of State, Commerce, Justice, and the Treasury, reads as follows:

"In my message to the Congress on the subject of foreign economic policy I emphasized the importance of international travel both for its cultural and social advantages to the free world and for its great economic significance. In my message I stated that I would instruct the appropriate agencies and departments, at home and abroad, to consider how they can facilitate international travel. I made specific note that these agencies would be requested to simplify procedures where practicable relating to customs, visas, passports, exchange or monetary restrictions, and other regulations that sometimes harass the traveler. I request that you take appropriate steps on these and related matters, consistent with your responsibilities in this field, to encourage international travel consonant with the national interest."
ficers of this Government stationed abroad the sole inspection will take place only after the aliens shall have arrived at a port of entry in the United States. Such inspection would impose a greater burden than that now resting upon the immigration authorities at our ports, with the result that many more aliens than at present under the existing system of visa requirements would be subjected to protracted delays at a port of entry in the United States.

(iii) The Government of the United States takes the same position with respect to transit visa requirements as it has taken regarding the visa requirements in the cases of other classes of non-immigrants and for the same reasons. Visas are waived in the case of passengers directly transiting the United States without stopover upon appropriate bonding agreement concluded between the air, ship, or rail transportation line concerned and the Attorney General, as well as in certain other cases.

(iv) Pursuant to the President’s Directive of 26 May 1954 to facilitate international travel, the validity of most types of non-immigrant visas has been extended by bilateral negotiation on a reciprocal basis to a maximum validity period of forty-eight months in the cases of nationals of fifty-seven countries. The validity of one or more types of non-immigrant visas for a period of twenty-four months is in effect in seven countries. The validity of multiple-entry types of non-immigrant visas for a period of twelve months is in effect in nine countries and for six months in six countries. United States law permits increase of the validity period to forty-eight months through negotiation, based upon reciprocity.

Multiple-entry visas are authorized for nationals of all except twenty-five countries and United States law likewise permits extension of this type to these countries through negotiation based upon reciprocity.

As a further aid to travel, a system of revalidation for the period allowed in the initial visa is in effect. Permanent residents of the United States who are aliens may obtain, prior to departure, a re-entry permit for use in lieu of a visa.

(v) The Government of the United States follows completely this practice and has done so for many years.

(vi) The Government of the United States follows completely the practice of nondiscrimi-

nation with regard to fees for visas. By law the fee for an immigrant visa is $25, while the fee for non-immigrant visas is based upon reciprocity. Through extensive renegotiation of mutual agreements in the last year, the large majority of non-immigrant visas are issued without any fee whatsoever. The United States is willing at all times to enter into a reciprocal agreement with any of the remaining countries for a waiver or reduction of such visa fees. The schedule of all visa fees is available together with the tariff of all consular fees which is posted as required by law at each United States consulate.

(vii) The Government of the United States is quite willing to abolish all non-immigrant visa fees on a bilateral or multilateral basis. On this basis it has concluded a number of agreements with other countries for the reciprocal waiver or reduction of non-immigrant visa fees.

(viii) The Government of the United States has simplified its visa procedure as far as is compatible with the requirements of public health and security. The visa application has been reduced to a size comparable to an ordinary postcard.

All typewritten entries are made on one side of the abbreviated application form. The number of signatures has been reduced to a minimum. The preparation of the application requires only a few minutes.

There is never any discrimination against bona fide visitors for legitimate commercial business.

(ix) Authority is delegated by law to consular officers of the United States to issue entrance visas and transit visas. Reference to Washington is made in certain specified cases wherein the Department of State considers that an advisory opinion is necessary prior to the issuance of a visa.

(x) This has invariably been the practice of the United States. A diplomatic or consular officer of the United States has always had authority to grant a visa to an alien who applies at his office but does not reside in his district. In the case of an alien who is applying for a visa outside of his home district in order to evade investigation, or when facilities for investigating the applicant are not available, a diplomatic or consular officer of the United States may, in his discretion, decline

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6 The recommendation reads as follows:

"Diplomatic and consular authorities should be empowered in special circumstances to grant visas to persons not domiciled in their area."
to accept jurisdiction of the case and refer the alien to the diplomatic or consular officer in the alien’s home district.

(xi) The United States employs the device of fingerprinting to secure a positive identification record which directly contributes to the simplification of travel formalities. It makes possible the free movement of aliens admitted into the United States from place to place without burdensome police control over or notification of the police authorities regarding their movements. Contrary to the practice followed in some countries which do not require fingerprinting, the United States maintains no system of internal police registration.

(xii) The personal appearance of applicants for visas for the United States is required. Experience has shown that many aliens attempt to evade quota restrictions by seeking to enter in the guise of non-immigrants. The personal appearance of applicants for non-immigrant visas at the diplomatic or consular office in such circumstance is a step in the determination of the purpose of the applicant. Applicants for visas must also subscribe to their application under oath before the diplomatic or consular officer and must be fingerprinted before visas are issued originally to them. The Government of the United States therefore cannot adopt the procedure recommended in this respect by the Meeting of Experts. However, in the revalidation of visas of persons who were previously registered and fingerprinted in connexion with the issuance to them of visas which they have used to enter the United States, neither personal appearance nor fingerprinting as a general rule is required under the revalidation plan.

(xiii) Non-immigrant travelers are required to present a valid foreign passport. If the consul deems it necessary they may be required to undergo a physical examination or present a police certificate or present evidence that they are not likely to become a public charge while in the United States. The interrogation of the applicant is as brief and the processing of applicants is as expeditious as the circumstances and volume permit.

(xiv) The maximum period for which an alien may be admitted to the United States in immediate and continuous transit is 29 days. The term “immediate” contemplates a reasonably expeditious departure of the alien in the normal course of travel as the elements permit and assumes a prearranged itinerary without any unreasonable layover privileges. There is provision in certain cases for a waiver of the usual requirements to permit transit through the United States.

(xv) In some cases group visas may be granted or the visa requirements may be waived on an emergency basis. Collective or group visas usually may not be issued, as the individual registration and fingerprinting requirements cannot be waived if a visa is granted. If the visa requirements are waived no registration or fingerprinting is required except in the case of an alien who remains in the United States for more than 29 days. This seems to be a more practicable and satisfactory arrangement for the United States than that suggested by the Meeting of Experts.

(xvi) This has always been the practice in the United States. The immigration authorities at a port of entry may obtain an emergency waiver of the passport or visa requirements by telephoning to the Secretary of State at the traveller’s expense. Such waivers are usually granted on an emergency basis if there is a valid reason why the traveller has no passport or visa and if the alien concerned is otherwise admissible into the United States.

(xvii) While generally the visa regulations become effective upon publication in the Federal Register, the Government of the United States consistently gives public knowledge through publication of all substantive and procedural rules which it deems to be affected with the public interest. This is required under the Federal Register Act of 1935 and the Administrative Procedure Act.

(xviii) The Government of the United States never charges supplementary fees, official or unofficial, in connexion with the issuance of visas. Persons desiring to have documents notarized by diplomatic or consular officers of the United States are required to pay a notarial fee, but this is not a part of the visa service. It is usually performed in cases where no visa services whatever are involved.

C. Other Documents

(i) The United States Government is honour-

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7 The recommendation reads as follows:

"In exceptional cases where the traveller has arrived, by any means of transport, without a visa, the frontier authorities should be permitted to regularize the position by appropriate means."

January 28, 1957
ing valid international certificates of inoculation and vaccination in accordance with the international conventions, when such certificates are validated by the health authority of either the country of issuance or sub-division thereof, or by a physician designated by such health authority. Presentation of these certificates expedites quarantine clearance when evidence of immunity is required.

(ii) For a large majority of non-immigrants no deposit whatever is required. A bond is required only in those cases where there is some doubt as to whether the alien visitor will be able to effect his return to the country whence he came or there is a question as to whether he is a bona fide visitor. In this latter case, a bond is required to guarantee departure. This procedure is not intended nor does it in effect constitute a denial of facilities for persons who are not well-to-do.

II. Frontier Formalities

(a) It is the policy of the United States Government to carry out frontier control activities as expeditiously as possible. To this end the United States has centralized all controls at each point of entry.

Passport control on the land borders is carried out by immigrant inspectors who board trains prior to their arrival at the border for inspection purposes. On arrivals at seaports, passport control is performed on board vessel at the time it arrives at the dock.

With regard to the inspection of baggage, such inspection is accomplished on board trains en route from Canada and Mexico or at the point of foreign origin wherever the traffic warrants the assignment of officers for this purpose. Baggage arriving by highways is inspected alongside the vehicle or on premises adjacent to the highway. Experience has shown that customs inspection of passengers' baggage on board ships is not practicable. The United States is exploring the possibility of establishing inspection stalls at certain air traffic centres outside this country to perform frontier formalities at points of departure for the United States in order to expedite air traffic when there are no intervening stops. Such inspection with respect to immigration has already been instituted at Montreal and Toronto, Canada, which precludes additional immigration examinations at United States ports of arrival.

In the field of air transportation, frontier formalities at United States airports have been simplified and expedited to a very high degree, due in large part to the approval and implementation by the United States Government of practically all of the provisions of Annex 9 to the Convention on International Civil Aviation. The value of this Annex in the facilitation of international air transportation is already reflected in the reduced cost of operating United States airlines, through savings in man-hours and reduction in the number of forms used in connexion with international flights. As member States in the International Civil Aviation Organization implement to a greater degree the provisions of Annex 9, further savings to all carriers may be expected.

The United States has no frontier formalities with regard to currency control since there are no restrictions on the import or export of currency.

With regard to sanitary control, the United States has concluded a bilateral agreement with Canada whereby in the absence of quarantinable diseases in either country quarantine inspection is waived. With regard to approved passenger vessels arriving at the port of New York on regular schedules a medical officer aboard (as a member of the ship's staff) performs the quarantine inspection and certifies by radio as to the safety of persons and things aboard the vessel from the standpoint of health considerations. Arrangements have been reached with Canada for the carrying out of frontier formalities with regard to sanitary control at single frontier ports where authorities of both countries carry out their duties, or where authorities of one country carry out control measures for both countries. In addition, the United States Government has stationed medical officers in foreign countries to examine applicants for visas in order to expedite their entry into the United States.

(b) In the United States the responsible authorities endeavour to provide adequate facilities and staffing to handle international traffic, and considerable effort is being put forth constantly to effect improvements.

A. Police Control

(i) An alien entering the United States is not subject to police and registration formalities subsequent to his entrance. In so far as immigration inspection is concerned there is but one entry made in an alien’s passport and that is made by a rubber stamp.
(ii) Passports of travellers entering or passing through the United States are not taken from them, retained, or impounded by this Government except in unusual individual cases.

B. Currency Control and Facilities for Exchanging Money

(i) The United States has no restrictions on the import or export of foreign exchange.

(ii) The United States Government has established local committees composed of the local representatives of Government agencies, transport companies and businessmen who are actively engaged in developing travel facilities at ports of entry.

C. Customs Inspection of Luggage

(i) The United States Government has constantly endeavored to simplify customs and plant quarantine inspection procedures, and is prepared to participate in any international survey of existing practices with the view to achieving international uniformity.

(ii) (See views under "II. Frontier Formalities," (a))

(iii) (a) Facilities are available in the United States for examining incoming and, when examination is required, outgoing shipments of baggage at interior points where customs facilities are maintained, provided the shipments are transported from or to the border point in bond.

(b) The United States Government is exploring the possibility of extending this practice.

(c) Baggage passing through the United States in bond is opened for inspection only under most unusual circumstances.

(iv) The United States Government publishes and distributes gratuitously pamphlets of customs information for travellers. Placards containing such information are also posted in customs offices on the land frontiers.

D. Public Health Inspection

The United States Government levies no charge for the medical examination of crew and passengers with their baggage. United States Public Health regulations place specific responsibilities upon carriers coming into the United States with regard to pre-embarkation precautions and measures en route which materially reduce the need for inspection of clothes and baggage for disease vectors and insects when crew or passengers have embarked in or passed through endemic areas. When examination is required upon arrival, it is conducted as rapidly as possible by or under the supervision of the Public Health Authorities.

The United States is in accord with the views expressed in the two paragraphs of the final recommendation.

U.S. Delegations to International Conferences

Commission for Climatology, World Meteorological Organization

The Department of State announced on January 10 (press release 13) that the Commission for Climatology of the World Meteorological Organization (Wmo) will hold its second session at Washington, D.C., January 14 to 26, 1957, at the invitation of the U.S. Government.

The U.S. Government will be represented by the following delegation:

Principal Delegate
Helmut E. Landsberg, chairman, Director of Climatology, U.S. Weather Bureau

Delegates
Herbert C. S. Thom, Chief Climatologist, Office of Climatology, U.S. Weather Bureau

Advisers
William H. Haggard, Chief, Climatic Advisory Services Branch, Office of Climatology, U.S. Weather Bureau
Harold B. Harshbarger, Chief, Climatic Field Services Branch, Office of Climatology, U.S. Weather Bureau
Lt. Cmdr. Russell M. Jonson, USN, Assistant for Climatology, Office of Chief of Naval Operations, Department of the Navy
John J. Keyser, Technical Assistant for Climatology, Office of Chief of Naval Operations, Department of the Navy

*The paragraphs read as follows:

"As a final recommendation, the meeting desires to suggest that the Economic and Social Council should, after a suitable interval, consider the desirability of a further meeting of experts being convened to review the position which has then been reached, and if possible to make recommendations which may lead to further progress.

"The meeting expresses the hope that in the event of such a further meeting of experts being held, a still larger number of governments may find it possible to be represented."
The Commission for Climatology is one of eight technical commissions established by the Wmo at its first congress in 1951. A similar commission had been in existence since 1929 as part of the International Meteorological Organization, the predecessor body founded in 1878 which Wmo replaced. The Wmo is a specialized agency of the United Nations with a membership that now embraces 69 states and 26 territories. Each Wmo member is entitled to participate in the work of the technical commissions and to be represented at sessions of the commissions. C. Warren Thornthwaite of the United States was elected president of the Commission for Climatology at the first Wmo congress and was reelected at the first session of the Commission in 1953.

The Commission for Climatology studies meteorological observation and network requirements for climatological investigation of surface and upper-air conditions and the application of climatic data to the activities and well-being of the peoples of the world.

The agenda for the second session of the Commission includes a review of technical regulations, use of aircraft meteorological observations for climatological purposes, earth-temperature investigations, development of an international guide to climatological practices, reporting of rainfall intensities for hydrology, and scientific lectures and discussions.

**Current U.N. Documents: A Selected Bibliography**

**Security Council**


**General Assembly**

Regulation, Limitation and Balanced Reduction of All Armed Forces and All Armaments; Conclusion of an International Convention (Treaty) on the Reduction of Armaments and the Prohibition of Atomic, Hydrogen and other Weapons of Mass Destruction. Letter dated 17 November 1956 from the Secretary-General of the delegation of the Union of Soviet Socialist Republics to the eleventh session of the General Assembly, addressed to the President of the General Assembly (ending a statement by the Soviet Government on disarmament and the lessening of international tension). A/3368, November 17, 1956. 10 pp. mimeo.


Question Considered by the First Emergency Special Session of the General Assembly from 1 to 10 November 1956. Letter dated 27 November 1956 from the Principal Secretary of State for Foreign Affairs of the United Kingdom of Great Britain and Northern Ireland, addressed to the Secretary-General. A/3399, November 28, 1956. 3 pp. mimeo.


Trusteeship Council

The Future of the Trust Territory of Togoland under French Administration. Memorandum by the Administering Authority. T/1290, December 6, 1956. 18 pp. mimeo.


Conditions in the Trust Territory of the Pacific Islands. Note verbale dated 14 December 1956 from the Representative of the United States of America to the Secretary-General. T/1226, December 26, 1956. 3 pp. mimeo.

Economic and Social Council


Provisional Agenda for the Twenty-third Session of the Economic and Social Council. Note by the Secretary-General. E/2946, January 4, 1957. 7 pp. mimeo.

January 28, 1957
Educational Exchange Agreement With Colombia

Press release 9 dated January 9

The Governments of Colombia and the United States on January 9 signed an agreement putting into operation a program of educational exchanges authorized by the Fulbright Act. The signing took place at Bogotá, with José Manual Rivas Sacconi, Foreign Minister of Colombia, representing his Government and C. Montagu Pigott, Chargé d’Affaires of the United States in Colombia, representing the Government of the United States.

The agreement provides for the expenditure of Colombian currency up to an aggregate amount of the peso equivalent of $500,000 received from the sale of surplus agricultural products in Colombia to finance exchanges of persons between the two countries to study, do research, teach, or engage in other educational activities. The purpose of the program is to further the mutual understanding between the peoples of Colombia and the United States by means of these exchanges.

Under the terms of the agreement a Commission for Educational Exchange between the United States and Colombia will be established in the latter country to facilitate the administration of the program. The Commission’s Board of Directors will consist of six members with equal representation as to Colombian and United States citizens in addition to the United States Ambassador, who will serve as honorary chairman. All recipients of awards under the program authorized by the Fulbright Act are selected by the Board of Foreign Scholarships, whose members are appointed by the President of the United States. The Board maintains a secretariat in the Department of State.

With the signing of this agreement, Colombia becomes the 34th country to participate in the educational exchange program initiated 10 years ago under authority of the Fulbright Act. Educational exchanges between Colombia and the United States have been carried out for a number of years under the Act for Cooperation between the American Republics, the Smith-Mundt Act, and other legislation. The new agreement will considerably augment the present number of exchanges.

After the members of the Commission have been appointed and a program has been formulated, information about specific opportunities to participate in the exchange activities will be released.

Current Actions

MULTILATERAL

Germany
Agreement amending the administrative agreement of December 1, 1954 (TIAS 32933), concerning the Arbitral Tribunal and the Mixed Commission under the agreement on German external debts (TIAS 2792) by providing for the transfer of the seat of the Tribunal and the Commission from Bremen to Koblenz. Signed at Bonn November 30, 1956, by the Federal Republic of Germany, the United States, the United Kingdom, and France. Entered into force November 30, 1956.

Trade and Commerce
International convention to facilitate the importation of commercial samples and advertising material. Dated at Geneva November 7, 1952. Entered into force November 20, 1953.1

Accession deposited: Turkey, December 8, 1956.

Fifth protocol of rectifications and modifications to texts of schedules to the General Agreement on Tariffs and Trade. Done at Geneva December 3, 1955.2

Signature: Australia, December 20, 1956.


Weather


BILATERAL

China

Agreement amending the agreement of March 30, April 28, and October 14, 1955 (TIAS 3463), for a United States Navy Medical Research Unit in Taipei. Effective by exchange of notes at Taipei December 27, 1956. Entered into force December 27, 1956.

Haiti

1 Not in force for the United States.
2 Not in force.
Iceland

Agreement to discontinue the discussions for revision of the defense agreement of May 5, 1951 (TIAS 2290), and to establish an Iceland Defense Standing Group. Effective by exchange of notes at Reykjavik December 6, 1956. Entered into force December 6, 1956.

Spain


United Kingdom

Agreement amending the agreement of July 11 and 22, 1955 (TIAS 3379), providing for regular use by civil aircraft of certain facilities in the Bahama Islands long-range proving ground for guided missiles by extending the civil aircraft service to the Turks and Caicos Islands. Effective by exchange of notes at Washington December 6, 1956, and January 4, 1957. Entered into force January 4, 1957.

Resignations

Winthrop W. Aldrich as Ambassador to Great Britain. For text of Mr. Aldrich’s letter to the President and the President’s reply, see White House press release dated December 27.

Pierce J. Gerety, as Deputy Administrator for the Refugee Relief Act, effective February 1. For an exchange of correspondence between Secretary Dulles and Mr. Gerety, see press release 3 dated January 3.

Delegation of Authority

Public Notice 149

By virtue of the authority vested in the Secretary of State by section 4 of the act of May 26, 1949 (63 Stat. 111; 5 U. S. C. 151c) and in accordance with the provisions of section 104 (b) of the Immigration and Nationality Act (66 Stat. 174; 8 U. S. C. 1104), there is delegated to the Administrator, Bureau of Security and Consular Affairs, the authority to perform all the functions conferred upon the Secretary of State by section 359 of the Immigration and Nationality Act (66 Stat. 273; 8 U. S. C. 1502).

Dated: December 20, 1956.

For the Secretary of State.

LOY W. HENDERSON,
Deputy Under Secretary for Administration

Consular Offices

The Saarland, formerly under the informal consular jurisdiction of the Consulate at Strasbourg, France, was placed under the consular jurisdiction of the Consulate General at Frankfurt, Germany, on January 1, 1957.

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.


A volume designed to serve as a record of the official participation of the United States Government in multilateral international conferences and meetings of international organizations during the period July 1, 1954–June 30, 1955.


A revised publication containing information concerning the opportunities which exist for persons interested in becoming career officers in the Foreign Service of the United States.


A leaflet containing information of interest to any person who plans to go abroad.

Postal Union of the Americas and Spain. TIAS 3653. 87 pp. 30¢.

Convention, final protocol, and regulations of execution between the United States of America and other governments—Signed at Bogotá November 9, 1955. Entered into force March 1, 1956.

Parcel Post—Postal Union of the Americas and Spain. TIAS 3654. 47 pp. 20¢.


Money Orders—Postal Union of the Americas and Spain. TIAS 3655. 33 pp. 15¢.

Agreement and final protocol between the United States of America and other governments—Signed at Bogotá November 9, 1955. Entered into force March 1, 1956.
Surplus Agricultural Commodities. TIAS 3666. 20 pp. 15¢.

Surplus Agricultural Commodities. TIAS 3667. 2 pp. 5¢.

Relocation of Roosevelt Bridge. TIAS 3668. 3 pp. 5¢.

Emergency Flood Relief Assistance. TIAS 3669. 2 pp. 5¢.

Parcel Post. TIAS 3670. 26 pp. 15¢.

Surplus Agricultural Commodities. TIAS 3671. 4 pp. 5¢.

Establishment of an Oceanographic Research Station in Barbados. TIAS 3672. 24 pp. 15¢.

Surplus Agricultural Commodities. TIAS 3673. 2 pp. 5¢.

Indo-Pacific Fisheries Council. TIAS 3674. 7 pp. 10¢.
Agreement between the United States of America and Other Governments, as revised at the Sixth Session of the Council, Tokyo, September 30–October 14, 1955. Entered into force October 31, 1955.

Air Transport Services. TIAS 3675. 3 pp. 5¢.

Defense—Loan of Vessels and Small Craft to China. TIAS 3676. 6 pp. 5¢.

General Agreement on Tariffs and Trade. TIAS 3677. 34 pp. 15¢.

Double Taxation—Taxes on Estates and Inheritances. TIAS 3678. 21 pp. 15¢.

Double Taxation—Taxes on Income. TIAS 3679. 38 pp. 15¢.

Status of Tangier. TIAS 3680. 16 pp. 10¢.

Surplus Agricultural Commodities. TIAS 3684. 3 pp. 5¢.

Surplus Agricultural Commodities. TIAS 3685. 9 pp. 10¢.

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**Check List of Department of State Press Releases: January 7-13**

Releases may be obtained from the News Division, Department of State, Washington 25, D.C.

Press release issued prior to January 7 which appears in this issue of the Bulletin is No. 3 of January 3.

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U.S. GOVERNMENT PRINTING OFFICE: 1957
The Quest for Peace

This 35-page album-style pamphlet presents quotations from President Eisenhower and Secretary of State Dulles highlighting the major steps in the search for peace through the security and unity of the free world.

The quotations from the President and the Secretary of State set forth problem and action on the following subjects:

Atoms for Peace
Austrian Treaty
Bipartisanship
Captive Peoples
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3. Organization of American States
4. Strengthening Inter-American Friendship

Less Developed Countries—Target of Soviet Communism
SEATO (Southeast Asia Treaty Organization)
Spanish Bases
Trieste Settlement

Copies of The Quest for Peace may be purchased from the Superintendent of Documents, Government Printing Office, Washington 25, D.C., at 40 cents each.

Publication 6391

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Single copy, 20 cents

The printing of this publication has been approved by the Director of the Bureau of the Budget (January 19, 1955).

Note: Contents of this publication are not copyrighted and items contained herein may be reprinted. Citation of the Department of State Bulletin as the source will be appreciated.
Budget Message of the President

EXCERPTS FROM MESSAGE

To the Congress of the United States:

I am presenting with this message my recommended budget for the United States Government for the fiscal year 1958, which begins next July 1.

This is the fourth budget which I have transmitted to the Congress.

In my first budget message—that for the fiscal year 1955—I emphasized the administration's determination to chart a course toward two important fiscal goals—balanced budgets and tax reductions.

Reductions in spending evidenced in the 1956 budget made possible a large tax reduction and tax reform program.

The 1956 budget was balanced.

The 1957 budget will be balanced.

A balanced budget is proposed for 1958.

I believe this policy of fiscal integrity has contributed significantly to the soundness of our Nation's economic growth and that it will continue to do so during the coming fiscal year.

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</thead>
<tbody>
<tr>
<td>Budget receipts</td>
<td>$68.1</td>
<td>$70.6</td>
</tr>
<tr>
<td>Budget expenditures</td>
<td>66.5</td>
<td>68.9</td>
</tr>
<tr>
<td>Budget surplus</td>
<td>1.6</td>
<td>1.7</td>
</tr>
</tbody>
</table>

This budget is for the first fiscal year of my second term in office. In making plans for the coming year, I have been guided by the following national objectives:

1. Peace, justice, and freedom for our own and other peoples;
2. Powerful Armed Forces to deter and, if need be, to defeat aggression;
3. A healthy and growing economy with prosperity widely shared;
4. Enhancement of individual opportunity and the well-being of all our people;
5. Wise conservation, development, and use of our great natural resources;
6. Fiscal integrity;
7. A well-balanced choice of programs at home and abroad; and
8. Increasing international trade and investment essential to the growth of the economies of the United States and the rest of the free world.

We have made considerable progress toward these goals. We will continue this progress in the years ahead.

Budget Programs and Performance

By far the largest part of the budget for the coming fiscal year, 63 percent, will be devoted to maintaining and improving our own defenses and to strengthening the defenses and economies of other nations in the interest of collective security and world peace. Civil benefits will account for 24 percent of budget expenditures; interest, 10 percent; and all other operations, administration, and contingencies, 3 percent.

Protection, including collective security.—As a simple matter of self-preservation, we must maintain our own strength and promote world stability by helping to build up the strength of friendly nations. At the same time, we must actively advance our other efforts for lasting peace and inform the world in all appropriate ways of our peaceful aims.

The new and more powerful weapons which are being delivered to our Armed Forces in increasing

February 4, 1957

Budget Expenditures by Purpose

[Fiscal years. In billions]

<table>
<thead>
<tr>
<th>Purpose</th>
<th>1956 actual</th>
<th>1957 estimate</th>
<th>1958 estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Protection, including collective security</td>
<td>$42.4</td>
<td>$42.7</td>
<td>$45.3</td>
</tr>
<tr>
<td>Civil benefits</td>
<td>15.3</td>
<td>16.5</td>
<td>16.9</td>
</tr>
<tr>
<td>Interest</td>
<td>6.8</td>
<td>7.3</td>
<td>7.4</td>
</tr>
<tr>
<td>Civil operations and administration</td>
<td>2.0</td>
<td>2.3</td>
<td>1.8</td>
</tr>
<tr>
<td>Allowance for contingencies</td>
<td>. .</td>
<td>.2</td>
<td>.4</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>66.5</strong></td>
<td><strong>68.9</strong></td>
<td><strong>71.8</strong></td>
</tr>
</tbody>
</table>

quantities and varieties are much more costly to produce, operate, and maintain than the weapons they are replacing. Furthermore, we are now engaged in the development of a whole new family of even more advanced weapons for all the services. Large expenditures will be required to bring these weapons into use. During the transition, we must continue to purchase enough of the current types to preserve our readiness until the effectiveness of the advanced weapons is demonstrated in tests. Despite these upward pressures on expenditures, future defense costs must be held to tolerable levels. Effective action must be taken to improve efficiency and to maintain a proper balance between expenditures for future military strength and expenditures for current readiness.

The introduction of new equipment and weapons with vastly greater combat capability is also having a powerful impact on concepts of military strategy, tactics, and organization. The combat power of our divisions, wings, and warships has increased to such an extent that it is no longer valid to measure military power in terms of the number of such units.

I have given careful consideration to the many complex factors which enter into the development of a well-balanced military structure. I am convinced that the defense programs and funds for their support as recommended in this budget provide a wise and reasonable degree of protection for the Nation.

Our nuclear weapons and our ability to employ them constitute the most effective deterrent to an attack on the free nations. We shall continue to expand our nuclear arsenal until an agreement has been reached for reduction and regulation of armaments under safeguarded inspection guaranties.

At the same time, we are increasing the portion of the production of fissile materials allocated to peaceful uses at home and abroad and we look forward to the day when all production may be used for peaceful purposes. This budget provides for increased effort on power reactor development and on new uses of atomic energy in biology, medicine, agriculture, and industry. It will also make possible greater sharing of our peaceful atomic energy developments with other nations through the atom-for-peace program.

World events continue to demonstrate the value of our programs of mutual assistance. Continued assistance, both military and economic, to friendly nations will provide the essential margin beyond their own resources needed to support and strengthen their defenses and their economies. The intensified worldwide conflict of ideas also requires a further increase in our programs of international information.

**Legislative Program**

As has already been indicated in the State of the Union message, continuation of military and
economic assistance to the free nations of the world is a keystone of the administration's efforts to promote peace, collective security, and well-being for all peoples. Essential complements of these assistance programs are steps to increase international trade and investment. Both can be materially advanced by taking the actions necessary to avoid unfair tax duplications on business conducted overseas and by the prompt enactment of legislation approving United States membership in the proposed Organization for Trade Cooperation. This administrative agency will greatly aid the orderly operation of existing arrangements governing multilateral trade to help prevent discrimination and restrictions against our foreign commerce.

Although necessity forces us to keep ever in mind the destructive power of nuclear weapons, it is equally essential that we keep in mind the firm determination of the United States to share the fruits of its efforts to develop the peaceful uses for atomic energy. Seventy-two nations have now signed the charter of the International Atomic Energy Agency, which was established under the auspices of the United Nations. Prompt action by the Congress is needed to authorize full participation by the United States in the work of this Agency. The United States has offered for distribution through this Agency 5,000 kilograms of fissionable uranium 235 out of the 20,000 kilograms previously offered for atomic research and power uses in other nations, as part of our atoms-for-peace program.

The other proposals which are parts of the administration's legislative program are discussed in my analysis of the budget. The fact that they are not included in this summary presentation in no way detracts from their importance or the strength of my recommendation that they be considered and enacted by the Congress in its present session.

Analysis of the Budget

I am presenting my budgetary recommendations in greater detail under nine major program headings in the analysis of the budget which follows this message. The Economic Report will contain a further discussion of some of these proposals.

It is always difficult to make plans and forecast expenditures a year or more in advance. This is particularly true when historic events are taking place in Eastern Europe, when United Nations forces are deployed in the Middle East, when uncertainties abound in other parts of the world, and when in our own land economic change is continuous. This budget has taken into account present conditions and developments which today appear most likely at home and abroad. It provides funds for all necessary Government activities on a reasonable scale, and efforts will continue to be made by every executive department and agency to improve efficiency and to maintain expenditures well within the budget estimates. It is a carefully balanced budget—balanced in its receipts and expenditures, balanced in its choice of programs. I consider it well adapted to the needs of the present and the future.

Dwight D. Eisenhower

January 16, 1957.

EXCERPTS FROM THE PRESIDENT'S ANALYSIS OF THE BUDGET

Major National Security

Events in recent months have dramatized the need for strong collective security. The military strength of the United States is a bulwark for world peace and freedom. A large share of the budget must go to maintain the Nation's military forces in their present high state of readiness and to introduce new weapons. Also, effective support must be given to the defense forces of other nations. Advances in nuclear technology must be applied to improving national defense and, in increasing degree, to peacetime uses in the United States and the rest of the free world.

Development and control of atomic energy.—Until an agreement for limitation of armaments is negotiated and an effective inspection system is functioning, this Nation will continue to increase the number and variety of nuclear inspection. In the fiscal year 1958, emphasis will be placed on weapons for tactical purposes and weapons with reduced radioactive fallout. The substantial present effort to develop military propulsion reactors will be continued.

Efforts to develop the peaceful uses of atomic energy will be greatly increased, particularly the
### Major National Security

#### [Fiscal years. In millions]

<table>
<thead>
<tr>
<th>Program or agency</th>
<th>New obligational authority 1956 actual</th>
<th>1957 estimate</th>
<th>1958 estimate</th>
<th>Expenditures 1956 actual</th>
<th>1957 estimate</th>
<th>1958 estimate</th>
</tr>
</thead>
<tbody>
<tr>
<td>Gross budget expenditures:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Defense—military functions:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Direction and coordination of defense</td>
<td>$13</td>
<td>$15</td>
<td>$17</td>
<td>$14</td>
<td>$14</td>
<td>$17</td>
</tr>
<tr>
<td>Air Force defense</td>
<td>15,517</td>
<td>17,690</td>
<td>16,481</td>
<td>16,749</td>
<td>16,890</td>
<td>17,472</td>
</tr>
<tr>
<td>Army defense</td>
<td>7,354</td>
<td>7,645</td>
<td>8,539</td>
<td>8,702</td>
<td>8,581</td>
<td>9,131</td>
</tr>
<tr>
<td>Navy defense</td>
<td>9,648</td>
<td>10,200</td>
<td>10,517</td>
<td>9,745</td>
<td>9,732</td>
<td>10,349</td>
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<tr>
<td>Other central defense activities</td>
<td>654</td>
<td>637</td>
<td>688</td>
<td>582</td>
<td>637</td>
<td>714</td>
</tr>
<tr>
<td>Proposed for later transmission</td>
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<td>200</td>
<td>2,258</td>
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<td></td>
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<tr>
<td>Total, Department of Defense</td>
<td>33,187</td>
<td>36,387</td>
<td>38,500</td>
<td>35,791</td>
<td>36,605</td>
<td>38,031</td>
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<td>Development and control of atomic energy:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present program</td>
<td>1,179</td>
<td>1,961</td>
<td>2,400</td>
<td>1,651</td>
<td>1,940</td>
<td>2,310</td>
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<tr>
<td>Proposed legislation</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Stockpiling and defense production expansion</td>
<td></td>
<td>120</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual security program—military:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Present program</td>
<td>521</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed legislation</td>
<td>1,016</td>
<td>2,018</td>
<td></td>
<td>2,611</td>
<td>2,600</td>
<td>2,100</td>
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<tr>
<td>Total</td>
<td>35,903</td>
<td>40,366</td>
<td>43,600</td>
<td>40,845</td>
<td>41,303</td>
<td>43,621</td>
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<td>Deduct applicable receipts:</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Department of Defense—military functions.</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Defense production expansion</td>
<td></td>
<td></td>
<td></td>
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<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>40,641</td>
<td>40,965</td>
<td>43,335</td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Less than one-half million dollars.

The development of reactors to produce atomic power at competitive prices.

This budget provides for increased effort by the Atomic Energy Commission to explore new power reactor concepts, to fabricate and operate reactor experiments, and to develop the basic reactor technology essential to the Nation's progress and leadership in the field. Increased support will also be given to the growing activities by private industry and public power bodies in power reactor development.

In the belief that basic responsibility for construction of large-scale commercial power reactors should not have to be assumed by the Federal Government, no funds for construction of new large-scale reactors are proposed in this budget. A number of new proposals from non-Federal interests are now being developed. However, if acceptable proposals for non-Federal construction of promising reactor types do not materialize within a reasonable time, a request will be made to the Congress for funds for direct construction by the Federal Government.

As a further and necessary step to facilitate industry's investment in atomic powerplants, legislation will again be proposed to authorize the Government to supplement commercially available insurance against liability arising from possible nuclear accidents.

More resources will be applied to the longer term effort to develop thermonuclear power reactors. Increased research is planned for 1958 on the problems arising from the numerous and extensive applications of atomic energy, such as reactor safety, radioactive waste disposal, and the biological effects of radiation. At the same time, support of research in nuclear physics and in new uses of atomic energy in biology, medicine, agriculture, and industry will be strengthened. Also, the budget provides for increases in equipment grants and in teacher training to improve education in nuclear technology and to help alleviate the shortage of nuclear scientists and engineers.

In order to help other nations develop their own atomic energy programs, the 1958 budget provides for training centers in the United States and abroad, equipment grants, and other technical assistance from appropriations for the Atomic Energy Commission and the mutual security program. Four nations have already accepted and many others are expected to accept the United States offer to share the costs of building research reactors. A number of nations have indicated interest in procuring power reactors in this coun-
try, and the Export-Import Bank will consider applications for loans to finance such procurement. The budget also includes funds for United States participation in a second world conference on the peaceful uses of atomic energy to be held in calendar year 1958.

Stockpiling and defense production.—By the end of the current fiscal year, the stockpile of strategic and critical materials, such as rubber, aluminum, copper, and nickel, will have reached a value greater than 6 billion dollars. Further acquisitions toward the stockpile objectives will be limited in most instances to (1) materials for which contracts have already been made; (2) materials which can be procured at favorable prices and which will serve to maintain the mobilization base; and (3) materials obtained in exchange for surplus agricultural products.

Mutual security program, military.—The armed forces of 38 countries receive military equipment and training through the military assistance portion of the mutual security program. This assistance bolsters the military forces of countries faced with a threat of external aggression or internal subversion.

Military assistance plans for the fiscal year 1958 have been related to the plans for this Nation’s military establishment. As in the case of United States forces, a large part of the funds will be used for new types of weapons for air defense.

In the fiscal years 1957 and 1958, an increasing amount of military assistance equipment is to be furnished on a reimbursable rather than a grant basis. Changes in legislation will be recommended to facilitate these sales.

The level of unexpended balances for military assistance will have been reduced for 5 successive years. The Department of Defense has made significant improvements in the operation of this program in this fiscal year, especially in the timing of orders and the utilization of funds.

The new obligational authority of 2,450 million dollars recommended in this budget for military assistance has been included as an appropriation to the President, as in previous years. Consideration is being given as to what pattern of appropriations will best serve the aims of the Government in providing military assistance.

International Affairs and Finance

The United States can work toward its goal of lasting peace by continuing to help its friends over-

### Mutual Security Program

|                                | Budget expenditures | Recommended new obligational
dollar | authority for 1958 |
<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1956 actual</td>
<td>1957 estimate</td>
</tr>
<tr>
<td>Military:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present program</td>
<td>$2,611</td>
<td>$2,600</td>
</tr>
<tr>
<td>Proposed legislation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic, technical, and other:</td>
<td>1,587</td>
<td>1,500</td>
</tr>
<tr>
<td>Present program</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Proposed legislation</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>4,198</td>
<td>4,100</td>
</tr>
</tbody>
</table>

1 Budget expenditures for military assistance do not reflect proceeds from sale of military equipment previously procured with military assistance funds, since these proceeds go directly into miscellaneous receipts of the Treasury.

The following notes explain the figures in the table above. All funds are in millions of dollars.

2 Discussed in the international affairs and finance section of this analysis. Excludes investment guaranty program.

3 Compares with new obligational authority of 2,702 million dollars in 1956 and 3,767 million dollars in 1957, excluding investment guaranty program.

In the conduct of our international affairs it is necessary to allow for appropriate flexibility in choosing the proper channel to meet each particular situation. In many instances the most effective way to achieve United States objectives, particularly in the political area, is to work through the United Nations. In other instances it may be more effective to utilize regional organizations such as the North Atlantic Treaty Organization and the Organization of American States. The Government will, of course, continue to conduct a major part of its economic and military assistance bilaterally, by dealing directly with other governments through conventional channels, including the Export-Import Bank. In addition, the International Bank for Reconstruction and Development and the International Monetary Fund will undoubtedly continue their active and sound programs of lending for economic development and of strengthening the exchange systems of their members, relying in part on the capital subscriptions and guaranties of the United States Government.
### International Affairs and Finance

[Fiscal years. In millions]

<table>
<thead>
<tr>
<th>Program or agency</th>
<th>Budget expenditures</th>
<th>Recommended new obligatory authority for 1958</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>1956 actual</td>
<td>1957 estimate</td>
</tr>
<tr>
<td>Gross budget expenditures:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Economic and technical development:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Mutual security program—economic, technical, and other:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Present program</td>
<td>$1,587</td>
<td>$1,500</td>
</tr>
<tr>
<td>Proposed legislation</td>
<td>6</td>
<td>7</td>
</tr>
<tr>
<td>Investment guaranty program</td>
<td>212</td>
<td>776</td>
</tr>
<tr>
<td>Export-Import Bank</td>
<td>94</td>
<td>127</td>
</tr>
<tr>
<td>Emergency commodity assistance (Department of Agriculture)</td>
<td>22</td>
<td>69</td>
</tr>
<tr>
<td>Other</td>
<td>120</td>
<td>155</td>
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<tr>
<td>Total</td>
<td>2,151</td>
<td>2,767</td>
</tr>
<tr>
<td>Deduct applicable receipts:</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Investment guaranty program</td>
<td>3</td>
<td>5</td>
</tr>
<tr>
<td>Export-Import Bank</td>
<td>302</td>
<td>379</td>
</tr>
<tr>
<td>Net budget expenditures</td>
<td>1,846</td>
<td>2,382</td>
</tr>
</tbody>
</table>

1 Compares with new obligatory authority of 2,123 million dollars in 1956 and 2,233 million dollars in 1957.

The United States Government will also work through the many private welfare organizations operating abroad.

The Government's varied overseas activities have been, and are being, regularly reviewed. For example, recommendations to improve our mutual security operations are being developed by the President's Citizen Advisers on the Mutual Security Program. Special studies are also being conducted by the Senate Foreign Relations and House Foreign Affairs Committees. A special message on the mutual security program will be sent to the Congress after due consideration has been given to the recommendations and studies that have been completed.

**Mutual security program, economic, technical, and other.**—In order that the United States may continue to help cooperating countries to develop their economies and to meet the burdens of maintaining military strength, the budget provides for an appropriation of 1,950 million dollars for the fiscal year 1958 for the nonmilitary portion of the mutual security program. The military assistance portion of the mutual security program was discussed in the major national security section of this analysis. Total appropriations recommended for the two portions together in 1958 are 4,400 million dollars, compared with 3,804 million dollars enacted for 1957 and 4,860 million dollars recommended for 1957 one year ago in the 1957 budget.

Expenditures for economic assistance are estimated at a moderately higher level in the fiscal year 1958 than in the current fiscal year, carrying on our help in the development of the economic potential of less developed countries. Many of these countries have recently won their independence. Such development should add to the stability of their institutions, and tend to remove the long-run causes of international friction. A significant part of the expenditures for economic development will be in the form of loans.

When the special message on mutual security is presented to the Congress, the mutual security appropriations recommended in this budget will be identified with specific activities, insofar as the kinds and amounts of assistance can be reasonably forecast. However, there are many changing situations in the world today and it is necessary to be able to meet these situations quickly and flexibly. The amount recommended for the economic portion of the Mutual Security Program includes certain funds to be appropriated on this basis.

**Middle East.**—An important example of this type of changing situation was discussed in the
recent message on the Middle East. The message emphasized the importance of that area of the world and recommended policies designed to strengthen the countries of that area. Currently available funds can be used to meet 1957 requirements. The recommended 1958 appropriations of 4,400 million dollars for the total mutual security program include 200 million dollars to be available for discretionary use in the Middle East, in addition to the specific country programs for the area. In order to make most effective use of these funds, especially in relation to solving some of the current problems, it is essential that adequate flexibility be permitted in their use.

*International investments and loans.*—Loans by the Export-Import Bank for development projects and for assisting the export of United States goods are expected to continue at a high level in the coming fiscal year.

The estimated increase since 1956 in expenditures of the Bank results both from the current rate of loans and from reduced estimates of private participation in the Bank’s loans because of attractive alternative private investment opportunities in the United States. Despite rising collections of the Export-Import Bank from loan repayments, the increase in expenditures is estimated to result in a change from net receipts of 90 million dollars in the fiscal year 1956 to net expenditures of 243 million dollars in 1958. While this budget proposes no increase in the Bank’s presently available borrowing authority, it may later become necessary to request some increase in borrowing authority to meet future needs.

The International Monetary Fund will be the major source of funds to strengthen the reserve position of the United Kingdom at the present time. The Fund is an international organization to which the United States has made substantial amounts of capital available in the past. Therefore, a drawing on these funds does not appear as an expenditure in the budget now.

The Export-Import Bank recently announced a line of credit against securities to the United Kingdom for the purchase of United States products.

The Government of the United Kingdom has also sought a waiver of the 81 million dollar interest payment that was due last month under the terms of the Anglo-American Financial Agreement of 1945 and the related lend-lease and surplus property settlement. The exact applicability of the waiver provisions is now not clear. Since there have been changes in the conditions envisaged at the time the agreement was signed, recommendations will shortly be made to the Congress for appropriate modification of the present language of the Agreement so as to carry out the spirit of the original intention. This interest payment has been excluded from the estimates of receipts for the fiscal year 1957.

*Foreign information and exchange activities.*—The intensified worldwide ideological conflict emphasizes the importance of the role of both the Government and private organizations in exchanging information, persons, and ideas abroad. Overseas information services and cultural exchanges are designed to facilitate sympathetic understanding of American life, culture, and institutions by other peoples. Another major role of these programs is to demonstrate to the people of other nations the way in which American policies and objectives are in keeping with their own aspirations.

This budget recommends that expenditures in the fiscal year 1958 for the entire range of foreign information and exchange activities—including exchanges under the Fulbright and Smith-Mundt legislation, and cultural and trade fair programs abroad—be increased by 42 million dollars over the 1957 estimate. This will permit extension of this work within the free world, especially in Asia and Africa, as well as providing more information to those peoples not yet free. Emphasis will be placed on person-to-person contacts on both official and unofficial levels.

*Conduct of foreign affairs.*—The tasks of the Department of State have been steadily extended, both in Washington and in a growing number of overseas posts. The budget recommendations continue to strengthen the staff and facilities of the Department. Estimated expenditures in 1958 for the conduct of foreign affairs, including buildings, are 194 million dollars, 40 million dollars more than in 1957.
The Communist Threat to the Middle East

Statement by Secretary Dulles

I appear before you in support of President Eisenhower's urgent request that the Congress and the President, acting in unison through a joint resolution, should promptly take certain steps to prevent international communism taking over the Middle East.

The Danger

We all, I know, recognize that the Middle East is a vital part of the free world. The people there have aspirations for liberty such as have always struck a responsive chord in the hearts of the American people. Much of the world's livelihood depends on the natural resources and avenues of trade of the Middle East. And there are to be found the holy places of three great religions.

It would be abhorrent and dangerous if that area were ruled by international communism. Yet that is the present danger.

The Middle East has always been coveted by the rulers of Russia. That was true in the days of the Czars. It is more than ever true of Soviet communism. Also today it seems to Communist rulers that events have played into their hands and that a great victory is almost within their grasp. And indeed their confidence is not without basis.

Military Aspects

Soviet ground, naval, and air forces are stationed in the areas adjacent to the Middle East—Bulgaria, the Black Sea, the Ukraine, the Caucasus, and Central Asia. These Soviet forces are of a size, and are so located, that they could be employed at any time with a minimum of warning. This fact is nothing new. But today it takes on new implications.

There has been a change in the possible deterrent role of certain Western European nations. Until recently they provided a serious deterrent to Communist aggression against the Middle East. But for a variety of reasons—psychological, financial, and political—this no longer meets the needs.

Another new factor is evidence that the Communist rulers may now be thinking in terms of possible "volunteer" operations in the Middle East, such as the Chinese Communists perpetrated in Korea.

No one can reliably predict whether, and if so, when, there would be Communist armed aggression, but three things are known: (1) the Communist capability, (2) the temptation, (3) the lack of any moral restraints.

The existence of such a threat, unless it be effectively deterred, creates fear, uncertainty, and greater opportunity for subversion to succeed. We saw open armed aggression against the Republic of Korea. We have recently seen it again against Hungary. And in 1948 we saw the Communists take over Czechoslovakia from within, an operation aided by the presence of Red armies without, against which there was no deterrent.

Such dangers reemerge today in relation to the Middle East.

Economic Aspects

Superimposed on the latent military threat is a new and dangerous economic blow to the Middle East. The closing of the Suez Canal and of pipe-
lines deprives oil-producing and oil-transiting countries of revenues upon which their governments depend. The impact of this loss is only now beginning to be felt because tax and royalty payments usually lag behind the actual production and movement of oil. In addition, there are important losses due to the sharp decline in travel expenditures and dislocation of commerce. This development is of a magnitude which could endanger orderly government and create conditions ripe for the type of takeover at which international communism is most adept.

Subversive Aspects

Communist propaganda is vigorously at work. Its Arab-language radio bombards the area. The output has recently gone up by 50 percent. Communist sentiments find their way into the Arab press and radio of certain countries. The Soviet Union is portrayed as the “savior” of the area as against Western imperialism and as against Israel’s alleged expansionist ambitions. Nothing is said about Hungary.

There is ample evidence of Communist infiltration into certain areas, particularly organized labor; and there are plottings of assassinations and sabotage to gain Communist ends. Local Communists have recently obtained small arms, where such arms were made available, for what it was thought might be house-to-house fighting. Arab refugees, nearly one million in number, are a special target for Communist propaganda.

The Need

Thus the Middle East area is at once endangered by potential military threats against which there is now no adequate deterrent, by a rapidly mounting financial and economic crisis, and by subversive efforts which seek advantage from exceptional opportunities arising out of recent events. This adds up to a new and grave danger.

It behooves us as a Nation to marshal all appropriate assets to meet the danger.

I say “all” because halfway measures will not suffice. We dare not risk doing less than all we properly can.

I say “appropriate” because obviously the measures we take must not recall colonialism or imply any hostility to the aspirations of the peoples of the area. They must be measures which we take only as they are desired by the nations of the Middle East to help them be free and strong. Furthermore, our policies must accord with the principles and purposes of the United Nations, and we should welcome and reinforce United Nations action wherever it can suffice.

U.S. Basic Principles and Practice

President Truman, in his Greek-Turkey message to the Congress on March 12, 1947, laid down a basic proposition. He said “totalitarian regimes imposed upon free peoples, by direct or indirect aggression, undermine the foundations of international peace and hence the security of the United States.” We have ever since proceeded on that premise.

The Vandenberg Resolution of June 11, 1948, outlined, in general terms, acceptable procedures. It called for the “progressive” development of collective defense arrangements, the association of the United States with them where its national security was affected, and “making clear” United States “determination to exercise the right of individual or collective self-defense under article 51 [of the United Nations Charter] should any armed attack occur affecting its national security.”

The principle laid down by President Truman and the procedure indicated by the Vandenberg Resolution have in fact been used. Collective defense arrangements have been “progressively” applied, and our determination to act for collective self-defense has been “made clear” by joint action of the President and the Congress in many specific situations.

Thus in 1948 the President and the Senate joined to make the North Atlantic Treaty. In 1951 we joined to extend the North Atlantic Treaty area to include Greece and Turkey. In 1954 we joined to extend the treaty to the Federal Republic of Germany.

In 1955 we joined to make the Southeast Asia Collective Defense Treaty to protect that part of the world against Communist aggression.

In 1955, through a joint resolution passed by the Congress and signed by the President, we made clear our determination to exercise with the Republic of China the right of collective self-defense as regards Taiwan, Penghu, and related areas.

Between 1951 and 1955 the Senate and the President made other multilateral and bilateral defense arrangements covering the Philippines,
Australia and New Zealand, Japan, Korea, and the Republic of China.

Thus, when danger from international communism became acute, the President and the Congress, or the Senate, have acted together to meet the danger.

Also, it may be observed, when that has happened the danger has subsided and peace has prevailed.

The time has now come when, in accordance with past practice, the President and the Congress should act together in relation to the Middle East.

President Eisenhower's Proposals

The President has asked the Congress of the United States now to authorize the use of armed forces of the United States to secure and protect the territorial integrity and political independence of the nations of the Middle East which request such aid. Thereby we will have taken the first indispensable step to preserve the area, both against such attack and also from the dire consequences of the nations of the Middle East feeling exposed to the danger of such an attack.

The President has, in the second place, asked the Congress to reaffirm our willingness to assist the nations of the area so desiring to build up appropriate security forces of their own. Limited local forces, well-equipped and loyal, are an essential ingredient of defense, particularly as against subversion. This can be achieved without an arms race between the Arab States and Israel. We remain opposed to that, as declared by the Tripartite Declaration of May 25, 1950.

By assisting where desired the maintenance of security forces to maintain internal order and to provide some initial resistance to attack from without where that is a danger, the United States will have taken the second indispensable step to assist the nations of the area to maintain their independence and to combat subversion.

Finally, the President has asked the Congress for greater facilities to provide financial assistance in the area. This is perhaps most important of all. The assistance may have to be along lines somewhat different than was contemplated when the mutual security program was presented to the Congress a year ago.\(^3\)

We are not yet in a position to say just what

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\(^3\)Ibid., Apr. 2, 1956, p. 545.

the new needs are. These will be ascertained by a mission to be headed by Mr. Richards.\(^4\) But it can now be said with certainty that the needs are far more urgent and probably will be quite different from what was foreseen a year ago.

We do not ask the Congress for more money for the current fiscal year. Let me emphasize that fact, which seems not yet fully understood. We do not now ask Congress for one dollar more of authorization or appropriation. The problem of funds for 1958 will be dealt with independently of this pending legislation. But we do need more flexibility in the use of what has already been authorized and appropriated for 1957. If the Congress agrees to that, it and the President will have taken together the third indispensable step to enable the United States to help the nations of the Middle East maintain their freedom.

Problems Other Than of Communist Source

There are, of course, many important problems of the area which are not dealt with by the proposals which the President has laid before you. There are problems relating to the Suez Canal, and problems arising out of unstable and unfriendly Arab-Israel relations.

All these matters are receiving urgent consideration, but they do not seem to require legislative action at this time.

The United Nations has now assumed primary responsibility for solving certain of these problems, and the able Secretary-General of the United Nations is actively working on them. We are giving these United Nations efforts our full support. We are encouraged to believe that certain of the problems to which I have alluded will thus be brought to a satisfactory conclusion. Already the orderly withdrawal of United Kingdom and French forces has been effected, and Israeli withdrawal from Egypt is under way. The Suez Canal is being efficiently cleared. The Secretary-General is seeking to bring about an early resumption of talks about the future status of the canal, in accordance with the six principles which were unanimously adopted by the Security Council last October and agreed to by Egypt.\(^5\) He is

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\(^4\)Former Representative James P. Richards. For the announcement of his appointment as Special Assistant to the President, see Bulletin of Jan. 28, 1957, p. 130.

also well aware of the problems of transit through the Gulf of Aqaba and the status of the Gaza Strip.

Since last spring he has been working actively on stabilizing the armistice lines, pursuant to a United States-sponsored resolution.

There are also the more basic problems of Arab-Israel relations. These include the establishment of permanent boundaries, the settlement of refugees, and the undertaking of major water and irrigation developments. The United States has made clear its willingness to make a large contribution to the settlement of these matters, preferably through the United Nations. That United States position was expressed in my address of August 26, 1955, and, as indicated by President Eisenhower in his special message of January 5, 1957, the United States adheres to those proposals. When such a program becomes practical of accomplishment, that would require Senate treaty action and congressional appropriations. But, unhappily, the time for that is not yet here.

There is, of course, interconnection between present unsettlements in the area and Communist opportunities in the area. The Communists foment unsettlement, and so long as unsettlements exist Communist opportunities exist. The United States believes that no effort should be spared to solve the problems of the area. But we do not take the pessimistic view that, unless and until these problems can be solved, nothing can usefully be done to prevent the area being taken over by international communism.

On November 1, 1956, in introducing the United States cease-fire resolution in the United Nations General Assembly, I recalled the problems and the provocations of the area, and I said:

... All of us, I think, would hope that out of this tragedy there should come something better than merely a restoration of the conditions out of which this tragedy came about. ... Surely this organization has a duty to strive to bring about that betterment.

I can say to you today that the United Nations organization is indeed striving to bring about that betterment—and so is the United States.

The proposals now before you in no way cut across or replace these efforts being made by the United Nations and by our own Government to solve the problems of the Middle East. On the contrary, these proposals, if adopted, will help to eradicate malignant influences which are striving, with some success, to make these problems insoluble.

The Role of the Congress

What the President has laid before the Congress is the aspect of the situation with which the United Nations cannot adequately deal, and with which the President cannot adequately deal without help from the Congress.

Experience indicates that a nation rarely, if ever, loses its independence (1) if that nation is not exposed to open armed attack by overwhelming force; (2) if it has loyal and adequately equipped forces for at least internal security; and (3) if the economic situation does not seem hopeless.

The United Nations cannot itself adequately insure those conditions. For example, the Soviet Union exercises veto power in the Security Council and it defies General Assembly recommendations. That is a gap that the United Nations itself cannot close.

But just as the United Nations cannot dependably create these conditions, so the President cannot adequately do so without the concurrence of the Congress.

Whatever may be the correct constitutional view of the authority of the President to use the Armed Forces of the United States, the fact is that the Soviet rulers feel more deterred if the Congress has spoken. Also the fact is that the peoples who are subjected to threat feel more secure if the Congress or, in the case of treaties, the Senate has spoken.

We are dealing here not with a theory but with a fact. The fact is that, in a situation where we need to use all the assets we possess, there is an asset which the Congress of the United States can contribute, if it will. That asset may prove decisive in the result.

It is also the fact that the Mutual Security Act and relative appropriation acts create a maze of conditions which are no doubt useful and which can be complied with in the ordinary case. But we are not dealing with an ordinary case. We are dealing with an emergency situation created by a sudden stoppage of vital revenues upon which orderly government depends. There needs to be greater discretion in the President to get things


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done. Here again Congress can make a contribution which may be vital, and this without its costing the American taxpayer a single cent more.

Finally, there is need that there be joint action by the President and the Congress which will deal as a rounded whole with the three vital aspects of the situation, namely: (1) military deterrents against armed aggression from without; (2) military assistance to maintain security within; and (3) economic assistance to prevent the breakdown of orderly government.

It has been said that the desired results can partially be achieved without new legislation and that the President's proposals involve some duplication. That may be so. But even so, there will be immense practical gain if the Congress will join with the President to express, in a new single act, the purpose of our Nation in relation to the new situation which has come about since the Congress was last in session.

Conclusion

Let me repeat and reemphasize the gravity of the present situation.

In many respects the last year has seen a weakening of international communism on several fronts. But this is a situation where he who wins the last test wins all. I do not say that this is the last test, although it could well be the decisive test in the struggle between communism and freedom. Certainly, if the Middle East loses its freedom, the result will be to nullify a great part of the efforts and sacrifices which have been made by the free peoples in recent years and international communism will have gained a great and perhaps decisive victory. On the other hand, if the Middle East stays free, we can reasonably look forward to gains for freedom throughout all the world. And "all" includes the present Soviet and Chinese Communist part of the world.

I can assure you that the leaders of international communism will take every risk that they dare to take in order to win the Middle East. Already they have made that clear.

When the stakes are so great, I do not believe the Congress of the United States should play, or wants to play, merely the role of an observer. It possesses assets, perhaps decisive assets, to throw into the struggle. That is what the President has pointed out in his special message to the Congress, and I do not doubt that the Congress will respond.

President Exchanges Greetings With British Prime Minister

Following is an exchange of letters between President Eisenhower and the new Prime Minister of the United Kingdom, Harold Macmillan, made public by the White House on January 15.

President Eisenhower to Prime Minister Macmillan

Dear Harold, I send my warmest congratulations to you on becoming Prime Minister of the United Kingdom. Your distinguished career is well known on this side of the Atlantic, and has earned our widespread respect. My own warm admiration stems, as you know, from our association in North Africa and through the succeeding years. For me that association has been as agreeable as it has been productive.

I feel confident you will bring to your new task the same vision, determination and sympathetic understanding you have shown in the past. For myself, and for the people of the United States, let me wish you every success in carrying out the great responsibilities which now devolve upon you as Prime Minister.

With warm regard,

Dwight D. Eisenhower

Prime Minister Macmillan to President Eisenhower

My dear Friend, Thank you for your kind message. I too have warm and vivid memories of the time when we worked together in North Africa, and of our association since then. You know how much importance I attach to the friendship between the peoples of Britain and the United States, not least because of my own personal links with your country. I look forward to working with you once again to further this friendship.

With all good wishes,

Harold Macmillan
The Meaning of Berlin for the Free World

by Eleanor Dulles
Special Assistant to the Director, Office of German Affairs

Never has the meaning of Berlin for the free world been more apparent than since the Hungarian revolution. When one compares the situation in East Germany with that in Hungary, one sees the main reasons why East Germany, though persistently and strongly anti-Communist, has not exploded into bloody revolt.

The primary reasons, which merit careful consideration in any appraisal of the facts in the East-West struggle in Germany, are all related to Berlin. In Berlin the Western allies have given political guaranties against abandonment of the territory to Soviet aggression and have reinforced this with various types of aid. This firm position gives hope not only to the people of Berlin but to all Germans, including those now under Communist domination, that there is a future in freedom. There is in Berlin a door, an escape hatch, through which refugees have been fleeing to the West without cessation and with relatively little interference or danger for more than 6 years.

Moreover, the East Berliners, in close contact with West Berlin and envying them their collective bargaining and other civil rights, tried to assert their demands in June 1953 and learned through costly experience that revolt in Berlin and in the provinces would be repressed brutally with tanks and guns. This lesson of 3 years ago has taught them the more difficult road to freedom that is patient, unflagging endurance and the conservation of strength until the time of their deliverance comes.

Those living in the East, constantly aware of

the 22 divisions of the Soviet occupying force, continue to think of themselves as Germans, as anti-Communists, and as free men. They rely on support from the West, maintaining their contacts for flight, if necessity requires, and remember that there can be no quick solution to their problems. Their safety valve through Berlin serves to preserve their leaders among the flow of refugees for the day of reunification and reconstruction. They learned their lesson in restraint in the revolt in June 1953, which was touched off in Berlin but was carried on in more than 200 cities and towns. Germans learned then the dangers of premature revolt just as the rest of the world learned of German determination to be free.

There is no one who can predict with certainty whether or not the suppressed hatred of communism in the East Zone might now flare up into open resistance if conditions worsened. There is reason to think that the Soviets know and fear this danger. They have made repeated promises of improved economic conditions. In January 1957 they summoned the stooge Communist leaders of the zone to Moscow and gave them new assurances of “independence.” They had earlier, in July, offered to cut the cost of occupation by 50 percent in 1957, which slightly lessened the heavy financial burdens on the economy of the East Zone. They have recently announced that food rationing would end soon. They have indicated the further development of heavy industries, partly as an aid to defense and partly to increase national income. They have endeavored to give an illusion of sovereignty to the area but have followed each halfhearted gesture by new and irksome restrictions on freedom of action.

The residents of the East will be hard to de-

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receive. None of the Soviet offers to improve their lot will be taken at face value unless they result in some tangible improvements. They can not only measure and assess with some degree of accuracy what goes on in the East Zone but also compare any slight change with the notable progress of West Berlin.

An Island City

It is hard to realize the strangeness of the situation of this island city. There is no parallel in the world for its isolated and significant location. It lies 100 miles from the nearest Western free territory. It can be reached from Western Germany and the outside world through long, narrow corridors available for rail, road, airpaths, and barge traffic. There are times when even these agreed roads to Berlin are harassed by Soviet obstructions and delays. Through subterfuge and on various pretexts freight, passengers, and barges have from time to time been halted.

Air flight into Berlin is over three agreed airpaths 10 miles wide. Many residents of Berlin, lacking the money for air travel and afraid that they may be kidnapped if they travel by surface, are virtually prisoners in the city. Yet, in spite of these difficulties, with the help of the Western allies and of the Federal Republic, the city has begun to prosper. Thus in 1957, surrounded and restricted, threatened and harassed, the workers are earning more money, production is increasing, exports from the city have steadily mounted, and the facilities and cultural life of Berlin have increased in a brilliant fashion.

The city serves as a place of comparison and for exchange of information. Through Berlin, knowledge of the outside world, including changes in Hungary, Poland, and Yugoslavia, is widely known. RIAS, the radio voice of Berlin, describes the world today for millions in the surrounding territory.

The statistics tell part of the story, but it is more evident in the bearing and attitude of the people. Unemployment is still a serious problem, largely because of the 50,000 white-collar workers stranded when the city ceased to be the capital. Nevertheless, unemployment is now about 10 percent of the labor force, and the total number of jobless, as compared with more than 30 percent 4 years ago, has been cut by two-thirds. Production, which was reduced by war devastation, removals of machinery, and by the blockade, fell to less than a third of its prewar levels. It has now quadrupled, bringing the standard of living of most of the people to near prewar levels.

This striking economic improvement in West Berlin stands as an impressive contrast to the stark conditions prevailing in East Berlin and even worse conditions in the rest of the Soviet-occupied territory. There clothing is shabby, the goods are coarse, there are only thick, heavy working shoes, tools are defective, food supplies are inadequate. There are virtually no meat, butter, or eggs. Sugar, potatoes, and cheese are hard to come by. Fuel conditions are deplorable. Fuel is lacking for homes and factories. The main buildings are falling into dilapidation through lack of repairs. Such basic items as electric light bulbs, aspirin, and textiles are in severe shortage. Passenger cars in East Germany are rarely seen on the roads.

A Chance for Respite

The comparison between East and West in Berlin affects general conditions and attitudes in East Germany in various ways. Above all, it gives a living example of the practical failure of communism. It gives a chance for those who want to buy an occasional article of luxury or necessity to meet their needs in West Berlin, or by going through Berlin in West Germany.

The visits to Berlin are of incalculable importance for those from the East. Like men submerged in darkness and despair, many hundreds of thousands come to the city for a breath of fresh air. The usual attendance of East Zone residents at the industrial fairs held every September in Berlin has been well over 500,000. Since these visitors are allowed certain special privileges when they show their identification papers, the statistics are relatively accurate.

In addition to the industrial fair, there are the cultural festival, the film festival, the agricultural fair, and certain May Day events, the Green Week, and other special events to which hundreds of thousands are invited. Although some persons cross directly into the Federal Republic, on the whole the larger number go in and out of Berlin because of the relative ease with which they can cross both the zonal and sector border at that point. These men, women, and children go back to their homes with the feeling that the door to freedom is not shut, that they can make contact with their
friends and relatives, and that they can from time to time enjoy the advantages of Western economic and cultural life.

It is certain that this chance to get a few days’ relief from the police-state and the oppressive conditions in the Soviet-occupied zone is one of the main functions which Berlin serves. It is significant that no such relief was available in Budapest or in Warsaw—no period of restoration of mind or spirit was available. Thus, as the pressure rose among these brave anti-Communist people, the explosion was inevitable. Contrariwise, this is one of the reasons why in East Germany there is an unflagging but guarded resistance to tyranny but no recent tendency to violence or open revolt.

The Flight of the Refugees

Another reason here for the absence of revolution in East Germany which relates to the open door of Berlin is the flight of the refugees. The world has been immeasurably impressed and stirred by the tragedy of the flight of the refugees from Hungary. It is fitting that this tribute of understanding and compassion should be paid to the brave people who have left their homes and taken the risks that come not only with crossing the border but also with the struggle of starting a new life on alien soil.

It is important also at this time, as questions are raised as to the future of Germany, to understand the meaning of the continued flight of refugees from the Soviet-occupied zone of Germany to the West. This large and continuing flight, now reaching more than 1,600,000 persons, is unprecedented in history. Most of the refugees go first to Berlin. There they can enter easily; only occasionally is one kidnapped or killed trying to escape. If they come singly or in pairs, and if they do not attempt to take possessions with them, they can usually pass from East Zone to East Sector and from East Sector to West Sector unnoticed and unchallenged.

This large-scale and continuing movement of people from East Germany has a meaning similar to and not less significant than the flow of refugees from Hungary. It indicates that conditions under dictatorship are for most people intolerable and that in general those who make a deliberate choice to stay are of heroic proportions. Only a few who are very young or very old can endure the Communist-imposed regime. It is true, of course, that there are in the zone, as in every community, some who are unaware or indifferent to all but the simplest physical aspects of life. Of this minority, one need not speak. There is reason to think their number in East Germany is a small percent of the 17 million living there. The striking fact is that week in and week out, over a period of more than 6 years, thousands of persons have crossed from the Communist-dominated area into Berlin to make their new and, they hope, temporary homes in the West.

Many forget that, before the refugee flow began in 1950, the West Germans were forced to accept 9 million persons expelled from the former German territories, and they have given refuge to more than a quarter of a million escapees from other countries. It was not realized when these arrangements were made some 6 or 7 years ago that there would be an additional burden on the German economy and an additional problem for the social system of 1,600,000 refugees in voluntary flight from the zone.

Thus, the total of these refugees from dictatorship, coming mostly through the city of Berlin, has been in excess of any voluntary movement of people from their homes at any time in recent history.

Each person who crosses into Berlin testifies in a dramatic fashion to the failure of communism. He is wagering his future, the present welfare of his family, and the fate of his children that the freedom of the West is his best hope. Some are only vaguely aware of the political meaning of the choice they are making. Some flee from fear, some from hunger, some in anger, and some in defiance. All are making what is perhaps the supreme decision of their lives and one which cannot be reversed. Moreover, it is known that few of these people wish to cross the ocean to the Western Hemisphere because they intend to return to their homes in East Germany. Because of the very regularity and familiarity of administrators and news men with the crossing over of these thousands, because the story of this unbroken stream of refugees has been told before, the full impact of the situation has been to some extent forgotten. Only with the sudden explosion in Hungary has the spotlight of world opinion again been turned on the million and a half pitiful and courageous people.

The questions which are being asked every-
where about the refugees are much the same. For instance, the questions and answers in Vice President Nixon's report are strikingly apt in connection with the refugees from East Germany.

The quality of the people who fled Hungary is of the highest order. For the most part they were in the forefront of the fight for freedom and fled only when the choice was death or deportation at the hands of the foreign invaders or temporary flight to a foreign land to await the inevitable freedom for Hungary. The large majority are young people—students, technicians, craftsmen and professional people. There are many family units, including a large number of children.

The majority of the refugees who have been interviewed say that they left Hungary because of fear of liquidation or of deportation. The number of floaters and of those who left Hungary purely for economic reasons is relatively small.

The majority of those who have been interviewed to date have expressed a desire to return to Hungary in the event of a change of government which would make it safe for them to do so.

The problem of checking the security backgrounds of the refugees is not as difficult as usual, due to the fact that in addition to the usual documentary evidence available in such cases, direct evidence is being volunteered by other refugees who are well-informed as to the identity of spies and agents in the communities.

Taking all the above factors into consideration, I believe that the countries which accept these refugees will find that, rather than having assumed a liability, they have acquired a valuable national asset.

In Germany, as in the case of Hungary, the types of people are in the majority young, healthy, and able-bodied. They are good workmen, good students, and competent professional men. While they have not engaged in active armed combat against the Communists, they have left their homes because they did not think they could live a decent and free life. They are also in the forefront of the fight for freedom. They would like to go back and reconstruct a liberated homeland. They have left everything behind. They know not what sacrifices they may have to endure before a hoped-for return.

Berlin has served these people well. By the accident of location, in spite of Soviet attempts to isolate the city, they find safe haven and transportation to what is a new and untried situation in the outside world. If they could not slip into the city and become safe in this shelter among fellow Germans, when the longer zonal border was closed, one can be relatively sure that some type of rebellion would have broken out. Just before the breaking point of desperation they have a choice which they consider consistent with the long-run aims of their nation, which safeguards at least the basic needs of their families, and which offers an opportunity for constructive work without the risks of a bloody revolt against overwhelming military forces.

This opening in the Iron Curtain has served as a place where the issues could be reviewed. It has been a point where wise counsel could influence the more rebellious and where information of world events can be disseminated. It is thus one of the main reasons why there has not been an uprising in East Germany this year. The early manifestations of this uprising were stimulated by miscalculations as to the extent to which Stalin’s death might permit a softening of Soviet policy. Thus there was a desperate hope among the workers that they could win concessions. There were after the announcement of the “new course” some improvements in economic conditions. Therefore the increased demands for production and the setting of new norms with lower wages sparked an explosion.

The Uprising of June 1953

The uprising of June 16 spread like a flash fire through the zone on June 17. It started spontaneously when a group of stonemasons building the walls of the huge apartment houses on what is still called Stalin Allee began to talk over their working conditions. Then approximately 100 men decided to go in a body and ask for better working conditions and wages. They had been refused once; they would try again. They marched down the street in the workmen’s smocks. They were rebuffed at the administration building in Leipziger Strasse, they were joined by others, and in anger at the rejection of their plea, began to tear down the Communist signs and burn them. Soon there were thousands of demonstrators and a few small buildings were set on fire.

Some young men at the Brandenburg Gate managed to climb to the top and tear down the Communist flag. They shouted, “We will not be slaves.” Then the tanks appeared and later shooting began, followed by soldiers, and more than 2,000 rioters, stunned and horrified, were pushed from the street over the sector border.

News of the revolt spread by telephone, radio, and by persons traveling from town to town. By
June 17 more than 260 towns and villages were striking or resisting in various forms. Men demonstrated by burning propaganda signs, by striking, and by demanding civil rights, their intense desire for personal independence and decent living. The magnitude of the revolt and its meaning has not been fully understood to this day. In some towns the uprising lasted as long as 3 weeks. Communication and information with the West was cut off by the military.

The cry was heard for free votes, more food, independence for the individual, freedom from forced labor, and reunification with the rest of Germany. It was heard in Jena, Weimar, Dresden, and Leipzig and in scores of other cities. Political prisoners were set free by the demonstrators. Soviet barracks were burned; work stopped throughout the zone. Karl Marx City was on strike.

Only the universal presence of the Russian Army forced men behind bars, into the mines and workshops. Guns and tanks stopped the spread of the revolution.

The scars remain to this day, but the heroism of June 1953 is not forgotten. The Soviets learned of the force of resistance to tyranny which had been latent. They met this threat to their control by bringing in food and supplies and meeting a few of the demands, but also by shifting troops to protect their positions in an alien land. The Germans demonstrated to the world their will for freedom but also learned the bitter cost of revolt against military might. They have had to recall this lesson many times as they have faced the months of waiting for reunification.

Focus for Western Support

All the influences on the East Zone radiating from Berlin take on their meaning in the light of the large Soviet forces which have shown no inclination to loosen their grasp, and the Allied declarations in support of Berlin. Three times in the last 4 years have the allies repeated their assurance that "the security and welfare of Berlin and the maintenance of the position of the Three Powers there are regarded by the Three Powers as essential elements of the peace of the free world in the present international situation. Accordingly they will maintain armed forces within the territory of Berlin as long as their responsibilities require it. They therefore reaffirm that they will treat any attack against Berlin from any quarter as an attack upon their forces and themselves." 3

Thus there is in East Germany more than elsewhere a direct and face-to-face opposition of forces. There is the armed might of communism, and there is the sense that inevitably the forces of democracy and the free world so visible and strong in Berlin will eventually win freedom for those who are willing to endure for their freedom long years of waiting.

The words of the Western allies would have little meaning unless they were backed up by concrete evidence of the intention of assisting Berlin and by the presence of Allied soldiers and the occupying commission in Berlin. Even the official statement of December 16, 1955, 4 would not necessarily be understood in East Germany without the presence in Berlin of our men, who have been both symbols and representatives of the Allied forces, before, during, and after the Berlin blockade.

The Allied military forces in Berlin are few in number. There is no secret as to this fact. It is not the numbers that count, however, as to their significance and the fact that an attack on such small forces is equivalent in the eyes of the powers represented to an attack upon themselves in their homelands. They have a meaning in Berlin similar to that of the U.N. forces in the Middle East. They stand for justice and international cooperation and the will to resist aggression.

Concern for the welfare of Berlin has been made manifest abundantly by material help. This has been seen during the years of the European recovery program and has been continued in the form of moderate grants of aid every year down to the present.

This aid has been employed to rebuild the basic utilities during the first years of dire need and then to reconstruct and equip the very considerable plant of this manufacturing center. During all the years since 1947 considerable funds from the United States and from the Federal Republic of Germany have been put into low-cost housing and buildings for which there is a general need. The gap caused by bombing and wartime deterioration

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has resulted in an acute shortage which has not yet been fully overcome. Wherever the U.S. funds have got into a new or reconstructed building, there are found on the wall three symbols, the Berlin Bear, the shield of the Federal Republic, and the U.S. colors, so that throughout the city the extensive and continuing help of the United States can be seen and recognized.

In addition to such basic help to the economic and social life of the city, there have been at least four notable projects which have been greeted with special appreciation by the Berliners and which are particularly spectacular from the point of view of the visitor from the East.

The first of these is the Free University. It was started when, during the blockade, the city authorities refused to buckle under to Communist threats and stayed with the West, moving their headquarters to West Berlin. At that time a few houses were taken as a nucleus for a free university. Around these small original buildings has now grown up an impressive university for more than 9,000 students. A fine library with various auditoriums has been given by Henry Ford II to the university. Another striking example of aid has been our assistance to the extent of 30 percent of the cost to a $6 million fashion center for the garment industry, one of the principal sources of income and employment in the city. And in addition we have given the city of Berlin a large and modern library. Now a conference hall for free assemblage and free speech is being built near the old Reichstag by the Americans with German help.

Thus the meaning of Berlin for respite, escape, and a focus of Western support is crucial to the type of resistance which will be found in the East Zone.

“The Flash Point of Revolt”

An examination of the situation as seen from Berlin is that there is in every community a flash point at which there will be an explosion, beyond which revolt is inevitable. The explosion comes under a given amount of pressure and after a degree of desperation has been reached. Although this critical point may not come at the very lowest point of oppression, but when there is an expectation of change, it still comes sooner if hope of an end to the indignities and privations of the regime is gone. It comes later and only after extreme acts of tyranny if there is a reasonable prospect of gaining ultimate release.

In the case of East Germany the dangers are compounded by the proximity of Poland and the complex influences of conditions there. It is widely thought that any disturbance occurring in the Soviet-occupied zone would be such a threat to a whole system of Communist relations that dire results would follow a revolt. There is probably no place behind the Iron Curtain where the consequences would be so immediate and far-reaching.

For the residents of the East Zone this point of explosion is less likely to be reached and there is less inclination to take the most desperate risks as long as Berlin serves as a safety valve. As long as the people who come and go can have respite under conditions of mental and physical ease, they can endure their lot and maintain their inner sense of ultimate deliverance. As long as several millions of the 17 million or more living under Soviet control can travel to the West and return, they are not likely to take desperate measures and sacrifice themselves in a defiant gesture. If living conditions do not seriously deteriorate below present levels, if food, fuel, and clothing continue to support life even at the present drab and cheerless level, they will continue their appearance of submission and only the more vulnerable individuals will flee from their homes or attempt to rebel openly. Thus, the low flash point of a Hungary will not be reached in Germany if the Communist rule does not become more oppressive and if Berlin remains an oasis to which they can go in considerable numbers.

If, however, access to Berlin were seriously hampered or if the restrictions and police measures should become markedly worse, the lower flash point of revolt would be reached in East Germany as in Hungary.

The potential of resistance is vital and strong in the minds and hearts of the East Germans. They have not, through inadvertence or as the result of delusion, surrendered any essential right. The churches are full. The desire for education is manifest. The stories of the refugees are full of episodes of outspoken criticism and varied requests for greater freedom, even to the point of incurring great risks.

Westerners, when they go into the zone, are welcomed. Visitors from outside are told in no uncertain terms of the views of the East Germans toward the Soviet overlords. When opportunity offers, as when they journeyed under threat of re-
prisal to Berlin during the food-package program in 1953, they show courage and anticomunism to an extent not widely realized.

It is the hope of everyone who knows these people that Soviet harassment will not drive them to this final point, that the repressed force will not erupt, and that they can hold their present attitude of endurance over the necessary period of trial.

All of the peace-loving peoples who look to a re-unified, strong, and democratic Germany hope most earnestly that the pressure on East Germany will be relaxed so that the danger of a revolt is diminished. Similarly, it is to be hoped that those who find themselves in acute danger can continue to flee to the West to become the leaders of the future. Every lessening of the human oppression, every increase in communication and contacts between East Europe and the West, is in the interest of a better world and a quicker restoration of the basic human rights. We salute those who remain and endure. We salute those who, though they are forced to flee, continue their loyal fight for those who are still in the homeland.

A summarization of the meaning of Berlin is thus to keep the faith of the East Germans alive and to make plain to the outside world that the East Zone is in no sense absorbed into the Communist bloc. The fact that there is restraint and a surface calm is no indication of a reorientation toward Russia. It does not take a second June 17 to prove this. The contacts in and through Berlin give evidence that communism has made little progress there.

The conclusion which must guide United States policy, and which undoubtedly influences current Soviet planning, is that there is a flash point and, when this is reached, the explosion comes. If, however, there are ways of relieving conditions, if people, even though against the Communist regime, see hope of gradual adjustment and better conditions in the future, they will avoid the more desperate bloody revolt. Let us hope the East Berliners can be spared this costly ordeal.

Soviet Attaché Declared
Persona Non Grata

Press release 23 dated January 15

Department Announcement

The Department of State announced on January 15 that it had declared Maj. Yuri P. Krylov, Soviet Assistant Military Attaché, persona non grata and had informed the Soviet Chargé d'Affaires ad interim that Major Krylov should depart from the United States immediately. The Soviet Chargé was informed that Major Krylov had engaged in activities incompatible with his diplomatic status by improperly purchasing quantities of electronic equipment. On various occasions, Major Krylov had purchased such materials through American intermediaries. In addition, Major Krylov had attempted to purchase classified military information.

Text of U.S. Note

The Department of State informs the Embassy of the Union of Soviet Socialist Republics that the Government of the United States has ascertained that Major Yuri P. Krylov, Assistant Military Attaché of the Embassy of the Union of Soviet Socialist Republics, has engaged in highly improper activities incompatible with his diplomatic status.

Major Krylov's continued presence in the United States is no longer considered acceptable and the Embassy is requested to arrange for his immediate departure.

Letters of Credence

Honduras

The newly appointed Ambassador of Honduras, Ramon Villeda Morales, presented his credentials to President Eisenhower on January 18. For the text of the Ambassador's remarks and the text of the President's reply, see Department of State press release 29.
U.S. Views on European Common Market and Free Trade Area

Press release 21 dated January 15

Belgium, France, the German Federal Republic, Italy, Luxembourg, and the Netherlands have been engaged in negotiations with a view to establishing a common market among them. The common market would involve the elimination of substantially all of the barriers to trade among these six countries and the establishment by them of a common external tariff toward outside countries. The United Kingdom has expressed a desire to associate itself with the envisaged six-country common market in a free-trade-area relationship. Under this arrangement barriers to trade between the United Kingdom and the six countries of the common market would be eliminated on a wide range of products. However, the United Kingdom would continue to maintain its own tariff against countries outside the free trade area, and the six countries of the common market would do the same with their unified tariff. Other Western European countries have indicated an interest in associating themselves with these arrangements on a basis similar to that of the United Kingdom.

Following is a statement of U.S. policy with respect to the proposed European common market and free trade area. This is a summary of views which have been communicated to the governments concerned.

The attitude of the United States with respect to current Western European proposals for a common market and free trade area is determined by two traditional policies of the U.S. Government: our consistent support of moves to further the political and economic strength and cohesion of Western Europe within an expanding Atlantic community and our long-standing devotion to progress toward freer nondiscriminatory multilateral trade and convertibility of currencies.

It is in the light of these complementary objectives that the United States welcomes the initiatives for a common market and free trade area in Western Europe. The details of the common-market treaty are being worked out in negotiations now taking place in Brussels among Belgium, France, the German Federal Republic, Italy, Luxembourg, and the Netherlands; the governments of these countries have indicated that it is their intention that the common market which they envisage should result in the expansion of their trade not only with each other but also with other countries.

A European common market based on provisions which hold the promise of attaining this objective will have the support of the United States. This would be consistent with U.S. support of such arrangements as the General Agreement on Tariffs and Trade and the Articles of Agreement of the International Monetary Fund, both of which have as their objective the expansion of nondiscriminatory multilateral trade.

Certain aspects of the common-market arrangements will be of particular interest to the U.S. Government: those relating to agriculture, those having a bearing on the liberalization of import controls affecting dollar goods, and measures both public and private which bear on international trade. The European market for agricultural exports from the United States is important, and we will wish therefore to study carefully the possible impact of common-market arrangements on it. The progress which Western European countries have made in recent years in liberalizing imports from the dollar area has been encouraging; it is hoped that this progress will be continued as rapidly as the circumstances permit. Since the six countries are also participants in the General Agreement on Tariffs and Trade, it is assumed that such import restrictions as may be found necessary to maintain will be consistent with the standards of the general agreement.

The United Kingdom has made known its preliminary decision to associate itself with the common-market countries in a free-trade-area arrangement. The association of the United Kingdom in such an arrangement would further strengthen the unity of the Atlantic Community and the free world. The United States hopes that such free-trade-area arrangements as may be concluded among the proposed common market, the United Kingdom, and other OEEC countries would also encourage the expansion of international trade from which all of the free-world countries, and not only those participating in the common market and free trade area, would benefit.

In summary it is our hope and expectation that the negotiations on the common market and free trade area will be carried forward and concluded in such a manner that from these European initiatives will come a new contribution to the unity and prosperity of Europe and the Atlantic Community and to the welfare of the entire free world.
Progress Report on the Agricultural Trade Development and Assistance Act

FIFTH SEMI-ANNUAL REPORT ON ACTIVITIES UNDER PUBLIC LAW 480, JULY 1-DECEMBER 31, 1956

President's Message of Transmittal

To the Congress of the United States:

I am transmitting herewith the fifth semi-annual report on activities carried on under Public Law 480, 83d Congress, as amended, outlining operations under the act during the period July 1 through December 31, 1956.

Dwight D. Eisenhower

The White House, January 14, 1957.

Introduction

This report deals with activities under the several Public Law 480 programs during the first 6 months of fiscal year 1957. During the period covered by this report, Public Law 962 amended title I of the act, increasing its authority from $1,500 million to $3,000 million, exempting the sales of fresh fruit and fruit products from the cargo preference laws, and adding subsection (j) to section 104 to provide assistance to activities and projects authorized by section 203 of the United States Information and Education Act of 1948, as amended. In addition, the Mutual Security Act of 1956 amended title II of the act permitting the transfer of surplus agricultural commodities abroad for "extraordinary" relief requirements in addition to the transfers already authorized.

The authority under this act, as amended, expires June 30, 1957. The conditions which prompted this special legislation will exist beyond that date. Accordingly, early in this session of Congress a limited extension of the act will be recommended.

Summary

During the period July-December 1956, programming of surplus agricultural commodities under the three titles of the act totaled $1,657.2 million, bringing to $4,677.1 million the total amount of programs since the beginning of operations under the act.

Since the beginning of the program, agreements for the sale of agricultural commodities for foreign currency under title I total $2,826.1 million at an estimated CCC cost (1) ($1,938.2 million at export market value), of which $1,324.1 million ($894.2 million at export market value) represents agreements signed during the period covered by this report.

Shipments under title I since the beginning of the program total about $850 million at export market value, of which approximately $345 million represented shipments during the July-December 1956 period.

Cumulative authorizations for famine relief and other assistance abroad under title II of the act totaled $280 million at CCC cost, of which $62 million was authorized during this period. Cumulative authorizations for advance payments for CCC cost, of which $70.2 million was authorized during this period. 

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Footnote:

(1) As used in this report, CCC cost represents the cost of commodities to the Commodity Credit Corporation, including investment, processing, handling, and other costs. Export market value reflects the price at which these commodities are sold to foreign buyers under the program. The export market value figures are less than the CCC cost for those commodities for which special export programs have been developed for dollar as well as foreign currency sales to meet competition in international trade. [Footnote in original.]
mulative donations for foreign and domestic relief through non-profit voluntary agencies and intergovernmental organizations under title III of the act amounted to $826 million at CCC cost, of which $123.7 million was donated during this period. Cumulative barter contracts entered into under title III amounted to $745 million at export market value, of which $147.4 million represents contracts entered into during this period. Although the figures cited for the different programs are not comparable, the amounts shown give an indication of the value of commodities being moved or committed under these programs.

Title I. Foreign Currency Sales

AGREEMENTS SIGNED

Nineteen agreements, or supplements to agreements, involving a CCC cost of approximately $1,324.1 million, were entered into with 14 countries during the period July–December 1956. The commodity composition, export market value, and CCC cost of these agreements are shown in Table I.

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Unit</th>
<th>Approximate</th>
<th>Export</th>
<th>CCC cost</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td></td>
<td>quantity</td>
<td>market value</td>
<td></td>
</tr>
<tr>
<td>Wheat and wheat flour</td>
<td>Bushel</td>
<td>1,270,393,000</td>
<td>438.2 million</td>
<td>728.0</td>
</tr>
<tr>
<td>Feed grains</td>
<td>do</td>
<td>11,699,000</td>
<td>17.6 million</td>
<td>28.5</td>
</tr>
<tr>
<td>Rice</td>
<td>Cwt</td>
<td>8,441,000</td>
<td>21.4 million</td>
<td>34.8</td>
</tr>
<tr>
<td>Cotton</td>
<td>Bales</td>
<td>873,700</td>
<td>125.0 million</td>
<td>188.7</td>
</tr>
<tr>
<td>Tobacco</td>
<td>do</td>
<td>21,639,000</td>
<td>32.6 million</td>
<td>52.8</td>
</tr>
<tr>
<td>Dairy products</td>
<td>do</td>
<td>52,673,000</td>
<td>11.4 million</td>
<td>19.5</td>
</tr>
<tr>
<td>Fats and oils</td>
<td>do</td>
<td>605,405,000</td>
<td>92.7 million</td>
<td>152.9</td>
</tr>
<tr>
<td>Meat products</td>
<td>do</td>
<td>78,094,000</td>
<td>18.3 million</td>
<td>30.9</td>
</tr>
<tr>
<td>Total commodities</td>
<td></td>
<td>773.0</td>
<td>1,292.9</td>
<td></td>
</tr>
<tr>
<td>Ocean transportation</td>
<td></td>
<td>121.2</td>
<td>192.0</td>
<td></td>
</tr>
<tr>
<td>Total, including ocean transportation</td>
<td></td>
<td>894.2</td>
<td>1,292.1</td>
<td></td>
</tr>
</tbody>
</table>

1 Wheat and wheat equivalent of flour.
2 Corn, 9,075,000 bushels; oats, 1,092,000 bushels; barley, 910,000 bushels.

Seventy-eight agreements, or supplements to agreements, with a total CCC cost of $2,826.1 million, have been entered into with 30 countries since the inception of the program. The commodity composition, export market value, and CCC cost of these agreements are shown in Table II.

Table II

| Commodity Composition of All Agreements Signed Through December 31, 1956 |
|--------------------|-----------------|-----------------|----------|
| Commodity          | Unit            | Approximate     | Export    | CCC cost |
|                    |                 | quantity       | market value |          |
| Wheat and wheat flour | Bushel         | 1,270,393,000  | 438.2 million | 728.0    |
| Feed grains        | do              | 11,699,000     | 17.6 million | 28.5     |
| Rice               | Cwt             | 8,441,000      | 21.4 million | 34.8     |
| Cotton             | Bales           | 873,700        | 125.0 million| 188.7    |
| Tobacco            | do              | 21,639,000     | 32.6 million | 52.8     |
| Dairy products     | do              | 52,673,000     | 11.4 million | 19.5     |
| Fats and oils      | do              | 605,405,000    | 92.7 million | 152.9    |
| Meat products      | do              | 78,094,000     | 18.3 million | 30.9     |
| Total commodities  |                 | 773.0          | 1,292.9     |          |
| Ocean transportation|                | 121.2          | 192.0       |          |
| Total, including ocean transportation | | 894.2 | 1,292.1 |        |

1 Wheat and wheat equivalent of flour.
2 Feed wheat, 2,234,000 bushels; corn, 27,090,000 bushels; oats, 5,843,000 bushels; barley, 34,050,000 bushels; grain sorghums, 5,765,000 bushels.

Shipments since the beginning of the program through December 31, 1956, totaled about 7.5 million metric tons, of which about 3 million metric tons were shipped during the reporting period.

Increases in Government export programs and increased world trade resulted in a serious shortage of privately owned U.S.-flag commercial vessels. This situation was aggravated by the closing of the Suez Canal. The Federal Maritime Board, in November and December, authorized the release of 70 Government-owned vessels for use by U.S. operators in transporting agricultural commodities.

USUAL MARKETINGS

In accordance with the provisions of title I requiring reasonable safeguards that sales of agricultural commodities for foreign currencies shall

Department of State Bulletin
not displace our usual marketings or be unduly disruptive of world market prices, appropriate assurances have been obtained from governments with which agreements have been negotiated. Also, sales for foreign currencies under title I have been made at the price level no lower than that for commodities available for export sales for dollars.

**CURRENCY USES**

Under agreements entered into during the July-December 1956 period the dollar values of planned foreign currency uses for the ten purposes specified in section 104 of the act are shown in Table III.

**TABLE III**

**Planned Uses of Foreign Currency Under Agreements Signed During July-December 1956**

<table>
<thead>
<tr>
<th>Planned Use</th>
<th>Million dollar equivalent</th>
<th>Percent of total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Agricultural market development (sec. 104 (a)) 1</td>
<td>11.0</td>
<td>1.3</td>
</tr>
<tr>
<td>Purchases of strategic material (sec. 104 (b)) 1</td>
<td>55.3</td>
<td>6.2</td>
</tr>
<tr>
<td>Common defense (sec. 104 (c))</td>
<td>5.6</td>
<td>-6</td>
</tr>
<tr>
<td>Purchase of foods for other countries (sec. 104 (d)) 1</td>
<td>54.0</td>
<td>6.1</td>
</tr>
<tr>
<td>Orals for balanced economic development and trade among nations (sec. 104 (e))</td>
<td>182.1</td>
<td>20.5</td>
</tr>
<tr>
<td>Payment of United States obligations (sec. 104 (f)) 1</td>
<td>573.9</td>
<td>64.4</td>
</tr>
<tr>
<td>Loans for multilateral trade and economic development (sec. 104 (g))</td>
<td>2.0</td>
<td>2</td>
</tr>
<tr>
<td>International educational exchange (sec. 104 (h)) 1</td>
<td>1.7</td>
<td>2</td>
</tr>
<tr>
<td>Translation, publication, and distribution of books and periodicals (sec. 104 (i))</td>
<td>4.6</td>
<td>5</td>
</tr>
<tr>
<td>Assistance to American-sponsored schools, libraries, and community centers (sec. 104 (j))</td>
<td>4.6</td>
<td>5</td>
</tr>
<tr>
<td>Total</td>
<td>888.2</td>
<td>100.0</td>
</tr>
</tbody>
</table>

1 In order to provide flexibility in the use of funds, many agreements provide that a specified amount of local currency proceeds may be used under sec. 104 (a), (b), (f), (h), and (i). In some instances, possible uses under sec. 104 (d) are also included in this category. Therefore, estimates based on the best information now available are indicated above under subsections (a), (b), (h), and (i). Balances not otherwise distributed are included under subsection (f). This distribution is subject to revision when allocations have been completed.

1 Includes ocean transportation financed by CCC except for estimated $6 million differential in the Indian agreement for which no rupee deposits will be required.

**Agricultural market development.—Section 104 (a) :** A part of the foreign currencies accruing from title I sales is being used to assist the development and expansion of foreign markets for United States agricultural products.

Market development projects are initiated and carried out in close cooperation with United States and foreign trade groups in a manner designed to be beneficial to both groups. In most cases, the United States Government furnishes part of the foreign currencies required for the projects and supervises the activities. The United States trade group carries out the project and provides for the necessary dollar costs. The cooperating foreign trade group meets part of the local costs.

This procedure gives private traders in the United States and abroad the opportunity to work together on the problems of expanding old and developing new commercial markets for United States agricultural commodities on a continuing basis. It ensures that projects are beneficial to both the United States and the foreign country.

During the period July-December 1956, over 20 projects were approved providing for commitment of about $2 million equivalent in foreign currencies. This brings total commitments to about $4.1 million equivalent as of December 31, 1956. The U.S. farm commodities to be promoted abroad under these projects are cotton, wheat and flour, beef cattle, dairy cattle, soybeans, tobacco, fruit, tallow, dairy products, poultry and eggs.

Types of activities included in these projects are visits by foreign trade representatives, consumer preference surveys, advertising and public relations programs, market surveys, exhibitions and demonstrations, merchandising and other specialized training in marketing. Arrangements were made for these activities to take place in twenty countries.

Three new types of projects undertaken during the reporting period follow:

1. A team of German food inspection experts was brought to the U.S. to acquaint them with accepted American pure-food standards and methods of food preservation. A basis for a better understanding was sought so that more U.S. processed agricultural products may be admitted into Germany;

2. A world-wide survey of prices of agricultural commodities at producer, wholesale, and retail levels was started. The study should permit simultaneous price comparisons of specific commodities at particular stages of marketing. It is expected to show where there are price advantages to the U.S. in international trade for particular commodities and to indicate the countries in which market development activities would be most fruitful. A private research firm with worldwide branches has been employed to make the study; and

3. Arrangements were made whereby the U.S. fruit export trade contributed pictorial material for an illustrated catalog to be printed in Austria for distribution there and in other countries. The 48-page booklet in color should serve to introduce various U.S. fruit items to foreign importers.
Trade fairs: Market development projects are also conducted through participation in international trade and food fairs. During calendar year 1956, U.S. agricultural exhibits under Public Law 450 were shown at trade and food fairs with a total attendance of nearly 7,500,000. Exhibits in prospect for the early part of 1957 include Verona, Italy; Barcelona, Spain; and Tokyo, Japan.

United States exhibits in these fairs are organized cooperatively with private agricultural trade groups. In general, exhibit ideas, technical personnel, and display materials for the agricultural exhibits are provided by the trade groups. The Government organizes and manages the exhibits; rents the space; provides for the design, construction, and operation of the exhibits; ships necessary materials and commodities; and provides travel and per diem for industrial technicians and commodity specialists participating in the joint effort.

Trade fairs serve to acquaint large numbers of people with the quality and availability of U.S. agricultural products. It permits many prospective customers to see, taste, and feel these products for the first time.

The largest agricultural exhibit during the July-December 1956 period was at the British Food Fair in London, August 28-September 15. At this major fair, with a total attendance of more than 500,000, the U.S. featured meat, lard, frozen poultry, dairy products, grain products, rice, and frozen foods. Samples distributed included frankfurters, cheese, milk solids, doughnuts, and orange juice made from frozen concentrate. Five representatives of U.S. agricultural trade associations assisted with the exhibit and used the occasion to establish contacts with British trade leaders.

Smaller agricultural displays held during the period were in connection with Department of Commerce exhibits at Vienna, Austria; Salonica, Greece; Zagreb, Yugoslavia; Bangkok, Thailand; and, for the second successive year, Bogota, Colombia. The Bogota exhibit of wheat and flour and the Bangkok exhibit of recombined milk were arranged in direct support of the work of U.S. market development teams operating in those countries.

Purchase of strategic materials.—Section 104 (b): No local currency was earmarked for this purpose under title I agreements entered into during the reporting period. The total amount of local currency earmarked to date for the purchase of strategic materials is $7.2 million.

Common defense.—Section 104 (c): This section of the act provides that local currency proceeds of sales may be used to procure military equipment, materials, facilities, and services for the common defense. During the reporting period, $55.3 million equivalent was earmarked for this purpose. This brings the total amount planned for common defense to $221.3 million for agreements signed with Brazil, the Republic of China (Taiwan), Iran, Korea, Pakistan, and Yugoslavia. The use of $20.5 million equivalent has been authorized so far, including about $14.5 million worth of rupees to Pakistan and $16 million worth of hwan to Korea. In Pakistan the funds provided are being used primarily to meet military construction and Pakistani troop support costs. Currency available in Korea is being used to bolster the military position of the Republic of Korea.

Purchases of goods for other friendly countries.—Section 104 (d): This section provides that the U.S. may use local currency proceeds of surplus commodity sales to purchase goods and services for other friendly countries. Sales agreements may earmark specific amounts or may provide that unspecified portions of sales proceeds which will be set aside for U.S. uses may be used for this purpose. The act provides that, unless the requirement is waived, dollar reimbursement must be made to Ccc if local currency is used to procure goods or services which will be furnished on a grant basis.

There is usually no advance commitment by the U.S. to use these funds either to procure specific goods or services or to authorize purchases for a particular country. Certain standards conforming closely with commercial practices have been established for the use of these funds. These are designed to avoid undue disruption of normal trade patterns and to assure that purchases are made at competitive prices.

Use of about $12 million equivalent of these funds has been authorized, including $3.3 million worth of yen during the last six months. The equivalent of $1.3 million of yen will be used to buy Japanese cement needed in Taiwan. In addition, $2 million of yen were used to furnish some of the immediate needs for civilian relief in the Ryukyu Islands following typhoon “Emma”.

Grants for economic development.—Section 104 (e): About $60 million of local currency has been earmarked for grants for economic development. These are made only in special circumstances and
comprise about 3 percent of the total sales proceeds expected to accrue.

Payment of United States obligations.—Section 104 (f) : Agreements signed during the period July—December 1956 tentatively earmarked $182.1 million, or 20.5 percent of sales proceeds, for the payment of United States obligations. Not all of these funds will be used for the payment of U.S. obligations because a number of agreements signed during the period of this report include a combined total for several U.S. purposes, such as market development, purchases of goods for other countries, and international educational exchange, as well as for the payment of U.S. obligations. Since dollar reimbursement is required for nearly all of the funds used under section 104 (f) eventual dollar recovery may be considerably more than the 10 percent minimum stipulated in the act.

All dollar payments for these foreign currencies are credited to the Commodity Credit Corporation. Reimbursement to Ccc will be spread over a number of years and is likely to be considerably less than the total earmarked under this section. This is because (1) re-payments for military family housing will extend over many years; (2) currencies available for Treasury sale accumulate in some countries where U.S. agency expenditures are low; and (3) losses are sustained in some cases due to exchange rate differentials.

The Treasury Department sells foreign currencies to Government agencies for appropriated dollars at the rate of exchange at which they could otherwise obtain the currencies. This is not necessarily the same exchange rate as is applicable to the commodity sales. The dollar return to Ccc consequently is often less than the dollar market value of the commodities sold.

In countries such as Turkey and Spain, most sales are to defense agencies for use in meeting the costs of military base construction. Substantial purchases are also made by such agencies as the Department of State and the United States Information Agency, which have continuing needs for funds to meet administrative and operating expenses.

A small portion of these currencies has been made available for congressional travel expenses, a use exempted from the requirement for dollar disbursement by section 502 (b) of Public Law 665, 83d Congress.

Military family housing.—Public Law 765, 83d Congress, Public Law 161, and Public Law 968, 84th Congress, authorize the use of up to $250 million worth of foreign currencies generated by title I sales for construction, rent, or procurement of United States military family housing and related community facilities in foreign countries. This legislation further provides that Ccc shall be reimbursed from appropriations available for the payment of quarters allowances to the extent the housing is occupied.

Tentative allocation of local currency for purchase or construction of military family housing amounted to a total of $98.4 million equivalent in agreements with the following countries:

<table>
<thead>
<tr>
<th>Million dollar equivalent</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
</tr>
<tr>
<td>Finland</td>
</tr>
<tr>
<td>Greece</td>
</tr>
<tr>
<td>Italy</td>
</tr>
<tr>
<td>Japan</td>
</tr>
<tr>
<td>Portugal</td>
</tr>
<tr>
<td>Spain</td>
</tr>
<tr>
<td>United Kingdom</td>
</tr>
<tr>
<td><strong>Total</strong></td>
</tr>
</tbody>
</table>

During the reporting period, Greece and Portugal were added to the list of countries in which military family housing programs were being developed.

The amount allocated in Italy was raised from $3.5 million in Italian lire to $13 million. The program now provides for a total of 616 units including 45 units for the Air Force, 415 for the Army, and 156 for the Navy.

In the United Kingdom, a substantial number of units for the Air Force and the Navy has been completed under the 1955 agreement ($15.2 million). Approximately 1,000 additional units, together with related community facilities, will be constructed with the $12.2 million equivalent available from the second sales agreement signed in June 1956.

Loans for multilateral trade and economic development.—Section 104 (g) : Over $1 billion of local currencies—just over half of the total proceeds expected from sales made to date—will be lent by the United States to purchasing countries to promote economic development and international trade. Over half of these loan funds will be available to countries in the Near East and Asia. This includes the large loan components of the multi-year programs for Indonesia and India; funds which will accrue for loan purposes as a result of sales to Japan; and substantial amounts earmarked for seven other countries in this area. Almost $300 million equivalent will be set aside for loans to five Western European coun-
tries, including Italy, Spain, and Yugoslavia. About $225 million in local currencies will be available for loans to Brazil, Chile, and five other Latin American countries to which U.S. surplus farm products have been sold under this program.

Plans for the productive use of these funds are gradually being developed by the foreign governments in cooperation with the United States. Special emphasis is being placed upon appropriate coordination of plans for the use of these substantial local currency resources with the overall development programs of the countries. Foreign governments are being encouraged to use some of these funds for relending to private enterprise. Loans will be made through established banking facilities of the country concerned to locally-owned companies, as well as to those financed by U.S. investors and by investors from other friendly foreign countries. Some of the funds may also be used to cover a portion of the local costs of development projects for which foreign exchange financing is being furnished by the International Bank for Reconstruction and Development and the Export-Import Bank. Loan funds may also be used to supplement planned governmental expenditures for roads, port, and storage facilities, and other public improvements. Thus over the next several years, these funds are expected to make an important contribution to the economic growth of many friendly foreign countries.

The agreements specify terms and conditions of repayment which have been developed in cooperation with the National Advisory Council on International Monetary and Financial Problems. Strategic materials, services, foreign currencies, or dollars may be accepted in payment of the loans.

During the last six months, loan agreements have been concluded with six countries providing for local currency loans of $131 million equivalent. Since the beginning of the program, the equivalent of $236 million in loans have been negotiated with 11 countries. This includes (in million dollar equivalents): Austria, $16.0; Brazil, $31.32; Chile, $4.0; Colombia, $10.0; Ecuador, $3.1; Greece, $4.2; Israel, $31.29; Japan, $108.85; Peru, $7.75; Spain, $10.5; and Yugoslavia, $9.0. A further acceleration in the rate at which loan agreements are concluded is expected. Negotiations are progressing and some of the problems which have occasioned delays in the past are nearing solution. In addition, it is anticipated that a much shorter time should be required to negotiate successive loan agreements with those countries with which more than one sales agreement has been entered into.

Most of the loan agreements concluded so far provide only that the funds will be used for economic development, without reference to specific projects. Countries may then formulate their plans for the use of these funds over a period of time. In some instances, however, virtual agreement on fund utilization is reached at the same time that the loan is negotiated. Actual disbursement of funds is authorized as local currency deposits become available and as funds are needed for the projects.

By December 31, 1956, economic development projects involving expenditures of up to $181 million equivalent have been approved for 8 countries including (in million dollar equivalents): Austria, $1.5; Brazil, $31.32; Chile, $4.0; Ecuador, $3.1; Israel, $15.4; Japan, $108.85; Peru, $7.75; and Spain, $9.0. Of these amounts, expenditures of up to $84 million equivalent were approved during the last six months including (in million dollar equivalents): Peru, $3.35; Brazil, $31.32; and Japan, $49.35. Most of the Peruvian soles will be used in connection with the irrigation project approved some time ago. About $1.5 million equivalent may be used in the drought area in the southern part of the country for construction of farm-to-market roads, agricultural credit, and similar projects. Present plans contemplate the use of a substantial portion of the Brazilian cruzeiros for improvement of rail and river transport facilities. Funds will also be used to finance storage construction, expansion of electric power and for other industrial purposes. Japanese yen will also be used for electric power development, as well as for reclamation of industrial land sites, forestry, food processing, and similar projects. About $13 million of these funds will be used to finance irrigation, drainage, and reclamation of agricultural land.

In general, the U.S. considers that it is unwise to use these funds directly for projects which may result in increased production of agricultural commodities already in world surplus. However, in countries like Japan, which even at their present population levels must import a very large percentage of their food requirements, any small increases in production will readily be consumed at home and will not enter into world markets.
International Educational Exchange.—Section 104 (h): The educational exchange program is authorized by Congress to help promote mutual understanding between the people of the United States and those of other countries.

Based upon the planned uses of foreign currency under agreements signed from the beginning of the program through December 31, 1956, seven educational exchange programs are expected to be reactivated or extended (Public Law 84, 79th Congress, the Fulbright Act) for which the original sources of foreign currency have been exhausted.

In addition, the planned use for the foreign currency is providing a base for initiating eleven educational exchange programs under the Fulbright Act, including seven in Latin America.

Negotiations for new or extended agreements to support educational exchange programs are underway as follows (values in dollar equivalent):

- Argentina, $600,000;
- Brazil, $950,000;
- Chile, $500,000;
- Colombia, $500,000;
- Ecuador, $300,000;
- Finland, $250,000;
- Japan, $750,000;
- Korea, $900,000;
- Pakistan, $1,050,000;
- Paraguay, $150,000;
- Peru, $500,000;
- Portugal, $300,000;
- Spain, $600,000;
- Thailand, $400,000;
- Turkey, $750,000.

Additional programs in active preparation include Indonesia, $600,000; Iran, $750,000; Republic of China (Taiwan), $750,000; and India, $1,800,000.

Translation, publication, and distribution of books and periodicals.—Section 104 (i): As indicated previously, subsection (i) was added to section 104 of the act by the Mutual Security Act of 1954. Not more than $5 million may be allocated for this purpose during any fiscal year.

It is planned that American textbook exhibits will be furnished to educators abroad for ultimate use in schools of their countries.

To facilitate the program, local currencies will be used to acquire rights to books, procure paper, translate textbook material, and furnish printing equipment.

Assistance to American-sponsored schools, libraries, and community centers.—Section 104 (j): This subsection was added to section 104 of the act by Public Law 862, 84th Congress. Through December 31, 1956, the equivalent of $4.6 million was planned for this currency use. The currency will be used to aid American sponsored schools abroad and binational organizations which promote U.S. interests and mutual understanding. Agreements entered into with Brazil, Italy, Pakistan, Spain, and Turkey provide for section 104 (j) uses.

American sponsored schools will be aided through the purchase of land, buildings, and equipment. Buildings acquired will not only make more classrooms available but will result in more laboratories and dormitories. For example, it is planned that the American School in Rome will acquire a small tract of land for playground and other school purposes; it is further planned that the villa now used for classrooms will be re-modeled to provide dormitory space not now available. Local currencies will also be used to offer scholarships (for children of the foreign country), to augment teachers' salaries, and for curriculum improvement.

Binational organizations will be aided through the purchase and lease of buildings and through furnishing books and other educational materials. In addition to binational center projects, this authority will be used to support such educational facilities as the Institute of American Studies in Rome.

Title II

Title II of the act provides a continuing means by which the U.S. can use surplus farm products held by CCC to help friendly foreign people in time of need. By Executive Order, the International Cooperation Administration is responsible for administering this program. Under present legislation, the program will end on June 30, 1957, and expenditures are limited to $500 million, including CCC's investment in the commodities. Cumulative obligations totaled $250 million on December 31, 1956.

During the reporting period about $46 million worth of dried milk, fats, wheat, rice, and other grain products have been used for these purposes. In addition, about $16 million was used to pay some of the costs of ocean transportation of these commodities, as well as those donated to U.S. voluntary and intergovernmental agencies for distribution abroad.

About $15 million of surplus commodities have been authorized to help feed the Hungarian refugees in Austria and for distribution in Hungary by the International Committee of Red Cross. More will be authorized if and when needed. Supplies of food readily available from stocks
held mainly by U.S. voluntary agencies in Europe were used during the initial emergency. These will be replaced by direct shipments of dried milk, cheese, wheat, flour, and other grains and grain products from the United States.

About 40,000 tons of wheat will be furnished to Afghanistan to alleviate a threatened bread shortage resulting from floods in the southern part of the country and drought in the northern area. Shipment of 20,000 tons of wheat has been authorized to help victims of the floods which occurred in Iran last July. About 45,000 tons of wheat will go to Tunisia for free distribution to the needy and for use as payment for work relief. Severe drought and premature frosts in the mountainous regions of Bolivia seriously reduced winter food supplies. Shipment of 8,000 tons of rice and 5,000 tons of wheat, valued at $8.1 million, has been authorized to meet the threat of famine there. Over 200,000 bags of rice will be contributed for relief in the Ryukyu Islands following severe typhoon damage last summer. About 3,000 tons of dried milk will be shipped to India to replace stocks released by UNICEF for emergency distribution to flood victims.

Italy will receive $13.5 million of foods to carry on the expanded school lunch program undertaken in fiscal year 1955. A similar program has been started in Japan and $15 million of wheat and dried milk has been furnished for this purpose. Commitments made earlier for relief supplies to Yugoslavia, British Honduras, and Mexico were also fulfilled during the last six months.

**Title III**

Title III of the act covers donations for domestic use and for distribution abroad by nonprofit voluntary agencies and intergovernmental organizations as well as Ccc barter activities.

**Section 302, domestic donations.**—During the July–December 1956 period, the distribution of surplus commodities to domestic outlets has been made under authority of the act and under authority of section 32 of the Agricultural Act of 1933, as amended.

For the reporting period domestic donations totaled approximately 518 million pounds of which about 104 million pounds, valued at $5.6 million, was distributed under title III. Domestic recipients of these commodities consisted of more than 11 million children in public and private schools, 1.4 million persons in charitable institutions and about 3 million needy persons in family units.

**Section 302, foreign donations.**—Section 302 of the act authorizes donations of surplus foods in Ccc stocks to United States nonprofit voluntary relief agencies and to intergovernmental organizations, such as the United Nations International Children's Emergency Fund to assist needy persons outside of the United States. Most of these agencies have been making regular relief distribution around the world for many years. The availability of surplus food permits them to distribute substantially larger amounts of relief foods than would be possible from their own private financing.

Processing, packaging, and other related costs are paid under this authority. The Agricultural Act of 1956, enacted May 28, 1956, permits the use of title II funds to finance the ocean freight costs of these shipments. In some instances, ocean freight costs are paid in whole or in part by the agencies or the government of the recipient country. The foreign governments accord duty-free entrance to these shipments; either the foreign government or the relief agencies pay the cost of transportation within the foreign countries. The commodities are clearly identified as a gift from the people of the United States. The foods are given free to needy persons who do not have the means to buy them. Program requests and operations in each country are reviewed by a committee consisting of representatives of United States diplomatic missions, foreign governments, and the voluntary agencies. Assurances are obtained that the relief program does not conflict with normal commercial trade or other United States surplus food disposal operations.

Corn meal and wheat flour were added July 1, 1956, to the list of commodities available for foreign donation. Butter and butter oil, which were available during the fiscal year 1956, were withdrawn on July 1, 1956, because Ccc inventories of butter were depleted and anticipated purchases were not expected to be sufficient to cover more than sales and domestic requirements. For the same reason, dry beans were withdrawn from the list on September 30, 1956, and rice was withdrawn on December 31, 1956. Because of the depletion of inventories, the quantity of non-fat dry milk available for foreign donation will be reduced substantially during the third quarter of the fiscal year 1957. The quantity and value of commodities approved for foreign donation for the period July–December 1956, are shown in Table IV.
TABLE IV
Commodities Approved for Donation for Foreign Relief Through Nonprofit Voluntary Agencies and Intergovernmental Organizations, July-December 1956

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Pounds</th>
<th>Estimated CCC cost</th>
</tr>
</thead>
<tbody>
<tr>
<td>Dry beans</td>
<td>246</td>
<td>23</td>
</tr>
<tr>
<td>Cheese</td>
<td>65.5</td>
<td>28.6</td>
</tr>
<tr>
<td>Corn</td>
<td>137.7</td>
<td>5.3</td>
</tr>
<tr>
<td>Corn meal</td>
<td>147.9</td>
<td>6.6</td>
</tr>
<tr>
<td>Milk, nonfat dry</td>
<td>348.2</td>
<td>48.7</td>
</tr>
<tr>
<td>Rice</td>
<td>196.5</td>
<td>23.8</td>
</tr>
<tr>
<td>Wheat</td>
<td>58.7</td>
<td>2.9</td>
</tr>
<tr>
<td>Wheat flour</td>
<td>115.0</td>
<td>8.2</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>896.2</td>
<td>118.1</td>
</tr>
</tbody>
</table>

Section 303, Barter.—This authority, one of six successive legislative acts providing for barter, reemphasized this program by directing the Secretary of Agriculture to expedite barter operations and by directing other agencies to cooperate. Subsequently, Public Law 968, previously noted, authorized certain U.S. military housing acquisition abroad with foreign currencies generated by agricultural export programs, including barter.

Barter is effected through contracts between Ccc and private United States business firms under which the contracting firms use commercial trade channels in fulfilling these contracts. Barter contracts provide for the delivery of specified materials with payment to be received in Ccc-owned agricultural commodities which must be exported by the contractor. The origin of materials and the designation of agricultural commodities are limited to friendly countries but are not required to be identical.

As a supporting export program, barter is designed to permit purchase by U.S. firms of materials abroad for Government use conditional upon the firms' ability to export an equivalent value of agricultural commodities from Ccc inventories in payment.

TABLE VI
Agricultural Commodities Exported Through Barter in Specified Periods

<table>
<thead>
<tr>
<th>Commodity</th>
<th>Unit</th>
<th>1949-50 through 1952-54</th>
<th>1954-55</th>
<th>1955-56</th>
<th>July-December 1956</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>Bu.</td>
<td>33,445</td>
<td>46,201</td>
<td>68,640</td>
<td>61,991</td>
</tr>
<tr>
<td>Corn</td>
<td></td>
<td>9,338</td>
<td>4,381</td>
<td>25,149</td>
<td>3,806</td>
</tr>
<tr>
<td>Grain sorghums</td>
<td>Cwt.</td>
<td>993</td>
<td>4,725</td>
<td>22,680</td>
<td>12,137</td>
</tr>
<tr>
<td>Barley</td>
<td>Bu.</td>
<td>5,249</td>
<td>41,841</td>
<td>10,216</td>
<td>9,765</td>
</tr>
<tr>
<td>Oats</td>
<td>do.</td>
<td>2,832</td>
<td>14,900</td>
<td>12,906</td>
<td>9,312</td>
</tr>
<tr>
<td>Rye</td>
<td></td>
<td>217</td>
<td>3,912</td>
<td>4,254</td>
<td>3,327</td>
</tr>
<tr>
<td>Cotton seed oil</td>
<td>Lb.</td>
<td>4,680</td>
<td>19,687</td>
<td>15,694</td>
<td>4,913</td>
</tr>
<tr>
<td>Cotton 1</td>
<td>Bale</td>
<td>55</td>
<td>51</td>
<td>491</td>
<td>376</td>
</tr>
<tr>
<td>Others 2</td>
<td>M. T.</td>
<td>20</td>
<td>6</td>
<td>30</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td>1,227</td>
<td>1,759</td>
<td>5,544</td>
<td>3,431</td>
</tr>
<tr>
<td><strong>Total value</strong></td>
<td></td>
<td>107.6</td>
<td>124.6</td>
<td>300.4</td>
<td>228.0</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Quantities in thousand units</th>
<th>Under all contracts</th>
<th>1955-56 contracts</th>
<th>1956-57 contracts</th>
</tr>
</thead>
<tbody>
<tr>
<td>Wheat</td>
<td>33,445</td>
<td>46,201</td>
<td>68,640</td>
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<td>9,338</td>
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</tr>
<tr>
<td>Cotton 1</td>
<td>55</td>
<td>51</td>
<td>491</td>
</tr>
<tr>
<td>Others 2</td>
<td>20</td>
<td>6</td>
<td>30</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td>1,227</td>
<td>1,759</td>
<td>5,544</td>
</tr>
</tbody>
</table>

1 Years beginning July 1.
2 Includes partial estimate for December.
3 July-December 1956 represents sales with exportation to be made within 1 year under new cotton export sales program (announced CN-EX-2, dated April 17, 1956, as amended).
4 Includes flaxseed, dried skim milk, linseed oil, cottonseed meal, soybeans, tobacco, peanuts, and beans.
Barter contracts negotiated during the July-December 1956 period totaled $147.4 million. Barter exports of agricultural commodities from Ccc inventories against outstanding contracts, largely contracts negotiated prior to July 1956, had an export market value of $228 million in July-December 1956 in comparison with barter material deliveries to Ccc of $95.5 million in this same period. Barter contractors are encouraged to take agricultural commodities in advance of material deliveries to effect storage savings, and the excess in agricultural commodity exports is covered by cash deposits or irrevocable letters of credit in favor of Ccc.

Barter contracts negotiated in this reporting period were at a much lower rate than for the previous reporting period when contracts totaled $266.7 million, and slightly lower than the previous average 6-month rate of $149.4 million under the expanded barter program.

Agricultural commodity exports by contractors in fulfillment of barter contracts with Ccc were the highest for any 6-month period to date, totaling $228 million for the period covered by this report (Table VI). Exports under barter contracts will fluctuate in accordance with activity in this field.

### TABLE VII

<table>
<thead>
<tr>
<th>Country</th>
<th>Value</th>
<th>Country</th>
<th>Value</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>3,916</td>
<td>Korea</td>
<td>3,609</td>
</tr>
<tr>
<td>Belgium</td>
<td>66,346</td>
<td>Mexico</td>
<td>9,922</td>
</tr>
<tr>
<td>Brazil</td>
<td>547</td>
<td>Netherlands</td>
<td>90,958</td>
</tr>
<tr>
<td>Chile</td>
<td>1,145</td>
<td>Norway</td>
<td>11,282</td>
</tr>
<tr>
<td>Colombia</td>
<td>644</td>
<td>Panama</td>
<td>36</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>164</td>
<td>Peru</td>
<td>1,449</td>
</tr>
<tr>
<td>Cuba</td>
<td>722</td>
<td>Portugal</td>
<td>2,624</td>
</tr>
<tr>
<td>Denmark</td>
<td>2,345</td>
<td>Saudi Arabia</td>
<td>33</td>
</tr>
<tr>
<td>Egypt</td>
<td>7,588</td>
<td>Sweden</td>
<td>4,621</td>
</tr>
<tr>
<td>El Salvador</td>
<td>47</td>
<td>Switzerland</td>
<td>1,479</td>
</tr>
<tr>
<td>Ecuador</td>
<td>14</td>
<td>Taiwan (Formosa)</td>
<td>2,622</td>
</tr>
<tr>
<td>Finland</td>
<td>1,401</td>
<td>Trieste</td>
<td>1,337</td>
</tr>
<tr>
<td>France</td>
<td>32,652</td>
<td>Turkey</td>
<td>5,815</td>
</tr>
<tr>
<td>West Germany</td>
<td>66,171</td>
<td>United Kingdom</td>
<td>118,538</td>
</tr>
<tr>
<td>Greece</td>
<td>11,150</td>
<td>Uruguay</td>
<td>27</td>
</tr>
<tr>
<td>Guatemala</td>
<td>142</td>
<td>Venezuela</td>
<td>73</td>
</tr>
<tr>
<td>Guatemala</td>
<td>142</td>
<td>Yugoslavia</td>
<td>2,563</td>
</tr>
<tr>
<td>India</td>
<td>548</td>
<td>Others 1</td>
<td>77,968</td>
</tr>
<tr>
<td>Iran</td>
<td>95</td>
<td>Total</td>
<td>653,036</td>
</tr>
<tr>
<td>Ireland</td>
<td>17,998</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Israel</td>
<td>5,422</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Italy</td>
<td>5,422</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Japan</td>
<td>91,040</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

1 Commodity values at export market prices. Includes partial estimate for December 1956.
2 Values for December 1955-56 also includes certain deliveries against earlier contracts.
3 Exported to GSA for delivery under section 206 of the Agricultural Act of 1956.
4 Materials, goods, and equipment for other Government agencies.

To date, virtually no materials acquired by Ccc against long-term objectives have been transferred to the strategic stockpile. Also, although no materials have been transferred from Ccc inventories to the supplemental stockpile as authorized by the Agricultural Act of 1956, it is expected that such transfers will be accomplished soon. As of November 30, 1956, Ccc inventories of strategic materials for transfer to the stockpile were valued at $292 million of which $110.1 million were procured against long-term objectives of the

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A total of 41 countries has received agricultural commodities exported under barter arrangements since the expanded barter program beginning July 1, 1954, through December 31, 1956, as shown in Table VII.

The rate of material deliveries to Ccc by contractors against barter agreements in the report period increased somewhat over that for past periods. Acquisitions of strategic materials to date have been limited to materials within the Office of Defense Mobilization procurement directives to the Department of Agriculture for both the strategic and supplemental stockpiles. Materials delivered in the report period compared with past deliveries are indicated in Table VIII.

### TABLE VIII

<table>
<thead>
<tr>
<th></th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Supply</td>
<td>32.4</td>
<td>21.1</td>
<td>9.0</td>
</tr>
<tr>
<td>Defense</td>
<td>7.4</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Other</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Total</td>
<td>39.8</td>
<td>21.1</td>
<td>9.0</td>
</tr>
</tbody>
</table>

1 Values beginning July 1.
An appendix to this report contains the following additional tables (not printed here):

Table I: Commodity composition of programs under title I, Public Law 480 agreements signed July 1, 1956, through Dec. 31, 1956.

Table II: Commodity composition of programs under title I, Public Law 480 agreements signed from beginning of program through Dec. 31, 1956.

Table III: Approximate quantities of commodities under title I, Public Law 480 agreements signed July 1, 1956, through Dec. 31, 1956.

Table IV: Approximate quantities of commodities under title I, Public Law 480 agreements signed from beginning of program through Dec. 31, 1956.

Table V: Planned uses of foreign currency under title I, Public Law 480 agreements signed July 1, 1956, through Dec. 31, 1956.

Table VI: Planned uses of foreign currency under title I, Public Law 480 agreements signed from beginning of program through Dec. 31, 1956.


An appendix to this report contains the following additional tables (not printed here):
### Adjourned During January 1957—Continued

<table>
<thead>
<tr>
<th>Event</th>
<th>Location</th>
<th>Dates</th>
</tr>
</thead>
<tbody>
<tr>
<td>ICAO Panel on Visual Aids to Approach and Landing</td>
<td>London</td>
<td>Jan. 7-19</td>
</tr>
<tr>
<td>ICEM Working Party</td>
<td>Geneva</td>
<td>Jan. 8-12</td>
</tr>
<tr>
<td>FAO Committee on Commodity Problems: Working Party on Coconut and Coconut Products</td>
<td>Colombo, Ceylon</td>
<td>Jan. 8-18</td>
</tr>
<tr>
<td>ICEM Executive Committee: Special Session</td>
<td>Geneva</td>
<td>Jan. 14-18</td>
</tr>
<tr>
<td>GATT Contracting Parties: Intersessional Committee</td>
<td>Geneva</td>
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<tr>
<td>U.N. ECE Meeting on Data-Processing Electronic Machines</td>
<td>Geneva</td>
<td>Jan. 21-24</td>
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<tr>
<td>FAO Special Committee on Observer Status</td>
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<tr>
<td>Conference for Coordination of Very High Frequency Mobile Frequencies in Certain High Traffic Areas of the North and Baltic Seas</td>
<td>The Hague</td>
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<tr>
<td>Inter-American Committee of Presidential Representatives: 2d Meeting</td>
<td>Washington</td>
<td>Jan. 28-30*</td>
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<tr>
<td>International Sugar Council: Statistical Committee</td>
<td>London</td>
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<td>International Sugar Council: Executive Committee</td>
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<tr>
<td>International Sugar Council: 11th Session</td>
<td>London</td>
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<td>Washington</td>
<td>Nov. 28, 1955-</td>
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<tr>
<td>U.N. General Assembly: 11th Session</td>
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<tr>
<td>ICAO Panel on Future Requirements of Turbo-Jet Aircraft: 2d Meeting</td>
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<td>FAO/EC/ECE International Consultation on Insulation Board, Hardboard, and Particle Board</td>
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<tr>
<td>WMO Regional Association I (Africa): 2d Session</td>
<td>Las Palmas, Canary Islands</td>
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<td>UPU Executive and Liaison Committee: Airmail Subcommittee</td>
<td>Luxor, Egypt</td>
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<tr>
<td>UNREF Executive Committee: 4th Session</td>
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<td>SEATO Study Group on Skilled Labor Shortage</td>
<td>Bangkok</td>
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<tr>
<td>U.N. ECAFÉ Inland Transport Committee: 6th Session</td>
<td>Bangkok</td>
<td>Feb. 15-</td>
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<tr>
<td>U.N. ECOSOC Subcommission on Prevention of Discrimination and Protection of Minorities: 9th Session</td>
<td>New York</td>
<td>Feb. 18-</td>
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<tr>
<td>UNESCO Intergovernmental Advisory Committee for the Major Project on the Extension of Primary Education in Latin America</td>
<td>Habana</td>
<td>Feb. 18-</td>
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<tr>
<td>U.N. ECE Working Party on Gas Problems: 2d Session</td>
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<tr>
<td>FAO Consultative Committee on Desert Locust Control in the Ethiopian Region</td>
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<tr>
<td>ILO Governing Body: 134th Session (and Committees)</td>
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<td>Feb. 25-</td>
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<tr>
<td>U.N. ECOSOC Population Commission: 9th Session</td>
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<td>International Atomic Energy Agency: 2d Meeting of Preparatory Commission</td>
<td>New York</td>
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<td>U.N. ECOSOC Committee on Nongovernmental Organizations</td>
<td>New York</td>
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<tr>
<td>U.N. ECAFÉ Industry and Trade Committee: 9th Session</td>
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<td>UNESCO Executive Committee: Preliminary Ad Hoc Meeting</td>
<td>Paris</td>
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<td>FAO Ad Hoc Meeting on Grains</td>
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<td>ILO Inland Transport Committee: 6th Session</td>
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<tr>
<td>9th Pakistan Science Conference</td>
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<tr>
<td>SEATO Council: 3d Meeting</td>
<td>Cauberra</td>
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<tr>
<td>ICAO Aerodromes, Air Routes, and Ground Aids Division: 6th Session</td>
<td>Montreal</td>
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<td>ICAO Executive Board: 47th Session</td>
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<tr>
<td>U.N. Economic Commission for Asia and the Far East: 13th Session</td>
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<tr>
<td>U.N. ECE Coal Committee</td>
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<tr>
<td>U.N. ECOSOC Commission on Status of Women: 11th Session</td>
<td>New York</td>
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<td>FAO Committee on Commodity Problems: 28th Session</td>
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<td>FAO Asia-Pacific Forestry Commission: 2d Session of Teak Subcommission</td>
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<td>ICAE Council and Executive Committee 6th: Session</td>
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<td>ILO Committee of Salaried Employees and Professional Workers: 4th Session</td>
<td>Geneva</td>
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<tr>
<td>UPF Executive and Liaison Committee</td>
<td>Lausanne</td>
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### Conditions in Territory of South-West Africa

**STATEMENT BY WILLIAM F. KNOWLAND**

As a newcomer to this Committee, I have followed with particular interest the statements of speakers who have preceded me. I will not follow them into the details of the subject matter before the Committee but will confine myself to a few brief general observations.

Let me say, first of all, that I agree with those who have expressed appreciation for the work of the Committee on South-West Africa. It has presented us with a valuable report, even though it has had to work under considerable handicaps in assembling this information. I have gone through the report, noting with particular attention the various recommendations. These recommendations, of course, are based on a description of conditions in the territory which, owing to the difficulty in securing the information, may not be wholly accurate or may, in some respects, be incomplete.

And let me say at this point, Mr. Chairman, that we appreciate the letter of November 30 from the distinguished representative of the Union Government, Mr. Sole, to the chairman of the Fourth Committee, explaining that his absence from this Committee was due to any disrespect for this Committee or its chairman but was due to other reasons. I have no doubt that, if he had been here, any inaccuracies or deficiencies in the report could have been clarified.

Now, as to the recommendations and conclusions contained in the report, we might in some cases have preferred a different drafting. However, we agree with the general tenor of the recommendations and will, therefore, vote in favor of draft resolution 442 presented by the delegations of Burma, Liberia, and Tunisia. This draft resolution, we think, would be improved if it did not particularize the subheadings in paragraph 4. These subheadings do not add anything to the general endorsement of the recommendations and, in fact, may have the effect of singling out certain subjects to the neglect of others. However, in a spirit of compromise, we will not press for any change and will vote for the resolution in its present form in the general sense I have indicated.

We will also support resolution 443, recommending again the view of the International Court of Justice that the normal way of modifying the international status of the territory would be to place it under the International Trusteeship System. However, we have some doubt as to whether it is necessary or even desirable to reiterate this resolution every year, since the previous resolutions on the matter remain in full force.

Before I conclude my remarks, I would like

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to make one or two references of a more general character. The territory of South-West Africa, as the debate clearly shows, raises two issues, namely, the problem of dependent people and the interracial problem—either one of which alone presents, as we know, formidable difficulties. When the two occur together, the problem becomes even greater and more complex.

I would not be so bold, Mr. Chairman, as to offer proposals at this time for solution. We all know that the roots of these questions lie deeply imbedded in history and that we are all inheritors of the past, which cannot be unmade. We must not, for that reason, be fatalistic and conclude that nothing can be done. If we cannot remake the past, it is our duty to try to mold the future. Certain aspects of these two problems exist in many of our countries, and few of us are in a position to offer much gratuitous advice to others. But, while encouraging progress on both the colonial or dependency problem and the racial question is being made, it is my belief and that of the United States delegation that through education and wise statesmanship more headway can and must be made in the years immediately ahead.

As regards the particular problem of South-West Africa, we fully agree that both the territorial administration and the Union Government as the responsible Administering Authority should take further steps to overcome the difficulties and to give effect to the objectives of the mandate which the International Court of Justice holds to be still in force.

The Union Government, I am informed, has repeatedly stated that it is administering the territory in the spirit of the mandate; the Court and the General Assembly require that it be governed in the terms of the mandate and that the administration of the territory be submitted to international supervision. Between the spirit and the terms, there can be very little conflict. And, since there is an abundance of able leadership in the Union and also in the United Nations, there must surely be a way of bringing the terms and the spirit together.

We are, of course, aware that legislation and administration within the Union is a domestic question and wholly outside the scope of this Committee. On the other hand, the United Nations, according to the Court's opinion, must be concerned with administration and legislation in South-West Africa since that territory has an international status under the mandate. While we recognize that there would be some difficulties in having legislation and administration in the territory differ in some respects from that which may obtain in the Union, it should not be impossible, we believe, for the territorial administration to select and apply such laws and practices as will be compatible with both the terms and the spirit of the mandate.

RESOLUTION ON QUESTION OF SOUTH-WEST AFRICA

The General Assembly,
Having considered the third report and observations submitted to it, in accordance with its resolutions 749 A (VIII) of 28 November 1953 and 941 (X) of 3 December 1955, by the Committee on South West Africa concerning conditions in the Territory,
1. Expresses its appreciation of the work of the Committee;
2. Approves the report of the Committee concerning conditions in the Territory;
3. Notes with concern that for the third year in succession the Committee has been unable to escape the conclusion that conditions in the Territory are for the most part, and particularly for the “Native” majority, still far from meeting in a reasonable way the standards implicit in the purposes of the Mandates System;
4. Approves and endorses accordingly, and without prejudice to the solution of the broader issues raised by the Committee concerning the situation of the Territory, the conclusions and recommendations of the Committee as to the action which should be taken by the Government of the Union of South Africa as the Mandatory Power, and in particular draws the attention of the Government of the Union of South Africa to those recommendations in respect of:

(a) the progressive transfer of responsibility to representative, executive and legislative institutions proper to the Territory;
(b) the revision of existing policies and practices of “Native” administration in accordance with the spirit of the Mandates System;
(c) the extension to all the inhabitants of representation in the existing territorial legislature;
(d) the basing of public employment on qualifications other than race and the progressive training of non-Europeans for higher posts in the administration;
(e) the review and revision of the land settlement policy;
(f) the discontinuance of residential restrictions based on a policy of racial separation, or apartheid, and the repeal of racially discriminatory restrictions in the laws of the Territory;

* Sponsored by Burma, Liberia, Morocco, and Tunisia (U.N. dec. A/C.4/L.442/Rev. 1); adopted by Committee IV on Dec. 20 by a vote of 43 to 0, with 12 abstentions.
(g) the immediate elimination from the law and practice of the Territory of the existing discriminatory restrictions upon freedom of movement; and
(h) the elimination of racial discrimination from the educational system and the establishment of a programme for the progressive unification of the system;

5. Invites the Government of the Union of South Africa to submit to the United Nations information concerning its consideration of these conclusions and recommendations and the action taken by it in each case in order to ensure the fulfilment of its obligations and responsibilities under the Mandate.

Developing Cooperation Through the Specialized Agencies

by Francis O. Wilcox ¹

It gives me real pleasure to have this opportunity to be with you this morning and to welcome you to Washington on behalf of the United States Government. I sincerely trust that your stay with us will be pleasant and that your conference will be a great success.

You may recall that one of our favorite American humorists, Mark Twain, once said that, while everyone talked about the weather, no one ever did very much about it. It is an unusual but pleasant experience for me to be in the midst of a group of people whose business is to do something about it.

I notice, for example, that two of the items about which you will do something during the course of this conference concern the relationship between climate and health and climate and agriculture. Now, as a layman in the field of climatology I am not going to attempt to make any profound comments on these subjects. However, it is apparent, even to a layman, that these subjects are of vital interest to all of us. I am confident that your discussions, and the results to which they will lead, will benefit people in every country of the world.

The type of work in which you are engaged is the realization of some of the most important and fundamental purposes and objectives of the United Nations Charter: to promote social progress and better standards of life in larger freedom, and to promote solutions of international economic, social, health, and related problems.

These are fine words and objectives, but they could mean very little without the labor and dedication of people like yourselves to give them reality and substance.

I often think that the work of the World Meteorological Organization and the other specialized agencies is to the total United Nations structure like the unseen portion of a great iceberg. It underlies and gives stability to the whole edifice. But being unseen it often goes relatively unnoticed.

The beneficiaries of your work may therefore often be unaware even of the existence of a climatological commission, or a World Meteorological Organization, or, for that matter, of any one of the specialized agencies or commissions of the United Nations. The work of scientists and technicians cannot compete for headlines with the political disputes with which the political organs of the United Nations are constantly concerned. And yet I am firmly convinced that it is in the work of the specialized agencies and commissions that will be found to the greatest degree the ideal of peaceful, constructive, and effective international cooperation.

By your efforts you are helping the governments and peoples of the world to develop the habit of working together toward common goals for mutual benefit. There is no more important task than this in an increasingly interdependent world.

We all know that the job of building a peaceful world is slow and painful at best. There are still many problems that must be met before mankind can achieve this great objective. But in a nuclear world there is no acceptable alternative and we must push ahead with firm conviction and with ceaseless energy.

Now some people will argue that the contribution of the specialized agencies toward this end is relatively small. What good will it do, they ask, if the United Nations can rid the world of malaria and increase the yield of basic food crops if it can't prevent the outbreak of a nuclear war?

I would not challenge the validity of this question. But I would point out that the specialized agencies are doing much to remove the curtains of fear and suspicion that hang between the nations. And they are doing a great deal to help build a solid foundation of good will and mutual trust,

February 4, 1957
which is so essential to support the superstructure of world peace.

As I pointed out earlier, the achievements of the specialized agencies may be slow in winning the recognition and support of world opinion. Even so, they are solid achievements and they are having a lasting impact upon people in many lands. They are adding to the respect for the United Nations and encouraging a cooperative spirit which holds great promise for a better tomorrow.

**U.S. Delegations to International Conferences**

**Jet Operations Requirements Panel (ICAO)**

The Department of State announced on January 18 (press release 31) that the U.S. Government will be represented by the following delegation at the second meeting of the Jet Operations Requirements Panel of the International Civil Aviation Organization (ICAO) at Montreal, Canada, January 21–February 1:

*Chairman and United States Member*

Bartholomew S. Spano, Civil Aeronautics Administration, Department of Commerce

*Alternate United States Member*

Gilbert V. Tribbett, Civil Aeronautics Administration, Department of Commerce

*Advisors*

Lyle H. Ditzler, Civil Aeronautics Administration, Department of Commerce

Lt. Col. August C. Mahon, United States Air Force, Department of Defense

Austin Nagle, United States Weather Bureau, Department of Commerce

Clarence N. Sayen, Air Line Pilots Association, Chicago, Ill.

Jack Bowman, Air Transport Association, Washington, D.C.

Thomas M. Sullivan, Airport Operators Council, Washington, D.C.

Donald A. Buck, Boeing Airplane Company, Renton, Wash.

George S. Prill, General Dynamics Corporation, Convair, San Diego, Calif.

Robert P. Fitzgerald, Pratt and Whitney, East Hartford, Conn.


The panel, consisting of experts nominated by 13 nations and two international organizations, was established by the ICAO Council at its post-Assembly session at Caracas in July 1956 to predict the operational requirements of large turbo-

jet aircraft of the types expected to enter commercial service by 1961. At its first meeting (Montreal, October 1956), the panel formulated tentative work study lists of operational requirements. Bartholomew S. Spano, the United States member, was appointed chairman of the panel.

The agenda for the forthcoming meeting includes discussion of requirements with respect to (a) airports and associated facilities, (b) meteorological services, (c) communications and navigational facilities, and (d) air traffic services.

It is expected that the panel will in due time reach conclusions on predicted operational requirements in these fields to provide guidance for the international planning of facilities and services during the next 5 years.

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**TREATY INFORMATION**

**Air Transport Agreement With Iran Signed**

Press release 24 dated January 16

**DEPARTMENT ANNOUNCEMENT**

An air transport agreement between the Government of the United States and the Government of Iran was signed on January 16 at Tehran. Ambassador Selden Chapin signed the agreement on behalf of the U.S. Government. Dr. Ali-Gholi Ardalan, Minister of Foreign Affairs, signed on behalf of the Government of Iran.

The text of the agreement follows closely the form negotiated by the United States with approximately 45 other countries and contains the fundamental principles relating to air transport operations which have been standard in such agreements negotiated by the United States since 1946.

Under the terms of the agreement, United States flag carriers are authorized to conduct operations from the United States to Tehran and/or Abadan and beyond via intermediate points. An airline or airlines designated by the Government of Iran will be entitled to operate air services to the United States on a route to be de-

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TEXT OF AGREEMENT

AIR TRANSPORT AGREEMENT BETWEEN THE GOVERNMENT OF THE UNITED STATES OF AMERICA AND THE IMPERIAL GOVERNMENT OF IRAN

The Imperial Government of Iran and the Government of the United States of America

Being equally desirous to conclude an Agreement for the purpose of establishing and operating commercial air services between their respective territories have accordingly appointed their plenipotentiaries for this purpose as follows:

The Government of the United States of America
The Honorable Selden Chapin, Ambassador of the United States of America,

The Imperial Government of Iran
His Excellency Dr. Ali-Gholi Ardalan, Minister of Foreign Affairs

Who having exhibited and exchanged their full powers and found them to be in due form have agreed upon the following articles:

ARTICLE 1

For the purposes of the present Agreement:

(A) The term “aeronautical authorities” shall mean in the case of the United States of America, the Civil Aeronautics Board and any person or agency authorized to perform the functions exercised at the present time by the Civil Aeronautics Board and, in the case of Iran, the Department of Civil Aviation and any person or agency authorized to perform the functions exercised at present by the said Department of Civil Aviation.

(B) The term “designated airline” shall mean an airline that one contracting party has notified the other contracting party, in writing, to be the airline which will operate a specific route or routes listed in the Schedule of this Agreement.

(C) The term “territory” in relation to a State shall mean the land areas and territorial waters adjacent thereto under the sovereignty, suzerainty, protection, mandate or trusteeship of that State.

(D) The term “air service” shall mean any scheduled air service performed by aircraft for the public transport of passengers, mail or cargo.

(E) The term “international air service” shall mean an air service which passes through the air space over the territory of more than one State.

(F) The term “stop for non-traffic purposes” shall mean a landing for any purpose other than taking on or discharging passengers, cargo or mail.

ARTICLE 2

(A) Each contracting party grants to the other contracting party rights necessary for the conduct of air services by the designated airlines, as follows: the rights of transit, of stops for non-traffic purposes, and of commercial entry and departure for international traffic in passengers, cargo, and mail at the points in its territory named on each of the routes specified in the appropriate paragraph of the Schedule annexed to the present Agreement.

(B) It is further provided that in areas of hostilities or military occupation, or areas affected thereby, the operation of such services shall be subject to the approval of the competent military authorities.

ARTICLE 3

Air service on a specified route may be inaugurated by an airline or airlines of one contracting party at any time after that contracting party has designated such airline or airlines for that route and the other contracting party has given the appropriate operating permission. Such other party shall, subject to Article 4, be bound to give this permission without undue delay provided that the designated airline or airlines may be required to qualify before the competent aeronautical authorities of that party, under the laws and regulations normally applied by these authorities, before being permitted to engage in the operations contemplated by this Agreement.

ARTICLE 4

Each contracting party reserves the right to withhold or to revoke the operating permission provided for in Article 3 of this Agreement from an airline designated by the other contracting party, or to impose such conditions as it may deem necessary on the exercise of an airline or airlines of those rights, in the event that it is not satisfied that substantial ownership and effective control of such airline are vested in nationals of the other contracting party, or in case of failure by such airline to comply with the laws and regulations referred to in Article 5 hereof, or in case of the failure of the airline or the Government designating it otherwise to perform its obligations hereunder, or to fulfill the conditions under which the rights are granted in accordance with this Agreement, provided that conditions shall not be imposed without prior consultation with the other party.

ARTICLE 5

(A) The laws and regulations of one contracting party relating to the admissions to or departure from its territory of passengers, crew, or cargo of aircraft, such as or to the operation and navigation of such aircraft while within its territory, shall be applied to the aircraft of the airline or airlines designated by the other contracting party, and shall be complied with by such aircraft upon entering or departing from, and while within the territory of the first contracting party.

(B) The laws and regulations of one contracting party relating to he admissions or departure from its territory of passengers, crew, or cargo of aircraft, such as regulations relating to entry, clearance, immigration, pass-
ports, customs, and quarantine shall be complied with by or on behalf of such passengers, crew or cargo of the other contracting party upon entrance into or departure from, and while within the territory of the first contracting party.

Article 6

Nothing in the provisions of the present Agreement shall be construed or regarded as conferring sole and exclusive rights on the other contracting party or its airlines or as excluding or discriminating against the airlines of any other country.

Article 7

Nothing in the provisions of the present Agreement shall be construed or regarded as conferring on the airlines designated by one of the contracting parties the right to take up, in the territory of the other contracting party, passengers, cargo or mail carried for hire or reward and destined for another point in the same territory.

Article 8

There shall be fair and equal opportunity for the designated airline or airlines of both contracting parties to operate the agreed services on the specified routes between their respective territories.

Article 9

In the operation by the airlines of either contracting party of the trunk services described in this Agreement, the interest of the airlines of the other contracting party shall be taken into consideration so as not to affect unduly the services which the latter provides on all or part of the same routes.

Article 10

Certificates of airworthiness, certificates of competency and licenses issued or rendered valid by one contracting party, and still in force, shall be recognized as valid by the other contracting party for the purpose of operating the routes and services provided for in this Agreement, provided that the requirements under which such certificates or licenses were issued or rendered valid are equal to or above the minimum standards which may be established pursuant to the Convention on International Civil Aviation. Each contracting party reserves the right, however, to refuse to recognize, for the purpose of flight above its own territory, certificates of competency and licenses granted to its own nationals by another State.

Article 11

In order to prevent discriminatory practices and to assure equality of treatment, both contracting parties agree that:

(a) Each of the contracting parties may impose or permit to be imposed just and reasonable charges for the use of public airports and other facilities under its control. Each of the contracting parties agrees, however, that these charges shall not be higher than would be paid for the use of such airports and facilities by its national aircraft engaged in similar international services.

(b) Fuel, lubricating oils, consumable technical supplies, spare parts, regular equipment, and stores introduced into the territory of one contracting party by the other contracting party or its nationals, and intended solely for use by aircraft of such contracting party shall be exempt on a basis of reciprocity from customs duties, inspection fees and other national duties or charges.

(c) Fuel, lubricating oils, other consumable technical supplies, spare parts, regular equipment, and stores retained on board aircraft of the airlines of one contracting party authorized to operate the routes and services provided for in this Agreement shall, upon arriving in or leaving the territory of the other contracting party, be exempt on a basis of reciprocity from customs duties, inspection fees and other national duties or charges, even though such supplies be used or consumed by such aircraft on flights in that territory.

(d) Fuel, lubricating oils, other consumable technical supplies, spare parts, regular equipment, and stores taken on board aircraft of the airlines of one contracting party in the territory of the other and used in international services shall be exempt on a basis of reciprocity from customs duties, excise taxes, inspection fees and other national duties or charges.

Article 12

The air services made available to the public by the airlines operating under this Agreement shall bear a close relationship to the requirements of the public for such services.

It is the understanding of both contracting parties that services provided by a designated airline under the present Agreement shall retain as their primary objective the provision of capacity adequate to the traffic demands between the country of which such airline is a national and the countries of ultimate destination of the traffic. The right to embark or disembark on such services international traffic destined for and coming from third countries at a point or points on the routes specified in this Agreement shall be applied in accordance with the general principles of orderly development to which both contracting parties subscribe and shall be subject to the general principle that capacity should be related:

(a) to traffic requirements between the country of origin and the countries of ultimate destination of the traffic;

(b) to the requirements of through airline operation; and

(c) to the traffic requirements of the area through which the airline passes after taking account of local and regional services.

Article 13

Rates to be charged on the routes provided for in this Agreement shall be reasonable, due regard being paid to all relevant factors, such as cost of operation, reasonable profit, and the rates charged by any other carriers, as well as the characteristics of each service, and shall be determined in accordance with the following paragraphs:

(A) The rates to be charged by the airlines of either contracting party between points in the territory of the United States and points in the territory of Iran referred
to in the annexed Schedule shall, consistent with the provisions of the present Agreement, be subject to the approval of the aeronautical authorities of the contracting parties, who shall act in accordance with their obligations under this Agreement, within the limits of their legal powers.

(B) Any rate proposed by an airline of either contracting party shall be filed with the aeronautical authorities of both contracting parties at least thirty (30) days before the proposed date of introduction; provided that this period of thirty (30) days may be reduced in particular cases if so agreed by the aeronautical authorities of each contracting party.

(C) During any period for which the Civil Aeronautics Board of the United States has approved the traffic conference procedures of the International Air Transport Association (hereinafter called IATA), any rate agreements concluded through these procedures and involving United States airlines will be subject to approval of the Board. Rate agreements concluded through this machinery may also be required to be subject to the approval of the aeronautical authorities of the Government of Iran pursuant to the principles enunciated in paragraph (A) above.

(D) The contracting parties agree that the procedure described in paragraphs (E), (F) and (G) of this Article shall apply:

1. If, during the period of the approval by both contracting parties of the IATA traffic conference procedure, either, any specific rate agreement is not approved within a reasonable time by either contracting party, or, a conference of IATA is unable to agree on a rate, or
2. At any time no IATA procedure is applicable, or
3. If either contracting party at any time withdraws or fails to renew its approval of that part of the IATA traffic conference procedure relevant to this Article.

(E) In the event that power is conferred by law upon the aeronautical authorities of the United States to fix fair and economic rates for the transport of persons and property by air on international services and to suspend proposed rates in a manner comparable to that in which the Civil Aeronautics Board at present is empowered to act with respect to such rates for the transport of persons and property by air within the United States, each of the contracting parties shall thereafter exercise its authority in such manner as to prevent any rate or rates proposed by one of its airlines for services from the territory of one contracting party to a point or points in the territory of the other contracting party from becoming effective, if in the judgment of the aeronautical authorities of the contracting party whose airline or airlines is or are proposing such rate, that rate is unfair or uneconomic. If one of the contracting parties on receipt of the notification referred to in paragraph (B) above is dissatisfied with the rate proposed by the airline or airlines of the other contracting party, it shall so notify the other contracting party prior to the expiry of the first fifteen (15) of the thirty (30) days referred to, and the contracting parties shall endeavor to reach agreement on the appropriate rate.

In the event that such agreement is reached, each contracting party will exercise its best efforts to put such rate into effect as regards its airline or airlines.

If agreement has not been reached at the end of the thirty (30) day period referred to in paragraph (B) above, the proposed rate may, unless the aeronautical authorities of the country of the air carrier concerned see fit to suspend its application, go into effect provisionally pending the settlement of any dispute in accordance with the procedure outlined in paragraph (G) below.

(F) Prior to the time when such power may be conferred upon the aeronautical authorities of the United States, if one of the contracting parties is dissatisfied with any rate proposed by the airline or airlines of either contracting party for services from the territory of the other contracting party, it shall so notify the other party to the expiry of the first fifteen (15) of the thirty (30) day period referred to in paragraph (B) above, and the contracting parties shall endeavor to reach agreement on the appropriate rate.

In the event that such agreement is reached, each contracting party will use its best efforts to cause such agreed rate to be put into effect by its airline or airlines.

It is recognized that if no such agreement can be reached prior to the expiry of such thirty (30) days, the contracting party raising the objection to the rate may take such steps as it may consider necessary to prevent the inauguration or continuation of the service in question at the rate complained of.

(G) When in any case under paragraphs (E) or (F) of this Article the aeronautical authorities of the two contracting parties cannot agree within a reasonable time upon the appropriate rate after consultation initiated by the complaint of one contracting party concerning the proposed rate or an existing rate of the airline or airlines of the other contracting party, upon the request of either, the terms of Article 16 of this Agreement shall apply.

ARTICLE 14

The aeronautical authorities of either contracting party shall supply to the aeronautical authorities of the other contracting party, at their request, such information and statistics relating to traffic carried on the agreed services by the designated airline or airlines of the first contracting party and from the territory of the other contracting party as may normally be prepared and submitted by the designated airline or airlines to their national aeronautical authorities for publication. Any additional statistical traffic data which the aeronautical authorities of one contracting party may desire from the aeronautical authorities of the other contracting party, shall, upon request, be a subject of mutual discussion and agreement between the two contracting parties.

ARTICLE 15

(a) If either of the contracting parties considers it desirable to modify the terms of this Agreement, it may request consultation between the competent authorities of the two contracting parties, and such consultation shall begin within a period of sixty days from the date of the request. A similar procedure shall also be applicable.
in the event either of the contracting parties desires to consult concerning the application or interpretation of the terms of the Agreement. When the aforesaid authorities mutually agree to the modification of the present Agreement, the said modification shall come into force after it has been confirmed by an exchange of notes through diplomatic channels and shall forthwith be communicated to the Council of the International Civil Aviation Organization.

(b) Changes made by either contracting party in the specified air routes, except the change of points served by the designated airline or airlines in the territory of the other contracting party, shall not be considered as modifications of this Agreement. The aeronautical authorities of either contracting party may therefore, proceed unilaterally to make such changes provided however that notice of any change shall be given without delay to the aeronautical authorities of the other contracting party.

**ARTICLE 16**

In the event of any dispute arising between the two contracting parties relating to the interpretation or application of the present Agreement and its Schedule, the contracting parties shall, in the first instance, endeavor to settle it by direct negotiation between themselves. If they fail to reach a settlement by negotiation, they shall refer the dispute for an advisory report to some other person or body designated by mutual agreement between the contracting parties, or to a tribunal of three arbitrators, one to be named by each contracting party, and the third to be agreed upon by the two arbitrators so chosen, provided that such third arbitrator shall not be a national of either contracting party. Each of the contracting parties shall designate an arbitrator within two months of the date of delivery by either party to the other party of a diplomatic note requesting arbitration of a dispute; and the third arbitrator shall be agreed upon within one month after such period of two months.

If either of the contracting parties fails to designate its own arbitrator within two months, or if the third arbitrator is not agreed upon within the time limit indicated, either party may request the President of the International Court of Justice to make the necessary appointment or appointments by choosing the arbitrator or arbitrators.

The contracting parties will use their best efforts within the limits of the constitutional powers available to them to put into effect the opinion expressed in any such advisory report. The expenses of the arbitral tribunal shall be shared equally by the two contracting parties.

**ARTICLE 17**

If a general multilateral convention or Agreement on traffic rights for scheduled international air services comes into force in respect of both contracting parties, the present Agreement shall be amended so as to conform with the provisions of such Convention or Agreement.

**ARTICLE 18**

This Agreement, all amendments thereto, and contracts connected therewith shall be registered with the International Civil Aviation Organization.

**ARTICLE 19**

Either of the contracting parties may at any time notify the other of its intention to terminate the present Agreement. Such a notice shall be sent simultaneously to the International Civil Aviation Organization. In the event such communication is made, this Agreement shall terminate one year after the date of its receipt, unless by agreement between the contracting parties the notice of intention to terminate is withdrawn before the expiration of that time. If the other contracting party fails to acknowledge receipt, notice shall be deemed as having been received fourteen days after its receipt by the International Civil Aviation Organization.

**ARTICLE 20**

This Agreement shall enter into force on the date of receipt by the Government of the United States of America of a notification by the Government of Iran of its ratification of this Agreement.

In witness whereof, the undersigned plenipotentiaries being duly authorized by these respective Governments, have signed the present Agreement and have affixed their seals thereto.

Done at Tehran, in duplicate, this sixteenth day of January, 1957, in Persian and English languages, both texts being equally authentic.

For the Government of the United States of America

SELIDEN CHAPIN

For the Government of Iran

ABDALAN

**SCHEDULE**

1. An airline or airlines designated by the Government of the United States of America shall be entitled to operate air services on each of the air routes specified via intermediate points, in both directions, and to make scheduled landings in Iran at the points specified in this paragraph:

From the United States of America to Tehran and or Abadan and points beyond, via intermediate points.

2. An airline or airlines designated by the Government of Iran shall be entitled to operate air services via intermediate points, in both directions, and to make scheduled landings in the territory of the United States of America on a route to be determined at a later date.

3. Points on the specified routes may, at the option of the designated airline or airlines, be omitted on any or all flights.

**List of Treaties in Force**

Press release 30 dated January 18

The 1956 edition of Treaties in Force: A List of Treaties and Other International Agreements of the United States was released for publication by the Department of State on January 18. The publication lists treaties and other international agreements which, according to the Department's
records, were in force between the United States and other countries on October 31, 1956.

The list includes bilateral treaties and other agreements, arranged by country or other political entity, and multilateral treaties and other agreements, arranged by subject with names of countries which have become parties. Date of signature, date of entry into force for the United States, and citations to texts are furnished for each agreement.

Documents affecting international copyright relations of the United States are listed in the appendix.

Information on current treaty actions, supplementing the information contained in Treaties in Force, is published weekly in the Department of State Bulletin.

The 1956 edition of Treaties in Force (250 pp.) is Department of State publication 6427. It is for sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C., for $1.25.

Current Actions

MULTILATERAL

Atomic Energy
Statute of the International Atomic Energy Agency. Done at United Nations Headquarters, New York, October 26, 1956.\(^1\)


Finance

Signatures: Brazil, January 27, 1956; Iraq, November 9, 1956; Turkey, December 13, 1956; Belgium and Italy, December 27, 1956; Indonesia, Iran, Lebanon, Netherlands, and Venezuela, December 28, 1956.

Acceptances deposited: Turkey, December 19, 1956; Belgium, Iraq, and Italy, December 27, 1956; Indonesia, Iran, Lebanon, Netherlands, and Venezuela, December 28, 1956; Brazil, December 31, 1956.

Fisheries
Protocol amending the international convention for the Northwest Atlantic fisheries of February 8, 1949 (TIAS 2689), by providing that annual meetings of the Commission may be held outside North America. Done at Washington June 25, 1956.\(^1\)

Ratification deposited: Portugal, January 17, 1957.

Telecommunications

Ratifications deposited: Iran, December 7, 1956; Saudi Arabia, December 13, 1956.

\(^1\) Not in force.

Trade and Commerce

Schedules of concessions entered into force: Norway, January 1, 1957; Finland, January 15, 1957.

United Nations

Signature: Sudan, November 26, 1956.

Acceptance deposited: Sudan, November 26, 1956.

War
Geneva convention relative to treatment of prisoners of war;
Geneva convention for amelioration of condition of wounded and sick in armed forces in the field;
Geneva convention for amelioration of condition of wounded, sick, and shipwrecked members of armed forces at sea;
Geneva convention relative to protection of civilian persons in time of war.


Ratification deposited: Afghanistan, September 26, 1956.

Accession deposited: Laos, October 29, 1956.

BILATERAL

Australia

Brazil

Chile
Agreement for disposition of equipment and materials furnished by the United States under the military assistance agreement of April 8, 1952 (TIAS 2703), and no longer required by Chile. Effectuated by exchange of notes at Santiago November 30 and December 28, 1956. Entered into force December 28, 1956.

France

Iran
Air transport agreement. Signed at Tehran January 16, 1957. Enters into force on the date of receipt of a notification by Iran of its ratification of the agreement.

Korea
United Kingdom
Agreement amending section III of the annex to the air services agreement of February 11, 1946, as amended (TIAS 1567, 1640, 1714, 3338, and 3675), to provide an additional route to Barbados. Effected by exchange of notes at Washington December 2 and 28, 1956. Entered into force December 28, 1956.

DEPARTMENT AND FOREIGN SERVICE

Appointments
Robert S. McCollum, as Deputy Administrator for Refugee Programs, Bureau of Security and Consular Affairs, effective February 1. For biographic details, see press release 6 dated January 5.

PUBLICATIONS

Portraits of Secretaries of State
Press release 28 dated January 17
A pamphlet entitled The Secretaries of State: Portraits and Biographical Sketches, published by the Department of State, was released on January 17. Compiled by Richard S. Patterson of the Department’s Historical Division, this publication is based on a collection of portraits of the former Secretaries of State which the Department of State has been accumulating since 1861. The present publication makes available for the first time reproductions of the portraits in this collection. The reproductions, which are in black and white, are arranged chronologically according to the terms of service of the Secretaries of State. Each reproduction is accompanied by a biographical sketch of the Secretary and by a note regarding the artist and the portrait.

The collection of portraits includes a painting of each Secretary of State from Thomas Jefferson, who took office in 1790, to John Foster Dulles. In addition, there is a portrait of John Jay, who took office as Secretary for Foreign Affairs under the Continental Congress in 1781 and continued unofficially in office after the Constitution went into effect until Jefferson entered upon his duties as the first Secretary of State.

Secretary Dulles’ portrait was painted by Robert Brackman in 1954 for the Department’s collection. In accordance with custom, it will not actually be hung in the Department of State until after his retirement from office.

This publication includes also three appendixes, the first relating to Secretaries of State ad interim, the second consisting of notes regarding other portraits belonging to the Department of State, and the third consisting of a chronological list of Presidents of the United States, Secretaries of State, and Secretaries of State ad interim.

A copy of this publication was among the items enclosed in the sealed document box which was placed beneath the cornerstone of the Department of State building at the ceremony in which President Eisenhower and Secretary Dulles participated on January 5, 1957.1

This publication, which is Department of State publication 6402 (viii, 124 pages), may be purchased from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C., for $1.00.

Fifth Colombo Plan Report Released
Press release 16 dated January 11, for release January 13
The Department of State announced on January 13 the release of the Fifth Annual Report of the Consultative Committee on Economic Development in South and Southeast Asia (often referred to as the Colombo Plan).2

The report reviews the 1955-56 development progress and problems in the region and finds that “several significant advances were made in both the planning and execution of economic development programs during the period.” Though cautioning that precise measurement is not feasible, the report states that “a review of economic indicators suggests that national income continued to rise at a rate slightly in excess of the rate of population growth” and indicates that “much effort went into this achievement, modest though

2 For an extract from the report, together with a communiqué issued on Dec. 8 at Wellington, at the conclusion of the eighth meeting of the Committee, see Bulletin of Jan. 7, 1957, p. 30.
it may appear in relation to the need for further advance."

The annual report, consisting of 16 chapters on development progress in the area as a whole and in individual countries, was prepared and approved by representatives of 17 member governments at the eighth meeting of the Consultative Committee held in Wellington, New Zealand, December 4-8, 1956. The United States, which has been a member of the Consultative Committee since 1951, participated in the preparation of the report at the Wellington meeting. Other member governments are Australia, Burma, Canada, Cambodia, Ceylon, India, Indonesia, Japan, Laos, Nepal, New Zealand, Pakistan, the Philippines, Malaya, the United Kingdom, together with Malaya and British Borneo, and Viet-Nam.

The Consultative Committee was established in 1950 to focus world attention on the development problems of South and Southeast Asia and to provide a framework within which an international cooperative effort could be encouraged to assist the countries of the area to raise their living standards. The annual reports of the Committee reflect the development efforts, progress, and problems of countries of the area and assistance extended bilaterally by members outside the region such as Australia, Canada, Japan, New Zealand, the United Kingdom, and the United States. Bilateral economic assistance from the United States to the countries of the area totaled about $900 million in fiscal year 1956.

The Department of State, in releasing the report, emphasized that the discussion therein of the national development projects is the responsibility of the governments concerned and that it does not imply financial or other aid for such projects or programs beyond that which is being given currently under existing bilateral programs.

Colombo Plan countries contributed to and benefited from the continued expansion of world industrial production and trade in 1955-56, the report says. For the area as a whole, foreign trade increased. Imports were on the rise, particularly as regards capital goods for development projects.

The report finds that the achievements of 1955-56 included a substantial increase in several countries of the land area under irrigation, an increase of about 12 percent in electric-power production for the area as a whole, the start of opera-
outside the area has totaled approximately $2.4 billion. In this same period the International Bank has lent $356 million.

The report, in addition to its summary and its chapters on individual countries and on external assistance, sets forth and discusses some of the tasks that lie ahead in the development of the region, citing such problems as the need for countries to maintain flexibility in furthering their development programs; the need for creating additional employment opportunities; the new opportunities that development experience will provide for cooperation among countries of the region; and the need for taking account of the impact of a country's development program upon its external situation and the economic life of other countries. It notes that increased opportunities may develop for drawing on foreign private investment and on public and private loans as sources of external capital.

The report concludes that past experience indicates the value of the Consultative Committee as a forum for an exchange of views. Its usefulness increases rather than diminishes as development progress is made in South and Southeast Asia, for the Committee clearly affords increasing opportunities for an interchange of experiences on common problems. The report finds that there is renewed courage, confidence, and determination to move ahead in the economic betterment of the area and that "the record of achievement set forth in this Report gives reason to believe that, however great may be the difficulties ahead, they will be overcome."

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Technical Cooperation—Employment Service Program. TIAS 3686. 2 pp. 5¢.


Surplus Agricultural Commodities. TIAS 3688. 4 pp. 5¢.


Atomic Energy—Cooperation for Civil Uses. TIAS 3689. 20 pp. 15¢.


Surplus Agricultural Commodities. TIAS 3690. 8 pp. 10¢.


Settlement of Claims of Icelandic Insurance Companies. TIAS 3691. 3 pp. 5¢.


Army Mission to Chile. TIAS 3692. 14 pp. 10¢.


Check List of Department of State Press Releases: January 14-20

Releases may be obtained from the News Division, Department of State, Washington 25, D. C.

Press releases issued prior to January 14 which appear in this issue of the Bulletin are Nos. 6 of January 5 and 11 of January 11.

No. Date Subject
19 1/14 Dulles: statement on Middle East.
20 1/14 Wilcox; remarks to climatology commission.
21 1/15 European Common Market and Free Trade Area.
22 1/14 Dillon biography.
23 1/15 Soviet attaché persona non grata.
24 1/16 Air transport agreement with Iran.
25 1/16 Japanese textiles.
26 1/16 Chairman of Advisory Committee on the Arts.
27 1/17 Eleanor Dulles: "The Meaning of Berlin for the Free World."
28 1/17 Publication of The Secretaries of State.
29 1/18 Honduras credentials (rewrite).
30 1/18 New Treaties in Force published.
31 1/18 Delegation to ICAO Jet Operations Requirements Panel (rewrite).

*Not printed.
†Held for a later issue of the Bulletin.
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February 4, 1957
TREATIES IN FORCE...

A List of Treaties and Other International Agreements of the United States

The 1956 edition of Treaties in Force: A List of Treaties and Other International Agreements of the United States was recently released. The publication lists treaties and other international agreements which according to the Department’s records were in force between the United States and other countries on October 31, 1956.

The list includes bilateral treaties and other agreements, arranged by country or other political entity, multilateral treaties, and other agreements, arranged by subject with names of countries which have become parties. Date of signature, date of entry into force for the United States, and citations to texts are furnished for each agreement.

Documents affecting international copyright relations of the United States are listed in the appendix.

Information on current treaty actions, supplementing the information contained in Treaties in Force, is published weekly in the Department of State Bulletin.


Publication 6427

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THE INTERNATIONAL ECONOMIC SITUATION • Excerpts From Economic Report of the President 222

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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.
The Price of Peace

SECOND INAUGURAL ADDRESS OF PRESIDENT EISENHOWER, JANUARY 21, 1957

White House press release dated January 21

We meet again, as upon a like moment 4 years ago, and again you have witnessed my solemn oath of service to you.

I, too, am a witness today testifying in your name to the principles and purposes to which we as a people are pledged.

Before all else we seek, upon our common labor as a nation, the favor of Almighty God. And the hopes in our hearts fashion the deepest prayers of our people.

May we pursue the right—without self-righteousness.

May we know unity—without conformity.

May we grow in strength—without pride of self.

May we, in our dealings with all peoples of the earth, ever speak truth and serve justice.

And so shall America—in the sight of all men of good will—prove true to the honorable purposes that bind and rule us as a people in all this time of trial through which we pass.

II.

We live in a land of plenty, but rarely has this earth known such peril as today.

In our Nation work and wealth abound. Our population grows. Commerce crowds our rivers and rails, our skies, harbors, and highways. Our soil is fertile; our agriculture productive. The air rings with the song of our industry—rolling mills and blast furnaces, dynamos, dams, and assembly lines—the chorus of America the bountiful.

This is our home, yet this is not the whole of our world. For our world is where our full destiny lies—with men, of all peoples and all nations, who are or would be free. And for them, and so for us, this is no time of ease or rest.

In too much of the earth there is want, discord, danger. New forces and new nations stir and strive across the earth, with power to bring, by their fate, great good or great evil to the free world’s future. From the deserts of North Africa to the islands of the South Pacific, one-third of all mankind has entered upon an historic struggle for a new freedom: freedom from grinding poverty. Across all continents nearly a billion people seek, sometimes almost in desperation, for the skills and knowledge and assistance by which they may satisfy, from their own resources, the material wants common to all mankind.

No nation, however old or great, escapes this tempest of change and turmoil. Some, impoverished by the recent World War, seek to restore their means of livelihood. In the heart of Europe Germany still stands tragically divided. So is the whole continent divided. And so, too, is all the world.

The divisive force is international communism and the power that it controls.

The designs of that power, dark in purpose, are clear in practice. It strives to seal forever the fate of those it has enslaved. It strives to break the ties that unite the free. And it strives to capture—to exploit for its own greater power—all forces of change in the world, especially the needs of the hungry and the hopes of the oppressed.

Yet the world of international communism has itself been shaken by a fierce and mighty force: the readiness of men who love freedom to pledge their lives to that love. Through the night of their bondage the unconquerable will of heroes...
has struck with the swift, sharp thrust of lightning. Budapest is no longer merely the name of a city; henceforth it is a new and shining symbol of man’s yearning to be free.

Thus across all the globe there harshly blow the winds of change. And we, though fortunate be our lot, know that we can never turn our back to them.

III.

We look upon this shaken earth, and we declare our firm and fixed purpose—the building of a peace with justice in a world where moral law prevails.

The building of such a peace is a bold and solemn purpose. To proclaim it is easy. To serve it will be hard. And to attain it, we must be aware of its full meaning and ready to pay its full price.

We know clearly what we seek and why.

We seek peace, knowing, as all ages of man have known, that peace is the climate of freedom. And now, as in no other age, we seek it because we have been warned by the power of modern weapons that peace may be the only climate possible for human life itself.

Yet this peace we seek cannot be born of fear alone; it must be rooted in the lives of nations. There must be justice, sensed and shared by all peoples, for without justice the world can know only a tense and unstable truce. There must be law, steadily invoked and respected by all nations, for without law the world promises only such meager justice as the pity of the strong upon the weak. But the law of which we speak, comprehending the values of freedom, affirms the equality of all nations, great and small.

Splendid as can be the blessings of such a peace, high will be its cost—in toil patiently sustained, in help honorably given, in sacrifice calmly borne.

We are called to meet the price of this peace.

To counter the threat of those who seek to rule by force, we must pay the costs of our own needed military strength and help to build the security of others.

We must use our skills and knowledge and, at times, our substance to help others rise from misery, however far the scene of suffering may be from our shores. For wherever in the world a people knows desperate want, there must appear at least the spark of hope—the hope of progress—or there will surely rise at last the flames of conflict.

We recognize and accept our own deep involvement in the destiny of men everywhere. We are accordingly pledged to honor and to strive to fortify the authority of the United Nations. For in that body rests the best hope of our age for the assertion of that law by which all nations may live in dignity.

And beyond this general resolve we are called to act a responsible role in the world’s great concerns or conflicts—whether they touch upon the affairs of a vast region, the fate of an island in the Pacific, or the use of a canal in the Middle East. Only in respecting the hopes and cultures of others will we practice the equality of all nations. Only as we show willingness and wisdom in giving counsel, in receiving counsel, and in sharing burdens will we wisely perform the work of peace.

For one truth must rule all we think and all we do. No people can live to itself alone. The unity of all who dwell in freedom is their only sure defense. The economic need of all nations, in mutual dependence, makes isolation an impossibility; not even America’s prosperity could long survive if other nations did not also prosper. No nation can longer be a fortress, lone and strong and safe. And any people seeking such shelter for themselves can now build only their prison.

IV.

Our pledge to these principles is constant because we believe in their rightness.

We do not fear this world of change. America is no stranger to much of its spirit. Everywhere we see the seeds of the same growth that America itself has known. The American experiment has for generations fired the passion and the courage of millions elsewhere seeking freedom, equality, and opportunity. And the American story of material progress has helped excite the longing of all needy peoples for some satisfaction of their human wants. These hopes that we have helped to inspire we can help to fulfill.

In this confidence we speak plainly to all peoples.

We cherish our friendship with all nations that are or would be free. We respect, no less, their independence. And when, in time of want or peril, they ask our help, they may honorably receive it; for we no more seek to buy their sovereignty than we would sell our own. Sovereignty is never bartered among free men.

We honor the aspirations of those nations
which, now captive, long for freedom. We seek neither their military alliance nor any artificial imitation of our society. And they can know the warmth of the welcome that awaits them when, as must be, they join again the ranks of freedom.

We honor, no less in this divided world than in a less tormented time, the people of Russia. We do not dread—rather do we welcome—their progress in education and industry. We wish them success in their demands for more intellectual freedom, greater security before their own laws, fuller enjoyment of the rewards of their own toil. For as such things may come to pass, the more certain will be the coming of that day when our peoples may freely meet in friendship.

So we voice our hope and our belief that we can help to heal this divided world. Thus may the nations cease to live in trembling before the menace of force. Thus may the weight of fear and the weight of arms be taken from the burdened shoulders of mankind.

This, nothing less, is the labor to which we are called and our strength dedicated.

And so the prayer of our people carries far beyond our own frontiers to the wide world of our duty and our destiny.

May the light of freedom coming to all darkened lands flame brightly, until at last the darkness is no more.

May the turbulence of our age yield to a true time of peace, when men and nations shall share a life that honors the dignity of each, the brotherhood of all.

**Rumanian Refusal To Admit U.S. Election Observers**

Press release 36 dated January 24

The Rumanian Government has refused to authorize a proposed visit to Rumania by three American political scientists to observe Rumanian national parliamentary elections scheduled for February 3, 1957. Although it had previously agreed to a reciprocal exchange of election observers and in accordance with this agreement had sent three Rumanian political scientists and publicists to the United States to witness the American national elections, the Rumanian Ministry of Foreign Affairs has now informed the American Minister in Bucharest, Robert H. Thayer, that it does not consider a reciprocal visit by American political scientists appropriate at this time. The Rumanian refusal was made on January 19 in reply to a notification to the Ministry in Bucharest on January 16, 1957, that the American observers were prepared to depart.

An invitation to exchange election observers in the interest of promoting greater mutual understanding had been extended to the Rumanian Government in Bucharest on September 20, 1956. In a reply dated October 5, 1956, the Rumanian Government accepted the invitation to send observers to the United States and said that it was prepared to facilitate a similar visit to Rumania by American observers on the occasion of elections to the Rumanian parliament. Three Rumanian observers subsequently visited the United States and were accorded full opportunity to observe the election procedures in this country. The U.S. Government regrets the decision of the Rumanian Government not to honor its agreement to admit U.S. election observers on a reciprocal basis.

The American political scientists who had sought permission to proceed to Rumania were Prof. James K. Pollack, President of the International Political Science Association and Chairman of the Department of Political Science of the University of Michigan; Richard M. Scammon, Director of Elections Research, Governmental Affairs Institute, Washington, D. C.; and Prof. Henry L. Roberts, Director, Program on East Central Europe, Columbia University.

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3 For an announcement on the proposed itinerary for the Rumanian observers, see ibid., Nov. 5, 1956, p. 728.
The Contributions of Turkish-American Cultural Relations to the Economic Development of Turkey

by Fletcher Warren
Ambassador to Turkey ¹

I have chosen a subject of rather wide and general interest and one which has particular significance for a business group. All of us these days are conscious of the splendid progress which Turkey has made in the economic field in the past 30 years. I should think, however, that not many of us have stopped to think seriously about the part that education plays in the economic growth of this country. Probably few of us are conscious of the part Turkish-American cooperation in the field of education and general cultural relations has played in recent economic development in Turkey.

Turkish-American cooperation in the educational field goes back a number of years, certainly to the foundation of Robert College in the 1860's. Many of you here today are not strangers to the work of the American schools and colleges in Turkey. I think I need not dwell on this subject. I understand that Dr. Ballantine ² spoke earlier this year on development plans of Robert College. Sufficient to say, I have already noticed, as I learn about Turkey and as I meet Turkish leaders in many walks of life, that graduates of the American colleges in Turkey are playing a vital role in the development of this country. We find them everywhere, but particularly in the economic and technical pursuits, both in government and in private enterprise, which are so important to the modernization of Turkey. We must not overlook the contributions made to the development of modern Turkey by graduates of the Istanbul American Girls College and other American schools for women in Turkey. Alumnae of these schools have been outstanding leaders in the change in status of women in modern Turkey which has been so admired by other countries.

Working Partnership in Education

Since the end of World War II, Turkish national educational institutions have come into close contact and working partnership with the United States. Beginning with the inauguration of the Fulbright program in 1951, American teachers and professors have come to schools and universities in Turkey in fairly large numbers to teach many subjects important to the growth of this country. Engineering, economics, business administration, psychology, educational methodology, American literature and the English language, atomic physics, sociology, and international law are just a few of the fields in which American scholars have specialized at Turkish educational institutions. Teachers and professors from Turkey, on the other hand, have done graduate work and carried out research in similar fields in the United States. Significantly, these Turkish scholars have also lectured to Americans about Turkey, contributing to a growing knowledge in the United States of modern Turkey.

This year the Fulbright program is being reactivated by the Governments of our two countries. We look forward hopefully to continuation of this splendid educational exchange.

With the inauguration of American economic aid to Turkey in 1948, there was an added incentive for the U.S. Government to have an in-

¹ Address made before the Istanbul Propellor Club at Istanbul, Turkey, on Dec. 7.
² Duncan Smith Ballantine, president of Robert College.
interest in the development of education in Turkey. Without a good, practical educational base no country can grow rapidly, either economically or militarily. It is for this reason that the American Government welcomed the suggestion of President Celal Bayar that a land-grant type of university be founded in the eastern provinces of Turkey. State universities of this type have played a significant role in the development of the United States, particularly in the western part of our country. We hope that the efforts now being undertaken by the Turkish Government with the assistance of Nebraska University and the International Cooperation Administration's Special Mission to Turkey will lead to similar results.

Even while organization of the new Ataturk University for the East is going forward, representatives of Nebraska University are already working fruitfully with the Faculty of Agriculture of Ankara University. Everything that can be done to improve Turkish agriculture through scientific study and university extension work must be done if Turkey is to progress as rapidly as it is hoped.

Interest in Public Administration

The field of public administration has also interested the Turkish and American Governments as they work together to strengthen the Turkish economy. Turkey has a long and distinguished past as a leader in the public administration field. The administrative system of the Ottoman government was a marvel of its day. The experience of Turkey can contribute much to the study of administration as a science. On the other hand, in the United States particular thought has been given to the role of organization, administration, and management in modern governmental institutions. Today the interests of our two countries in the science of administration have been brought together under a cooperative Ankara University-New York University project in the Faculties of Law and Political Science in Ankara. The results of this scientific approach to administration may indeed prove significant in Turkey, where the leadership of government has been so important to developmental efforts.

The extensive activities in technical assistance in many fields under the American economic-aid program to Turkey are too numerous to mention here, nor can we give more than passing reference to the importance of skills acquired in military service by many Turks under the Turkish-American program for modernizing the Turkish Army, Navy, and Air Force. All over Turkey technical skills learned in the Army are being put to work in economic activities. The importance of the Army as a school cannot be overemphasized.

Turkish Studies in the U.S.

Turkish-American cooperation in the cultural field has not only been a one-way proposition. An interesting aspect of the American educational system has been the recent development of Turkish studies in the United States. Outstanding universities such as Princeton, Columbia, Michigan, Johns Hopkins, and Stanford all have courses on the development of modern Turkey. The fact that private educational institutions in America are playing a major role in educational exchange between the two countries is a clear-cut demonstration of the interest and faith of Americans in the development of Turkey. The Ford Foundation each year grants fellowships to a number of American graduate students to study some aspects of the development of Turkey. In fact, we can say that there is worldwide scientific interest in the efforts of this country to modernize. In recognition of this fact, the Rockefeller Foundation has made grants to Turkish scholars to write about Turkey or to visit the United States and other countries to lecture on such subjects as Turkish music, drama, or art.

The American foundations have also played a major part in educational projects in Turkey. The Ford Foundation has given substantial assistance for the creation of an Institute of Business Administration at Istanbul University. They have helped the American Academy for Girls at Uskudar to introduce a domestic-science program. Most significantly, the Ford Foundation is helping the Turkish Government to attack the basic problem of developing a curriculum for its educational system which is in keeping with the needs of an expanding economy and rapidly developing country.

In connection with my trip to Istanbul to speak to you today, I have visited several of the Turkish-American educational projects that are found in the city. I should like to single out two of these for particular note.
Yesterday morning I visited the Ataturk Girls Lycée, which has introduced an experimental secondary-school curriculum with the approval of the Ministry of Education and the assistance of the Ford Foundation and a representative of the University of Illinois. This program permits the student to choose certain subjects as electives in addition to the basic courses which she must take. The courses themselves are being remodeled to suit the needs of young women going out into the world of Turkey today. As part of this program, the parents of the students in the experimental project were invited to the school and were given an explanation of what was being attempted. It was told that this is perhaps the first time that parents in Turkey have been asked to comment on the school program which is offered their children. The interest of the parents astounded the teachers and the Ministry of Education officials concerned. When the Ministry’s budget would not cover the preparation of laboratories for the teaching of scientific subjects, the parents voluntarily collected the money needed, had the basement rooms of the school redecorated, and arranged for the installation of fluorescent lights and gas and water for use in scientific experimentation.

Specialized Education for Businessmen

Another project which I visited this morning is the special training course which is being held by the Institute of Business Administration of Istanbul University for employees of business firms. This type of specialized education for in-service businessmen is completely new for this country. The keen spirit of the 34 men attending this program is proof in itself of the practicability of the project.

I have cited these two instances of educational development not merely to indicate how Turkish-American cooperation has benefited this country but to indicate to you businessmen possible channels of activity for yourselves. You, the business and professional men of our two countries, have a basic responsibility for helping the educators to do their work well. They need community support as well as guidance. The success of the educational system of Turkey will contribute much to your own business success. It will certainly contribute much to the strength of this country in which you have invested. It is not enough to wait for government to produce the proper type of practical education for the successful growth of a country. Businessmen must work with government to make sure that the best is attained. The Turkish Government is vigorously attacking the educational problems of this country. We on the American Government’s side, with our sincere interest in Turkish development, can assure you that we will help wherever we can. It is up to you, however, to take the lead in supplying ideas and direction for educational and cultural development in accordance with the needs of this country as you see them in your everyday affairs. The investment of your time and resources in this field is an investment in the future and an expression of faith in this country.

Moslem Members of Baghdad Pact Consider Middle East Situation

Following is the text of a communiqué issued at Ankara, Turkey, on January 21 by the Prime Ministers of Iran, Iraq, Pakistan, and Turkey.

The Prime Ministers of the four Moslem powers of the Baghdad Pact met at Ankara the 19th and 20th of January 1957, in the presence of the President of the Republic of Turkey and His Royal Highness the Crown Prince of Iraq. The Foreign Ministers of Iran, Iraq and Turkey also attended the meetings.

The conference reviewed the international situation, particularly the developments that have taken place in the Middle East, since their last meeting at Baghdad in November 1956.

They noted with satisfaction the complete withdrawal of Anglo-French forces from Egyptian territory in deference to United Nations resolutions and the recommendations of the four Baghdad Pact powers’ conference at Tehran.

They welcomed the resolution of the United Nations General Assembly calling upon Israel once again to withdraw all her forces behind the armistice lines. They felt that the maintenance of peace in this area should be the continuing responsibility of the United Nations. They called for early settlement of the Palestine question through the United Nations, which should take into consideration the legitimate rights of the Arabs. They expressed the hope that the question of freedom of navigation in the Suez Canal,
consistent with Egyptian sovereignty, should be insured in accordance with the Convention of 1888 and that the canal should be insulated from the national politics of any one power. They considered statements made in certain quarters on the subject of the Suez Canal as designed to confuse the issue and prejudice settlement of the question being reached.

After taking stock of the situation in the general area of the Middle East since their last meeting, the four powers came to the conclusion that subversive activities aimed at the destruction of established law and order continue unabated. They agreed that vigorous steps should be taken to meet the challenge of false and subversive propaganda.

They noted with satisfaction that President Eisenhower’s plan for the Middle East recognizes the threat posed by Communist aggression and subversion to countries of the Middle East. They fully support the measures outlined in the plan, as it stands at present, as best designed to maintain peace in the area and advance the economic well-being of the people. They note with gratification that the plan is not designed to create spheres of influence nor to enslave the peoples of the Middle East. In that connection, they emphasized once again the importance and usefulness of the Baghdad Pact in the interests of the entire region and world peace.

They deplored the destruction of the pipeline in Syria which by interrupting the flow of oil has disrupted the economies of the countries affected and consequently brought about grave hardship and suffering. They urged the early restoration of the pipeline, and regret that such restoration is being delayed.

World Bank Makes First Loan to Iran

The World Bank announced on January 23 that it has made a loan equivalent to $75 million to Iran to provide short-term financing required for Iran’s second Seven-Year Development Plan. It is the bank’s first loan to Iran.

The Bank of America, Irving Trust Company, and Manufacturers Trust Company are participating in the loan, without the World Bank’s guaranty, in the total amount of $3.5 million of the first maturity, which falls due on September 15, 1959.

Iran’s second Seven-Year Plan encompasses a wide range of projects and programs for the development of agriculture, transport, electric power, industry, and social services. The plan is being administered by the Plan Organization, an independent government agency, and is being financed mainly out of oil revenues.

Iran embarked on its first Seven-Year Development Plan in 1948, but when oil production was drastically curtailed in 1951 development activities had to be abandoned for about 4 years. After oil revenues again became available late in 1954 following an agreement with a consortium of foreign oil companies, it became possible to resume development activities on a substantial scale and a second Seven-Year Development Plan was formulated.

The portion of Iran’s oil revenues allocated to the Plan Organization is expected to exceed the equivalent of $1,000 million during the 7-year period from September 1955 to September 1962. These revenues should be sufficient to cover the expenditure now programmed over the 7-year period. However, since oil production can only gradually be restored, the revenues during the early years of the Plan are expected to fall somewhat short of the expenditure to be undertaken in those years; in the later years, on the other hand, the revenues will be much more ample.

The World Bank loan is being made to enable Iran to anticipate some of these future revenues and thus to proceed with programs and projects which would otherwise have to be delayed until the later years of the Plan. The proceeds of the loan will be made available to assist in financing Plan expenditures during the period from August 21, 1956, to March 20, 1958, or such later date as may subsequently be agreed upon.

The loan is for a term of less than 6 years; semiannual amortization payments will commence September 15, 1959, and are scheduled to retire the loan by September 15, 1962. The rate of interest will be 5 percent, including the 1 percent commission charged by the bank. The loan is a general obligation of Iran. In addition, arrangements have been made for servicing the loan from oil revenues allocated to the Plan Organization.

After having been approved by the bank’s Executive Directors, the loan agreement was

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signed on January 22 by Dr. Ali Amini, Ambassador of Iran to the United States, on behalf of Iran, and by W. A. B. Iliff, vice president, on behalf of the International Bank for Reconstruction and Development.

**Question of Cotton Textile Exports to United States**

**JAPANESE PROGRAM FOR CONTROL OF COTTON EXPORTS**

Press release 25 dated January 16

The U.S. Government was informed on January 16 by the Government of Japan, in a note from the Ambassador of Japan to the Secretary of State, concerning the details of the Japanese program for the control of exports of cotton textiles to the United States.

This program, effective as of January 1, 1957, has a 5-year duration. The details were developed pursuant to a note submitted to the U.S. Government by the Government of Japan on September 27, 1956.

The new program places an annual overall ceiling of 235 million square yards on the export of all types of Japanese cotton cloth and cotton manufactures to the United States, with specific ceilings on many items.

The Departments of State, Commerce, and Agriculture issued the following joint statement commenting on the new Japanese program:

The action taken by Japan is a major step forward in the development of orderly and mutually beneficial trade between the United States and Japan. It is a constructive measure aimed at forestalling possible future injury to the United States cotton textile industry. It recognizes the problem faced by various segments of the domestic industry and meets this problem through the voluntary exercise of restraint on exports of cotton textiles to the American market.

The program demonstrates an understanding by Japan of the importance of the orderly marketing of an item as significant to the economies of both countries as cotton textiles. It not only provides an overall limit on the total volume of cotton textile exports to the United States, but, perhaps even more important, it sets a pattern for the diversification of these exports over the entire area of cotton textile manufactures. Under this program, it should be possible to avoid situations such as those which developed during 1955 and 1956 in blouses, velveteens, and gingham.

The Japanese action provides a basis for the expansion of two-way trade between the United States and Japan in an atmosphere of the friendliest cooperation between the two nations, such as that which has characterized the economic and political relations between the two countries over the last decade.

For the United States cotton textile industry, the Japanese program should provide a basis on which it can look forward to the future with confidence and the knowledge that import competition from Japan will follow an orderly pattern.

Officials of the several interested United States Government departments had the opportunity to hold a series of constructive discussions with representatives of the Japanese Government. Such discussions may be held from time to time, as needed, during the course of the program.

The overall ceiling for the export of cotton manufactures to the United States announced by the Japanese Government is 235 million square yards. Within this ceiling the limit for cotton cloth is 113 million yards; the limits for woven and knit apparel total 83 million yards; and the limits for household goods and miscellaneous items total 39 million yards.

The cloth ceiling of 113 million square yards compares with a ceiling of 150 million square yards in 1956. Individual ceilings are specified for velveteens, gingham, and high-grade (combed) cotton fabrics. The export limit for velveteen is 2.5 million square yards for each of the first 2 years. The export limit for gingham is 35 million square yards for each of the first 2 years. With respect to the remaining 75.5 million yards for “all other fabrics” a limit for high-grade (combed) cotton fabrics of 26 million square yards is established.

In the other groups covering cotton made-up goods, individual annual ceilings have been established for pillowcases, dish towels, handkerchiefs, table damask, blouses, sport shirts, dress and work shirts, brassieres and other body supporting garments, men’s and boys’ T-shirts, and gloves and mittens.

The program also provides for Japanese cotton textile exports to the United States to be distributed equally by quarters as far as practicable and as necessary to meet seasonal demands. The Japanese Government will also take all feasible steps to prevent transshipments to the United States through third countries.

The Japanese program has been developed in an

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1 Not printed.
effort to meet the problems which arose in 1955 when exports of Japanese textiles to the United States increased sharply. These exports were heavily concentrated with respect to certain commodities such as blouses, velveteens, and gingham. Not only were the domestic producers of these items affected, but the entire textile industry became concerned because of the impact on the price structure of the industry and the uncertainty as to where other concentration of Japanese exports might hit.

The concern of the textile industry was expressed in a number of “escape clause” petitions filed with the Tariff Commission and in requests to the Congress and to the executive branch for action to establish quotas on imports of textiles.

More than a year ago, the executive branch of the U.S. Government began an extensive study of the problem with a view to finding a resolution which would provide appropriate safeguards for the domestic industry within the framework of established U.S. foreign trade policy.

One phase of the executive branch action involved factfinding and frequent consultation with representative United States cotton textile and apparel manufacturers. A second phase involved a series of discussions with representatives of the Japanese Government, aimed at exploring constructively measures which might alleviate the situation and at conveying to the Japanese Government a better appreciation of the nature of the American market and the desirability of a program of orderly marketing and sound merchandising.

On December 21, 1955, the Government of Japan announced a program for the voluntary control of exports of cotton goods to the United States in 1956. On May 16, 1956, the Japanese Government advised the United States officially of the details of the program and of its intention to exercise similar controls for 1957.

On September 27, 1956, the Japanese Government advised the United States as to the principles on which Japan intended to base its control of cotton textile exports to the United States for 1957 and subsequent years. This note set forth the principles of diversification of exports and avoidance of excessive concentration of exports in any particular period or on any particular item. The 5-year program now established represents the actual implementation of these principles.

U.S. DECISION NOT TO TAKE ESCAPE-CLAUSE ACTION

White House press release dated January 22

The President on January 22 announced that, in view of Japan’s recent announcement of a broad program for the control of its cotton textile exports to the United States, he has decided not to take action on the recommendations of the U.S. Tariff Commission in the cotton-velveteen fabrics escape-clause case. In identical letters to the chairmen of the Senate Finance and House Ways and Means Committees, the President said that the action by the Japanese Government, which includes a limitation on exports to the United States of cotton-velveteen fabrics, will provide relief for the domestic cotton-velveteen industry.

In its report dated October 21, 1956, the Tariff Commission recommended escape-clause relief in the form of a tariff increase on cotton-velveteen fabrics.\(^1\) On December 21, 1956, the President informed the chairmen of the two committees that he was extending somewhat the period of his consideration of the cotton-velveteens case.\(^2\)

President’s Letter to Chairmen of Congressional Committees\(^3\)

JANUARY 22, 1957

DEAR MR. CHAIRMAN: On December 21, 1956 I informed you that I had found it necessary to extend somewhat the period of my consideration of the United States Tariff Commission’s report of its findings and recommendations with respect to imports of cotton velveteen fabrics.

As you know, the Government of Japan on January 16, 1957 announced that it was undertaking a broad program for the control of its cotton textile exports, including cotton velveteen fabrics, to the United States.

\(^1\) Copies of the report may be obtained from the U.S. Tariff Commission, Washington 25, D.C.

\(^2\) BULLETIN of Jan. 21, 1957, p. 105.

\(^3\) Addressed to Senator Harry Flood Byrd, chairman of the Senate Committee on Finance, and Representative Jere Cooper, chairman of the House Ways and Means Committee.
In view of this action by the Japanese Government, which will provide relief for the domestic industry, I have decided not to take action on the recommendations of the Tariff Commission in this matter.

Sincerely,

Dwight D. Eisenhower

ANNOUNCEMENT CONCERNING ITALIAN EXPORT OF VELVETEENS

Press release dated January 29

The Government of Italy informed the United States Government on January 17, 1957, that Italy intends to export no more than 1,375,000 square yards of velveteens to this country during the year 1957.

This information is being made public now in view of the number of inquiries received on this question.

Korean Exchange Rate Discussions

Press release dated January 23

In connection with recent discussions in Washington between representatives of the Republic of Korea and of the United States on economic subjects, the Republic of Korea has reaffirmed its decision to maintain the rate of exchange between the Korean hwan and the United States dollar at 500 hwan to one United States dollar. The 500-to-1 rate, which has been in effect since August 15, 1955, is applicable to all foreign exchange transactions of the Republic of Korea. The two Governments will observe closely economic developments in Korea and will continue to consult on measures that may be necessary to achieve greater economic stability.

United States Sends Food Grains to Drought Area in Peru

The International Cooperation Administration announced on January 14 that the United States will send approximately 40,000 tons of food grains to Peru to help relieve critical food shortages resulting from 2 years of continuing drought.

Some 1.8 million people—most of them subsistence farmers—live in the drought-affected area of southern Peru. It is estimated that their crop losses during the 1955-56 crop year averaged nearly 75 percent of normal yields. Lack of pasturage also has led to distress slaughter of livestock, and it is estimated that about two-thirds of the area's livestock may be lost.

The food grains, valued at $4.5 million, based on Commodity Credit Corporation costs, will be made available under title II of Public Law 480, the Agricultural Trade Development and Assistance Act, which authorizes Ica to grant U.S. agricultural commodities to friendly peoples for emergency or relief purposes.

Ica also is authorizing the use of up to $900,000 from title II funds to pay ocean freight costs for transporting the foodstuffs to Peru. The Government of Peru will pay all inland transportation and distribution costs.

From the ports of Mollendo and Matarani, the food grains will be moved by rail, truck, burro, and llama over about 375 miles of some of the roughest mountain terrain in the world. Peru's problems are further complicated by the fact that the communities where these grains are needed are in a subsistence farming area with a primitive barter economy where there are no established commercial outlets capable of handling such a large volume of foodstuffs.

In May 1956, 45,000 tons of wheat, barley, and corn and 2,000 tons of dry milk were made available to Peru, also under title II, when drought and unusually early frosts in the same area created serious food shortages. The Government of Peru is devoting the proceeds from last year's sales to public works projects in the drought area to provide work for the large numbers of people who have left the farms, and will use local currencies to be generated from the current program in the same manner. Additional food distribution also is being carried out through Peru's rural schools.

These emergency food relief programs supplement the regular technical cooperation program through which the United States and Peru are working together in agriculture, health, education, and rural-development projects. For the current fiscal year, $2.8 million has been programmed for U.S. contributions toward these projects. It is estimated that the Peruvian Government will contribute the equivalent of about $6.4 million during the same period.

Department of State Bulletin
Disappearance of U.S. Pilot in Dominican Republic

Press release 37 dated January 25

Gerald Lester Murphy, a 23-year-old airplane pilot and a native of Eugene, Oreg., left his apartment in Ciudad Trujillo on December 3, 1956, and has not been seen again.

Immediately upon learning of his disappearance, the American Embassy in Ciudad Trujillo communicated with the Dominican Government and sought its cooperation in ascertaining Murphy's whereabouts. It has since continued its efforts to obtain from the Dominican authorities all available information relating to Murphy and the circumstances surrounding his disappearance, as well as to pursue its own inquiries through such means as are available to it.

It is understood that, from some time in February until late November 1956, Murphy was employed as a copilot for the Compañía Dominicana de Aviación. According to the Department's information, following Murphy's employment by the Dominican airline (Cda) certain dissatisfaction arose among some of the Cda pilots. Particularly, a Dominican citizen named Octavio de la Maza was reported to have been especially resentful of Murphy's presence in Cda. Dominican authorities, informed of this report by our Embassy, took De la Maza into custody for questioning on December 17, 1956.

On January 7 the American Chargé d'Affaires was informed that De la Maza had hanged himself in his cell at 4 a.m. that morning. The chargé was shown a suicide note alleged to have been written by De la Maza, in which he said he had met Murphy the evening of December 3, that they had gone to the site near the sea where Murphy's automobile was later found, that during an exchange of blows Murphy had fallen into the sea, and that De la Maza had decided to kill himself out of remorse.

By a communication dated December 31, 1956, the Embassy formally requested of the Dominican Government a written report on its police search for Murphy. On January 16, 1957, the Dominican Government was similarly requested to provide the fullest possible report on the activities of Murphy in the Dominican Republic prior to his disappearance.

As of this date, the Department is still awaiting the reports requested of the Dominican authorities. Meanwhile, investigations aimed at clarifying Murphy's disappearance are being pursued vigorously.

Defense Agreement Negotiations With Portugal Postponed

Press release 34 dated January 23

Owing to the illness of the Portuguese Foreign Minister, the Portuguese-American negotiations in connection with the defense agreement of 1951 have been temporarily postponed.

In the meantime all facilities granted under the 1951 agreement continue to be made available, and it is hoped that the negotiations can be resumed before long.

Congressional Documents Relating to Foreign Policy

84th Congress, 2d Session

The Foreign Service Act of 1946 (Public Law 724, 79th Congress) as amended to December 1, 1956. December 18, 1956. 119 pp. [Committee print.]

85th Congress, 1st Session

The State of the Union. Address of the President delivered before a joint session of the Senate and the House of Representatives relative to the state of the Union. H. Doc. 1, January 10, 1957. 9 pp.

1 For an announcement of the official visit to Washington of the Portuguese Foreign Minister, Dr. Paulo Cunha, in November 1955, see Bulletin of Dec. 12, 1955, p. 966.
The International Economic Situation

EXCERPTS FROM THE ECONOMIC REPORT OF THE PRESIDENT

The following three excerpts are from chapter 2 ("Economic Growth and Improvement, 1953-56"), chapter 3 ("Economic Developments in 1956"), and chapter 4 ("Extending and Broadening Economic Progress") of the Economic Report of the President.¹

GROWTH OF ECONOMIC ACTIVITY

The period [1953-56] has also been one of improvement in the economics of other nations of the free world. Vigorous economic growth has characterized the industrialized countries of Western Europe and also Canada and Japan. In each of these, the flow of goods and services to consumers and the additions made to productive plant and equipment have increased materially. Substantial progress has also been made in many of the nations that are economically less developed, although the rate of growth has varied widely among them.

A remarkable strengthening of international trade and finance has taken place. Trade among the nations of the free world rose from less than $74 billion in 1952 to approximately $93 billion in 1956. Responding to economic expansion at home and abroad and to the gradual relaxation of trade controls, our foreign trade and investment have increased markedly; both exports and imports were at record levels in 1956. Following a decline for a short time after the termination of the Korean conflict, nonmilitary exports of goods and services increased during 1954, thus helping to sustain business activity in this country. The expansion of these exports was extended in 1955 and 1956, in the latter year reaching about $23 billion, approximately 28 percent more than in 1952. Imports of goods and services followed the trend of domestic business activity more closely, falling in 1954 and rising in the next two years. In 1956, they totaled almost $20 billion, some 25 percent above their total four years earlier.

Although Government grants and credits still financed a sizable amount of our exports, increasing reliance was placed on private trade and investment during the past four years. Net private investment abroad of United States funds was at a new high in 1956. While expanding their purchases of goods and services from the United States, other countries have added about $7 billion to their gold and dollar reserves since 1952. The increase in these reserves, which were severely depleted during and after World War II, is traceable largely to our imports of goods and services and to our military expenditures abroad. Further expansion of nonmilitary exports will continue to depend, fundamentally, upon the volume of our imports and the amount of private United States investment in foreign countries.

The sharpest expansion in our exports has been in shipments to industrialized countries with high per capita incomes, which are often competitive with us, and to certain less developed countries in which the rate of economic expansion has recently been high. This fact strongly suggests the economic advantage to this country which can accrue from economic development abroad. When trade is conducted on a nondiscriminatory, multilateral basis, it is natural to expect that

prosperity elsewhere will be reflected in an increased demand for the products of our farms, mines, and factories. Such has been the case in the last four years.

THE PATTERN OF THE EXPANSION

Growing foreign trade and investment was another expansionary factor. Merchandise shipments abroad (excluding military aid transfers), which comprised approximately three-fourths of our exports of goods and services, were nearly $3 billion greater than in 1955 and at a record high of $17 billion (Table 3). Almost three-fourths of these shipments consisted of manufactured industrial goods, mostly finished goods. Export activity was especially marked for a number of industries confronted by heavy domestic demands; machinery exports rose about 24 percent and with iron and steel products and chemicals accounted for about one-third of the $3 billion increase. Expansion of bituminous coal exports provided an important additional market for that industry.

Merchandise shipped to this country, which comprised almost two-thirds of our imports of goods and services, rose more than $1 billion, to a new high of nearly $13 billion. Half of our merchandise imports consisted of finished and semimanufactured industrial goods. Larger inflows of such items as structural steel, machinery, nonferrous metals and ferroalloys, and iron ore and concentrates reflected the high level of our industrial activity. Notable increases also occurred in imports of automobiles, paper, cotton and woolen textiles, and, prior to the blocking of the Suez Canal, crude petroleum.

The excess of exports over imports was made possible in part by greater private capital investments abroad. These investments, which were almost $1.2 billion in 1955, more than doubled in 1956. Most of the increase consisted of investments in foreign branches and subsidiaries of United States corporations in Canada, Western Europe, and Latin America. The volume of sales of Canadian securities to United States investors was larger than in 1955. United States Government loans to foreign countries, and investments of foreigners in the United States, also increased. The net result of all these transactions, with private remittances and nonmilitary Government grants virtually unchanged, was an addition of almost $2 billion of net foreign investment to gross national product.

STRENGTHENING ECONOMIC TIES WITH OTHER COUNTRIES

A major objective of United States foreign economic policy continues to be to facilitate and increase the international flow of goods and capital on a nondiscriminatory basis. Since the volume of our imports and the amount of private funds available for investment abroad depend mainly on domestic prosperity, a stable and growing economy at home is an essential foundation for a sound structure of world trade. But positive measures are needed to help other nations participate in the growth and prosperity of the free world. Considerable progress has been made in this direction in the last four years, but important opportunities remain.

By multilateral reductions of trade barriers, the United States has promoted the nondiscriminatory flow of goods, while reserving the right to prevent serious injury to domestic industries. The authority initially granted by the Reciprocal Trade Agreements Act of 1954 was extended until June 30, 1958, with some modifications, by the Trade Agreements Extension Act of 1955. The 1955 legislation provided the President with certain new authority. Specifically, it permitted the

February 11, 1957
reduction of tariffs on a reciprocal basis by as much as 5 percent a year for three years, and made possible the reduction, in annual stages, of rates in excess of 50 percent ad valorem to the 50 percent level. In accordance with this legislation, reciprocal tariff concessions involving approximately $1 billion of United States exports and imports were negotiated with 21 foreign countries in 1956 under the General Agreement on Tariffs and Trade (GATT). In 1955, prior to the passage of the Trade Agreements Extension Act, the United States and 16 other countries concluded substantial tariff negotiations with Japan under the GATT, thereby bringing that country economically closer to the rest of the free world. The “escape clause” and “peril point” provisions of the Trade Agreements Act, which are designed to protect domestic industries against serious injury from tariff concessions, continue to serve as safeguards for domestic enterprise in a manner broadly consistent with trade liberalization.

Multilateral negotiations under the GATT have been more effective than bilateral negotiations in reducing trade barriers and discriminatory restrictions against our exports. To make the GATT an even more effective instrument for removing discrimination against our exports, an administrative agency—the Organization for Trade Cooperation—is required. In order to enhance the advantages that the GATT now provides, Congress is requested to enact legislation authorizing United States membership in the Organization for Trade Cooperation.

The United States has provided large sums to assist the economic development of other countries through Government grants and loans and private investment. The last three Economic Reports have emphasized the desirability of encouraging private investment in countries seeking to expedite their development. Private investment is generally accompanied by technical and managerial services that are as necessary as capital funds but are often more difficult to obtain. At present, foreign tax inducements to attract capital are in some situations nullified by not allowing credit in determining United States tax liability for income taxes waived by the country in which the investment is made. The investment of private funds abroad would be facilitated by tax treaties which, subject to appropriate safeguards, recognize the laws of other countries designed to attract new investment.

The economic development of the free world has been materially aided by grants and loans extended by our Government. For the current fiscal year, $1.8 billion was appropriated for nonmilitary assistance under the Mutual Security Program, including defense support, development assistance, technical cooperation, and other programs. Recommendations will be presented to the Congress to continue this assistance and to provide the flexibility needed to help meet the challenge of rapidly changing international conditions.

The Export-Import Bank has loaned substantial amounts to finance our exports and to assist economic development abroad. Private capital has been associated with many of these loans, thus augmenting the effectiveness of the Bank’s operations. The authority of the Export-Import Bank to approve credits, which expires June 30, 1958, should be extended.

The International Bank for Reconstruction and Development and the International Monetary Fund, which rely in large part on the capital subscriptions and guarantees of the United States Government, increased their dollar transactions markedly in 1956. The lending activities of the Bank aid in the sound economic development of its member countries. The International Monetary Fund helps member countries meet temporary maladjustments in their balance of payments positions and promotes sound international financial policies and freer foreign exchange transactions. Recently, it provided funds to strengthen the reserve position of the United Kingdom. United States customs procedures were simplified and inequities removed by legislation enacted in 1953 and 1956. In accordance with the 1953 law, a series of administrative actions has liberalized import invoice requirements. The Customs Simplification Act of 1956 is intended to reduce burdensome delays and uncertainties by modifying the methods employed in the customs valuation of imported merchandise. On the basis of other legislation, the Tariff Commission is investigating ways to improve the present system of commodity classification and the customs rate structure.

Two promising moves now under study would further the economic integration of Western Europe. One is the establishment of a common

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market, without internal trade barriers, among the six continental nations comprising the European Coal and Steel Community. The second is the association of the United Kingdom with these countries and other continental nations in a free trade area. These moves, if brought to a constructive conclusion, should add much to the growing economic strength and political unification of the area, with substantial benefits to the United States and the entire free world.

The continued industrialization of Western Europe and of much of the rest of the world requires the expansion of economical sources of energy. Members of the European Steel and Coal Community are planning cooperative efforts in the field of atomic energy. Action should be taken by the Congress to authorize full participation by the United States in the work of the International Atomic Energy Agency of the United Nations, in order to extend our program of helping free-world nations share in the benefits of peaceful use of the atom.

INTERNATIONAL ORGANIZATIONS AND CONFERENCES

General Assembly Consideration of the Problem of Disarmament

Following are the texts of statements made in Committee I (Political and Security) on January 14 and 25 by Henry Cabot Lodge, Jr., U.S. Representative to the General Assembly, during debate on disarmament; a resolution, cosponsored by the United States, which the Committee adopted unanimously on January 25; and a memorandum, circulated on January 12, containing new U.S. proposals on disarmament.

STATEMENT BY AMBASSADOR LODGE, JANUARY 14

U.S. delegation press release 2586

The report of the Disarmament Commission, including the proceedings of its Subcommittee, is before us. Now is the time to review that work. My statement today, however, will look more to the future than to the past. It deals with the steps and means by which a sound and safeguarded agreement might be reached in the new year just beginning.

The President of the United States, Dwight D. Eisenhower, will soon begin a new administration in the Government of our country. He has been elected for a second term by the people and will be inaugurated for that 4-year period. The members of the United Nations may be confident of his continued devotion to the quest for a just and durable peace. He continues to lead our Nation in a renewed effort to find the way to devote more of the resources of mankind to abundant peace and less to armaments and armed forces; to reduce tensions and increase confidence among nations by establishing a reliably inspected and lower level of armaments; and to lessen the perils of the outbreak of war by easing the dangers of great surprise attack.

Only recently, in his letter to Marshal Bulganin of December 31, 1956, President Eisenhower reaffirmed his belief that "deliberations within the framework of the United Nations seem most likely to produce a step forward in the highly complicated matter of disarmament."

President Eisenhower also declared the intention of the United States to submit new proposals in the United Nations.

These new proposals will center upon five principal points. Before outlining these points, I wish to emphasize that the United States is ready and willing to take sound steps toward arms reduc-


tions, whether they are very small or whether they are large and extensive, provided, however, that any such step must be subject to effective inspection. This insistence on adequate inspection is not a whim. It arises from the deep conviction after a thorough study that only an inspected agreement would serve the objective of a reliable peace.

An agreement without effective inspection would immediately become the source of doubts and suspicions, of distrust and invective, and of charges and countercharges. Such an unsound agreement would add to tensions and increase the danger of war.

Deeply as we are convinced of the desirability of a reliable agreement and of the dangers in the absence of agreement, we have nonetheless concluded that a bad agreement is worse for the cause of peace than no agreement. An uninspected agreement, or an inadequately controlled agreement, or a one-sided agreement would be a bad agreement. It would not serve the objective of peace.

We believe that renewed negotiations should strive toward these objectives:

1. To reverse the trend toward larger stockpiles of nuclear weapons and to reduce the future nuclear threat.

2. To provide against great surprise attack and thus reduce the danger of major war.

3. To lessen the burden of armaments and to make possible improved standards of living.

4. To insure that research and development activities concerning the propulsion of objects through outer space be devoted exclusively to scientific and peaceful purposes.

5. To ease tensions and to facilitate settlement of difficult political issues.

To meet these objectives, the United States makes the following proposals in broad outline. Specific details will, of course, be developed in the negotiations in the subcommittee.

**First:** The United States proposes that an agreement be reached under which at an early date, under effective international inspection, all future production of fissionable materials shall be used or stockpiled exclusively for nonweapons purposes under international supervision. The members of the Assembly and scientists throughout the world know that it is impossible to account with essential certainty, or to discover through any known scientific means of inspection, all of the fissionable materials produced in the past or all of the existing accumulation of nuclear weapons. It is not possible to turn backward the clock of nuclear discovery and development, nor to repeal the nuclear age. One thing which can be done and which, for the sake of humanity, the United States proposes should be done is to establish effective international control of future production of fissionable materials and to exchange firm commitments to use all future production exclusively for nonweapons purposes.

When such commitments are executed, it would then be possible to move reliably toward the reduction of existing stockpiles. When future production is controlled, it should be easier than it is with the information now available to establish within a reasonable range of accuracy the approximate amount of fissionable materials previously produced, so that equitable and proportionate amounts in successive increments could be transferred from past production to internationally supervised national or international use for non-weapons purposes.

The members of this Assembly will recognize that this proposal is the logical projection and followthrough of the concept emphasized by President Eisenhower in his message to this body on December 8, 1953, when he proposed the atom-for-peace program. It is inspired by the same motives which led to the establishment of the International Atomic Energy Agency through the cooperation of nations of the world.

Under this program the United States, for its part, would make generous, progressive transfers of fissionable material to peaceful uses, just as it has previously announced its intention to contribute to the International Atomic Energy Agency. It will continue to encourage nations to make their full contributions to the constructive uses of atomic energy.

Under such a program, the whole future may be changed. The course of atomic development will move in a benign direction rather than toward some evil end.

**Second:** If such an arrangement to control the future production of fissionable material can be negotiated and put into effect, it would then be possible, in a secure manner, to limit and ultimately to eliminate all nuclear test explosions. The United States proposes that this be done.
Pending the negotiation of such an agreement, the United States is also willing to work out promptly methods for advance notice and registration of all nuclear tests, as has been suggested by the delegation of Norway, and to provide for limited international observation of such tests. This could be an effective forerunner of far-reaching agreement, affecting both the nuclear threat itself and testing in particular.

Third: The United States proposes that we move ahead toward the realization of a first-stage reduction, under adequate inspection, of conventional armaments and armed forces, using as a basis of measurement the figures of 2.5 million for the Soviet Union and the United States, and 750,000 for France and the United Kingdom, upon which the countries represented on the Subcommittee seem to agree. The United States proposes that we achieve this forward step through the progressive establishment of an effective inspection system concurrent with such reductions. An effective inspection system would require an appropriate aerial inspection component as well as ground units. The United States accepts the principle of establishing observers at key ground locations, as generally proposed by Marshal Bulganin, in addition to air inspection. The proposed first stage of reduction can be fulfilled provided there is good faith on all sides in establishing a system of inspection that can in fact verify the commitments.

It would seem appropriate, also, for other nations to begin to consider the relation between their own armed forces and the projected first-stage force levels, in the event the fulfillment of such first-stage reductions can be assured in the coming negotiations of the Subcommittee.

The United States does not believe that deeper reductions than those agreed for the first stage can be made unless some progress is made in settlement of the major political issues now dividing the world. But the fulfillment of a first-stage reduction would certainly improve the climate for the negotiation of such political settlements.

Fourth: Scientists in many nations are now proceeding with efforts to propel objects through outer space and to travel in the distant areas beyond the earth's atmospheric envelope. The scope of these experiments is variously indicated in the terms "earth satellites," "intercontinental missiles," "long-range unmanned weapons," and "space platforms." No one can now predict with certainty what will develop from man's excursion in this new field. But it is clear that, if this advance into the unknown is to be a blessing rather than a curse, the efforts of all nations in this field need to be brought within the purview of a reliable armaments-control system. The United States proposes that the first step toward the objective of assuring that future developments in outer space would be devoted exclusively to peaceful and scientific purposes would be to bring the testing of such objects under international inspection and participation. The United States earth satellite presently planned for the International Geophysical Year is an example of an open project devoted exclusively to scientific purposes and developed with the knowledge and approbation of the scientists of the nations represented in the International Geophysical Year. In this matter, as in other matters, we are ready to participate in fair, balanced, reliable systems of control.

Fifth: The United States continues to emphasize the importance of providing against the possibility of great surprise attack. This is not a minor or an ancillary proposal. The nature of modern weapons is such that, if all nations are safeguarded against great surprise attack, there is much less likelihood that a calculated major war would be initiated in the nuclear age. Likewise, such mutual assurances against great surprise attack would do much to prevent miscalculation by any nation regarding the intention of another. The greater the speed of potential attack and the more devastating the blows that could be struck, the greater is the danger that anxious apprehension, feeding on ignorance of the dispositions and intentions of others, would adversely and dangerously affect the decisions of nations.

It is in the interest of each nation not only that it have sure knowledge that other nations are not preparing a great surprise attack upon it but also that these other nations should have sure knowledge that it is not planning a great surprise attack upon them. Today many nations have knowledge of the location of key centers, of the areas of strategic importance, and of the concentration of military power of other nations. This information would be adequate for the wages...
of a devastating war. But unless a reliable inspection system is established with open skies, open ports, open centers, each nation will possess something less than the regular, dependable information necessary to form a stable basis for a durable peace. The United States proposes therefore the progressive installation of inspection systems which will provide against the possibility of great surprise attack. The United States is willing to execute, either as an opening step or a later step, the complete proposal made in the summit conference at Geneva by President Eisenhower.4

It is clear that, whatever the first steps may be, a method of control, an organization of supervision, and a mechanism for regulation will be needed. The United States proposes that such an international agency for the regulation of armaments should be installed concurrently with the beginning of the program. It can constitute a nucleus of hope at the center of the grim implications which radiate from the destructive power of modern armament.

In making these new proposals may I reemphasize that the United States continues to stand back of the proposals and suggestions made by it at the summit conference at Geneva and in the meetings of the Subcommittee since that time.

You will find in the Subcommittee report suggestions submitted by the United States at London in May 1956 for initial steps for demonstration of inspection methods, for joint technical study, and for first levels of reduced armaments. I will not burden you with a review in detail. The record is before you. We stand on this record, and we present our new proposals in a spirit of endeavor to meet the views of other nations. We are trying to move toward agreement, provided only that such agreement is sound and secure.

We are fully aware of the extent of devastation which would befall mankind if a third world war should occur. We believe it to be in the interest of all nations to take far-reaching steps to minimize this danger. We are convinced that an armaments-control agreement which is fair to both sides and thoroughly inspected so that there can be no reasonable doubt of its fulfillment is both physically and theoretically possible. Such an accord should be politically attainable if the prompt, forthright, and thoughtful attention of the governments of the world is given to this problem.

That is the spirit in which I speak on behalf of the United States today.

STATEMENT BY AMBASSADOR LODGE, JANUARY 25

U.S. delegation press release 2900

The pending resolution is cosponsored by 12 nations of diverse points of view. All of the members of the Subcommitte of the Disarmament Commission are among the cosponsors. It is a product of the conciliation and spirit of compromise which, we hope, will accompany our future efforts. It is deliberately noncontroversial. It refers a number of past and more recent proposals to the Disarmament Commission and its Subcommittee for study. We believe that these bodies, expressly created for this purpose, are the best place to continue the detailed and technical discussions which are necessary.

We believe that unanimous adoption of the resolution which we have cosponsored will help to set the stage for successful negotiations. We believe also, Mr. Chairman, that in the negotiations to come there is no substitute for hard work, for mutual good will, and for patience. The unfortunate fact that 10 years of discussion have not produced an agreement must not deter us. We must continue to seek new ways to reach an agreement.

We believe that progress has been made in the past years; even though the progress has not been as much as we would like, we welcome it, such as it is.

We think that the proposals which the United States presented to this Committee on January 14 can serve as a sound basis for progress. The United States will continue its search for even modest steps which can be agreed on and which will help us reverse the trend toward greater and greater stockpiles of armaments. We hope in this search to make plain to the world our perseverance and our realism.

Mr. Chairman, I should like to comment briefly on four proposals which have been made during the course of this debate. Two proposals are on the question of nuclear testing. The two resolutions which are before us, documents A/C.1/L.160 and A/C.1/L.162, will be referred to the Disarma-

Let me explain again the position of the United States on the issues involved in these proposals. The Soviet resolution, A/C.1/L.160, calls for immediate and unconditional prohibition of nuclear-weapons testing. Our position on this general matter has been put forward clearly in this Committee. In short, the United States favors the limitation and ultimate elimination of nuclear-weapons testing as part of a safeguarded system of disarmament. We oppose any prohibition of weapons testing which does not at the same time strike at the heart of the problem, and that is the continued production of nuclear weapons themselves.

The United States is prepared to give its full endorsement to the proposal put forth by Canada, Japan, and Norway in document A/C.1/L.162, which is also being referred to the Disarmament Commission for consideration. Although this proposal is only a preliminary step, we find it to be both realistic and constructive. We will give this suggestion our support in the Subcommittee, and we hope that it will be put into effect at an early date. The United States is ready to participate in any registration system agreed upon among the states concerned.

Mr. Chairman, the contribution of Japan in this field makes it particularly painful for us to learn that a dispatch brings the news of the death today of former Foreign Minister Mamoru Shigemitsu of Japan. Only a few weeks ago he was here among us as Foreign Minister to be present as Japan entered the United Nations. It was a dramatic and very moving for us, who remembered his dignified and significant part in the ending of hostilities almost 12 years ago, to see him standing outside of the Delegate’s Entrance, raising his hand as his country’s flag was hoisted at the United Nations. Let me express to my friend, Ambassador Renzo Sawada, our personal expressions of sympathy to Foreign Minister Shigemitsu’s family and the official condolences of the United States on the passing of a patriot and a statesman.

Mr. Chairman, the next matter raised by several delegations relates to a special session of the General Assembly to consider the question of disarmament. In this connection we can look with profit upon the experience which we gained as a result of the successful negotiations leading to the adoption of the statute of the International Atomic Energy Agency. When agreement among a number of the principal nations involved in the field of peaceful uses of atomic energy was achieved, a general conference of states proved to be both proper and highly useful.

The United States has long held that, after agreement among the major armed powers was achieved, the subject of disarmament should be considered by a general conference with wide international participation. We think that it would be premature to decide upon the convening of such a conference or a special session of the General Assembly now.

The progress which has been made so far in disarmament unfortunately does not justify our doing so. But we are willing to have the Disarmament Commission consider the advisability of recommending the convening of either a special session of the General Assembly or a general disarmament conference at an appropriate time. Our present conviction is that such a conference would serve no purpose now. It might, indeed, simply increase the difficulties we face. The convening of such a conference should await the time when a large measure of agreement among those states whose participation is essential to any effective disarmament agreement is achieved.

Finally, Mr. Chairman, there is the issue of expansion of the membership of the Disarmament Commission and its Subcommittee. Document A/C.1/L.164 deals with this question. We believe that any changes in the membership of the Disarmament Commission should correspond to and be conditional upon changes resulting from the proposed enlargement of the Security Council.

Please note that the participation of other states in the consideration of disarmament is assured in two ways: first, in the debates of the General Assembly; secondly, in the Disarmament Commission, which often hears representatives of states which are not Commission members.

With regard to the proposal for enlargement of the Subcommittee, we believe that this would be an unfortunate departure from the sound principle that agreement in the first instance must be achieved among the major armed powers. We are convinced that efforts to achieve initial agreement in the larger group would only complicate the problem and make negotiations more difficult.
TEXT OF RESOLUTION

U.N. doc. A/C.1/785

The General Assembly,
1. Recalling its resolution 508 (IX) of 4 November 1954,
2. Recognizing that the achievement of an agreement on the problem of disarmament would contribute to the strengthening of international peace and security,
3. Welcoming the progress made on certain aspects of the disarmament problem by the Disarmament Commission and its Sub-Committee since the tenth General Assembly,
4. Requests the Disarmament Commission to reconvene its Sub-Committee at an early date;
5. Recommends that the Disarmament Commission and its Sub-Committee give prompt attention to the various proposals that have been submitted to the United Nations including the proposal of the Governments of Canada, Japan and Norway of 18 January 1957; the Anglo-French comprehensive proposals of 11 June 1954, 19 March 1955 and 3 May 1956; the proposals of the United States made on 14 January 1957; the proposals of the Union of Soviet Socialist Republics made on 10 May 1955, 27 March 1956, 12 July 1956, 17 November 1956, 14 January 1957 and 24 January 1957; the proposals of the Government of India made on 25 July 1956; and the proposals of the Government of Yugoslavia of 10 July 1956; and give continued consideration to the plan of Mr. Eisenhower, President of the United States of America, for exchanging military blueprints and mutual aerial inspection, and the plan of Mr. Bulganin, Prime Minister of the Union of Soviet Socialist Republics, for establishing control posts at strategic centres;
6. Recommends further that the Disarmament Commission request its Sub-Committee to prepare a progress report for consideration by the Commission not later than 1 August 1957;
7. Sends to the Disarmament Commission the records of the meetings of the First Committee at which the problem of disarmament was discussed with the request that the Commission and its Sub-Committee give careful and early consideration to the views expressed in those documents;
8. Invites the Disarmament Commission to consider the advisability of recommending that a special session of the General Assembly or a general disarmament conference be convened at the appropriate time.

BROAD OUTLINE

The United States proposes the following proposals, in

1. Recalling its resolution 508 (IX) of 4 November 1954,
2. Recognizing that the achievement of an agreement on the problem of disarmament would contribute to the strengthening of international peace and security,
3. Welcoming the progress made on certain aspects of the disarmament problem by the Disarmament Commission and its Sub-Committee since the tenth General Assembly,
4. Requests the Disarmament Commission to reconvene its Sub-Committee at an early date;
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7. Sends to the Disarmament Commission the records of the meetings of the First Committee at which the problem of disarmament was discussed with the request that the Commission and its Sub-Committee give careful and early consideration to the views expressed in those documents;
8. Invites the Disarmament Commission to consider the advisability of recommending that a special session of the General Assembly or a general disarmament conference be convened at the appropriate time.

TEXT OF U.S. MEMORANDUM

U.N. doc. A/C.1/783 dated January 12

The United States makes the following proposals, in

1. Recalling its resolution 508 (IX) of 4 November 1954,
2. Recognizing that the achievement of an agreement on the problem of disarmament would contribute to the strengthening of international peace and security,
3. Welcoming the progress made on certain aspects of the disarmament problem by the Disarmament Commission and its Sub-Committee since the tenth General Assembly,
4. Requests the Disarmament Commission to reconvene its Sub-Committee at an early date;
5. Recommends that the Disarmament Commission and its Sub-Committee give prompt attention to the various proposals that have been submitted to the United Nations including the proposal of the Governments of Canada, Japan and Norway of 18 January 1957; the Anglo-French comprehensive proposals of 11 June 1954, 19 March 1955 and 3 May 1956; the proposals of the United States made on 14 January 1957; the proposals of the Union of Soviet Socialist Republics made on 10 May 1955, 27 March 1956, 12 July 1956, 17 November 1956, 14 January 1957 and 24 January 1957; the proposals of the Government of India made on 25 July 1956; and the proposals of the Government of Yugoslavia of 10 July 1956; and give continued consideration to the plan of Mr. Eisenhower, President of the United States of America, for exchanging military blueprints and mutual aerial inspection, and the plan of Mr. Bulganin, Prime Minister of the Union of Soviet Socialist Republics, for establishing control posts at strategic centres;
6. Recommends further that the Disarmament Commission request its Sub-Committee to prepare a progress report for consideration by the Commission not later than 1 August 1957;
7. Sends to the Disarmament Commission the records of the meetings of the First Committee at which the problem of disarmament was discussed with the request that the Commission and its Sub-Committee give careful and early consideration to the views expressed in those documents;
8. Invites the Disarmament Commission to consider the advisability of recommending that a special session of the General Assembly or a general disarmament conference be convened at the appropriate time.

BROAD OUTLINE

First: The United States proposes that an agreement be reached under which an early date under effective international supervision, all future production of fissileable materials shall be used or stockpiled exclusively for non-weapons purposes under international supervision. The members of the Assembly and scientists throughout the world know that it is impossible to account with essential certainty, or to discover through any known scientific means of inspection, all of the fissilable materials produced in the past, or of the existing accumulation of nuclear weapons. It is not possible to turn backward the clock of nuclear discovery and development, nor to repeat the Nuclear Age. One thing which can be done and which, for the sake of humanity, the United States proposes should be done, is to establish effective international control of future production of fissileable materials and to exchange firm commitments to use all future production exclusively for non-weapons purposes.

When such commitments are executed, it would then be possible to move reliably toward the reduction of existing stockpiles. When future production is controlled it should be easier than with information now available to establish, within a reasonable range of accuracy, the approximate amount of fissileable materials previously produced, so that equitable and proportionate transfers in successive increments could be made from past production over to the internationally supervised national or international non-weapons use of such material.

The members of this Assembly will recognize that this proposal is the logical projection and follow-through of the concept emphasized by President Eisenhower in his message to this body on 8 December 1953 when he proposed the "Atoms-for-Peace" programme. It is inspired by the same motives which led to the establishment of the International Atomic Energy Agency through the cooperation of nations of the world.

Under this programme the United States, for its part, would make generous, progressive transfers of fissileable material to peaceful uses, just as it has previously announced its intention to contribute to the International Atomic Energy Agency. It will continue to encourage nations to make their full contributions to the constructive uses of atomic energy.

Under such a programme, the whole future trend may be changed. The course of atomic development will move in a benign direction rather than toward some evil end.

Second: If such an arrangement to control the future production of fissileable material can be negotiated and put into effect it would then be possible, in a secure manner, to limit, and ultimately to eliminate, all nuclear test explosions. The United States proposes that this be done. Pending the negotiation of such an agreement, the United States is also willing to work out promptly methods for advance notice and registration of all nuclear tests and to provide for limited international observation of such tests. This could be an effective forerunner of far-reaching agreement affecting both the nuclear threat itself and testing, in particular.

Third: The United States proposes that we move ahead
toward the realization of a first stage reduction, under adequate inspection, of conventional armaments and armed forces, using as a basis of measurement the figures of 2.5 million for the USSR and the United States, and 750,000 for France and the United Kingdom, upon which the countries represented on the Subcommittee seem to agree. The United States proposes that we achieve this forward step through the progressive establishment of an effective inspection system concurrent with such reductions. An effective inspection system would require an appropriate aerial inspection component as well as ground units. The United States accepts the principle of establishing observers at key ground locations, as generally proposed by Chairman Bulganin, in addition to air inspection. The proposed first stage of reductions can be fulfilled provided there is good faith on all sides in establishing a system of inspection that can in fact verify the commitments.

It would seem appropriate, also, for other nations to begin to consider the relation between their own armed forces and the projected first stage force levels, in the event the fulfillment of such first stage reductions can be assured in the coming negotiations of the Subcommittee.

The United States does not believe that deeper reductions than these agreed for the first stage can be made unless some progress is made in settlement of the major political issues now dividing the world. But the fulfillment of a first stage reduction would certainly improve the climate for the negotiation of such political settlements.

Fourth: Scientists in many nations are now proceeding with efforts to propel objects through outer space and to travel in the distant areas beyond the earth's atmospheric envelope. The scope of these programmes is variously indicated in the terms: "earth satellites", "intercontinental missiles", "long-range unmanned weapons" and "space platforms". No one can now predict with certainty what will develop from man's excursion in this new field. But it is clear that if this advance into the unknown is to be a blessing rather than a curse the efforts of all nations in this field need to be brought within the purview of a reliable armaments control system. The United States proposes that the first step toward the objective of assuring that future developments in outer space would be devoted exclusively to peaceful and scientific purposes would be to bring the testing of such objects under international inspection and participation. In this matter, as in other matters, we are ready to participate in fair, balanced, reliable systems of control.

Fifth: The United States continues to emphasize the importance of providing against the possibility of great surprise attack. This is not a minor or peripheral proposal. The nature of modern weapons is such that if all nations are safeguarded against great surprise attack there is much less likelihood that a calculated major war would be initiated in the nuclear age. Likewise, such mutual assurances against great surprise attack would do much to prevent miscalculation by any nation regarding the intention of another. The greater the speed of potential attack and the more devastating the blows that could be struck the greater is the danger that anxious apprehension, feeding on ignorance of the dispositions and intentions of others, would adversely and dangerously affect the decisions of nations.

It is in the interest of each nation, not only that it have sure knowledge that other nations are not preparing a great surprise attack upon it, but, also, that these other nations should have sure knowledge that it is not planning a great surprise attack upon them. Today many nations have knowledge of the location of key centres, of the areas of strategic importance, and of the concentration of military power of other nations. This information would be adequate for the waging of a devastating war. But unless a reliable inspection system is established with open skies, open ports, open centres, each nation will possess something less than the regular, dependable information necessary to form a stable basis for a durable peace. The United States proposes, therefore, the progressive installation of inspection systems which will provide against the possibility of great surprise attack. The United States is willing to execute, either as an opening step or a later step, the complete proposal made in the Summit Conference at Geneva by President Eisenhower.

It is clear that whatever the first steps may be, a method of control, an organization of supervision, and a mechanism for regulation will be needed. The United States proposes that such an international agency for the regulation of armaments should be installed concurrently with the beginning of the programme. It can constitute a nucleus of hope at the centre of the grim implications which radiate from the destructive power of modern armament.

In making these new proposals the United States continues to stand back of the proposals and suggestions made by it at the Summit Conference at Geneva and in the meetings of the Subcommittee since that time.

Security Council To Continue Consideration of Kashmir Dispute

STATEMENT BY HENRY CABOT LODGE, JR.
U.S. REPRESENTATIVE TO THE U.N.¹

In considering the India-Pakistan item, the Security Council faces an unfortunate difference of opinion between two nations whose friendship and esteem is highly valued by the United States. We desire to help them to find a solution to this problem, and we approach the question in that spirit.

It is regrettable that this dispute has lasted more than 9 years despite the earnest efforts of the Security Council and of its representatives,

the individual efforts of certain members of the Council, and the attempts of the parties concerned.

It is a tribute to the Council and to the parties that a cease-fire was achieved on January 1, 1949, as part of an agreement by India and Pakistan for demilitarization and for a United Nations-sponsored plebiscite. Unfortunately, however, and despite the best efforts of the Council and its representatives, the parties have failed to agree on carrying out the next two steps.

It is understandable that strong emotions should be involved on both sides of this problem. One of the first concerns of the Council has always been that nothing should be done which might aggravate the situation. This was made clear and explicit in the Council’s first resolution on the case, adopted on January 17, 1948. We trust that both parties will do their utmost to continue to approach this question with restraint and that they will take such measures as are within their power to assure the maintenance of a peaceful atmosphere.

We appreciate the fact that the Representative of India [V. K. Krishna Menon] changed the arrangement of his presentation so as to deal with the Constituent Assembly yesterday afternoon in order to suit the convenience of the Council. It is to this point alone that I now refer and to which the draft resolution is addressed. With respect to the substance of the broad issue, we are studying the remarks both of the Representative of India and of Pakistan carefully, and we will express ourselves on the issue at the proper time.

The Council will recall that on March 30, 1951, it took note of the proposed convening of a Constituent Assembly in Kashmir and affirmed that any action that the Assembly might take to determine the future affiliation of the state would not constitute a disposition of the state in conformity with the agreed principle relating to a free and impartial plebiscite.

The resolution we consider today is basically a reaffirmation of that statement by the Council. It has been occasioned by a complaint that the Assembly, referred to in the March 1951 resolution, has not only convened but has drawn up and promulgated a constitution and that this constitution does, among other things, relate to the affiliation of the state to India.

Differing interpretations have been put on the meaning and effect of this and other actions relating to the connection between Kashmir and India, extending back to the accession instrument by the Maharaja of October 26, 1947. But one thing is clear: The constitution approved by the Constituent Assembly of Kashmir deals, among other things, with the affiliation of the state. This represents an important new element in the situation, and the Security Council is bound, in view of its previous stand, to take note of this. The position taken by the Security Council in 1951, in our opinion, remains valid, and we have adhered to it in this new resolution.

Finally, the United States lays stress on the final paragraph of the resolution before us. In the absence of a direct, mutually acceptable agreement between the parties, the Council has an obligation to continue its efforts, as it has in the past, to seek and to support any fruitful suggestion in this difficult case.

**TEXT OF SECURITY COUNCIL RESOLUTION**

U.N. doc. S/3779

*The Security Council,*

_Having heard_ statements from representatives of the Governments of India and Pakistan concerning the dispute over the State of Jammu and Kashmir,*

_Reminding_ the Governments and Authorities concerned of the principle embodied in its resolutions of 21 April 1948, 3 June 1948, 14 March 1950 and 30 March 1951, and the United Nations Commission for India and Pakistan resolutions of 13 August 1948 and 5 January 1949, that the final disposition of the State of Jammu and Kashmir will be made in accordance with the will of the people expressed through the democratic method of a free and impartial plebiscite conducted under the auspices of the United Nations,*

_Reaffirms_ the affirmation in its resolution of 30 March 1951 and declares that the convening of a Constituent Assembly as recommended by the General Council of the “All Jammu and Kashmir National Conference” and any action that Assembly may have taken or might attempt to take to determine the future shape and affiliation of the entire State or any part thereof, or action by the parties concerned in support of any such action by the Assembly, would not constitute a disposition of the State in accordance with the above principle.*

_Decides_ to continue its consideration of the dispute.

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The Question of a World Food Reserve

Statement by Hubert H. Humphrey
U.S. Representative to the General Assembly

We are convinced that our first task here in the United Nations is to be realistic.

If we aim at the possible, we will advance further than if we get stuck halfway toward the best of all worlds. It is not enough to want to do a good thing; it is equally important to do it well so that the highmindedness that we cherish does not fall into disrepute with consequent damage to the very purpose that we wish to advance.

It is in that spirit I want to discuss the item on our agenda and offer what we think is a practical and constructive suggestion. Before doing so, I would like to review the present situation and our attitude toward it.

Resolution 621, passed by Ecosoc at its 22d session last July, called upon the Secretary-General to report on the general subject of food reserves in order that the Council may once more consider this subject and thereafter transmit its recommendations to the General Assembly at its 12th session. This resolution of the Council was in the nature of an interim response to Resolution 827 (IX), in which the Assembly had asked that FAO [Food and Agriculture Organization] be invited to make a comprehensive report on past and present explorations of the feasibility of a world food reserve to contribute to relief emergencies and, at the same time, to counteract excessive price fluctuations. The Assembly desired that this study furnish the factual basis for the Council itself to report on the subject, with its conclusions, to the Assembly.

I termed Council Resolution 621 an interim response to this request by the Assembly because, essentially, it calls for a further report and reserves the Council’s own recommendations for transmittal to the General Assembly at its session 10 months from now.

The United States abstained from the vote on this resolution of the Council last July because, in our judgment, the subject of a world food reserve had already been adequately studied several times, both by FAO and by independent experts.

FAO’s comprehensive report to the Secretary-General of November 26, 1955, made it quite obvious that further study could not at this time shed any additional or different light on the issue.

The United States delegate in the Council made it plain, however, that the discussions had resulted in useful agreements among delegations on several important questions.

We certainly agree that a world food reserve could not at one and the same time help to relieve emergencies when and where they arise and systematically counteract excessive price fluctuations.

We also agree that rapid and balanced economic development would cure many of the ills for which we now seem to seek special treatment; and we further agree that food surpluses can be used partially to finance economic-development programs.

My colleague in the Council also emphasized, and I wish to reemphasize it here before this Assembly, that we have the fullest sympathy with the laudable objectives that the Assembly’s initiative in this matter contemplates.

In abstaining from voting in the Council, despite so much agreement, our conviction that the matter had been sufficiently studied was supported.

1 Made in Committee II (Economic and Financial) on Jan. 11 (U.S. delegation press release 2583).


February 11, 1957
by the belief that the time had come for some basic decisions.

It was our belief that the time has come for governments to decide whether all that seems possible, in the present state of our development of international cooperation, is already being done to relieve acute distress due to shortages of food. Is it being done in such a way as to speed progress toward economic and cultural growth and to steady that progress? Could more be done? And, if so, how could it best be done? Which are the most practical means to an end that we all desire?

These, Mr. Chairman, are the questions that we must sooner or later answer. And this is the type of answer that Assembly Resolution 827 (IX) contemplates.

There are many programs and authorizations now in existence that empower the United Nations and the FAO to assure effective international cooperation and action in the case of emergencies. The many programs under which the United States has extended and still extends aid and assistance to other peoples are too well known to be mentioned here in detail.

As those of other countries, the Government and people of the United States throughout their history have given proof of a genuine desire to help other peoples in distress or misfortune. I feel somewhat embarrassed in saying this, because I know that most countries have generously acknowledged this fact. I nevertheless mention it because it shows that our negative attitude toward establishment of world food reserves has been concerned with means rather than end.

FAO's report has shown conclusively that, in any advance planning of international relief action, "the main problem is not one of having to ensure the physical availability of stocks by advance storage." Establishment of a physical central reserve involves practical problems that remain unresolved.

True, there is also another concept, that of an international financial relief fund—a pool of money or credit for the purchase of relief supplies anywhere in case of emergency (perhaps including pledges for contributions in kind), which the FAO studies found a more workable concept.

But there is no indication that governments and parliaments in general (including my own) would at this time be prepared to act and to pledge contributions to such a fund.

As FAO said of the earlier proposals, "Because of insufficient support [by governments] . . . no action was taken." This is where the matter still rests.

It is our honest view that the indicated techniques of approaching the problem at issue are not feasible at this time; the fact that our doubts are shared by other governments reinforces this belief.

Similarly, on the question of price stabilization, my Government is wary of more or less radical schemes of international regimentation, though fully aware of the dilemma presented by the need for flexibility to assure adjustments to long-run economic trends and the need for sufficient stability to avoid unnecessary short-term economic changes—both in the interest of economic growth. My delegation had occasion to refer to the problem of commodity price fluctuations in a statement presented a few days ago with reference to economic development in underdeveloped countries:

I shall, therefore, not fully restate my Government's position at this time.

As I said before, Resolution 621 of the Economic and Social Council, passed at its 22d session last July, now stands as an interim response to the Assembly request. We must therefore await the final judgment and evaluation by the Council at its 24th session.

However, in order to draw attention to approaches that might add realism to the further studies and evaluations now in progress, I would like to suggest a specific topic to be included in the Secretary-General's report to the Council as requested in Resolution 621. This suggestion, Mr. Chairman, is being submitted by my delegation to this Committee in the form of a draft resolution.

Feeling as we do about these matters of practical approach to a purpose on which there is no disagreement, it is only natural that we would want to explore a number of avenues that might, in our view, contribute to a speedier and more adequate attainment of our common objectives.

The establishment and maintenance of more adequate national food reserves, especially in crop-cycle and famine areas, would go a long way toward accomplishing most, if not all, of the purposes that some of us had hoped a world food reserve or a world food capital fund could meet. The construction of storage facilities and the accumulation of reserve stocks in crop-cycle or famine areas would seem to be an essential step

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2 See p. 236.

Department of State Bulletin
Text of Resolution on World Food Reserve

The General Assembly,

Having in mind the desirability of achieving the objectives set forth in resolution 827 (IX),

Considering that one of these objectives is the possible use of food reserves for relieving famine and other emergency situations,

Considering further that many countries may need to establish or increase national reserves for this purpose, and recognizing that many countries which are in the early stages of economic development are faced with special difficulties in establishing adequate reserves, such as the fact that levels of consumption in the less developed countries are generally relatively low,

Nothing that resolution 621 (XXII) of the Economic and Social Council requests the Secretary-General in consultation with the Food and Agriculture Organization of the United Nations to report to the twenty-fourth session of the Council inter alia on the feasibility, and, if feasible, the manner of using food reserves for meeting unforeseeable food shortages,

Noting further that the Food and Agriculture Organization of the United Nations is engaged at the present time in a special study of the question of establishment of national reserves against emergencies,

1. Requests the Secretary-General in preparing his report pursuant to resolution 621 (XXII) of the Economic and Social Council to include, on the basis of his consultations with the FAO, an analysis of the possibilities and desirability of promoting, by way of consultations between importing and exporting member countries, the use of surplus foodstuffs in building up national reserves to be used in accordance with internationally agreed principles:

(a) to meet emergency situations;

(b) to prevent excessive price increases arising as a result of a failure in local food supplies;

(c) to prevent excessive price increases resulting from increased demand due to economic development programmes, thus facilitating the economic development of less developed countries;

2. Further requests the Secretary-General, in his analysis of the possibilities and desirability of the use of surplus foodstuffs for this purpose, to examine whether such use of surplus foodstuffs may lead to displacement of markets for those commodities and what effects it may have on the economic and financial position of those countries which depend primarily on the export of similar commodities;

3. Requests the Economic and Social Council to consider the possibility of postponing until its twenty-fifth session its examination of the report of the Secretary-General in order to be in a position to take fully into account the discussions and the expert technical studies being undertaken in the FAO concerning the establishment of national food reserves;

4. Invites both importing and exporting member countries to continue to consult through the appropriate bodies established by the FAO with a view to facilitating the establishment of national food reserves, with due regard for the FAO principles of surplus disposal, particularly the need to avoid harmful interference with normal patterns of production and international trade and to ensure that the use of surplus reserves will result in genuine additional consumption as defined in the FAO principles.


toward general economic development. Surplus foods from abroad not only could in part finance the cost of the construction of strategically situated storage space but could also make an important direct contribution to providing the stocks that should be held as an emergency reserve. Moreover, if storage space were available, the local governments' task of dealing with domestic surpluses in years of good crops would be vastly facilitated, and years of abundance would become the blessing they should be, instead of the embarrassment they now are sometimes even in countries normally plagued by shortages.

Somehow it would seem only logical if some of the world's surplus holdings were used to bolster stocks in areas where the failure of a crop means famine and where people live on the brink of disaster from one harvest to the next. What an impediment this condition is to progressive change in production methods has been vividly described by students of the problem. Farmers in these areas are not after the highest but after the safest returns, and they fear that any change in their production methods may bring hunger and distress. The elimination of this fear through the provision of reserve stocks and the creation of facilities for storing them would also have significance for economic development.

FAO's report eloquently describes the desirability of adequate national reserves in countries living near the margin of subsistence. Such reserves could be brought into action at an early stage of
an emergency, before panic and hoarding aggravate the plight. They would also afford some elbow room for projects of economic development; they could be drawn upon to help finance such projects—mitigating inflationary pressures of increased consumer demand resulting from intensified economic development. Unfortunately, the need for such reserves is greatest in the countries least able to afford diversion of output from current consumption to the building of stocks.

It is in the light of considerations such as these that my Government has authorized me to say that, in accordance with our traditions, the United States stands ready to make grants of agricultural commodities to countries facing famine or other emergencies. Furthermore, the United States is prepared to make available to needy countries, under existing legislation and subject to further congressional authorizations, surplus agricultural commodities for the establishment of reserve stocks to meet extraordinary needs due to crop failures or other emergencies or to mitigate excessive price effects of increased demand due to economic-development programs. Assistance of this kind is predicated on the development by the countries concerned of reasonable and realistic programs and of safeguards that insure the observance of the FAO principle of avoiding "harmful interferences with the normal patterns of production and international trade." United States assistance in the above sense would be fashioned after previous arrangements entered into with several individual countries under which large parts of the local currencies received in payment for agricultural commodities supplied for building up national reserves were made available for financing economic development.

The United States Government is prepared to consult with governments of both importing and exporting countries through FAO's consultative subcommittee on surplus disposal and its working party on national reserves, with a view to facilitating realization of programs of this kind. The United States will cooperate with other countries in the further development of programs for the establishment of national food reserves.

Mr. Chairman, it is in order to stimulate a more rapid exploration of such possibilities for national action, with international assistance for purposes covered by Council Resolution 021, that we are submitting the draft resolution that is now being circulated. We should be happy if it would contribute to uncover additional realistic possibilities for action that serves the worthy purpose of improving the lot of the common man.

Economic Development of Underdeveloped Countries

Statement by Paul G. Hoffman
U.S. Representative to the General Assembly

In listening to and reading the enlightened statements of my distinguished fellow delegates on the subject of economic development, I am struck by the widespread agreement on several subjects:

First, it is clear that article 55 of the United Nations Charter reflects the collective view of the international community that all peoples should have the opportunity to benefit from the wonders of modern science and technology.

Second, most speakers have stressed the fact that the major responsibility for the development of a given country rests with the people of that country—that unless they, the people, are determined to help themselves and willing to dedicate themselves to that task, external assistance will not make a lasting contribution.

Speaking from experience, I would like to underscore this point. In administering the Marshall program we said repeatedly that "only the Europeans can save Europe." And it was the European people who did save Europe. Planning

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1 Made in Committee II (Economic and Financial) on Jan. 4 (U. S. delegation press release 2570).
and working together as Europeans had never planned and worked together before, they accomplished miracles in increased agricultural and industrial production and productivity. American aid was vital, but in no year did it represent more than 3 percent of Europe’s gross national product.

Third, all speakers, indirectly or by implication, have made the point that the fight against hunger, illiteracy, and human misery must become more of a joint and several effort, with each country realistically facing its problems and each trying in good faith to make some contribution to the efforts of others. We in the United States attach great importance to this. The situation is not one in which a few favored nations can help all the others to raise their living standards. The problem rather is how the people of every nation can, without neglecting their own domestic responsibilities, find some way to offer outside assistance. For the burdens of none of us are so great, heavy though they may be, that each of us cannot find some way to demonstrate his sincere interest in the welfare of others.

There has been considerable diversity in the progress reports on economic development in the underdeveloped countries. Some are most encouraging; others express understandable concern about the distance these countries still have to go before their people can be adequately housed, clothed, and fed. Still others underscore the disparity in the per-capita income between the developed and underdeveloped countries. Without in any way underestimating the difficulties which still lie ahead, we are entitled, I believe, to rejoice in the fact that during the last decade more people have made more economic progress than in any previous decade in the history of man. This has been true in almost every country and in every area, and in some countries rather sharp economic progress has followed after centuries of stagnation.

Perhaps the most significant development in the underdeveloped countries in the past decade is one which was emphasized in the last world economic report of the Secretary-General. As this report points out, this development is to be found not in the physical expansion of productive capacity, important though that has been, but rather in the gradual evolution of a climate favorable to economic development. The effects of this evolution can be seen not only in the marketplace but in political and social institutions and, most strikingly, in the spirit and determination of the people and leaders of these countries to improve their status.

This new spirit is reflected in different countries in many different ways—in the new emphasis on the need for basic education; in the gradual modification of traditional social institutions which have hampered economic progress; in the beginnings of reform of budgetary and fiscal systems in order to encourage economic growth. While none of these steps may result in immediate increases in income and the standard of living, all of them are essential prerequisites if economic progress is to be accelerated.

The people of the United States have a deep and abiding interest in the efforts of the underdeveloped countries to improve the lot of their peoples. Perhaps that is because we ourselves were an underdeveloped country not too long ago. This interest has been expressed in a program of cooperation since World War II which has taken many forms and has been carried on through a variety of channels. The technical assistance programs of the United Nations and the specialized agencies; the developmental lending of the International Bank; the measures to encourage the international flow of private capital; the grants, loans, and technical assistance made available to underdeveloped countries on a bilateral basis; the special economic aid in the form of agricultural commodities to assist in carrying out development programs; the regional programs of economic development, such as the Colombo Plan; the steps being taken to make available the materials and the technical knowledge of atomic energy to underdeveloped areas—merely to cite these examples suggests the breadth and scope of this program of cooperation, a program under which the United States has made available to the less developed countries over $8 billion for reconstruction and development since 1945.

Consider some of the developments which have taken place in this respect in the short space of the past 12 months: the establishment and beginning of operations of the International Finance Corporation; the negotiation and signing by 72 countries of the charter for an International Atomic Energy Agency; the appropriation by our Congress of $1.8 billion for economic assistance of various kinds to the underdeveloped countries; loans by our Export-Import Bank of more than

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$650 million for economic development; and loans by the International Bank for similar purposes of over $340 million.

Today, the continuing and widespread interest of the American people in the problems of the underdeveloped countries is reflected in the extensive series of studies now being carried on both in the executive branch of our Government and in the Congress for the purpose of throwing light on the most appropriate ways in which the United States can continue to assist these countries in grappling with their economic problems. These studies are concerned with such matters as the place of loans, grants, and technical assistance in any program of economic aid; the question of achieving flexibility and continuity in such programs; the use of surplus agricultural commodities to assist the economic development of underdeveloped countries; the role of multilateral, bilateral, and regional programs; and the stimulation of international private investment.

Role of Private Investment

Speaking of private investment, I believe that all of us are well aware of the importance my Government places on the role of private investment and initiative. This is partly because the United States was the beneficiary of private foreign investment in the early days of its economic growth. As a matter of fact, it still continues to be a major recipient of foreign investment. We speak from experience and appreciation when we emphasize the benefits which a host country receives from the inflow of technology and managerial skills that usually accompany private investment.

Worthy of particular note today is the fact that foreign investment tends to concentrate on financing the production of newer products utilizing the most advanced technology. An increasing proportion of American foreign investment in manufacturing enterprise is in such fields as plastics and electronics. It is these newer fields which attract the most dynamic and aggressive management—management which actively seeks new markets abroad as well as at home through production abroad as well as through exports.

While I am on this subject, I wonder if in all the discussion about encouraging private investment we may not have tended to focus too much of our attention on measures designed mainly to attract foreign investors and to forget the local businessman. Anything that discourages the local investor is also likely to discourage the investor from abroad. Conditions that attract one will attract the other. If the local businessman limits his investment to merchandise or real estate the foreign investor will probably be reluctant to invest his capital in that country. But if the domestic businessman demonstrates his own confidence by investing in productive enterprises, then in order to attract the foreign investor it is necessary to add only two factors. The first is assurance of equal treatment of domestic and foreign investors. The second is reasonable assurance of an opportunity to repatriate profits.

Unfortunately, we do not have any good statistical measure of the contribution of private investment to capital-importing countries. However, the United States Department of Commerce concluded in November 1954, on the basis of rough calculations made for Latin America, that "as much as one-tenth of the value of goods and services produced in the area may be accounted for by United States-owned enterprises. The proportion would be much higher for such industries as mining or petroleum, but even in manufacturing the ratio seems to be around 15 percent. Similarly, the ratios would be higher for a number of individual companies in the area."

"Some 25 percent of total exports to the United States by foreign countries is produced by United States direct investment companies abroad which have developed and made possible this large trade with the United States."

Moreover, in an attempt to obtain more reliable information on this subject, our Department of Commerce is at present conducting a statistical study of the employment offered, taxes paid, exports produced, and imports saved as a result of direct American investments in Latin America. We are convinced that this study, which is the first of its kind, will yield information of importance to our Government and to the governments of capital-importing countries as well as those of other capital-exporting countries.

When consideration is given to both the direct and indirect benefits of private foreign investment, the fallacy of overconcentration on the problem of the short-term balance-of-payment effects of such investment on the capital-importing countries becomes obvious. It is true, of course, that private investors insist upon the right to have a substantial part of their earnings transferred into foreign exchange. This should not, however, create in-
superable problems. I am convinced that as a result of the stimulation which comes from private investment in the form of increasing productivity there will be developed sources of exchange which will be many times the amount necessary to cover the outflow of earnings on foreign investments.

When we look at the experience of the underdeveloped countries since 1945, we see that economic progress has generally been most striking in those countries which have set for themselves well-defined and realistic economic and social goals. These were goals established in the light of the resources which could be mobilized at home and the possibilities of investment and assistance from abroad. They were concerned with such matters as strengthening public administration at various levels of government and the formulation of readily identifiable objectives in the field of agricultural and industrial development. These latter usually took the form of specific projects to be completed over some defined period of time—say 3 or 4 years.

This experience throws valuable light on a very important aspect of the problem of economic development. This is the question of what investment can be effectively utilized by underdeveloped countries to increase their productive capacity and the availability of the capital necessary for this investment. It emphasizes that the first task of any underdeveloped country desiring to obtain external assistance for its economic development—whether as private investment or governmental aid—must be to formulate sound development projects in which capital can be utilized profitably and constructively. Regardless of how much capital may be potentially available, they will contribute nothing to economic progress unless it is invested in sound projects. Clearly, the only constructive approach is to identify specific projects—both those which contribute only indirectly to a country's national product and those which make direct and immediate additions to agricultural or industrial production—and then to seek the capital needed to carry them out.

The way in which this problem arises in the case of our own assistance programs is illustrated by the operations of our Export-Import Bank. Through the Export-Import Bank we hope to insure that no sound development project fails for lack of capital from other sources to cover dollar needs. The only limit on the sound loans that the bank is willing to make is the limit of the bank's own lending capacity and the borrower's ability to service dollar loans. Today the bank's lending capacity still considerably exceeds the aggregate of all applications pending before it. It is prepared to receive and consider more applications than it is currently receiving for sound development projects. Here is an important source of loan capital which we feel can be even more important for economic development but which is not being fully utilized apparently because a sufficient number of sound projects are not being planned for which such capital could be used.

Problem of Price Fluctuations

In recent statements, both to the Economic and Social Council and to the General Assembly, the Secretary-General has emphasized the problem of reducing fluctuations in commodity markets on which many of the underdeveloped countries are so heavily dependent. The problem of excessive price instability in primary commodity markets is one with which all governments must be greatly concerned. As to the desirability of reducing this instability, there can be no disagreement. The problem is how this can be accomplished without endangering other desirable economic objectives. In this connection, we agree with the view of the Secretary-General that no new international machinery is needed for this purpose.

Devices designed to reduce price fluctuations must be judged in the light of their effect on healthy economic growth. They may retard rather than promote such growth if they interfere with long-term price trends and introduce rigidities and restraints which make difficult the economic adjustments which are so fundamental to economic progress. In this connection, it is well to recall the warning sounded some 3 years ago by the United Nations experts in their report on commodity trade and economic development when they cautioned against excessive concern with international measures and emphasized the need for the pursuit by national governments of policies which would contribute to stability in this field.

As far as the United States is concerned, we shall continue to make our contribution to this objective in every appropriate way. We are continuing to work for the relaxation or removal of impediments to international trade. In the period since 1934
the average rate of duty on all our dutiable imports has been reduced by more than 50 percent. In the conduct of our stockpiling programs we recognize an obligation to avoid actions which would have disruptive effects upon world prices. In the disposal of our agricultural surpluses, we shall continue to take precautions to safeguard against the displacement of normal commercial marketings. We are assisting the diversification of underdeveloped countries—and this after all must be the basic long-term solution of the problem—through our financial and technical assistance programs and through our efforts to promote conditions favorable to an increased flow of private investment. Finally, we are resolved to maintain high levels of economic activity in the United States as a major contribution to world economic stability, which is so important if serious difficulties in world commodity markets are to be avoided.

Mr. Chairman, the objective of the economic policy of the United States in relation to the underdeveloped countries is basically a very simple one. It is to make the most constructive and effective contribution that we can to the efforts of the governments and the peoples of those countries to create in their territories the strongest possible national economies. For it is to the interest of the United States no less than of the underdeveloped countries themselves that weak and unstable economies grow into economies that are self-reliant and sturdy enough to make their full contribution to the maintenance of peace and freedom. If we achieve nothing more than this through our programs of economic assistance, our own interests will have been fully served. In the words of President Eisenhower himself, “We have no other interest to advance.”

To this end the United States will continue to work with other countries to help develop societies marked by human welfare and a rising standard of living. We shall continue to help build up the productive capacity of free nations through economic assistance and private investment. We shall continue to provide technical knowledge and essential materials to speed the advance of other nations in the peaceful uses of atomic energy. In short, we shall continue to work with all like-minded nations for the creation of conditions under which men and women everywhere can look forward to not only making a better living but also better lives.

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Committee To Negotiate Agreement Between U.N., Atomic Energy Agency

The following resolution, sponsored by Argentina, Australia, Belgium, Brazil, Canada, Czechoslovakia, Egypt, France, India, Indonesia, Japan, Pakistan, Peru, Portugal, South Africa, the U.S.S.R., the United Kingdom, and the United States, was adopted unanimously by the General Assembly on January 11.

U.N. doc. A/Res/450

The General Assembly,

Welcoming the unanimous adoption by representatives of eighty-one States, on 23 October 1956, of the Statute of the International Atomic Energy Agency; 

Noting that paragraph 7 of section C of annex I of the Statute authorizes the Preparatory Commission of the Agency to enter into negotiations with the United Nations with a view to the preparation of a draft agreement governing the relationship between the United Nations and the Agency in accordance with article XVI of the Statute,

Desiring to initiate negotiations with the Agency with a view to bringing it into relationship with the United Nations, as provided for in article XVI of the Statute,

1. Authorizes the Advisory Committee on the Peaceful Uses of Atomic Energy, as established on the basis of paragraph 5 of section B of General Assembly resolution 810 (IX) of 4 December 1954, to negotiate with the Preparatory Commission of the International Atomic Energy Agency a draft relationship agreement based on the principles set forth in the study prepared by the Secretary-General in consultation with the Advisory Committee, pursuant to paragraph 5 of part II of General Assembly resolution 912 (X) of 3 December 1955;

2. Requests the Advisory Committee to submit a report on the negotiations, together with the draft agreement resulting from these negotiations, to the General Assembly, at the twelfth session, for its approval.

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U.S. Delegations to International Conferences

UNREF Executive Committee

The Department of State announced on January 25 (press release 38) that Christopher H. Phillips, Deputy Assistant Secretary for International Organization Affairs, will be the U.S. Representative on the United Nations Refugee Fund Executive Committee, which will convene its fourth session at Geneva, Switzerland, on

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1 Bulletin of Nov. 19, 1956, p. 820.
January 29. Mr. Phillips will be assisted by David H. Popper, Deputy U.S. Representative for International Organizations at Geneva, who will serve as Alternate U.S. Representative, and by two advisers: Henry F. Nichol, Conference Officer, U.S. Consulate General, Geneva, and Wolfgang Lehmann, currently assigned to the U.S. Embassy at Vienna.

The United Nations Refugee Fund Executive Committee was established, in accordance with resolutions of the General Assembly and of the Economic and Social Council, to enable the United Nations High Commissioner for Refugees to undertake a program designed to achieve permanent solutions of certain refugee problems and to provide necessary guidance to the High Commissioner in carrying out the program. The expiration date for the Fund is December 31, 1958.

The agenda for the forthcoming meeting includes discussion of the problems of the refugees from Hungary and of the Chinese refugees in Hong Kong. A revised plan of operations to be undertaken by UNHCR in 1957 will be considered, and a report will be made on the fourth session of the Standing Program Subcommittee, which was held prior to the meeting of the Executive Committee.

The members of the Executive Committee are Australia, Austria, Belgium, Brazil, Colombia, Denmark, Federal Republic of Germany, France, Greece, Iran, Israel, Italy, Netherlands, Norway, Switzerland, Turkey, United Kingdom, United States, Venezuela, and the Vatican.

The notes were exchanged in a brief ceremony in Bangkok by Max Waldo Bishop, U.S. Ambassador to Thailand, and Maj. Rak Panyarachun, Acting Minister of Foreign Affairs of Thailand.

The action extends the program for a 2-year period with an additional expenditure of Thai currency equivalent to $100,000 in U.S. currency. Since the original agreement entered into force in 1950, more than 70 American citizens have gone to Thailand and over 150 Thai nationals have come to the United States for purposes of study, teaching, lecturing, or advanced research. In addition, approximately 250 grants have been awarded to Thai nationals to enable them to attend U.S. institutions abroad.

In presenting his note, Major Rak stated that his country was gratified to see the program continued and stressed its benefits not only to the participants themselves but to the entire population of the United States and Thailand. Ambassador Bishop, in responding, expressed his personal pleasure in taking part in extension of the Fulbright program and added: "There is little of greater importance to the United States, and to the world today, than the free exchange of students and teachers which is such an effective means of enlarging our common knowledge and increasing our mutual understanding."

Current Actions

MULTILATERAL

Aliens


Atomic Energy


Austria


Accession deposited: Mexico, December 28, 1956.

International Court of Justice


1 Not in force.

Educational Exchange Agreement

With Thailand Extended

Press release 32 dated January 22

In an exchange of notes the United States and Thailand have extended the agreement between the two countries dated July 1, 1950, to provide for a program of educational exchange under the Fulbright Act for an additional 2-year period.

February 11, 1957

Morocco


Postal Services


Weather


BILATERAL

Canada


Chile


Turkey

Agreement amending the educational exchange agreement of December 27, 1949 (TIAS 2111), to provide for use of certain funds accruing under the surplus agricultural commodities agreement for the educational exchange program. Effected by exchange of notes at Ankara January 8, 1957. Entered into force January 8, 1957.

Recent Releases

For sale by the Superintendent of Documents, U. S. Government Printing Office, Washington 25, D. C. Address requests to the Superintendent of Documents except in the case of free publications, which may be obtained from the Department of State.

Radio Communications Between Amateur Stations on Behalf of Third Parties. TIAS 3694. 5 pp. 5¢.


Economic Cooperation—Informational Media Guaranty Program. TIAS 3695. 3 pp. 5¢.


Surplus Agricultural Commodities. TIAS 3697. 5 pp. 5¢.


Money Orders. TIAS 3700. 8 pp. 10¢.

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Releases may be obtained from the News Division, Department of State, Washington 25, D. C.
Press release issued prior to January 21 which appears in this issue of the Bulletin is No. 25 of January 16.

No. Date Subject
32 1/22 Extension of educational exchange agreement with Thailand.
*33 1/23 Dulles: death of Herbert Elliston.
34 1/23 Defense negotiations with Portugal postponed.
35 1/23 Exchange rate discussions with Korea.
36 1/24 Romanian refusal to admit election observers.
37 1/25 Disappearance of Gerald Murphy.
38 1/25 Delegation to UNREF Executive Committee (rewrite).
39 1/25 Program for King Saud's visit (rewrite).

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

U. S. GOVERNMENT PRINTING OFFICE: 1957
The 1956 edition of Treaties in Force: A List of Treaties and Other International Agreements of the United States was recently released. The publication lists treaties and other international agreements which according to the Department's records were in force between the United States and other countries on October 31, 1956.

The list includes bilateral treaties and other agreements, arranged by country or other political entity, multilateral treaties, and other agreements, arranged by subject with names of countries which have become parties. Date of signature, date of entry into force for the United States, and citations to texts are furnished for each agreement.

Documents affecting international copyright relations of the United States are listed in the appendix.

Information on current treaty actions, supplementing the information contained in Treaties in Force, is published weekly in the Department of State Bulletin.


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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.
Recommended Revision of Immigration and Nationality Act

MESSAGE OF THE PRESIDENT TO THE CONGRESS

TO THE CONGRESS OF THE UNITED STATES:

The eyes of the free world have been fixed on Hungary over the past two and one-half months. Thousands of men, women, and children have fled their homes to escape communist oppression. They seek asylum in countries that are free. Their opposition to communist tyranny is evidence of a growing resistance throughout the world. Our position of world leadership demands that, in partnership with the other nations of the free world, we be in a position to grant that asylum.

Moreover, in the four and one-half years that have elapsed since the enactment of the Immigration and Nationality Act, the practical application of that law has demonstrated certain provisions which operate inequitably and others which are outmoded in the world of today.

Prompt action by the Congress is needed looking toward the revision and improvement of that law.

Emergency Legislation

Last October the people of Hungary, spontaneously and against tremendous odds, rose in revolt against communist domination. When it became apparent that they would be faced with ruthless deportation or extinction, a mass exodus into Austria began. Fleeing for their lives, tens of thousands crossed the border into Austria seeking asylum. Austria, despite its own substantial economic problems, unselfishly and without hesitation received these destitute refugees. More than twenty nations have expressed their willingness to accept large numbers of them.

On November 8, I directed that extraordinary measures be taken to expedite the processing of 5,000 Hungarian visa applications under the provisions of the Refugee Relief Act. On November 19, the first of this group departed from Vienna for the United States. By November 29, it had become clear that the flight of Hungarian men, women, and children to gain freedom was assuming major proportions.

On December 1, I directed that above and beyond the available visas under the Refugee Relief Act—approximately 6,500 in all—emergency admission should be granted to 15,000 additional Hungarians through the exercise by the Attorney General of his discretionary authority under Section 212(d) (5) of the Immigration and Nationality Act; and that when these numbers had been exhausted, the situation be reexamined.

On December 12, I requested the Vice President to go to Austria so that he might inspect, firsthand, the tragic situation which faced the refugees. I also appointed a President's Committee for Hungarian Refugee Relief to assure full coordination of the work of the voluntary agencies with each other and with the various Government agencies involved.

On January 1, 1957, following his return to the United States, the Vice President made a personal inspection of our reception center at Camp Kilmer and then reported to me his findings and recommendations. He reported that the people who

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1 White House press release dated Jan. 31; transmitted on Jan. 31 (H. Doc. 85, 85th Cong., 1st sess.).

5 Ibid., Jan. 21, 1957, p. 94.
had fled from Hungary were largely those who had been in the forefront of the fight for freedom. He concluded that "the countries which accept these refugees will find that, rather than having assumed a liability, they have acquired a valuable national asset."

Most of the refugees who have come to the United States have been admitted only temporarily on an emergency basis. Some may ultimately decide that they should settle abroad. But many will wish to remain in the United States permanently. Their admission to the United States as parolees, however, does not permit permanent residence or the acquisition of citizenship. I believe they should be given that opportunity under a law which deals both with the current escapee problem and with any other like emergency which may hereafter face the free world.

First, I recommend that the Congress enact legislation giving the President power to authorize the Attorney General to parole into the United States temporarily under such conditions as he may prescribe escapees, selected by the Secretary of State, who have fled or in the future flee from communist persecution and tyranny. The number to whom such parole may be granted should not exceed in any one year the average number of aliens who, over the past eight years, have been permitted to enter the United States by special Acts of Congress outside the basic immigration system.

Second, I urge the Congress promptly to enact legislation giving the necessary discretionary power to the Attorney General to permit aliens paroled into the United States, who intend to stay here, to remain as permanent residents. Consistent with existing procedures, provision should be made for submission of the cases to Congress so that no alien will become a permanent resident if it appears to the Congress that permanent residence in his case is inappropriate. Legislation of this type would effectively solve the problem of the Hungarian escapees who have already arrived, and furthermore, would provide a means for coping with the cases of certain Korean orphans, adopted children, and other aliens who have been granted emergency admission to this country and now remain here in an indefinite status. This should be permanent legislation so that administrative authorities are in a position to act promptly and with assurance in facing emergencies which may arise in the future.

**Quota System**

The Immigration and Nationality Act of 1952, essentially a codification of the existing law, retained the national origins quota system established in 1924. In the more than a quarter of a century since that time experience has demonstrated a need to reexamine the method laid down in the law for the admission of aliens. I know that Congress will continue to make its own study of the problems presented, taking into consideration the needs and responsibilities of the United States. There are, however, certain interim measures which should be immediately taken to remove obvious defects in the present quota system.

First, the quota should be based on the 1950 census of population in place of the 1920 census. An annual maximum of 154,857 quota immigrants is now provided, using the 1920 census. I believe that the economic growth over the past thirty years and present economic conditions justify an increase of approximately 65,000 in quota numbers.

Second, an equitable distribution of the additional quota numbers should be made. Under the present system a number of countries have large unused quota numbers while other countries have quotas regularly oversubscribed. I recommend that the additional quota numbers be distributed among the various countries in proportion to the actual immigration into the United States since the establishment of the quota system in 1924 and up to July 1, 1955.

Third, quota numbers unused in one year should be available for use in the following year. Under existing law if a quota number is not used during the year it becomes void. In my view Congress should pool the unused quota numbers for Europe, Africa, Asia and the Pacific Oceanic area. Those numbers should be distributed during a twelve-month period on a first-come, first-serve basis without regard to country of birth within the area. However, I recommend that these unused quota numbers be available only to aliens who qualify for preference status under existing law—persons having needed skills or close relatives in the United States.

Fourth, the so-called mortgage on quotas result-
ing from the issuance of visas under the Displaced Persons Act and other special Acts should be eliminated. Visas issued under these Acts were required to be charged against the regular immigration quota with the result that quotas in some instances are mortgaged far into the future. I recommend that the mortgages so created be eliminated, consistent with the action of Congress when it enacted the Refugee Relief Act of 1953, which provided for special nonquota visas.

Fifth, the Congress should make provisions in our basic immigration laws for the annual admission of orphans adopted or to be adopted by American citizens. Experience has demonstrated that orphans admitted under earlier special legislation have successfully adjusted to American family life. It also has revealed that there are many Americans eager to adopt children from abroad.

**Administrative Relief for Hardship Cases**

The large and ever increasing mass of immigration bills for the relief of aliens continues to place an unnecessary burden upon the Congress and the President. Private immigration laws in recent years have accounted for more than one-third of all enactments, both public and private. Like any other enactment, each case must be separately examined and studied as to its merits by the Congress and the President. The problem presented is usually a determination whether hardships and other factors in the particular case justify an exception from the ordinary provisions of the immigration laws. These determinations could be effected without resort to legislation if the necessary administrative authority is provided. I recommend that the Attorney General be granted authority, subject to such safeguards as Congress may prescribe, to grant relief from exclusion and expulsion to aliens having close relatives in this country, to veterans, and to functionaries of religious organizations. Generally these are the classes of cases which have been favorably regarded by Congress because of the hardship involved.

**Technical Amendments**

In addition to the quota revisions, experience under existing immigration law has made it clear that a number of changes should be made in the Immigration and Nationality Act of 1952. Some provisions create unnecessary restrictions and limitations upon travel to the United States while others inflict hardships upon aliens affected. I have made a number of proposals for amendments; with some minor modifications, I renew those recommendations and call attention here to certain of them.

One of the obstacles to travel, and a hindrance to the free exchange of ideas and commerce, is the requirement in the present law that every alien who applies for a visa or who comes to the United States without a visa but remains for as much as thirty days be fingerprinted. In some foreign countries fingerprinting is regarded with disfavor. Lacking any significant contribution to our national safety and security, the law should be amended to eliminate the requirement of fingerprinting for aliens coming to the United States for temporary periods.

I further recommend an amendment to the law to permit aliens traveling from one foreign country to another, passing merely in transit through the United States, to go through this country without undergoing inspection and examination, and without complying with all the standards for admission. This would eliminate hardships to the traveler, loss of goodwill, and much expense to the transportation companies.

The law should be amended to eliminate the necessity for immigration officers to inspect and apply all grounds of exclusion to aliens seeking admission to the mainland of the United States from Alaska and Hawaii. These Territories are part of the United States and aliens who have entered or are present in them are subject to all the provisions of the law. If any were deportable before arriving on the mainland their deportable status continues.

I recommend the repeal of that provision in the law which requires aliens to specify their race and ethnic classification in visa applications.

A large number of refugees, possibly thousands, misrepresented their identities when obtaining visas some years ago in order to avoid forcible repatriation behind the Iron Curtain. Such falsification is a mandatory ground for deportation, and in respect to these unfortunate people, some relief should be granted by the Congress.

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*For recommendations transmitted to the Congress on Feb. 8, 1956, see *ibid.*, Feb. 20, 1956, p. 275.*
Inequitable provisions relating to the status under the immigration laws of Asian spouses, and of adopted and other children, should be rectified.

Alien members and veterans of our Armed Forces who have completed at least three years of service are unable to apply for naturalization without proof of admission for permanent residence. I recommend that this requirement be eliminated in such cases, and that the naturalization law applicable to such persons be completely overhauled.

While the present law permits adjustment of status to permanent residence in the cases of certain aliens, it is unnecessarily restrictive as to aliens married to United States citizens. Adjustment is forbidden if the alien has been in the United States less than one year prior to his marriage. This results in the disruption of the family and causes unnecessary expense to the alien who is forced to go abroad to obtain a nonquota visa. It is my recommendation that the requirement of one year's presence in the United States before marriage be repealed.

Judicial Review

I have previously called the attention of the Congress to the necessity for a strengthening of our laws in respect to the aliens who resort to repeated judicial reviews and appeals for the sole purpose of delaying their justified expulsion from this country. Whatever the ground for deportation, any alien has the right to challenge the government's findings of deportability through judicial process. This is as it should be. But the growing frequency of such cases brought for purposes of delay, particularly those involving aliens found to be criminals and traffickers in narcotics and subversion, makes imperative the need for legislation limiting and carefully defining the judicial process.

I have asked the Attorney General to submit to the Congress legislative proposals which will carry into effect these recommendations.

Dwight D. Eisenhower

The White House,
January 31, 1957.

Mr. Spaak To Visit Washington

Press release 48 dated February 1

Paul-Henri Spaak, Belgian Minister for Foreign Affairs, will visit Washington on February 8 and 9. He will arrive in this country on February 7. While in Washington he will discuss with members of this Government matters of common interest in the atomic energy field in the light of EURATOM developments.

Visit of Euratom Group

Press release 49 dated February 1

Franz Etzel, Louis Armand, and Francesco Giordani will visit the United States beginning February 3 at the invitation of the Secretary of State and the Chairman of the Atomic Energy Commission.1

These three distinguished Europeans were appointed by the Governments of the six countries (Belgium, France, the Federal Republic of Germany, Italy, Luxembourg, and the Netherlands) now in the final stages of negotiation for a treaty establishing a European Atomic Energy Community (EURATOM). They have been given the task of determining the extent to which Europe's growing energy deficit can be met by large-scale installations of nuclear power stations. This task is in pursuit of the same objectives which motivated President Eisenhower's proposal made to the U.N. in December 1953 on the development of the peaceful uses of atomic energy.

During their visit to Washington the group will have discussions with the Secretary of State, the Chairman and members of the Atomic Energy Commission, and other U.S. officials.

Following their discussions in Washington the group will visit the site of the pressurized water reactor now under construction at Shippingport, Pa., and the atomic energy laboratories at Oak Ridge, Tenn. They will also confer with industry leaders in this field at a meeting under the auspices of the Atomic Industrial Forum in New York on February 13. They leave on February 14 for Ottawa.

1 For background, see BULLETIN of Jan. 7, 1957, p. 29.
NATO—Deterrent and Shield

by General Lauris Norstad
Supreme Allied Commander Europe

I bring you greetings from the American troops in Europe. Their greetings will help remind you that they are there, together with their comrades of other countries, on guard to preserve the peace of the world. I specify "in Europe" because Europe is the area of my responsibility. Let me emphasize that mine is only one part of the Nato command. Admiral Wright, as Supreme Allied Commander Atlantic, and Admiral Creasy, Commander-in-Chief Channel, have parallel responsibilities. There are also national commanders whose forces unite with ours to form the vast reservoir of power that is the North Atlantic Treaty Organization. Thus patrol boats under the flag of Greece, a Norwegian ski platoon, a French battalion of engineers, a Canadian jet squadron—all are Nato, all are interlocked.

I repeat the word "interlocked." The alliance is vital to each of its 15 members, and each member is vital to the alliance. Whether a member nation is as distant from the Soviet Union as the United States or as close as Turkey, the threat falls equally on each.

Man has often used military force to restore peace, but Nato is the finest example of its use to preserve peace. The spirit of this endeavor speaks from the preamble to the North Atlantic Treaty, signed April 4, 1949:

The Parties to this Treaty . . . are determined to safeguard the freedom, common heritage and civilization of their peoples, founded on the principles of democracy, individual liberty and the rule of law. . . . They are resolved to unite their efforts for collective defense and for the preservation of peace and security.

These purposes, clear and confident, are the source of Nato's military authority. They sum up the meaning of our alliance. Most important, the purposes are being realized. The Nato idea not only works but has already had unmistakable effects. The Soviet reaction is proof. For foremost among Russia's conspicuous objectives is the dismantling of the alliance that confronts it across the most sensitive, most sharply defined political line between East and West.

One does not have to be a political expert or a military strategist to grasp why the Soviets are so bent on undermining Nato. One has only to remember the climate of fear that characterized the spring of 1951. A violent war was raging in Korea. In Western Europe, which was just beginning to recover from World War II, the questions were: which would be the next country to fall under Soviet domination, and not whether world war III would start, but when.

Then General Eisenhower was called back to duty to set up in Paris the Supreme Headquaters Allied Powers Europe—SHAPE, as we now know it. His arrival, with his tremendous prestige, gave Nato stimulus and impetus. Fears began to subside. Hope grew. Western Europeans eagerly read into the most casual act a significance out of all proportion to what it deserved. For example, when I first reported for duty in Wiesbaden, I could almost hear the sighs of relief, almost feel the tensions relax. Why? Simply because, so I was told, I had brought with me my wife and young daughter—evidence, to the Germans, of official belief that the threat of war was abating.

Then, as we began to organize our defense,
Message From President Eisenhower to American Council on NATO

With many of you, I am joined in an old comradeship, for we served together in the days when the North Atlantic Treaty Organization took visible form as a great and common venture for the security of the West. With all of you present tonight, I am united in deep personal respect for General Lauris Norstad and in heartfelt confidence that he will discharge his mission as Supreme Allied Commander Europe to the increase of unity and understanding and cooperative strength among the Atlantic nations.

He and all who are associated with him in NATO stand for a unique development in international affairs. Through it, the member nations recognize their community of heritage and of security, above all, their identity in a resolute determination that they shall remain free. The soldiers and sailors and airmen of the Allied Powers mightily contribute to the stability and the peace of the world. They exemplify, beyond a natural patriotism and a stout loyalty to their individual flags, a new comprehension that freedom is indivisible and the defenders of freedom must stand united.

But here is no mere military coalition.

A common and enduring allegiance to the great objective of a world in which all can enjoy tranquility and prosperity, justice and peace, is the bond that unites the members of NATO. Differences may arise. Disputes may occur. At times, the future may be shadowed by doubt and uncertainty. But, firm in this common allegiance, and in mutual understanding, the Atlantic nations will reconcile their differences, work out in friendly settlement their disputes, dispel their doubts. The North Atlantic Treaty Organization, that has survived so many fears and dire prophecies, will not fail the many millions who hope and pray for its success.

To that success, General Norstad will contribute greatly in the years ahead.

Dwight D. Eisenhower

establish subordinate headquarters, bring in equipment, and speed up training, the realization grew that the West could be defended and would be defended.

The menace seemed to pass for the moment. But this apparent containment of the Soviet threat of 1951-52 by no means ended the benefits that flowed from the NATO reservoir. Out of a recovered sense of common purpose, out of the experience of a partnership successfully assembled in time of peril, welled up a spirit that transformed Western Europe. A truly extraordinary economic recovery followed. This could hardly have proceeded so fast or gone so far without the security that NATO provided.

Now the danger is seen again in bold outline. The "charm offensive" launched by Khrushchev and Bulganin has evaporated. Once again we hear from the East the familiar chorus of misrepresentation and abuse. The surge of Soviet armor into Hungary supplied proof—if further proof were needed—that the Kremlin's objectives remain unchanged and that force remains its favored instrument. And once again the importance of NATO's strength is emphasized for Americans and, indeed, for all the nations of the free world.

Only when we look back on the past do we realize how much has been done. There have been moments of doubt. There was one last fall, when the events in Eastern Europe and the Mediterranean foreshadowed to some the disarray and even the collapse of our alliance. Such gloomy predictions, like others before them and since, failed to do justice to the strength of NATO. I remain confident. I often think of the two men, each with his glass of wine. The melancholy one said, "My glass is half empty." The other said, "Mine is half full." Compared to what the NATO glass might hold, given the vast resources of the Atlantic Community, it is indeed only half full.

But there exists the potential to raise the level to the brim.

The Deterrent Strategy

At about the time that NATO was being planned, more than 8 years ago, what was later known as the deterrent strategy began to emerge. That strategy—and some of the distinguished men in this room were among its principal architects—focused on the development of forces not so much for winning a war as for preventing one from starting. In short, its purpose was to deter. And the deterrent, to be successful, had to consist of several related elements.

There had to be within NATO military forces of sufficient strength and versatility to insure that no attack against them could succeed.

There had to exist throughout NATO a will to use these forces, should need arise.

Finally, there had to be generated in the minds of potential aggressors a certain knowledge that NATO possessed these forces and this will.
Such were the basic ingredients of our deterrent strategy. We recognized from the outset that strength alone, however massive, might not daunt a resolute enemy. It would daunt him only when he had become convinced that his intended victim stood ready, if challenged, to bring it into play.

Current Strength of NATO Forces

That strategy has worked. Now, as we turn up our collars against the icy wind blowing afresh from the East, we may all ask how stands NATO for the tests of the future. The last few years have witnessed many changes in military means and the power relationships of nations. Are our means sufficient? Is our will strong? And have we made ourselves explicit to the relentless adversary who insists that his aim is our destruction?

I am convinced that the Russians are under no illusion as to the strength and determination of the NATO community. I have said that the north-south line, 4,000 miles long, between NATO and the Soviet bloc, is the most sensitive political line across the face of the earth. Never before in the history of collective-security arrangements has a combination of great powers ever drawn a line so sharp. At no other line do the nation-partners of the West have such firm, such unequivocal, commitments. The Russians understand this. In the last analysis, the existence of this line is what has kept them out of Western Europe.

What about the military means? The hard core of the West's military strength is its retaliatory forces. Their most powerful single element is the United States Strategic Air Command, controlled by the United States Joint Chiefs of Staff. If the NATO line were violated, if our alliance were attacked, the great power of SAC, as well as the British Bomber Command, would at once be brought into play.

Then, directly under my control as SACEUR, there are forces drawn from member nations and assigned to NATO. They consist of ground forces equipped with the newest weapons, including rockets and guided missiles; of naval forces—particularly the United States Sixth Fleet in the Mediterranean; and of air forces, both defensive and offensive. These forces are large and they are strong—much stronger, I suspect, than is commonly realized. Numerically, they are four to five times stronger than they were 5 years ago, and they are infinitely more effective.

They are becoming still more so. SHAPE has an important atomic capability of its own. Should it ever be necessary for us to defend ourselves, this allied command can and will play its full part in destroying the aggressor. Our operations would, of course, be coordinated with the Strategic Air Command and the British Bomber Command.

About our power to destroy, I have no doubt whatever. The validity of the deterrent principle is not affected by the size of the Soviets' air or missile fleet. Whether their fleets are 80 percent of ours, or 90 percent, or even 100 percent, we will still have enough weapons, enough planes to deliver the weapons, and enough bases for these planes to annihilate the enemy, and the enemy could not prevent it. Moreover, the likelihood of any form of Soviet attack, atomic or otherwise, at any time or any place, is diminished manyfold by the presence of these NATO forces at their forward European bases.

Need for Keeping NATO Spirit Strong

This destructive power we have, and this power we can keep if we preserve the unity and strength of NATO—which leads me to the second element in our deterrent, that is, our will to use this force should the need arise. The will exists today. It is, however, the most perishable of our assets. It cannot be produced and stockpiled like a weapon. Rather, like a plant or any other living thing, it needs continual refreshment. Nothing could be more enfeebling to the spirit that so far has animated NATO than a suspicion, however faint, that some of its partners were withdrawing behind their own frontiers, counting upon their long-range weapons to preserve the balance.

Alliances prosper by example and by the equitable assumption of risks along with advantages. Hence it is most important to the fostering of this alliance that the United States, Canada, and Britain maintain troops on the continent of Europe in convincing numbers. Moreover, the presence of these troops on European soil—their physical, visible, tangible presence alongside the ground and air forces of the European nations—will be a steady reminder to the Russians that any aggression will instantly bring down on them the total power of the alliance.

In spite of the retaliatory forces, there remains the possibility that war could start because the
enemy made an error in judgment or took some reckless or opportunistic action. Because of this chance—rather, mischance—we cannot omit or skimp at any point along our eastern frontiers the defensive strength which the Soviet threat dictates. For if our line is not defended throughout, the enemy might trump up a pretext for crossing it. We would then face not only an accomplished fact but also a dilemma: If we did not take immediate action, we would fail to meet the commitments of the alliance; if we did take it, we would start a war.

On the other hand, if our line is being held in reasonable strength and if the enemy knows this beyond doubt, then any inclination on his part to cross the line makes him face the terrible decision of detonating world war III, with a sure prospect of his own annihilation. The defensive forces deployed on our eastern boundary thus become an essential part of the deterrent.

**Responsibilities of Shield Force**

In essence, then, the Nato task is to deter, and to continue to deter, in an endurance test of unknown duration. But should we fail in this our first objective, we must be prepared to defend ourselves and to defeat the enemy. I use the two terms "defend" and "defeat" because the force required to defeat is not necessarily that required to defend. Conceivably we could inflict defeat from remote bases, though not before large areas of Nato territory had been overrun. There would be a lag between the enemy's attack and the time when our retaliation would be effective. During this lag much of the free world would be in jeopardy. An adequate defensive force must be maintained in Europe.

I do not refer to a symbolic force, in accordance with the so-called "trip wire" or "plate glass window" concept, but to a "shield" force of size and strength, charged with the vital mission of defending all Nato territory and all Nato peoples. Nothing less would meet the mutual obligation of the North Atlantic Treaty. A defense that failed to protect our European allies from invasion would be no defense at all.

The shield force has a further responsibility: It must hold the bases from which the retaliatory force would operate. Were those bases lost, the power of Nato's air attack would be dangerously impaired.

So long as the Soviet threat remains, therefore, so long will Nato need a stout shield. Indeed, the shield is not yet stout enough. There still are marked weaknesses in our air defense system. Our ground forces are not yet what they should be. These deficiencies are being corrected. For example, I am happy to tell you the German Government has informed us that during the coming year it will take a long step toward its eventual contribution of naval forces, 12 divisions, and 1,300 aircraft.

I am an American, but it is my duty to think as an international officer. There is something that troubles me. It is the disparity between American weapons and those of our allies. I am speaking specifically of our nuclear delivery systems.

That the United States can produce weapons which multiply by many times the capacity of a man on the battlefield adds to the total strength of the alliance. Whatever strengthens one Nato nation strengthens all. Still, we Americans would be wise to remember that the alliance is also a partnership of men who are equal. As such it demands respect for the basic equities. The troops who man the Nato line, whether they be American, French, Turkish, German, or Danish, have one all-important thing in common: each has but one life to give in defense of freedom. Where the European fighting man differs most conspicuously from the American is in the relative effectiveness of the weapons in his hands. Still speaking as an international officer, I am grateful to the United States for the action it is taking to correct this disparity.

So far I have addressed myself solely to the military aspects of the Nato alliance. But Nato has come to mean a good deal more than just an order of battle, a strategy, an emergency coalition of powers who otherwise would be divided. Implicit in the Nato idea was the conception of a coming-together in novel and fruitful alliance of many nations sharing much the same ideals, much the same history, and much the same political and economic interests.

In recent months, our hopes have been dealt some rather hard blows. Doubts have been raised about much that had been taken for granted. The partnership has been strained, its collapse predicted, its death announced.

This is not the first time that Nato has heard its own funeral oration. Only a year and a half
ago, when the Kremlin seemed to be turning away from Stalinism, many were questioning whether our alliance was necessary any longer. The recent days of doubt are passing, but I dare say that in another year or two we shall again hear ourselves being mourned.

The alliance lives. Nonetheless, we cannot shrug away these periodic misgivings. The plain fact is that the birth of NATO in 1949 was not a natural one. It was not ordained for that time by some higher law. It resulted from unnatural pressures. It came into being because like-minded nations agreed that it was the best way in which to safeguard their lands, their cultures, and their freedoms. But what the compulsion of fear created has become, in 8 years, a community within whose shelter live 450 million people, united and directed by common purposes to an extent never before exhibited in the relationship of modern nations.

This condition is a product of the support which NATO has received from its members. Its need for that support has not diminished. In fact, it needs sturdier support than ever. It needs even repair. It must be patiently worked upon. And, because the NATO idea is so important to us all, Americans no less than Europeans, the task deserves our most enlightened and gifted efforts.

Out of Hungary's tragedy has come a firm conviction that our only dike is NATO. We must stand together and stand fast. In an alliance of truly free nations such as ours, unity—and the will I have spoken of so often—can be achieved only by devoted citizens acting together. Although our alliance is the basis of the foreign and defense policies of all the members, ignorance about its aims and progress is still widespread among average NATO citizens. It is most important that they be informed. For this reason, voluntary organizations such as the American Council on NATO can render immense service.

Mr. Chairman, I wish your Council all success in its work. I wish you to know that we at SHAPE are grateful for what you have done and hopeful for what you will do. Our alliance has already achieved much. With your help it can achieve more. For we believe that the NATO idea, steadily nourished and faithfully sustained, can be a great influence for good in the era of challenge stretching before us.

Abraham Lincoln, speaking of another great union at another critical time, said this:

"The world knows we know how to save it. We—even we here—hold the power and bear the responsibility. The way is plain, peaceful, generous, just—a way which, if followed, the world will forever applaud, and God must forever bless."

U.S.-British Defense Talks

Following is the text of a joint communiqué issued simultaneously at Washington and London on February 2 at the conclusion of discussions between Secretary of Defense Charles E. Wilson and British Minister of Defense Duncan Sandys.

1. The U.S. Secretary of Defense, the Honorable C. E. Wilson, and the British Minister of Defense, the Right Honorable Duncan Sandys, have had a series of meetings in Washington this week. Among those attending the meeting were, of the U.S. side: Deputy Secretary of Defense Reuben B. Robertson, Jr.; Secretary of the Air Force Donald A. Quarles; Admiral Arthur W. Radford, Chairman of the Joint Chiefs of Staff; Robert D. Murphy, Deputy Under Secretary of State; Gordon Gray, Assistant Secretary of Defense (International Security Affairs); Dr. Clifford C. Furnas, Assistant Secretary of Defense (Research and Development); and E. V. Murphree, Assistant to the Secretary of Defense for Guided Missiles; and on the British side, His Excellency Sir Harold Caccia, British Ambassador to the United States; Sir Richard Powell, Permanent Secretary, Ministry of Defense; Sir Frederick Brundrett, Chairman, Defense Research Policy Committee, Ministry of Defense; Admiral Sir Michael Denny, Chairman British Joint Services Mission; Mr. P. H. Dean, Deputy Under Secretary, Foreign Office, and Dr. R. Cockburn, Controller of Electronics, Ministry of Supply.

2. The two ministers reviewed the military aspects of the international situation. They reaffirmed the solidarity of their defense objectives and the importance of NATO and the other regional alliances as a vital means of safeguarding peace and stability in the world.

3. They agreed that priority must be given to maintaining effective military capacity in a high
state of readiness. This must include conventional forces as well as nuclear power.

4. They recognized that financial and economic stability is an essential foundation of military strength and that due account must be taken of this in considering what a country can contribute to the common defense effort.

5. The ministers also reviewed the progress of collaboration between the U.S. and Britain in research and development. They noted with satisfaction the mutually beneficial results already achieved by cooperation and decided to continue and extend their joint work in this field.

6. The possible adoption by Britain of certain American weapons was explored, and this matter is being referred to the two Governments for further consideration.

7. In addition to his talks with Mr. Wilson and the U.S. defense authorities, Mr. Sandys had a meeting with Mr. Dulles, U.S. Secretary of State, at which the international aspects of the military program were discussed.

Some Current Problems in Foreign Relations

by Livingston T. Merchant
Ambassador to Canada

In the 8 months that I have been in Canada I have, for my sins, made a number of speeches. I have talked about NATO and the common responsibility of our two countries in that vitally important alliance; I have talked frequently of the threat which international communism poses to Canada, to the United States, and to the entire free world; I have spoken of many aspects of the relations between our two great countries.

And I have also talked on more controversial subjects—on why the United States opposes the admission of Communist China to the United Nations and on United States policy in the disposal of agricultural surpluses. Once I even took my courage in my hands to say that, contrary to much oratory, our two countries are in many notable respects different and distinct; that this is as it should be and good, if we both accept it as fact and act on it as premise. I have also upon a few occasions given utterance to some bits and pieces on United States investment in Canada, which I think has been a good thing in the past and with continued common sense and enlightened management will be a good thing in the future for both of us.

The Problem in the Middle East

Today my title is “Some Current Problems in Foreign Relations,” and I want to speak briefly on two problems which I am sure are in the forefront of your minds. These are the Middle East and Hungary.

It seems to me that there is a link between the events of recent weeks in Egypt and in Hungary. There is a temporal link, of course. There is also a link which I think illustrates a deplorable “double standard” of international morality. One moral standard is reflected in the prompt response of Britain and France to the expressed convictions of the United Nations, the other by the contemptuous refusal of the Soviet Union to pay the slightest heed to the aroused conscience of the world. This unhappily was in Soviet character. In this latter response—or lack of one—we can understand much of the threat which is posed by the Soviet Union as the seat and citadel of international communism.

As I think is well known, we in the United States quite generally thought that our oldest friends and oldest allies, Great Britain and France, made a mistake when they moved militarily into the Suez Canal Zone last fall. We did not disguise that feeling. Indeed, it led us to that most

1 Address made before the Canadian Club of Montreal on Jan. 21.
painful decision to vote against them in the United Nations.

It is not, however, my purpose to dwell on that point. As Vice President Nixon indicated in a speech last month, history has not yet written the final verdict and it may well find the United States not blameless in the handling of events leading up to the crisis. Certainly our friends acted under extreme provocation and in the intimate knowledge of the fact that their national livelihood and very existence depended on the oil of the Middle East delivered to Europe by the short route through the canal. Apparently they thought—wrongly, I believe—that the United States was indifferent or at least imperfectly aware of their situation. They had watched Soviet shipments of arms into the area and noted, as did we, the obstructive and dangerous part the Soviets were playing. But for anyone to accuse the British and French of cynically seeking to establish a new empire or colonial area in Egypt or elsewhere in the Middle East is utter and complete nonsense.

In any event, our allies acted, and much of the rest of the world reacted with equal promptness—the Soviets by ominous threats, the majority of the United Nations with a call for a cease-fire and the withdrawal of the French and British troops at the very moment when they seemed to have their limited objectives in sight.

It is to the everlasting credit of those two great countries that they responded immediately to that call. I may add that, by doing so, they placed on the United Nations, and I think in particular on the United States, a grave and inescapable responsibility to press for the prompt clearance of the canal and, even more important in the long run, the establishment of a responsible and reliable regime for the Suez Canal and a lasting solution to the Arab-Israeli problem, which is at the seat of so much of the unacceptable insecurity and instability of the Middle East area. I think I can assure you that the United States is fully conscious of its responsibilities in all these matters. I am sure that our friends will not find us derelict. I am equally sure that Canada will continue to fulfill the constructive and imaginative role which it has played throughout this entire episode.

There are many things to be done, some at once and some in sequence.


The first, of course, is to get the canal cleared and working as soon as possible. The news we now read is encouraging. With the physical progress of clearance there has been similar progress in finding the funds for the salvage operation. Before long we must solve the complicated problems which will arise when the canal is open and congested shipping starts to move.

This leads, of course, to the major problem of agreeing on an enduring regime for the canal. The United States holds to the view that this must be based on the six principles adopted unanimously by the Security Council of the United Nations on October 13.\[3\] Let me remind you what those six principles comprehend, for they stand up just as sensibly today as they did the day they were approved in the Security Council, notwithstanding fast-moving intervening events.

These six principles provide, in effect, that there should be free and open transit through the canal without discrimination; that the sovereignty of Egypt should be respected; that the operation of the canal should be insulated from the politics of any country; that the manner of fixing tolls should be decided by agreement between Egypt and the users; that a fair proportion of the dues should be devoted to development; and, finally, that disputes between the Suez Canal Company and the Egyptian Government should be settled by arbitration.

Then there is the problem of making peace in the Middle East. It does not seem to me that it would be useful today to discuss when or how this might be done. I would note, however, first, that the responsibility rests primarily on the United Nations, which accepted the original responsibility of creating the State of Israel. The solution must obviously accept the fact that Israel is a country here to stay; that a peace treaty must replace the uneasy, frequently violated armistice of the past 8 years; that the refugees be cared for; and that the frontiers of Israel with its neighbors be delineated and accepted. In August 1955 Secretary Dulles stated that, given a solution of the related problems of the plight of the refugees, the pall of fear overhanging the area, and the lack of fixed permanent boundaries between Israel and its Arab neighbors, the President would be prepared to recommend that the United States join

in formal treaty engagements to prevent or thwart any effort by either side to alter by force the boundaries between Israel and its Arab neighbors.¹

Last month Secretary Dulles pointed out that, while the atmosphere at that time did not seem conducive to an early settlement, the efforts of the United States would continue to be made for a settlement along the lines of his speech to which I just referred.²

There are other actions which need to be taken promptly, as contrasted to this peacemaking, which we must realize will take time. There is the grave risk of a Soviet miscalculation as to how the United States would react, either to Soviet military aggression against a Middle Eastern state or to the intrusion of organized "volunteers."

President Eisenhower in his state-of-the-Union message 10 days ago ³ referred to the request he had made of Congress 5 days earlier ⁴ for certain declarations and actions with respect to the Middle East. President Eisenhower was referring to the threat of Soviet aggression in the Middle East when he said,

I say again that this matter is of vital and immediate importance to the Nation's and the free world's security and peace. By our proposed programs in the Middle East, we hope to assist in establishing a climate in which constructive and long-term solutions to basic problems of the area may be sought.

The President's special appeal to Congress was designed to remove the slightest possible element of doubt in the minds of the Soviet rulers as to what the reaction of the United States would be, were they to contemplate military intervention in the Middle East. Such a clear and firm declaration can be expected, I think, to have the added virtue of reassuring and encouraging those peoples and leaders in the Middle East who have no desire to subject themselves to the tender mercies of Soviet control.

Then, in addition, President Eisenhower sought from Congress approval for certain programs of assistance—economic, technical, and military equipment—for the governments of such countries

in the Middle Eastern area as are determined to resist international communism and which might ask us for such assistance. There is much that must be done and much that can be done to create an atmosphere of hope and an improved level of life which will be resistant to the spurious but siren appeals of the Communists. This aspect of the President's policy, as you see, is directed against the continuing threat of subversion and indirect Soviet aggression as opposed to armed attack.

Finally, there is a matter of overriding importance requiring attention. No time can be lost and, I believe, none has in dealing with it. It involves a process, however, which must be continuing and constantly in the forefront of all the thoughts and policies and actions of all of us concerned. This is the restoration—and not merely the restoration but the strengthening—of an intimate, close, and mutually understanding relationship between ourselves and the British and the French. The Ministers Meeting of Nato in Paris last month showed good result in this as well as in other directions.

There is no true friendship that cannot surmount rough spots. Though it is hard to realize when one is experiencing the process, it is, I think, a fact that friendships are the stronger for past misunderstandings and disagreements, provided there is—as surely there is among those involved today—the will and desire to learn from and to build on those difficulties.

There has been, I think, some talk in this difficult period which has not been helpful. For example, an impression got around that the United States, immediately after the cease-fire in Egypt, was "punishing" Great Britain and France and, along with them, the rest of Western Europe, by doing nothing to meet the desperate need for oil, which under those circumstances could only come from this hemisphere. To lay this ghost, let me give some facts and figures on shipments of oil from the United States to Europe.

Immediately after the closing of the canal, a substantial effort was made by the oil companies to find alternative oil for Europe. Throughout 1955 and 1956, up to the end of the first week in November, the average of crude oil and oil products shipped to Western Europe from the United States Gulf ports was 44,000 barrels a day. In the second week of November—after the canal

² Ibid., Jan. 7, 1957, p. 3.
⁴ Ibid., Jan. 21, 1957, p. 83.
was blocked—the daily average shipments reached 212,000 barrels a day; in other words, nearly five
times the usual figure. In the third week of
November the average reached 321,000 barrels a
day, and in the last week of November exports ran
at the daily rate of 944,000 barrels—nearly a mil-
lion barrels a day—20 times the level of the first
week of that month. I should point out that the
latter figure was a peak achieved by a heavy draft
on stocks and an unusual bunching of tankers
loaded in the area. During the period of the short-
age, however, it is expected and planned that the
daily average of shipments to Western Europe
from the United States Gulf ports will run sub-
stantially in excess of 500,000 barrels a day.

So I say, in summary, we are moving into the
period when lasting solutions must be found for
the future of the canal, for the national existence
of Israel on supportable terms, and for the cre-
ation of a situation in the Middle East where peo-
ple and governments will be, by increased
strength and conscious choice, able and willing to
maintain their independent sovereign existence,
either satellites of the Soviets nor puppets of the
West, but on terms of friendship with the West,
which has so much to offer them in fruitful rela-
tionships entirely compatible with their national
pride and independence.

But if I may reiterate what seems to me the
cardinal point: the United Nations made a judg-
ment; the British and the French accepted that
judgment. With loyalty and high morality they
responded promptly to it.

The Problem in Hungary

Now let us turn to the tragic case of Hungary,
to the savage brutality of the Russians and the
operation of a “double standard” of international
morality where the Soviets and their cohorts are
concerned.

In October the incredibly brave Hungarian
people decided spontaneously and almost unani-
mosly that they had had enough of domestic terror and
oppression and of Russian domination of their
national life. Unarmed, they rose. When hit
by force, they fought back with amazing courage.
And we should mark the fact that students, work-
ers, farmers, and intellectuals of Hungary all were
in the ranks of the freedom fighters. These were
the very people for whose allegiance the Com-
munists had devoted their greatest efforts.

For a time it seemed that the miracle had hap-
pened and that the Hungarian people had gained
by their sacrifices a very large measure of inde-
pendence for their national existence. Then, by
deceit, treachery, and overwhelming armored force
brought in from outside Hungary, the Red Rus-
sion Army gained the upper hand.

Today the Soviet Union stands naked before
the world, stripped of all its peace-loving profes-
sions. The “new look” is gone. The Soviet lead-
ers have trampled on the “spirit of Geneva” which
they so sedulously sought to cultivate. They have
made a mockery of the phrase “peaceful coexis-
tence.”

The Soviet leaders reverted to type. They re-
acted in Hungary as a challenged despotism based
on force and terror, uncontrolled by a parliament,
by domestic opinion, or by the restraints of re-
ligion.

All of us in the free world watched this tragedy
in horror and anguish. The weapon of moral con-
demnation was the only alternative to action which
might well bring on the third world war. The
United Nations instinctively responded to the out-
raged conscience of the free world. The United
Nations called on Russia to withdraw its troops
from Hungary. The Soviets refused. It sought
to get observers into Hungary. The Soviets and
the puppet regime they had installed in Budapest
blocked it. Speaker after speaker in the United
Nations denounced in horror Russian brutality
and shameless oppression in Hungary. On De-
ember 12 the General Assembly of the United Na-
tions formally condemned the Soviet Union for
violation of the United Nations Charter. And
there seemed little else the United Nations could
do, other than send in medical supplies and pro-
vide new homes abroad for the refugees who fled
the terror in Hungary.

This has been so far a dark and depressing
chapter. I submit, however, that its end has not
yet been written. I firmly believe that any gov-
ernment, however ruthless and authoritarian,
which aspires to a role of influence and leadership
in the world cannot long disregard the opinion of
mankind. It must show what Jefferson called
“a decent respect to the opinions of mankind.” In
part, its adjustment to such pressures may be only
outward and slow in coming. “Hypocrisy is the
tribute paid by vice to virtue.” In the long run,
I am satisfied, conform it must.
I am equally satisfied that, had not the United Nations reacted promptly and vigorously, the actions of the Soviets would have been even more brutal, if not in Hungary, then certainly in Poland and elsewhere in the rumbling Soviet satellite empire.

And in the outside world, particularly among those billion or more human beings who count themselves "uncommitted," there has been a dreadful lesson learned. The Soviets have for a time at least won the battle of Budapest. But I am as sure as I am standing here today that the Soviets have lost their campaign to dominate the world by methods short of total war. And surely the Russian military planners are now reassessing the reliability of all the satellite armies.

There is another lesson, I think, drawn for free men everywhere. This is that, when individual freedom and national independence have once been known, all the techniques of propaganda and indoctrination and "corrective" thinking cannot kill the flame of freedom in the breast of man and, moreover, that flame does not die with one generation. It can and is passed on to the next. This lesson which the Hungarians, at such tragic loss and suffering to themselves, have given to the world should be long in the months and years ahead to demolish the assumption that what the Communists once gain by force they will hold forever.

We have learned other lessons in the past from the Soviets. Unhappily, it seems the world must learn some lessons over and over again. I think of the tragic fate of the Baltic peoples in Lithuania, Latvia, and Estonia. They had a proud history, and they put their trust in Soviet good faith.

Let me read you a passage from a fascinating speech which Mr. Molotov delivered on the foreign policy of the Soviet Union before the fifth session of the Supreme Soviet on October 31, 1939. This passage relates to Estonia, Latvia, and Lithuania. As I read it, remember that this speech was delivered only one year before the Soviet Army moved in to incorporate by force into the Soviet Union these three independent states and to send eastward in cattle cars to Siberia tens upon tens of thousands of men, women, and children who had done no wrong other than to want to live in peace as citizens of independent sovereign states.

This is the passage:

Our recent diplomatic negotiations with Esthonia, Latvia and Lithuania have shown that we have sufficient confidence in each other and a proper understanding of the need for these measures of military defence in the interests both of the Soviet Union and of these states themselves. The negotiations have fully revealed the anxiety of the parties concerned to preserve peace and to safeguard the security of our peoples who are engaged in peaceful labour. All this ensured a successful issue to the negotiations and the conclusion of pacts of mutual assistance which are of great historical importance.

The special character of these mutual assistance pacts in no way implies any interference on the part of the Soviet Union in the affairs of Esthonia, Latvia or Lithuania, as some foreign newspapers are trying to make out. On the contrary, all these pacts of mutual assistance strictly stipulate the inviolability of the sovereignty of the signatory states and the principle of non-interference in each other's affairs. These pacts are based on mutual respect for the political, social and economic structure of the contracting parties, and are designed to strengthen the basis for peaceful and neighbourly cooperation between our peoples. We stand for the scrupulous and punctilious observance of the pacts on the basis of complete reciprocity, and we declare that all the nonsensical talk about the Sovietization of the Baltic countries is only to the interest of our common enemies and of all anti-Soviet provocateurs.

In view of the improvement in our political relations with Esthonia, Latvia and Lithuania, the Soviet Union has gone a long way to meet the economic requirements of these states and has concluded trade agreements with them for this purpose. Thanks to these economic agreements, trade with the Baltic countries will increase several fold, and there are favourable prospects for its further growth. At a time when all the European countries, including the neutral states, are experiencing tremendous trade difficulties, these economic agreements concluded by the U.S.S.R. with Esthonia, Latvia and Lithuania are of great and positive importance to them.

Thus the rapprochement between the U.S.S.R. on the one hand, and Esthonia, Latvia and Lithuania, on the other, will conduce to the more rapid progress of the agriculture, industry, transport, and the national well-being generally of our Baltic neighbours.

Twelve months later the cattle trains moved east from these three little Baltic countries.

The Soviet leaders have been pinned under the spotlight by the United Nations. The dilemma the Russians now face is a cruel one for them. The moral judgment of the world has been mobilized against them. They must respond to it in increasing degree or forfeit the influence which they covet to exert in much of the world. Possibly some countries in the Middle East or elsewhere had forgotten the tragic lesson of Lithuania, Esthonia, and Latvia. Surely, however, the lesson of Budapest will give them pause before they choose to sup with the devil.
I repeat, I believe in Hungary the Soviets have won a temporary victory but at the cost of the loss, in the long run, of their campaign for the world.

Facing Our Responsibilities

As I close, I would like to recapitulate the major points which I have tried to make.

First, I think that all of us in the United Nations and, if I may say so, particularly Canada and the United States, must seek and find lasting solutions to the problems in the Middle East. These problems include the need to eliminate the risk that through miscalculation the Soviets might resort to open aggression. President Eisenhower's proposal to the Congress of the United States is addressed to this risk.

Then policies must be framed and actions taken which will eliminate or substantially reduce the risk that through despair or hopelessness peoples in that area may fall under Communist domination by subversion or their own lack of will. To this problem President Eisenhower has also addressed his proposal.

The canal must be cleared and operated effectively and fairly.

A lasting peace must be achieved between Israel and its Arab neighbors.

These are all hard and difficult problems. It will take straight thinking, courage, and patience to find the answers. All of us in the United Nations have a responsibility to contribute to that process, and I think that we in Canada and the United States bear a special responsibility. We cannot afford to fail.

Secondly, there must be restored and strengthened comradeship and mutual trust within the Atlantic alliance. This we in the United States are determined to achieve, as I know others equally are. It would be tragic indeed were we to fall apart, later to succumb one by one to the adversary dedicated to our destruction, at the very time when the historically inevitable cracks in the Soviets' monolithic structure are just beginning to be visible.

Then we must not permit the Soviets to twist or warp their way out of the spotlight under which they are now pilloried for all the world to see. We must never let the subjugated peoples of the world come to believe that we have forgotten them. We must never acquiesce in slavery, and we must lend every encouragement to the peaceful liberation of those now enslaved.

Finally, we must refuse to accept as inevitable or enduring a “double standard” of international morality. History and time are on our side. Dictatorships pass away, but this does not just happen. It comes as the result of free men seeking and finding courageous, timely, and constructive solutions to the intractable problems which confront all generations born, like ours, in a period of historic crisis.

Failure of Chinese Communists
To Release Imprisoned Americans

Press release 43 dated January 29

Communist spokesmen and propaganda media have intensified in recent weeks their efforts to mislead the world concerning the continued imprisonment in Communist China of 10 American civilians. These Americans are held in cynical disregard for an unqualified Chinese Communist pledge on September 10, 1955, to take measures for their release “expeditiously.”

After having used other excuses to explain away or divert attention from their failure to keep their word, the Chinese Communists have now fallen back on the specious allegation that the United States has failed to keep its own commitment with respect to Chinese nationals in this country.

Although this allegation has been made repeatedly by Communist officials at the highest levels and by official Communist propaganda organs, there is no truth in it. The facts are as follows:

On September 10, 1955, the U.S. Government and the Chinese Communists, on the basis of ambassadorial talks begun at Geneva on August 1, 1955, issued simultaneous announcements making identical pledges concerning the respective nationals of either side desiring to return home. They contain the unequivocal promise to take “appropriate measures so that they [American and Chinese nationals desiring to return] can expeditiously exercise their right to return.”

At the time of these declarations there were 19 American civilians known to be held in Commu-

1 For text of agreed announcement, see Bulletin of Sept. 19, 1955, p. 456.
nist China against their will. Today there still are 10.2

On the other hand, there was at that time no Chinese resident in the United States who had evidenced a desire to go to Communist China and who was being prevented from doing so. That was the case before the beginning of the ambassadorial talks and has continued to be the case to the present time.

The United States, nevertheless, made the announcement cited above because the Communists insisted that they would not make such a commitment unless accompanied by a parallel statement on the part of the United States. The United States has, in fact, gone to great lengths to carry out meticulously its commitment under the agreed announcement of September 10, 1955. We have widely publicized by press, television, and radio the right of any Chinese to return to Communist China unhindered. We placed in 35,000 post offices throughout the country notices containing the text of the agreed announcement. On several occasions we have publicly called on anyone to come forward who knows of any Chinese who believes his departure is being obstructed. There has not been a single response.

The Indian Embassy, as provided by the agreed announcement, has been authorized to make representation on behalf of any such Chinese and has brought no case to our attention of any Chinese being prevented by the United States from returning to Communist China.

When the agreed announcement was signed, there had been no discussion whatever to suggest that it was intended to apply to common criminals, such as narcotic offenders. In fact, the only prisoners ever discussed in the talks leading to the announcement were Americans imprisoned in Communist China. However, when the Chinese Communists gave as a reason for noncompliance with the agreed announcement the fact that certain Chinese citizens were in fact in American prisons, we acted promptly to dispel any possible question on that score.

Last May 31 the Department of State gave the Indian Embassy a complete list of all Chinese convicts in Federal and State penitentiaries, a total of 34, and invited the Embassy to interview them to ascertain whether they desired to be released for the purpose of going either to Communist China or Taiwan. The Chinese Communists refused to authorize the Indian Embassy to conduct these interviews, and they were carried out instead by the American National Red Cross. By the time of the interviews the normal parole process had reduced the number of prisoners from 34 to 24. The Red Cross found that, out of the 24, one prisoner desired to go to Communist China and two to Taiwan. All of the others preferred to serve out their sentences in the United States.

The prisoner who expressed a desire to go to Communist China was deported to that destination on October 29, 1956. He had then served 2½ years of a 7-to-20-year sentence for manslaughter. Deportation of the two prisoners desiring to go to Taiwan is being arranged.

The Department of State repeats that, if there is any Chinese in the United States who desires to return to Communist China and believes he is being prevented from doing so, he should at once communicate with the Department directly or through the Indian Embassy and his departure will be facilitated immediately.

Not only are all Chinese free to depart this country, but since July 11, 1955, many hundreds have done so without being hindered in any way. The U.S. Government has no means of knowing the final destination of any of those who have departed. Of the total who have left, 270 are known to have returned direct to the China mainland through Hong Kong by ship from the United States in the period from the beginning of the Geneva ambassadorial talks through December 31, 1956.

Failure to take measures for the release of the 10 Americans is not the only violation of the agreed announcement of which the Chinese Communists are guilty. They have also repeatedly denied to these prisoners the right of communication with the British Embassy in Peiping which is explicitly guaranteed to them.

The United States, on the other hand, has offered and continues to offer any Chinese in this country, regardless of status, the unrestricted

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right to communicate with the Indian Embassy at any time if he believes his right to depart is being obstructed.

The agreed announcement represents the first and only parallel commitment ever made by the United States and Communist China. The attitude of the Chinese Communists toward performance of their obligation cannot but affect the weight to be given to future promises from the same regime.

America's Responsibilities and Opportunities in Asia

by Howard P. Jones
Deputy Assistant Secretary for Far Eastern Economic Affairs

Since the subject of my talk here was selected, a great many things have happened. Israeli, British, and French forces entered Egypt. Soviet tanks smashed into Hungary and massacred citizens striving for freedom. The United States took a position in the Suez crisis which aroused criticism on the one hand and great acclaim on the other. The President announced and presented to Congress a new American policy in the Middle East.

I have been to the Far East subsequent to most of these events and have had, consequently, a special opportunity to appraise Asian reaction to American policy. Hence, with your concurrence, I should like to broaden the content of my remarks to cover the implications of these developments, particularly as they appear through the eyes of the Asian.

I have just returned from attending the Colombo Plan conference in Wellington, New Zealand. The Colombo Plan, as most of you know, is a Consultative Committee representing 18 countries set up to do something about the development problems of South and Southeast Asia. The United States has been a member of this group since shortly after its establishment. Nations represented include Asian nations—from Japan on the north to Pakistan on the west and Indonesia on the south—the United Kingdom, the United States, Canada, Australia, and New Zealand. The Committee provides the framework for an international cooperative effort to assist the countries of the area in solving their economic problems and in raising their living standards.

This was a most interesting meeting. It provided an opportunity not only to study the economics of the area and work out mutually acceptable solutions to economic problems; at this particular time, it presented also an unusual opportunity to take a sort of Gallup poll of Asian thinking. Stops in six Far Eastern countries en route home provided a further check on these conclusions.

I can report that never before within my experience has American prestige in Asia been so high. To understand why this was so, it is necessary to cast a glance backward at recent events.

American Prestige in Asia

Three months ago our friends and allies bypassed the United Nations and took direct military action to settle their dispute despite the fact that all members of the U.N. were pledged to settle their differences peacefully. U.S. policy had been firmly based upon this latter principle. What would the U.S. do in this new situation?
The world watched and waited. Would we stand by our principles, or would we conveniently look the other way, adopt some subterfuge to avoid facing the issue?

Our stand was foursquare. We denounced the use of force not sanctioned by self-defense or United Nations mandate. Our friends used the veto and prevented action by the Security Council. We immediately took the issue to the General Assembly, not subject to veto. Here our position was endorsed by practically every nation in the world.

President Eisenhower phrased our position as follows:

First, we cannot and we will not condone armed aggression—no matter who the attacker, and no matter who the victim.

We cannot—in the world, any more than in our own nation—subscribe to one law for the weak, another law for the strong; one law for those opposing us, another for those allied with us.

There can be only one law—or there will be no peace. . . . We believe that integrity of purpose and act is the fact that must, most surely, identify and fortify the free world in its struggle against communism.

The United States had passed the supreme test. To Asia the President's words meant even more than they stated—they meant that we did not have one standard for the West and another for the East, one for the white man and another for the brown man.

Another event, a tragic event, following swiftly on the heels of the President's statement, gave sudden dramatic confirmation to the Asian's newly formed conviction about America. This was the terrible Soviet oppression in Hungary. America, the Asian concluded, might be right about communism too.

And as the result of our earlier action in the U.N., when the Soviets made their barbarous move in Hungary the United States was in a position of moral leadership to condemn and mobilize world opinion against the monstrous crime against humanity which the Soviet oppression represented.

Significant evidence of the changed viewpoint of the so-called neutralist countries in Southeast Asia may be obtained from the recent vote in the U.N. on the Hungarian issue. Originally, the representatives of these nations abstained, but the resolution on the Hungarian item which would set up a committee of five to observe and report was approved 59 in favor, 8 (Soviet bloc) against, with 10 abstentions (Afghanistan, Cuba, Egypt, Finland, India, Sudan, Saudi Arabia, Jordan, Syria, and Yugoslavia). Yemen, South Africa, and Hungary were absent. All the Far Eastern states, including Indonesia and Burma, voted with us.

It must be remembered that most of the new nations of Asia were born after the Soviet occupation of Eastern Europe. They opened their eyes in infant sovereignty to find a Communist Eastern Europe, and most of them never questioned how it came about. The Communist governments of Hungary, Poland, Czechoslovakia, Rumania, and the rest were simply facts of life. That these governments had come into power by terror and force and were holding their power by the same means—that they were minority governments not representative of the people—were truths which apparently had not been impressed upon them as something of which they must take cognizance. By the action in Hungary, the veil was swept away and the truth was revealed.

These two developments—the Suez crisis and the Hungarian affair—created a new situation in Asia and in Asian–United States relations. In one dramatic instant, the United States of America became much more than one of the two great power centers in the world to the Asian. It became a moral force as well. We Americans have always prided ourselves upon the essential rightness of our thinking and our policies. But in Asia, a part of the world which regarded the West from the point of view of the exploited, even America, which had demonstrated her principles by giving the Philippines their independence, continued to be regarded with some suspicion. This latter gesture, Asians were inclined to feel, had some hidden meaning. It was too good to be true.

All this is, at least to some degree, now changed. The United States has suddenly acquired an enhanced leadership in the free world as well as the leadership inherent in its own strength. And we are thus presented with a great opportunity and a great responsibility. To both of these President Eisenhower's new program for the Middle East was a ringing response.
President's Middle East Proposal

The President's proposal represents at least in part an extension to the Middle East of a principle successfully applied in the Far East—in the words of President Eisenhower, to insure "the full sovereignty and independence of each and every nation of the Middle East."

This is no policy of aggression—it is a policy of resistance to aggression. Again, in the President's words, "The Soviet Union has nothing whatsoever to fear from the United States in the Middle East, or anywhere else in the world, so long as its rulers do not themselves first resort to aggression."

The President's proposal for the Middle East may be summarized as follows: It would ...

... authorize the United States to cooperate with and assist any nation or group of nations in the general area of the Middle East in the development of economic strength dedicated to the maintenance of national independence.

... authorize the Executive to undertake in the same region programs of military assistance and cooperation with any nation or group of nations which desires such aid.

... authorize such assistance and cooperation to include the employment of the armed forces of the United States to secure and protect the territorial integrity and political independence of such nations, requesting such aid, against overt armed aggression from any nation controlled by International Communism.

To implement this proposal, the President has asked Congress for authority to use, without regard to existing limitations, up to $200 million of funds already appropriated to carry out the mutual security program this fiscal year. In addition he proposes to ask Congress in subsequent legislation for an authorization of $200 million to be available during each of the fiscal years 1958 and 1959 for discretionary use in the area, in addition to the other mutual security programs.

Changing Situation in Far East Since 1950

Although the new policy for the Middle East has differing characteristics to meet somewhat differing problems, fundamentally it represents an application of a principle, tried and proved in the Far East, to the Middle East. It is appropriate, therefore, to examine what has happened in the Far East in recent years.

The dramatic turning point in our Far Eastern policy came with the Korean war in June of 1950. The Far East which faced us at that time was a discouraging sight. The Communists had just taken over the China mainland. Political and economic turbulence characterized every country in the Far East. Almost without exception, every nation in the area was struggling against a hostile army within its borders and none was secure from the Communist onslaught.

In Korea the United Nations, bolstered by the full strength of American military forces, was at war. In Malaya, from their jungle headquarters, Communist forces were spreading terror. The Huks in the Philippines were doing the same. Both constituted a dangerous threat to the free governments concerned. Indonesia had just put down a military coup sponsored by the Communists and was still fighting a guerrilla war with Communist bandits. There was civil war in Viet-Nam and in Burma. In Japan, Communist activists were organizing riots. Nowhere was there security or stability.

Contrast the situation in the Far East as we find it today, 6 years later.

There is peace in Korea. We found the situation in Korea stabilized, and great progress has been made toward rehabilitating that war-torn economy.

In Malaya the jungle Communists have been eliminated as a threat and their leaders are calling for peace on whatever terms they can get.

The Philippine people were no longer talking about the Huk threat—President Magsaysay has been successful in virtually wiping it out. We found the Philippines enthusiastically working to develop their economy with American assistance.

In Indonesia we found a completely different atmosphere from that which prevailed only a year ago. I served in Indonesia as the head of our economic aid mission. At that time, practically every newspaper in Indonesia was at best neutralist or, more likely, leaning to the left. Last month every newspaper in Djakarta, the capital, except the Communist press, was attacking the Communists for their action in Hungary and several of them were criticizing the government for its abstention on the U.N. resolution condemning the Soviet action in Hungary. Praise for the U.S. position was heard on all sides.

The President's new policy for the Middle East
had not at that time been proposed. Let us not delude ourselves. Efforts will be made by the Communists to misinterpret this new policy. They will attempt to drive a further wedge between us and our allies by charging imperialist America with taking the place of imperialist Britain and France. They will tell the Middle East and the Asian-African bloc that this is an attempt to substitute one colonial master for another. But I believe this propaganda will, for the most part, fall on deaf ears.

Indonesia is having her own internal troubles today. But these revolve primarily around domestic economic and political issues.

In Viet-Nam, even so recently as a year and a half ago, the newly independent government was fighting against tremendous odds for its existence. It was faced with a military and subversive threat from Communist forces north of the 17th parallel; it was confronted by internal strife. Today we find a firmly entrenched nationalist government under the leadership of President Diem. This government has proved its capacity to survive in the face of Communist external pressure and subversive efforts and at the same time to assume the responsibilities of independence and representative government.

Japan has been established as a member nation of the free world. Japan, like Germany, has staged a remarkable economic recovery, and its growing self-defense capabilities are encouraging. I have visited Tokyo five times since the war. From a city which was almost totally destroyed, it has reached a point where it is difficult to find any trace of war damage.

Everywhere we look in the Far East today, although the problems which face us are serious and manifold, nevertheless we find situations which can give us satisfaction when compared with the past.

**Objectives of International Communism**

The general situation I have just described is the result of a firm, strong policy—nonaggressive, nonthreatening, but resolute and determined. Every one of the countries listed has had its own disillusioning experience with the Communists. Our network of mutual defense treaties and the SEATO [Southeast Asia Treaty Organization] Pact in the Far East has put a defensive shield around that area. Our economic aid has helped the governments to stabilize their political and economic situation and concentrate on the vital objective of improving their living standards.

Important as these accomplishments are, it is necessary to remember that permanent solutions are not yet at hand. After the recent events in Hungary, it is hardly necessary to observe that the Communists haven't changed, that their objectives remain just what they always have remained—the conquest of the world. It is easy to say this today and to be believed. Yesterday, it was not always so easy.

You will all recall that last year much was made of the new face which the international Communists were presenting to the world. This new face was exhibited on all sides, internally and externally. Internally it was dramatically displayed in the denigration of Stalin. Externally it was demonstrated in the openhanded visits of Khrushchev and Bulganin to Rangoon and Karachi, Djakarta and New Delhi, the application of the baby-kissing, gift-bearing technique to the world in general and Southeast Asia in particular. In the West, Soviet smiles were so convincing that a new phrase was coined—"the Geneva spirit." The Soviets made tremendous headway with this new approach because people had forgotten, if they ever knew, the real motives and objectives of the international Communists.

A few years ago in Berlin, Germany, I spent an evening with a patriotic Russian who had defected from the Soviet headquarters in Berlin. Some of you may have read the book which he later wrote. If not, I commend it to you. His name is Klimov. The book he wrote was entitled *Terror Machine—The Inside Story of the Soviet Administration in Germany*.

Major Klimov was maintaining that the majority of the Russian people were against the regime in the Kremlin.

"But that is impossible for me to believe," I protested. "Thirty years have passed—a new generation of Russians has grown up. They know nothing of the outside world and they have been fed propaganda continuously. How could their minds challenge the all-powerful masters of the Kremlin?"

Klimov was silent for several moments. Finally, he said, "Nevertheless, I am right. Perhaps I can explain it to you this way. A human being—any human being—reacts alike to certain
stumbled. He reacts alike to hunger, he reacts alike to thirst, and he reacts alike to injustice. And Russia is full of injustice!"

Today we all know that Klimov was right. Not only Russia—the entire Communist world is full of injustice, of "man's inhumanity to man." We know, too, what villainy lies behind the false face of last year.

There has been, I submit, no excuse for our not knowing all along. Long ago Lenin prescribed the formula that has been followed ever since. "First," he said, "we will take Eastern Europe, then the masses of Asia, and then we'll surround America, that last citadel of capitalism. We won't have to attack; it will fall into our lap like an overripe fruit." But, if we had forgotten Lenin, we might have read a speech by Mr. Khrushchev, the number-one Soviet Communist, at a state dinner in Moscow on September 17, 1955: "Anyone who mistakes our smiles for withdrawal from the teachings of Karl Marx and Lenin," he said, "is making a mistake. Those who expect this will have to wait until Easter Monday falls on Tuesday."

No Political Settlement

So, while I think that we may fairly characterize our Far Eastern policy as a success to date when we look at the progress that has been made, this is no time for relaxation of our guard. Indeed, many of the same dangers still face us in the Far East and will face us for many years to come. There has been no political settlement—nor can there be with communism except on Communist terms. This has been made abundantly clear.

One of the first rules of a soldier is, "Know your enemy." We know our enemy. But what is he doing in the Far East?

In North Korea, across the demilitarized zone, stands a Communist army, far more effective than it was at the signing of the truce 3½ years ago. There the Communists have introduced 350 jet planes and built new jet airports and strengthened the firing power of their forces, all in violation of the terms of the armistice.

In Viet-Nam the same story is repeated. Again, since the 1954 talks in Geneva, the military forces of the Viet Minh have been strengthened in violation of the terms of the armistice. Firepower has been increased sixfold. Chinese Communist arms and ammunition and training instructors have been introduced.

And, finally, across the South China Sea lies Formosa—more properly, Taiwan. Taiwan is a small island some 200 miles in length and 80 miles in width. Insignificant as it appears on the map, it has a population of 10 million, larger than that of Australia. This island is an important link in the free world's Pacific chain of defense that runs from Japan through Korea, Okinawa, the Philippines, and so on down the Pacific.

Across 75 miles of stormy straits stand powerful Communist military forces. Chou En-lai, the Chinese Communist Premier, has said repeatedly, "We intend to take Taiwan by peaceful means, if possible; by force if necessary." Opposite Taiwan, on the China mainland, 10 new jet airfields have been constructed in the past year. These fields are being readied to launch and service the warplanes of the Chinese Communist air force, now boasting over 1,500 jet planes. In addition, a military railroad is being built from the harbor of Amoy, opposite Taiwan, to connect with the main north-south railroad from Canton to Shanghai, linking this coastal point to Mukden in Manchuria and from there connecting it with the great trans-Siberian railroad from Vladivostok to Moscow and Leningrad.

Geneva Discussions With Chinese Communists

Discussions have been held for a year and a half in Geneva between Ambassador U. Alexis Johnson, representing the United States, and Chinese Communist Ambassador Wang Ping-nan on two subjects: (1) the release of American prisoners still held in Communist China; and (2) an attempt to obtain a meaningful renunciation-of-force agreement applicable to the Taiwan area.

As a matter of interest to every American, you should know how the first matter stands. Sixteen months ago, on September 10, 1955, the Chinese Communist representatives in the discussions which have been going on in Geneva said:

The People's Republic of China recognizes that Americans in the People's Republic of China who desire to return to the United States are entitled to do so, and declares that it has adopted and will further adopt appropriate measures so that they can expeditiously exercise their right to return.

As of today, only 9 of the 19 Americans have
been released. Ten are still in Communist Chinese prisons.

But it is the second item that particularly concerns us in relation to the subject before us. If these Chinese Communists were sincere, it would be a simple matter to agree upon a statement in which both countries renounce the use of force to obtain their objectives.

During the many months when our Ambassador has been endeavoring to gain acceptance of a statement by the Communists, the declaration has gone through many drafts. In essence there are only two words that prevent us from getting together on such a statement. These two words are significant. They are these: 'including Taiwan.' The Chinese Communists, in brief, are willing to renounce the use of force in gaining their objectives except as respects Taiwan, the only place where it is meaningful.

But this—military action and pressure—is only one of the weapons in the Communist arsenal. Others are terror, subversion, economic programs of aid or economic warfare, as the case may be, and political action.

American policy in the Far East can be stated very simply. It is to strengthen the countries of the free world and to curb the power and prevent the expansion of communism. To do this, it is essential to help the people of free Asia in their aspirations for independence and a better life in an atmosphere of peace and prosperity. Again, to do this, it is necessary to assist these countries to build military strength adequate to resist aggression.

The mutual security program, through defense support and technical and economic-development assistance, is helping these free countries to achieve their objectives. The military assistance part of the program—in SEATO and outside of SEATO—is assisting them in maintaining internal order and security and in creating a first line of defense against aggression while they build up internally.

The people of Asia must have hope that they will be more secure and better off tomorrow than they are today. So long as this hope exists, we may assume that, barring aggression, these free nations will remain free. There will be no reason for them to succumb to the blandishments of communism.

You have all heard so much about the mutual security aspects of our foreign economic aid programs that the words may have lost their meaning. The essence of the relationship, however, between the U.S. Government and these governments is one of partnership in achieving a mutually desired goal. It is too bad that we have not found a better phrase than "foreign aid" to describe this policy and program, for the program is in our own interest as much as it is in the interest of the nations that are assisted.

The aid programs are, in brief, designed to help these countries improve the standard of living of the millions of Asians who have lived in poverty and economic stagnation for centuries. The productivity of these countries—both in agriculture and industry—must be increased in order to eliminate poverty. The long road ahead may be somewhat measured by the fact that per-capita productivity in America is almost 25 times as great as that in Asia.

In the Far East, every nation knows—even the neutral nations know—that it is American strength in the Pacific that keeps them free. It is American military might that keeps the Communist aggression at bay behind existing boundaries. It is American economic aid that is strengthening these nations behind the barricade thus erected. This aid, contrary to Soviet propaganda, has no strings; it is designed solely to assist these nations in preserving their own freedom and independence—in brief, to keep free nations free.

This fundamental policy, successful in the Far East, faces a new test in the Middle East, but faces it at a time when U.S. motives are better understood than ever before. The risk may be great, but the prize is great—for the prize is peace in a free world.

**Correction**

Bulletin of November 19, 1956, p. 708, second column—The last word in the fourth line should read "humble."
Question of Withdrawal of Israeli Forces From Egypt

Following are the texts of two statements made by U.S. Representative Henry Cabot Lodge, Jr., in the plenary session of the U.N. General Assembly during debate on the Middle East question, together with two reports to the Assembly by Secretary-General Dag Hammarskjold and a note from the Secretary-General transmitting an aide memoire from the Israeli Government.

STATEMENT BY AMBASSADOR LODGE, JANUARY 17

U.S. delegation press release 2393

The General Assembly has placed emphasis and high priority on achieving a cease-fire and on the prompt withdrawal of all foreign forces from Egyptian territory. A cease-fire has been achieved and is being maintained. The withdrawal of United Kingdom and French forces has been completed.¹

Israeli forces, however, have not yet been completely withdrawn in full compliance with General Assembly resolutions. In his latest communication the Secretary-General reports that the Israeli Government intends to evacuate its forces from the Sinai by January 22, with the exception of the Sharm al-Shaykh area. The Secretary-General also reports that the intentions of the Government of Israel regarding withdrawal of its forces from the Gaza Strip have not yet been made known to him. He assumes that Israel wishes to make further observations on this question. This assumption is based on the oral statement of the representative of Israel that his Government is prepared at an early stage to discuss with the Secretary-General proposals for arrangements for the Gaza Strip.

The United States has spoken clearly and unequivocally in favor of prompt withdrawal of all foreign forces behind the armistice lines. We have supported prompt and complete withdrawal. We have supported each of the resolutions of the General Assembly giving effect to this essential principle. We continue to hold this view and will vote for the resolution now before the Assembly. In taking this position we recognize the need for further consultations with General Burns ² and the Secretary-General in preparation for the withdrawal of the Israeli forces from the positions they now occupy beyond the armistice lines.

The resolution before us is a reiteration of the position already taken by the Assembly. It is, in the circumstances it is a reasonable and moderate resolution. It avoids condemnation and recriminations. It focuses on the immediate problem. As the Secretary-General has stated in his report, "withdrawal is a preliminary and essential phase in a development through which a stable basis may be laid for peaceful conditions in the area." We agree with the Secretary-General that compliance with the General Assembly resolutions will enable us all to turn to the many constructive tasks which must be completed if conditions in the area are to improve.

The United States is, of course, concerned with the bearing of withdrawal on the maintenance of the cease-fire. We feel it is important that the United Nations Emergency Force move in immediately behind the withdrawing Israeli forces in order to assure the maintenance of the cease-fire and to safeguard the Armistice Agreement. This

¹ For a report by the Secretary-General on British and French withdrawal, see Bulletin of Dec. 17, 1956, p. 952.

is particularly important at this final stage of the withdrawal because the areas in question have been major sources of tension and the sites of many hostile actions in the past. We believe that the United Nations Emergency Force should be so deployed as to be in a position to prevent a recurrence of such hostile activities.

We are encouraged to note from the report of the Secretary-General dated January 15 that considerable progress has been achieved in the withdrawal of Israeli forces from Egyptian territory. We hope that the Secretary-General will be in a position promptly to announce further definite plans for the deployment of the United Nations Emergency Force along the Egyptian-Israeli armistice line and in the area of the Straits of Tiran.

Finally, the United States considers it essential that both Egypt and Israel undertake scrupulously to observe the provisions of the Armistice Agreement. No matter how effectively the United Nations Emergency Force discharges its responsibilities or regardless where it may be deployed, the maintenance of the cease-fire will in the end depend on full observance by both sides of the provisions of the Armistice Agreement.

STATEMENT BY AMBASSADOR LODGE, JANUARY 23

U.S. delegation press release 2601

As we have said before, the United States thinks that Israel must withdraw its forces without further delay. Immediately thereafter, the United Nations Emergency Force should move in behind the withdrawing Israeli forces in order to assure the maintenance of the cease-fire and to safeguard the Armistice Agreement. This is the essential basis for creating peaceful conditions.

We have studied the Secretary-General’s report with great care and we have concluded that the measures which he suggests are fair and practicable. They are, in fact, essential. The report is positive and constructive. It fully justifies our trust and confidence in the Secretary-General. The carrying out of his suggestions will mark a turning point in the unhappy history of this problem.

Without necessarily endorsing all the legal points contained in his report, the United States does endorse the basic premise upon which the Secretary-General bases his recommendations. We believe that the United Nations Emergency Force should cooperate with the United Nations Truce Supervision Organization. We agree that strict observance by both Egypt and Israel of the provisions of the Armistice Agreement and the fullest respect for the resolutions of the Security Council and the General Assembly are the keys to the restoration of peace and stability. Under the agreement and pursuant to the Security Council’s decisions, neither side may assert any belligerent rights, much less engage in hostile action.

Under the Armistice Agreement also there is a clear legal basis for a separation of the armed forces of the two sides. The deployment of the United Nations Emergency Force must, as the Secretary-General recommends, be such as to assure that this separation is achieved. That is why the United States strongly supports the Secretary-General’s recommendations concerning the deployment of the United Nations Emergency Force on both sides of the armistice lines, particularly with regard to the sensitive positions in the Gaza and El Anja sectors.

We believe that it is essential that units of the United Nations Emergency Force be stationed at the Straits of Tiran in order to achieve there the separation of Egyptian and Israeli land and sea

Resolution on Withdrawal of Israeli Forces

U.N. doc. A/RES/453

The General Assembly,

Recalling its resolutions 997 (ES-I) of 2 November 1956, 998 (ES-I) and 999 (ES-I) of 4 November 1956, 1062 (ES-I) of 7 November 1956 and A/RES/410 of 24 November 1956,

Noting the report of the Secretary-General of 15 January 1957,

1. Notes with regret and concern the failure of Israel to comply with the terms of the above-mentioned resolutions;

2. Requests the Secretary-General to continue his efforts for securing the complete withdrawal of Israel in pursuance of the above-mentioned resolutions, and to report on such completion to the General Assembly, within five days.

1 Adopted by the General Assembly on Jan. 19 by a vote of 74 to 2 (France, Israel), with 2 abstentions (Costa Rica, Cuba).
forces. This separation is essential until it is clear that the nonexercise of any claimed belligerent rights has established in practice the peaceful conditions which must govern navigation in waters having such an international interest. All of this would, of course, be without prejudice to any ultimate determination which may be made of any legal questions concerning the Gulf of Aqaba.

The United States hopes that this General Assembly will give decisive support to these and other recommendations set forth in the report. We believe the Secretary-General should be authorized to carry out these measures immediately upon the withdrawal of Israeli forces.

I cannot emphasize too strongly, Mr. President, one point which seems paramount to the United States Government. Surely this Assembly would not be satisfied with the return to the unsatisfactory conditions which helped to bring about the recent hostilities. But it must be clear to all that the sort of assurances that are sought in this connection can be given effect—and they must be given effect—only after Israel completes the withdrawal of its forces behind the armistice lines.

Let me conclude by appealing to the parties directly concerned to recognize that the success of United Nations action rests upon compliance by each of them with the resolutions of the General Assembly, the provisions of the Armistice Agreement, and the decisions of the Security Council. The United Nations Emergency Force is carrying out its important mission for the benefit of both Israel and Egypt with the full authority of the General Assembly, to which it is responsible. Under the circumstances, neither side should seek unilaterally to impede the operations of the United Nations Emergency Force.

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**REPORT BY U.N. SECRETARY-GENERAL, JANUARY 15**

U.N. doc. A/3500 and Add. 1

1. A report on compliance with the General Assembly resolutions of 2 and 7 November 1956, with particular reference to the withdrawal of forces, was submitted to the General Assembly by the Secretary-General on 21 November 1956, as document A/3384. At that time only limited withdrawals had taken place. On 22 December 1956, however, the withdrawal of the Anglo-French forces was completed, thus achieving full compliance with one aspect of the requirement defined in the four resolutions of the General Assembly relating to withdrawal of forces (resolution 997 (ES-I) of 2 November 1956, resolution 999 (ES-I) of 4 November 1956, resolution 1002 (ES-I) of 7 November 1956 and resolution A/RES/416 of 21 November 1956). Thereafter, those aspects of compliance concerning withdrawal of forces have involved only Israeli troops.

2. An oral report on the extent of the withdrawal of Israeli forces at that time and the further withdrawal in prospect, was presented by the Secretary-General at the 632nd meeting of the General Assembly on 21 December 1956.

3. On the basis of the several relevant resolutions, the Secretary-General has held extensive discussions with representatives of the Government of Israel, aiming at full compliance with the withdrawal requirements by the earliest possible date. In the course of these discussions, which have taken place since the letter of the Representative of Israel of 24 November 1956, reported the first Israeli withdrawal (A/2339 and A/2339/Add.1), the Israeli representatives have announced further withdrawals of Israeli troops, which have occurred in phases as follows:

   (a) On 3 December 1956, withdrawal from the Suez Canal area, along the length of the Canal, to a distance of some 50 kilometres.

   (b) On 7-8 January 1957, withdrawal to a line roughly following Meridian 33 degrees 44 minutes, leaving no Israeli forces west of El Arish.

   (c) On 15 January, withdrawal eastward another 25 to 30 kilometres, except in the area of Sharm al-Sheikh. This phase involved the entry into El Arish and the St. Catherine Monastery of UNEF forces, which have closely followed the Israeli withdrawals.

4. On 14 January, the Representative of Israel, on behalf of his Government, conveyed to the Secretary-General the following communication concerning an intended further withdrawal:

   “By 22 January the Sinai Desert will be entirely evacuated by Israeli forces with the exception of the Sharm al-Sheikh area, that is, the strip on the western coast of the Gulf of Aqaba which at present ensures freedom of navigation through the Straits of Tiran and in the Gulf.

   “In connection with the evacuation of this strip the Government of Israel is prepared to enter forthwith into conversations with the Secretary-General.”

The Commander of UNEF is to meet with the Commander of the Israeli forces to make arrangements for carrying out this latest phase of the withdrawal. At this meeting, the Israeli Commander will be requested to define the precise meaning of “the Sharm al-Sheikh area” and “the strip on the western coast of the Gulf of Aqaba.”

5. The intentions of the Government of Israel concerning compliance with the resolutions by withdrawal of Israeli forces from the Gaza Strip have not yet been made known to the Secretary-General.

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*For texts, see Bulletin of Nov. 12, 1956, p. 754; Nov. 19, 1956, pp. 793 and 794; and Dec. 10, 1956, p. 917.*
II

6. The basic resolution of the General Assembly on the Middle East crisis (2 November 1956) urged a prompt withdrawal of the forces of all parties to the armistice agreements behind the armistice lines and requested the Secretary-General "to observe and report promptly on the compliance" with the resolution, for such further action as may be deemed appropriate in accordance with the Charter. The resolution also covered other points of significance to progress toward improved conditions in the region. Thus, in the same operative paragraph in which the request was made for a withdrawal of forces behind the armistice lines, the parties were urged "to desist from raids across the armistice lines into neighbouring territory and to observe scrupulously the provisions of the armistice agreements". The three points in this operative paragraph, while existing simultaneously within the terms of the paragraph, were not linked together conditionally.

7. The request in the resolution of 2 November that the Secretary-General observe and report on compliance was later added to in the resolution of 4 November (resolution 999 (ES-1)) wherein the Secretary-General, with the assistance of the Chief of Staff and the members of the United Nations Truce Supervision Organization, is asked "to obtain compliance of the withdrawal of all forces behind the armistice lines". The discussions with representatives of the Government of Israel, the results of which have been noted above, have been conducted on the basis of this mandate to the Secretary-General for taking action to achieve full implementation of the request for withdrawal. The resolution of 4 November (resolution 999 (ES-1)), asking the Secretary-General to undertake specific executive responsibilities, covered also the implementation of the cease-fire and the halting of the movement of military forces and arms into the area, but was not extended to the other points in the resolution of 2 November.

8. In consequence of the intended withdrawal announced in the latest communication to the Secretary-General from the Government of Israel on 14 January 1957, the United Nations Emergency Force on 22 January will reach the armistice demarcation line wherever it follows the north-eastern boundary of the "Sinai Desert". At that stage the last two points in operative paragraph 2 of the resolution of 2 November will assume added importance.

9. One of these points is the request for full observance of the provisions of the armistice agreements. This request makes it clear that the withdrawal of Israeli forces must be behind the armistice line as it has been established in the Egypt-Israel agreement. In this context it is to be noted, therefore, that the Israel communication is silent about withdrawal from the Gaza Strip which, according to this armistice agreement, falls on the Egyptian side of the armistice demarcation line. Further discussions with the representatives of Israel are required on this point. It is assumed that the Government of Israel wishes to make further observations on the question. Thus, when presenting the aforementioned communication on 14 January 1957, the Representative of Israel stated orally that his Government is prepared "at an early stage" to discuss with the Secretary-General "proposals for arrangements for the Gaza Strip".

10. The other point which is mentioned together with the request for withdrawal refers to raids across the armistice demarcation lines into neighbouring territory. Such raids are prohibited also in the armistice agreements. The call for general observance of these agreements reinforces the specific request to the parties to desist from raids. The cease-fire arrangements given to the Secretary-General by the parties in April and May 1956 lent further legal solemnity to the relevant articles in the armistice agreements.

11. The Truce Supervision Organization established under the armistice agreements, as one of its main duties, assists in the prevention of incursions and raids. It is in accord with the call for scrupulous observance of the armistice agreements for the parties to take all appropriate measures to give UNTSO the support necessary to render it fully effective. It is a primary duty of the United Nations Emergency Force to supervise and enforce the cease-fire to which the parties committed themselves in response to the request of the General Assembly in the resolution of 2 November. Appropriate liaison should be established between these two United Nations auxiliary organizations. Further consideration may have to be given to the question of the extent to which the Force might assume responsibilities so far carried by the Truce Supervision Organization.

12. The Secretary-General considers that, in view of the serious developments which have taken place, it would assist the two United Nations organs and facilitate compliance with this specific point in the resolution of 2 November, if the parties were formally to reaffirm their undertakings to desist from raids and to take active steps to prevent incursions. When full implementation of the request for withdrawal of forces behind the armistice line is ensured, such reaffirmations should, therefore, in the Secretary-General's view, be solicited from all the parties.

13. The communication of 14 January from the Government of Israel, in making an exception for the Sharm al-Shaikh area as "the strip on the western coast of the Gulf of Aqaba which at present ensures freedom of navigation in the Straits of Tiran and in the Gulf", indicates that the evacuation of the strip is anticipated, although further conversations with the Secretary-General are suggested in connexion with this evacuation. The area referred to and the islands opposite Sharm al-Shaikh are Egyptian territory, or territory under Egyptian jurisdiction on the basis of an agreement with Saudi Arabia. Under the terms of the General Assembly resolution, the forces should be withdrawn from these territories. The Israel declaration of 8 November stated that Israel would be willing to "withdraw its forces from Egypt" (A/3320).

14. The international significance of the Gulf of Aqaba may be considered to justify the right of innocent passage through the Straits of Tiran and the Gulf in accordance with recognized rules of international law. The Secretary-General has not considered that a discussion of the various aspects of this matter, and its possible relation
to the action requested in the General Assembly resolutions on the Middle East crisis, falls within the mandate established for him in the resolution of 4 November.

15. Like the cease-fire, withdrawal is a preliminary and essential phase in a development through which a stable basis may be laid for peaceful conditions in the area. When the General Assembly, in its various resolutions concerning the recent crisis in the Middle East, gave high priority to the cease-fire and the withdrawal, the position of the Assembly reflected both basic principles of the Charter and essential political considerations.

16. The Assembly, in taking this position, in no way disregarded all the other aims which must be achieved in order to create more satisfactory conditions than those prevailing during the period preceding the crisis. Some of these aims were mentioned by the Assembly. Others are to be found in previous decisions of the United Nations. All of them call for urgent attention. The basic function of the United Nations Emergency Force, "to help maintain quiet", gives the Force great value as a background for efforts toward resolving such pending problems, although it is not in itself a means to that end.

17. It is essential that, through prompt conclusion of the first phases of implementation of the General Assembly resolutions, Member Governments should now be enabled to turn to the constructive tasks to which the establishment and the maintenance of the cease-fire, a full withdrawal of forces behind the armistice lines, a desisting from raids and scrupulous observance of the armistice agreements, should open the way.

NOTE BY SECRETARY-GENERAL TRANSMITTING ISRAELI PROPOSALS OF JANUARY 23

U.N. doc. A/3511 dated January 24

The Secretary-General has the honour to transmit hereewith to the Members of the General Assembly the text of an aide-mémoire on the Israel position on the Sharm el-Sheikh Area and the Gaza Strip, which has been transmitted to him by the Permanent Representative of Israel to the United Nations.

Aide-mémoire on the Israel position on the Sharm el-Sheikh Area and the Gaza Strip

A. Background

1. In conversations between the Secretary-General and the Israel delegation during December 1956 and January 1957 it was agreed that the discussion of the problems of Sharm el-Sheikh and the Gaza Strip belonged to the final stage of the withdrawal process. There is an international interest involved in the former; and the problems inherent in the latter are especially complex.

2. Israel's approach to these, as to other problems, is influenced primarily by the policy of belligerency maintained by Egypt for several years. This policy finds expression in the Egyptian doctrine of a "state of war"; in Egypt's refusal to recognize Israel's Charter rights of sovereignty, independence and integrity; and in the organization by Egypt of hostile acts including raids; armed attacks; and blockade activities in the Suez Canal and the Gulf of Aqaba.

It is clear that Israel's policy towards Egypt must be influenced by Egypt's policy towards Israel, since the duties of Member States towards each other under the Charter are governed by the principle of reciprocity. For this reason the Government of Israel has attempted to elicit a definition of Egypt's basic policy towards Israel. On 4 November 1956 and thereafter Israel attempted to clarify whether Egypt intends to maintain a state of war against Israel; whether she agrees to recall fedayeen gangs under her control in other territories; whether she will suspend the economic boycott and blockade of Israel-bound shipping in the Suez Canal; and whether she will agree to enter into negotiations with Israel with a view to the establishment of peace. Egypt's lack of response to these questions can only be interpreted as signifying that Egypt intends to maintain her belligerent policy towards Israel on land, sea and in the air.

3. This consideration strengthens Israel's concern to ensure that the withdrawal of her forces from Egypt should not be undertaken in such manner as to strengthen the serious likelihood of warlike acts against her.

4. The position would be radically different if Egypt would agree to a policy of simultaneous liquidation of belligerent acts. Israel is willing at any time to sign a protocol or other instrument for the mutual and simultaneous liquidation of belligerency; or a non-aggression pact.

B. The Sharm el-Sheikh Area

1. The aim is the simultaneous reconciliation of two objectives—the withdrawal of Israeli forces, and the guaranteeing of permanent freedom of navigation, by the prevention of belligerent acts against shipping in the Straits of Tiran and the Gulf of Aqaba, which have the character of international waterways in which the right of innocent passage exists.

2. The need for accompanying any withdrawal of Israeli forces by related measures for ensuring free navigation and the prevention of belligerency is dictated by the following considerations:

(a) For six years Egypt imposed illegal restrictions on the passage of shipping to Elath by the use and threat of force, through the establishment of gun positions at Sharm el-Sheikh.

(b) If Egypt were able to re-establish her gun positions and to exercise forcible restrictions on Israel-bound shipping a grave danger would arise to peace and security. It is axiomatic that the General Assembly cannot intend its resolutions to lead, in the course of their implementation, to the restoration of an illegal situation with a consequent eruption of conflict.

(c) Egypt has not taken any steps to comply with the basic decision against belligerency and maritime restrictions adopted by the Security Council on 1 September 1951. This fact has a direct effect on the nature of Israel's obligations towards Egypt and on the need for Israel to be safeguarded against maritime blockade in other waterways.

* For text, see ibid., Sept. 17, 1951, p. 479.
(d) Many nations have a legitimate interest in the freedom of navigation in the Gulf of Aqaba; and in the recent discussion of the General Assembly a wide consensus of opinion was heard in favour of establishing suitable measures forthwith for ensuring freedom of navigation.

(e) The deprivations suffered in the past, and still being suffered by many nations, including Israel, through Egypt's refusal to comply with her international obligations in the Suez Canal make it imperative to ensure that the blockade is never restored to the Gulf of Aqaba.

3. Egyptian compliance with the decision of the Security Council of 1 September 1951 has legal and chronological priority over Israel's duty to fulfil recommendations in which Egypt has an interest. Accordingly, Israel formally requests the Secretary-General to ascertain Egypt's intentions with respect to the 1951 resolution of the Security Council.

4. Many delegations which spoke in the General Assembly during the recent debate raised the possibility that the United Nations Emergency Force might be so deployed as to contribute to a solution of this problem. Some delegations invited the Secretary-General to make proposals in this connexion.

5. The Government of Israel considers that the United Nations Emergency Force could be a factor in the solution of this problem if the following arrangements were confirmed and implemented:

(i) On the withdrawal of Israeli forces, the positions evacuated along the western coast of the Gulf of Aqaba would be held by the United Nations Emergency Force, as had been the case with other areas from which Israeli forces have withdrawn.

(ii) It would be the function of the United Nations Emergency Force to see to it that freedom of navigation was maintained and belligerent acts avoided in the Gulf of Aqaba and the Straits of Tiran. The prevention of acts of belligerency is definitely within the mandate of the United Nations Emergency Force.

(iii) The United Nations Emergency Force would remain in the area under discussion so long as it has its function to prevent any renewal of hostilities.

(iv) In view of the above considerations the United Nations Emergency Force would maintain its position along the western shore of the Gulf of Aqaba until another effective means was agreed upon between the parties concerned for ensuring permanent freedom of navigation and the absence of belligerent acts in the Straits of Tiran and the Gulf of Aqaba.

(v) Such effective means would be deemed to have been found when a peace settlement was achieved; or when secure freedom of navigation was guaranteed by other international instruments to which Israel was a party.

C. The function of the United Nations Emergency Force

1. All the elements in the above proposals (the withdrawal of forces; the need to guarantee free navigation; the assignment of the United Nations Emergency Force with the function of preventing belligerency; and the need to secure compliance with the Security Council's resolution of 1 September 1951) were advocated by many delegations in the course of the recent General Assembly debate.

2. It is evident that, if the United Nations Emergency Force is to develop its capacity to help solve this problem, more clarity and precision are needed in defining its character, its functions and, above all, the duration of its tenure and conditions for the terminations of its assignments. The need for such precision is the more urgent in view of the fact that many delegations, including those whose troops compose the Force, have expressed conflicting views on the functions and nature of the Force.

D. The Gaza Strip

Israel's approach to this question comprises the following considerations:

(1) The Egyptian occupation of Gaza arose out of acts of force committed in 1948 during an attempt to overthrow a recommendation of the General Assembly, and in defiance of successive cease-fire resolutions by the Security Council.

(2) The area has never been part of Egypt and its inhabitants are not Egyptian citizens.

(3) During eight years of occupation Egypt used the Gaza Strip solely as a spring-board for assaults against Israel. The notorious fedayeen movement had its main centres and recruiting grounds in Gaza. As a result of this fact, Gaza was the source of constant threats to peace and tranquillity over a large proportion of Israel's territory.

(4) During the occupation Egypt made no attempt to rehabilitate any of Gaza's refugee population or to develop the political freedom or economic welfare of the permanent residents of the zone.

(5) At the present time law and order prevail in Gaza. Its municipal institutions and public utilities are soundly established. Autonomous local government is being developed; and numerous economic advantages accrue to the zone from the association of its economic life with that of Israel. A report by a representative of the Secretary-General (document A/3401) makes it clear that hardship and disorder would result from the disruption of this pattern of growing stability.

(6) Israel does not seek to annex Gaza or to maintain its military forces there. On the other hand, Israel is the only State which has a direct interest in a peaceful, orderly and prosperous Gaza Strip.

In the light of these considerations Israel offers the following programme for study and comment:

(a) No Israeli military forces will remain in the area of the Gaza Strip.

(b) Israel will continue to supply administrative services including agriculture, education, health, industry, labour, welfare.

(c) Law and order will be maintained by the Israel Police (including local police).

(d) Israel will continue to make available and to develop the public utilities such as electricity and water.

(e) Israel will continue to develop local administration in towns and villages.
(f) Israel will support the development of means of livelihood for the local population of about 80,000, two-thirds of whom were unemployed under Egyptian Administration.

(g) The necessary functions of security and administration are all covered by the above proposals. An international military force would not be able effectively to undertake the police duties necessary to prevent a recrudescence of fedayeen activities. Nor would such a force be in a position to carry out measures of administration and of economic development for the civilian population. For these reasons the entry of UNEF into the Gaza area is not envisaged under this plan.

(h) Israel will continue to co-operate with the United Nations Relief and Works Agency in connexion with the care and maintenance of the refugees.

(i) Israel will make its full contribution towards any United Nations plan for the permanent settlement of the refugees, including those in Gaza. Israel urges that such plans be formulated and implemented as soon as possible.

(j) In connexion with the above matters, Israel is ready to work out with the United Nations a suitable relationship with respect to the Gaza Strip.

REPORT BY SECRETARY-GENERAL, JANUARY 24

U.N. doc. A/3512

PART ONE

1. In the resolution adopted on 19 January 1957, the General Assembly, after recalling its resolutions of 2, 4, 7 and 24 November 1956, requested the Secretary-General “to continue his efforts for securing the complete withdrawal of Israel in pursuance of the above-mentioned resolutions, and to report on such completion to the General Assembly, within five days”.

2. In pursuance of the resolution of 19 January, the Secretary-General held further discussions on withdrawal with the representative of the Government of Israel on 20 and 23 January. On 23 January, the Government of Israel presented its views in an “aide-mémoire on the Israeli position on the Sharm el-Sheikh Area and the Gaza Strip”. This aide-mémoire is circulated as a separate document (A/3511).

3. At the expiration of the time-limit set by the resolution for the Secretary-General to report to the General Assembly, Israel has not fully complied with the requests of the General Assembly for withdrawal. The present situation, following the latest phase in the withdrawal of Israeli forces on 22 January 1957, is shown on the map in the attached annex.

4. The views of the Secretary-General on the urgency of the prompt conclusion of the first phases of implementation of the General Assembly resolutions, as expressed in the previous report (A/3500), remain firm. The further comments he considers it desirable to make are presented independently in Part Two of the present report.

PART TWO

I.

5. In its efforts to help toward solutions of the pending problems in the area, United Nations actions must be governed by principle and must be in accordance with international law and valid international agreements. For his part, the Secretary-General, in carrying out the policies of the United Nations, must act with scrupulous regard for the decisions of the General Assembly, the Security Council and the other principal organs. It may be useful to note the implications of the foregoing for the actions of the United Nations and of the Secretary-General in the present situation. In this regard, it would seem that the following points are generally recognized as non-controversial in the determination of the limits within which the activities of the United Nations can be properly developed. Within their scope, positive United Nations measures in the present issue, rendered possible by full compliance with the General Assembly resolutions, can be and have to be developed which would represent effective progress toward the creation of peaceful conditions in the region.

(a) The United Nations cannot condone a change of the status juris resulting from military action contrary to the provisions of the Charter. The Organization must, therefore, maintain that the status juris existing prior to such military action be re-established by a withdrawal of troops, and by the relinquishment or nullification of rights asserted by the military action and depending upon it.

(b) The use of military force by the United Nations other than that under Chapter VII of the Charter requires the consent of the States in which the Force is to operate. Moreover, such use must be undertaken and developed in a manner consistent with the principles mentioned under (a) above. It must, furthermore, be impartial, in the sense that it does not serve as a means to force settlement, in the interest of one party, of political conflicts or legal issues recognized as controversial.

(c) United Nations actions must respect fully the rights of Member Governments recognized in the Charter, and international agreements not contrary to the aims of the Charter, which are concluded in exercise of those rights.

6. Point (a) above, in general terms, is clearly reflected in the various decisions of the General Assembly on withdrawal of troops behind the armistice lines. Its further consequences with respect to de facto situations of a non-military nature in various territories will require consideration in later parts of this report in connexion specifically with the bearing of point (c) above on the cases at issue.

7. Point (b) above finds expression in the second and final report on the United Nations Emergency Force (A/3502, paras. 8 and 12) from which the following passages may be quoted. “It follows from its (UNEF’s) terms of reference that there is no intent in the establishment of the Force to influence the military balance in the present conflict and thereby the political balance.
affecting efforts to settle the conflict". Further "nor, moreover, should the Force have military functions exceeding those necessary to secure peaceful conditions on the assumption that the parties to the conflict take all necessary steps for compliance with the recommendations of the General Assembly".

8. Point (c) is reflected in the resolution of the General Assembly of 2 November 1956, wherein the parties are urged to observe scrupulously the Armistice Agreement.

II.

9. In considering the situation in Gaza the following should be taken into account.

10. Article V of the Egyptian-Israeli Armistice Agreement provides that the armistice line established in article VI "is not to be construed in any sense as a political or territorial boundary, and is delineated without prejudice to rights, claims and positions of either party to the Armistice as regards ultimate settlement of the Palestine question". It goes on to say that "The basic purpose of the Armistice Demarcation Line is to delineate the line beyond which the armed forces of the respective Parties shall not move . . .".

11. Although the armistice line thus does not create any new rights for the parties on either side, it resulted in a de facto situation by leaving the "control" (see article VII) of the territory in the hands of the Government, the military forces of which were there in accordance with the stipulations of the Armistice. Control in this case obviously must be considered as including administration and security.

12. In article IV it is recognized that rights, claims or interests of a non-military character in the area of Palestine covered by the agreement may be asserted by either party and that these, by mutual agreement being excluded from the armistice negotiations, shall be, at the discretion of the parties, the subject of later settlement. It follows that the de facto administrative situation created under the Armistice may be challenged as contrary to the rights, claims or interests of one of the parties, but that it can be legally changed only through settlement between the parties.

13. The Armistice Agreement was signed by both parties and, according to article XII, remains in force until a peaceful settlement between them is achieved. It was approved by the Security Council. Whatever arrangements the United Nations may now wish to make in order to further progress toward peaceful conditions, the Agreement must be fully respected by it. Thus, the United Nations cannot recognize a change of the de facto situation created under article VI of the Agreement unless the change is brought about through settlement between the parties; nor, of course, can it lend its assistance to the maintenance of a de facto situation contrary to the one created by the Armistice Agreement.

14. Deployment of UNEF in Gaza, under the resolutions of the General Assembly, would have to be on the same basis as its deployment along the armistice line in the Sinai Peninsula. Any broader function for it in that area, in view of the terms of the Armistice Agreement and a recognized principle of international law, would require the consent of Egypt. A widening of the United Nations administrative responsibilities in the area, beyond its responsibilities for the refugees, would likewise have to be based on agreement with Egypt. It follows, therefore, that although the United Nations General Assembly would be entitled to recommend the establishment of a United Nations administration and to request negotiations in order to implement such an arrangement, it would lack authority in that recommendation, unilaterally, to require compliance.

III.

15. In its first article, the Armistice Agreement between Egypt and Israel provides that no aggressive action by the armed forces—land, sea, or air—of either party shall be undertaken, planned or threatened against the people or the armed forces of the other. The same article establishes the right of each party to its security and freedom from fear of attack by the armed forces of the other. This article assimilates the Armistice Agreement to a non-aggression pact, providing for mutual and full abstention from belligerent acts. A restoration of relations between the parties, more stable than those now prevailing, can therefore be based on a reaffirmation of this article of the Armistice Agreement. It is natural to envisage that such a reaffirmation should extend also to other clauses of the Armistice Agreement, especially to those in which the substance has an immediate bearing on the state of tension prevailing at the outbreak of the crisis.

The Secretary-General, in this context, wishes to draw attention specifically to articles VII and VIII, which provide for restrictions on the deployment of the military forces of the parties along both sides of the Armistice Demarcation Line. The provisions of articles VII and VIII have been undermined progressively by the developments in recent years, and, at the beginning of the crisis, they were not being fulfilled. There is universal recognition that the condition of affairs, of which this deterioration formed part, should not be permitted to return. Renewed full implementation of the clauses of the Armistice Agreement obviously presumes such an attitude on the part of the Governments concerned, and such supporting measures as would guarantee a return to the state of affairs envisaged in the Armistice Agreement, and avoidance of the state of affairs into which conditions, due to a lack of compliance with the Agreement progressively deteriorated.

16. Whatever the state of non-compliance with the Armistice Agreement in general before the crisis, it would seem apparent that a by-passing of that Agreement now would seriously impede efforts to lay the foundation for progress toward solutions of pending problems. A return to full implementation of articles VII and VIII would be a valuable step toward reduction of tension and the establishment of peaceful conditions in the region. The provisions in these articles were the result of care-
ful analysis of the military situation, and the objectives defined in the course of the armistice negotiations should still have validity as steps in the desired direction. If the military clauses of the Armistice Agreement were again to be fully implemented, this would have important positive bearing on other problems in the region.

17. According to article VII, Egyptian "defensive forces" only may be maintained in the area of the western front under Egyptian control. All other Egyptian forces shall be withdrawn from this area to a point or points no further east than El Arish-Abou Aoneigila. According to the same article, Israel "defensive forces" only, which shall be based on the settlements, may be maintained in the area of the western front under Israeli control. All other Israeli forces shall be withdrawn from this area to a point or points north of the line delineated in the special memorandum of 13 November 1948 on the implementation of the resolution of the Security Council of 4 November 1948. The definition of "defensive forces" is given in an annex to the Agreement.

18. Article VIII of the Agreement provides that an area comprising the village of El Auja and vicinity, as defined in the article, shall be demilitarized, and that both Egyptian and Israeli armed forces shall be totally excluded therefrom. The article further provides that on the Egyptian side of the frontier, facing the El Auja area, no Egyptian defensive positions shall be closer to El Auja than El Qouseima and Abou Aoneigila. It also states that the road Tabas-Qouseima-Auja shall not be employed by any military forces whatsoever "for the purpose of entering Palestine".

19. The Agreement provides that the execution of its provisions shall be supervised by the Mixed Armistice Commission, established under it, and that the headquarters of the Commission shall be maintained in El Auja.

20. The United Nations Emergency Force is deployed at the dividing line between the forces of Israel and Egypt. The General Assembly concurred in paragraph 12 of the Secretary-General's "Second and Final Report" (A/3402) which specifically referred to the deployment of the Force on only one side of the armistice line. On this basis, the Force would have units in the Gaza area as well as opposite El Auja. With demilitarization of the El Auja zone in accordance with the Armistice Agreement, it might be indicated that the Force should have units stationed also on the Israeli side of the Armistice Demarcation Line, at least, in that zone. Such deployment, which would require a new decision by the General Assembly, would have the advantage of the Force being in a position to assume the supervisory duties of the Truce Supervision Organization in all the territory where that Organization now functions under the Armistice Agreement between Egypt and Israel. In both Gaza and El Auja, the functions of the Truce Supervision Organization and the Force would somewhat overlap if such an arrangement were not to be made. As an arrangement of this kind was not foreseen by the Armistice Agreement, it obviously would require the consent of the two parties to that Agreement. Such mutual consent might be given to the United Nations directly, especially since the arrangement would be on an ad hoc basis.

21. The implementation of articles VII and VIII of the Agreement would at present be facilitated by the fact that there are no Egyptian military positions in the area under consideration and that, therefore, implementation by Israel does not require a simultaneous withdrawal of military units on the Egyptian side. The condition which must be fulfilled in order to establish reciprocity, would be Egyptian assurance that Egyptian forces will not take up positions in the area in contravention of articles VII and VIII. Up to now Egypt has moved into Sinai only small police units which have been considered necessary in support of the re-established local civil administrations.

22. As indicated in the previous report (A/3500), the United Nations Emergency Force and the Truce Supervision Organization, with their respective responsibilities for the cease-fire, should co-operate in the prevention of incursions and raids across the Armistice Demarcation Lines. It was further indicated in the same report that, once the withdrawal is ensured, in implementation of the General Assembly resolution of 2 November 1956, formal assurance should be solicited from the parties to desist from raids and to take active measures to prevent incursions. In the course of the discussions which have taken place since the circulation of his last report, the Secretary-General has been informed of the desire of the Government of Egypt that all raids and incursions across the armistice line, in both directions, be brought to an end, and that United Nations auxiliary organs afford effective assistance to that effect.

IV.

23. In connexion with the question of Israel withdrawal from the Sharm-al-Shaikh area, attention has been directed to the situation in the Gulf of Aqaba and the Straits of Tiran. This matter is of longer duration and not directly related to the present crisis. The concern now evidenced in it, however, calls for consideration of the legal aspects of the matter as a problem in its own right. It follows from principles guiding the United Nations that the Israel military action and its consequences should not be elements influencing the solution.

24. As stated in the previous report (A/3500), the international significance of the Gulf of Aqaba may be considered to justify the right of innocent passage through the Straits of Tiran and the Gulf in accordance with recognized rules of international law. However, in its Commentary to article 17 of the Articles of the Law of the Sea (A/3158, page 20), the International Law Commission reserved consideration of the question "what would be the legal position of straits forming part of the territorial sea of one or more States and constituting the sole means of access to the port of another State". This description applies to the Gulf of Aqaba and the Straits of Tiran. A legal controversy exists as to the extent of the right of innocent passage through these waters.

25. Under these circumstances, it is indicated that whatever rights there may be in relation to the Gulf and the Straits, such rights be exercised with restraint on all sides. Any possible claims of belligerent rights should take into account the international interests involved and, therefore, if asserted, should be limited to clearly non-controversial situations.

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26. The Security Council, in its resolution of 1 September 1951 concerning passage of international commercial shipping and goods through the Suez Canal, considered "that since the Armistice régime, which has been in existence for nearly two and a half years, is of a permanent character, neither party can reasonably assert that it actively is a belligerent or requires to exercise the right of visit, search and seizure for any legitimate purpose of self defence", a basis on which the Council called upon Egypt to terminate the restrictions on the passage of international commercial shipping and goods through the Suez Canal. This general finding of the Security Council has a direct bearing on the question here under consideration. It remains valid and warrants corresponding conclusions as long as the assumptions defined by the Council remain correct. However in later years, an ever-widening non-compliance with the Armistice Agreement has developed, ending in the Israeli military action of 29 October 1956, as a result of which Israel still has military forces on Egyptian territory contrary to the Armistice Agreement. It may be further noted that Israel, in its communication of 23 January 1957, makes proposals concerning the Gaza Strip which cannot be reconciled with maintaining the validity of the Armistice Agreement.

27. The Armistice régime may be considered as operative, at least in part, provided forces are withdrawn behind the armistice lines, even if non-compliance were to continue in relation to other substantive clauses of the Armistice Agreement. It follows from the finding of the Security Council in 1951 that under such circumstances the parties to the Armistice Agreement may be considered as not entitled to claim any belligerent rights. Were the substantive clauses of the Armistice Agreement, especially articles VII and VIII, again to be implemented, the case against all acts of belligerency, which is based on the existence of the Armistice régime, would gain full cogency. With such a broader implementation of the Armistice Agreement, the parties should be asked to give assurances that, on the basis established, they will not assert any belligerent rights (including, of course, such rights in the Gulf of Aqaba and the Straits of Tiran).

28. As a conclusion from paragraphs 24-27, it may be held that, in a situation where the Armistice régime is partly operative by observance of the provisions of the Armistice Agreement concerning the armistice lines, possible claims to rights of belligerency would be at least so much in doubt that, having regard for the general international interest at stake, no such claim should be exercised in the Gulf of Aqaba and the Straits of Tiran. Such a de facto position, if taken, obviously would be part of efforts to re-establish as complete an Armistice régime as possible and, as such, would be detached from the policy of implementation of the unconditional General Assembly request for withdrawal behind the armistice lines. The situation resulting from such a position should be stabilized when the Armistice Agreement is more fully implemented.

29. Israeli troops, on their withdrawal from the Sharm-al-Shaikh area, would be followed by the United Nations Emergency Force in the same way as in other parts of Sinai. The duties of the Force in respect of the cease-fire and the withdrawal will determine its movements. However, if it is recognized that there is a need for such an arrangement, it may be agreed that units of the Force (or special representatives in the nature of observers) would assist in maintaining quiet in the area beyond what follows from this general principle. In accordance with the general legal principles, recognized as decisive for the deployment of the United Nations Emergency Force, the Force should not be used so as to prejudge the solution of the controversial questions involved. The UNEF, thus, is not to be deployed in such a way as to protect any special position on these questions, although, at least transitionally, it may function in support of mutual restraint in accordance with the foregoing.

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30. In the last report (A/3500), it was stated as essential that through prompt conclusion of the first phases of implementation of the General Assembly resolutions, Member Governments should now be enabled to turn to the constructive tasks to which the establishment and the maintenance of the cease-fire, a full withdrawal of forces behind the armistice lines, a desisting from raids and scrupulous observance of the Armistice Agreements, should open the way.

31. The report paid special attention to the problem of raids. In the debate following its presentation concern was expressed about the problems which might arise in connexion with the withdrawal of Israeli forces from the residual areas held at Gaza and at Sharm-al-Shaikh. These latter issues, and the Israel views on the manner in which they might be met, have been the subject of the communication of 23 January from the Government of Israel (A/3511).

32. In the present report to the General Assembly on the situation now prevailing, the Secretary-General has endeavoured to clarify both the limits on United Nations action set by considerations of principle and law, and the directions in which such action might be usefully developed in the case of the two last mentioned problems and related questions. The basis for doing so has been primarily the Armistice Agreement between Egypt and Israel, scrupulous observance of which was requested by the General Assembly in its resolution of 2 November 1956. The Secretary-General believes that the concern expressed in the General Assembly debate in connexion with the final withdrawal can be met in a satisfactory manner within the obligation resting on the United Nations to base its action on principle, on international law and international agreements. A development of United Nations action, as indicated, would represent a significant step in preparation of further constructive measures.

33. Among the further problems which require the attention of the General Assembly it is natural in this context to draw attention specifically to the refugee question. In this connexion, the development of the situation in Gaza may require special attention and may impose added responsibilities on the United Nations.

34. It is essential that forthcoming efforts, aimed at continued progress, should concentrate on concrete
Line to which Israel forces remaining in Egypt have withdrawn as of 22 January 1957. Israel forces also remain in the Gaza Strip and the camp and check post noted below. Elsewhere, Israeli forces are behind the Armistice Demarcation Line.

Israel forces continue to occupy a camp and check post at this point.

Armistice Demarcation Line in Egyptian-Israeli General Armistice Agreement.
issues. They should maintain the momentum gained during the preceding phase, as illustrated by the rapid development both of the United Nations Emergency Force and of the Canal clearing operation. This will require from the parties a willingness to co-operate with the United Nations toward objectives transcending the immediate issues at stake. Practically all of these issues are complicated and delicate. They might develop into serious stumbling-blocks if they are not approached in a constructive spirit seeking essentials. Progress will not be possible if temporary complications of narrow scope are permitted to divert attention from solutions of wide significance.

**Question of Expansion of Security Council Membership**

**Statement by Hubert H. Humphrey**

*U.S. Representative to the General Assembly*

I intend to be brief and to the point. We have before us a matter of singular importance—the expansion of the membership of the Security Council. The Security Council is endowed with particularly important responsibilities. The member states of the United Nations have conferred on it “primary responsibility for the maintenance of international peace and security.” Furthermore, the member states have agreed that in carrying out this responsibility the Security Council acts on behalf of all of us. Any proposal to alter the structure of this crucial organ of the United Nations should, therefore, be approached with considerable care.

The countries of Latin America, in proposing the discussion of this item and in putting forward a resolution calling for an increase of two non-permanent seats, have taken a commendable initiative. This should facilitate our discussions and help us reach a quick decision which will augment the prestige and moral authority of the Security Council, taking into account the increase in membership in the United Nations since the San Francisco conference.

The problems facing us in increasing the non-permanent seats on the Council revolve around two questions: first, the size of the Council; second, the question of equitable geographical distrib-

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1 Made in plenary session of the U.N. General Assembly on Dec. 18 (U.S. delegation press release 2565).


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**Size of Security Council**

Let us take first the question of size. Since this time last year, the United Nations has admitted 20 new states, many of them from the areas of Africa and Asia and others from Europe. Both of these areas have been underrepresented in the United Nations. Furthermore, even before these new countries were admitted, the United States believed, and acted upon this belief, that the Far East had not been given its proper opportunity to share in the deliberations of the Security Council. The growing strength and vigor of the Asian world makes it imperative that this situation be corrected.

The United States was, therefore, already well disposed to an enlargement of the Security Council when so many new members were admitted. We feel that it is proper and just, and in the interests of the maintenance of international peace and security, that such an increase should take place. We hope the General Assembly will approve the increase now. The members can then proceed with the processes of ratification, and the additional members can be promptly elected to the new positions on the Security Council.

The size of the increase has been carefully considered by the United States Government. We have consulted widely with delegations from all parts of the world. We have considered the question in relation to the increase of the United Nations membership and to the responsibility which the Security Council bears—a great responsibility given to this relatively small and vital organ by the member states “in order to ensure prompt and effective action by the United Nations.”

We have weighed the advantages of associating a larger number of nations with the work of the Council against the advantages of a smaller structure which can act quickly and decisively, when not paralyzed by abuse of the veto. We have concluded that an increase of two seats—one for the countries of Asia and one for the countries of Western and Southern Europe—would best con-
tribute to the organization of the Security Council in the pursuit of its functions. We will therefore support the resolution put forward by the countries of Latin America.

While membership on the Security Council is an honor with grave responsibility, all members of the United Nations Organization play an important role in the preservation of international peace and security through their participation in the United Nations itself, and especially through the General Assembly. The deliberations of the General Assembly on the situations in the Near East and in Hungary over the past 2 months have demonstrated how much larger is the role of the General Assembly now on questions of international peace and security than had originally been intended at the time the United Nations was founded.

Geographical Distribution

The question of equitable geographical distribution, which is closely tied to the size of the increase, has also aroused considerable interest. So much so, perhaps, that we are in danger of forgetting that article 23 of the charter states that in electing members of the Security Council due regard should be especially paid “in the first instance to the contribution of Members . . . to the maintenance of international peace and security and to the other purposes of the Organization.” It is because the members of the United Nations have been mindful of this important provision of the charter that some states have failed to be elected to the Security Council in recent years.

Second only to this provision, the charter also provides for special attention to equitable geographical distribution. I have already indicated that one of the reasons we support an enlargement of the Security Council is to provide for more equitable geographical representation from the Afro-Asian area and from Western and Southern Europe.

The distinguished representative of the U.S.S.R. has indicated his interest in an allocation of a seat in an expanded council to the countries of Eastern Europe. We do not find this concern unnatural. The eastern part of Europe covers a sizeable amount of territory from the area of the Baltic to that of the Mediterranean. With the proposed increase in the membership of nonpermanent members of the Security Council, it would be possible to provide for representation to Eastern Europe without denying equitable representation to other geographic areas.

It is rather ironical that the representative of the Soviet Union should accuse the United States and a majority of members of the United Nations—two-thirds of them, in fact—with gross violations of the charter. It ill behoves the representative of a state which is systematically depriving the Hungarian people of their rights and brazenly flouting the overwhelming recommendations of this Assembly to accuse others of violations of the charter.

His charges were made, furthermore, at a time when he was already aware that, if the Security Council is expanded, appropriate arrangements might well be agreed upon for an allocation to the eastern part of Europe. The delegate of the U.S.S.R. surely knows that, if enlargement of the Security Council is defeated by his efforts or by failure of members to ratify, not only is a seat for Eastern Europe in jeopardy but the many new member states of Africa, Asia, and Europe may well be denied equitable and effective representation on the Security Council. If the Security Council is not expanded, surely the distinguished delegate of the Soviet Union realizes, on the other hand, that the countries of Asia may well exercise a continuing claim for an existing seat, both on the basis of equitable geographical distribution and of contributions to international peace and security.

The Soviet representative also raised the totally extraneous question of the representation of China in the United Nations. We are all aware that the U.S.S.R. and some other members do not share the frequently and consistently stated opinions of the majority of the General Assembly on this question. But, as the distinguished representative of the United Kingdom pointed out earlier in the debate, this issue is not germane to the question before us. We must not allow this issue to be used as a pretext to deprive the new members of the United Nations of their right, under the charter, fully to participate in the work of the organization. The question relating to the representation of China has already been decided at this session. To reargue this highly controversial issue will not provide fair and equitable representation for the new member states nor as-
sist in expanding the membership of the non-permanent seats.

The United States supports an increase in the nonpermanent members of the Security Council in order to encourage broader representation of states and to increase its effectiveness, not to engage in a cold-war exercise.

**Customary Allocation of Seats**

With respect to the customary allocation of the other seats on the Council—two to Latin America, one to Western Europe, one to the Commonwealth, and one to Africa and the Middle East—we are in agreement that the pattern should be retained. As indicated in these comments, the United States delegation would support an appropriate allocation of all the nonpermanent seats in an expanded council, either by a consensus statement by the President, or by resolution, or by some other means acceptable to the members.

Finally, Mr. President, we have also considered the point of view that we should not try to reach a decision at this session. May I say, however, that we sense a widespread feeling that a decision should be taken now. This is a feeling that we share. We are not convinced that further delay or study would materially add to the facts now available or produce any proposals more generally acceptable than the draft resolution sponsored by the Latin American countries. The process of amending the charter is at best a slow one, and we believe it would be wise to act now so that we might give appropriate recognition as soon as possible to the new members of the United Nations.

**General Assembly Decides To Send Commission To Study Situation in French Togoland**

Following are texts of statements made in Committee IV (Trusteeship) and in plenary by Frank C. Nash, U.S. representative to the General Assembly, during debate on the future of Togoland under French administration, together with the resolution adopted by the Assembly on January 23.

**STATEMENT IN COMMITTEE IV**

It is always a matter of great satisfaction to see the people of a trust territory assuming increasing responsibilities for their own government and thus realizing the objectives set out for them under the United Nations Charter. The people of Togoland under French administration are now being governed under a new statute which accords them a very large measure of self-government.

The objectives of the trusteeship system, as we all know, are defined in article 76 (b): "to promote the . . . progressive development [of the in-

habitants of the trust territories] towards self-government or independence . . . ." The essential question, therefore, which has been laid before this Committee is to ascertain the extent to which the objective of self-government has been realized in practice under the new statute, and how the governmental institutions established under it are operating in realizing the charter objectives.

The Administering Authority—the French Republic—has laid before us a large body of documentation and has fully answered our questions as to the meaning of the new statute and its possibilities for the future. The French Government is to be commended for the able manner in which it has discharged its responsibilities, both toward the people of French Togoland and toward the United Nations under the trusteeship agreement.

We have also had the great advantage of having seven petitioners who have, from several points of view, given us a frank and clear expression of their attitudes with respect to the new government and statute of Togoland.

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With all this information, however, the General Assembly, mindful of its own serious responsibilities, would be wise in not coming to a definitive conclusion at this session. The problem is in many respects too complex and there are still too many unanswered questions to enable us to express our final views as to the future of French Togoland. The Administering Authority has expressed the view, both on its own behalf and that of the principal leaders of Togoland, that the self-government now enjoyed by the trust territory would justify the United Nations in agreeing to terminate the trusteeship agreement. Some of the petitioners supported this view, while several consider that it would be premature at this session to act on termination.

It is clear from the discussion, however, that no one wishes to prevent the people of Togoland from enjoying self-government in the largest degree. We can all appreciate that, like all other countries, they naturally desire to be allowed to govern themselves as fully as possible within their political and economic capacity. The United States delegation fully respects this natural desire and would be unwilling to see the Togolese people remain in a state of dependency longer than the people themselves, by free election and decision, feel necessary.

Mr. Chairman, we now have two draft resolutions before the Fourth Committee which are striking because of their essential similarity. Both assume that the trusteeship agreement will continue until there is more information available. On this point we wish to felicitate the Administering Authority, which, despite its own judgment on the matter, has conceded that the trusteeship should continue, pending further action by the General Assembly. Both resolutions envisage that some studies should take place and a report be made by the Trusteeship Council to the next General Assembly.

The joint resolution, however, of which the United States is glad to be a cosponsor, adds one additional element which we believe is essential in order that the General Assembly next year may be in a better position to evaluate this question. The joint resolution accordingly proposes that the President of the General Assembly should appoint a committee of, say, five members who would examine in Togoland and in Paris how the statute is being applied and how the governmental institutions under it are functioning. We believe that the majority of the General Assembly will agree that in the light of past experience in such matters it is of the highest importance that the Assembly and the other competent organ of the United Nations, namely the Trusteeship Council, should have every bit of information and knowledge of the situation acquired in the most objective, direct, and impartial manner, in order that such a serious decision as the Assembly in future will be called upon to take can be taken with assurance of its soundness.

It is this latter point which is omitted in the Indian resolution, which would refer the whole question back to the Trusteeship Council. It is true, of course, that such an investigation committee is not excluded by the Indian resolution, and we feel, therefore, that there should be no reason why the Indian delegation could not support or cosponsor the joint resolution.

There is perhaps one other noticeable difference between the two resolutions. The joint resolution does express satisfaction with the degree of autonomy already granted and enjoyed by the people of Togoland. We believe that this is not only a matter of courtesy, both to the French and the Togolese people, but that it would be extremely ungenerous and, in fact, would be quite understandably resented by the Togolese people if we failed to express our satisfaction and even congratulation for the significant advances which the Togolese people have made and which they merit in the highest degree.

Thus, Mr. Chairman, there is, as we see it, no basic conflict between the two resolutions. Both would have the effect of keeping the trusteeship system in operation; both call for further study of the question; both bring the Trusteeship Council to the aid of the General Assembly in helping it to form any conclusions at its next general session; and both require that a report be laid before the Twelfth General Assembly.

Happily, therefore, the differences which subsist within the Fourth Committee seem to us to be susceptible of agreement. One way might be to combine the main elements of both resolutions, which are not, as we see it, in essential conflict. Another would be for the more comprehensive

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resolution to be allowed to replace the more restricted one. And we would hope that such a solution could be adopted which would not only facilitate our task here but, we feel, would pave the way for that large support in the plenary which the joint proposal merits. We accordingly invite the Indian delegation to join with the several sponsors of the joint resolution.

In reality, Mr. Chairman, the Indian resolution adds nothing to and detracts nothing from the existing situation. If it were not adopted, the situation, we believe, would be exactly the same—that is, the trusteeship agreement continues in force, the Trusteeship Council would continue to have the same responsibilities for receiving and examining a report on Togoland under French administration, and it would receive petitions and be capable of sending a mission, either special or regular, to the territory as the situation may call for. Without the Indian resolution, therefore, all this would be a part of the normal functions of the Trusteeship Council.

I may add that in a sense the Indian resolution now takes up the position which was favored by France only 3 weeks ago in the Trusteeship Council. At that time the French delegation wished to continue the debate there, and India and several other delegations favored sending the question, without debate, to the General Assembly. Now India proposes sending it back. The United States, I may say, is not now and never has been opposed to debating the question in the Trusteeship Council. The Indian resolution, of course, omits the sending of a commission to the spot, which is a feature of the joint resolution. But, as we all know, France, and in particular the Togolese leaders, were not favorable to the sending of such a mission and only accepted it as a concession. Now the Indian resolution would seem to take up the earlier French position and proposes a resolution without the special commission feature. The United States agrees with other sponsors of the joint resolution that there would be a real advantage in sending such a commission.

Mr. Chairman, we do not wish to conclude these remarks without expressing our great admiration for the spirit of conciliation which was shown in our debate, not only by the Administering Authority, from whom we have come to expect such a high-minded attitude, but also by the several petitioners who have opposed the termination of trusteeship now. Our delegation was particularly struck with the words of appreciation expressed by Messrs. Olympio, Santos, and Akakpo for the new statute. We were also encouraged by the words expressed on behalf of the opposition for their willingness to participate in a freely conducted election to the Territorial Assembly. This we regard as a statesmanlike attitude and one which would pave the way, through a newly elected Territorial Assembly, to reflect beyond any doubt the true wishes of the Togolese people as a whole. We are confident that, if these intervening steps could take place during this coming year, the task of the General Assembly, at its next session, would be greatly facilitated. And what we have heard from the pro-government petitioners—Messrs. Atakpamey, Ayassou, Gbegbeni, and Mateyendou—makes us believe, in view of their measured and clear-cut answers to the many questions put to them, that the basis exists for efficient and stable government in their important and beautiful country. We are also pleased to congratulate Messrs. Ajavon and Apedo-Amah as the representatives of the new Government of Togoland for the valuable contribution which they have made to our deliberations.

Mr. Chairman, I would add just one more word in concluding these remarks. We believe that in a question of this kind, where the United Nations is exercising a supervisory function, it is highly desirable that we set an example by sinking our minor differences and try to reach wide agreement on the essentials. It is our earnest hope that the result of our deliberations will reflect this attitude and that the people of Togoland under French administration will continue to respect our objective advice and assistance.

4 Sylvanus Olympio (All-Ewe Conference), A. L. Santos (Mouvement de la jeunesse togolaise), and André Akakpo (Mouvement populaire togolais).
5 Victor Atakpamey (Parti togolais du progrès) Michel Ayassou (Traditional Chiefs of the South), Nanaamale Gbegbeni (Union des chefs et des populations du Nord-Togo), and Sumbiani Mateyendou (Traditional Chiefs of the North).
6 Dr. Robert Ajavon (President of the Legislative Assembly of Togoland) and Georges Apedo-Amah (Minister of Finance of the Government of Togoland).
STATEMENT IN PLENARY

As many members of the General Assembly are aware, this resolution on French Togoland is the result of long and laborious discussion in the Fourth Committee. It is one of those resolutions representing a large measure of compromise and detailed negotiation which therefore required a spirit of accommodation on the part of many delegations.

The principal concession was made by the French delegation, which, in a highly commendable spirit of deference to views widely held in the General Assembly, agreed to withdraw its original request for terminating the trusteeship agreement. They felt their original request was justified on the ground that the territory had already attained a sufficient degree of self-government to warrant such a request. This view, however, was not shared by many members of the Fourth Committee, who instead wished to have a special committee go to French Togoland to investigate the extent of the transfer of powers from the French Government to the Togolese people. The French Government therefore withdrew its original request and agreed to the proposed visit of such a commission, which would be able to see for itself how the new statute is operating and the degree of autonomy now enjoyed by the inhabitants of Togoland.

The United States delegation appreciates this spirit of cooperation and believes that the results which have been attained by it make it altogether unnecessary for this plenary meeting of the Assembly to plow through the details of the compromise finally worked out in the Fourth Committee. We believe that, in its present form, the resolution represents the consensus of the Fourth Committee as to the essential elements of the situation, and we believe it would not be useful for the General Assembly in plenary session to open up the whole subject afresh. An examination of the summary record of the protracted discussions in the Fourth Committee will show that practically every speaker agreed (and certainly none denied) that some progress in the direction of self-government has already been achieved by the people of French Togoland and that accordingly it would be worth while for a special commission of the General Assembly to go to French Togoland to ascertain by firsthand observation just how far this progress extends. That is the objective of the present resolution which the General Assembly in this plenary session is being asked to approve and, with a minor qualification which I will mention directly, my delegation feels that it would be a waste of this body's time to burden itself with any further manipulation of phraseology.

The minor qualification which I have just mentioned relates to the suggestion made by the delegation of Yugoslavia to the effect that in the first operative paragraph of the present resolution the words "reforms introduced" should be substituted by the words "extent of the powers transferred to the territory," and further suggesting two minor word changes in the fifth paragraph of the preamble. The United States delegation believes that these changes do not substantially alter the meaning and intent of the resolution, and therefore, in a spirit of further compromise, my delegation is willing to accept these suggestions in the hope that the resolution with these changes could be adopted without any further alteration and could be voted on as a whole.

We appeal, therefore, to all delegations to accept the resolution with these changes, and we urge that the resolution be voted on without further amendment.

TEXT OF RESOLUTION

U.N. doc. A/Res/455

The General Assembly,
Recalling section II of its resolution 944 (X) of 15 December 1955,
Having received the special report of the Trusteeship Council,^7
Noting that the Trusteeship Council has forwarded the memorandum by the Administering Authority,^8 with Decree No. 56-847 of 24 August 1956, requesting termination of the Trusteeship Agreement,
Having received the document entitled "Memorandum by the Government of the Autonomous Republic of Togo-

land", which memorandum was transmitted by the Administering Authority to the United Nations.

Having taken note that the report of the Referendum Administrator in Togoland sets forth as a fact that the population of Togoland under French administration, consulted by referendum on 28 October 1956, expressed itself, by a substantial majority, in favour of the reforms introduced by Decree No. 56–847 setting forth the Statute of Togoland,

Noting further the statements in the Fourth Committee of the delegation of France, which included representatives of the Government of Togoland,

Taking note also of the views expressed by the petitioners before the Fourth Committee,

Being of the opinion that the reforms introduced by Decree No. 56–847 and their application require further study by the Trusteeship Council,

Taking note of the invitation by the Administering Authority to send a commission to Togoland under French administration to study on the spot the conditions under which the provisions of the Statute of 24 August 1956 are being applied,

Taking note also that the invitation by the Administering Authority was initiated by the Government of Togoland which was set up in consequence of the Statute of 24 August 1956,

1. Considers with satisfaction that the extent of powers transferred to the Territory of Togoland under French administration by the Administering Authority in consequence of the new political Statute of the Territory represents a very significant step in the achievement of the objectives of Article 76 of the Charter and of the Trusteeship Agreement;

2. Congratulates the population of Togoland under French administration on the progress it has made in the political, economic, social and cultural fields;

3. Resolves to dispatch to Togoland under French administration a Commission of six members, to be appointed on the basis of equitable geographical distribution by the President of the General Assembly, in order to examine, in the light of the discussions in the Fourth Committee, the entire situation in the Territory resulting from the practical application of the new Statute, and the conditions under which the Statute is being applied, and to submit a report thereon, with its observations and suggestions, to the Trusteeship Council for its consideration;

4. Recommends that, in addition to such further reforms as the authorities concerned may deem appropriate, the Legislative Assembly of the Territory should be constituted, as soon as possible, by election on the basis of universal adult suffrage;

5. Requests the Trusteeship Council to study the question, taking into account the report of the Commission, and to transmit the results of its study to the General Assembly at its twelfth session.

Administrative and Budgetary Problems of the United Nations

by Ambassador Richard Lee Jones
U.S. Representative to the General Assembly

I would like to talk with you about the work of the Fifth Committee, that is, the Administrative and Budgetary Committee, on which I have been serving as the United States representative. As a businessman I have always been interested in administrative and budgetary problems. I must say that, even as a businessman, I have found the administrative and budgetary problems of the United Nations not only of extraordinary complexity but also of unusual interest.

Normally the main function of the Fifth Com-


mittee is to approve the budget of the United Nations Organization. We have completed this, subject to the financial implications of decisions still to be taken at this second part of the session. It now appears that the regular budget figure will be about the same as that of last year, that is, about $48.5 million. This means that the United States assessment for the regular budget for 1957 will again be slightly more than $16 million.

In addition to the budget we have also completed action on a number of other items which, while important in themselves, are probably of little interest to you. These include, for example, reports by the Board of Auditors concerning the main United Nations activities. We have held
over for the second part of the session the report of the Salary Review Committee, which has examined and made recommendations concerning the entire pay and personnel system of the United Nations and most of the specialized agencies, and it is likely that consideration of this report will engage our attention for most of this second part of the session.

There is one further report, which we will take up tomorrow, which should interest all Americans. This is the report of the Negotiating Committee for Extra-Budgetary Funds. That is the committee which is charged with responsibility for attempting to raise funds for the voluntary programs of the United Nations. The committee has reported that several of the programs, particularly the Relief and Works Agency for Palestine Refugees and the United Nations Refugee Fund, have fallen far short of their fund-raising goals, and the committee has recommended that a new procedure be adopted to attempt to improve the situation.

The Negotiating Committee believes that the Assembly should take a greater responsibility for attempting to raise the funds for the programs for which it has voted and that higher level governmental attention to the problems of these programs should be secured. Accordingly, the Negotiating Committee has recommended that, at the beginning of each Assembly session, there be held as an integral part of the Assembly a Joint Pledging Conference chaired by the President of the Assembly, at which pledges would be made for all four of the voluntary programs. It is our opinion that, while we cannot guarantee in advance that such a procedure will have the desired results, it is worth while trying out, and we will support this recommendation of the Negotiating Committee.

We recognize, of course, that the Executive Board of the Children's Fund has indicated its belief that such a Joint Pledging Conference would not serve its best interests. As the largest contributor to the Children's Fund, we obviously have no desire that the financial status of the Children's Fund should be hurt. We do not share, however, the fears of the Executive Board of the Children's Fund and believe that the interests of all the programs taken as a whole warrant our trying out the Joint Pledging Conference idea.  

One of the items which has engaged a large measure of our attention thus far and still is not completed is the matter of the scale of assessments for contributions by governments to the United Nations. A special problem arose this year because of the admission of 16 new members at the last session. The Contributions Committee, which makes recommendations to the Assembly on this subject, proposed that the benefit from these new contributions be divided among only a part of the membership, that is, among those members other than the United States, which pays a maximum percentage of 33.33 percent, and those 25 nations which pay .08 percent and below.  

We believe that this recommendation is inequitable and that the United States should have shared in the benefit of the contributions of new members. However, it has been clear that most other nations disagreed with us and felt that the United States should not share. They considered that the United States percentage contribution was an artificial maximum and that, on the basis of capacity to pay, the United States should pay more than 40 percent of the regular budget.

Our opposition to the report of the Contributions Committee has been based not upon the amount of money involved but rather upon what we considered to be the principle of equity. We have never agreed that capacity to pay should be the sole criterion in determining the contributions of sovereign states to the regular United Nations budget. Rather, from the beginning our position has been that stated by Senator Vandenberg in the Fifth Committee in 1946, namely, that "We can afford to pay anything in material values to achieve the goals of the United Nations. This is, with us, solely a question of what is right and wise and just as between partners in this common enterprise."

In an attempt to reach a compromise solution, we have withdrawn our objections to the recommendations of the Contributions Committee so far as assessments for 1956 and 1957 are concerned.

Committee V on Jan. 24 approved a resolution establishing the new pledging mechanism for two voluntary programs (the U.N. Refugee Fund and the U.N. Relief and Works Agency for Palestine Refugees in the Near East) but retaining the present method for the Children's Fund and the Expanded Program of Technical Assistance.

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There still remain for consideration by the Committee both the question of the scale of assessments for 1958 and the question of what should be done with the contributions of the four new members admitted at this session of the Assembly.

I have reserved until last an item which was not on the regular agenda of the Fifth Committee but which came to the Committee as a result of the creation of the United Nations Emergency Forces which have been sent to Egypt. This item became the major one in the first part of the session and brought into the Fifth Committee for the first time a matter of the greatest political importance.

In my opinion, not sufficient significance has been attached as yet to the decision reached in the Fifth Committee on this matter of financing the Emergency Force. The problem faced by the Fifth Committee involved the question of whether member governments really believe in common action to preserve the peace. It involved the question of whether member governments would assume the burden of decisions taken by the General Assembly. Accordingly, it involved the entire future of the organization as an instrument of collective security.

When the Emergency Force was created, the United States and a number of other countries indicated their willingness to make large voluntary contributions toward the financing of the Force. Over and above these voluntary contributions there remained certain common costs attributable to the Emergency Force which the Secretary-General and many member governments, including the United States, considered to be the obligation of the entire membership of the organization. The Assembly authorized the Secretary-General to spend $10 million on these common costs, and the problem then came to the Fifth Committee as to how the $10 million was to be raised.

In the Committee there was initially a very strong sentiment that the so-called aggressors should pay or that the $10 million should be raised by voluntary contributions. We opposed these positions and indicated our belief that, while we would make every effort to increase our voluntary contributions, the common costs of the operation, at least to the extent of $10 million, should be considered the responsibility of the entire membership.

We were finally able to carry our position by a very large majority, with only the Soviet bloc voting against and stating it would refuse to pay its assessment. We were able to convince the smaller countries that action by the United Nations, such as occurred in Egypt, was in their particular interest. We were able to convince them that, if they wished to have a voice in decisions of this kind which could bring or which could avoid another world conflict, they must be prepared to pay their share of the cost of an action on which they had had an opportunity to speak and vote. We were able to convince them that, if they declined to pay their fair share, they could not long expect the great powers would choose United Nations action—in which they had but one vote—as against unilateral action which they could hope to control.

The vote on this item was, as I have said, one of the most significant ever taken in this organization. I am very happy that I had the opportunity to represent the United States on this issue, which I believe has large implications for the future of the organization.

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TREATY INFORMATION

United States and Mexico Sign Broadcasting Agreement

Press release 45 dated January 30

After several conferences in Washington, D.C., and Mexico City at which the delegations of both the United States and Mexico have earnestly endeavored to find a basis for agreement on the use of standard-band broadcasting channels (535-1605 kc.), an agreement has now been reached by the two delegations and was signed in Mexico City on January 29, 1957.

The agreement is for 5 years and will require ratification by the constitutional procedures of each Government. The Federal Communications Commission has recommended to the Department of State that the agreement be formalized as soon as practicable.

Under the terms of the agreement, each country

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*For statements on this subject by Ambassador Jones and text of resolution, see ibid., Jan. 14, 1957, p. 67.
retains the same class 1-A (clear) channels provided in the North American Regional Broadcasting Agreement (NARBA) of 1957, with secondary use at night permitted by each country on a very limited number of the other's clear channels. In addition, priorities are recognized as to the use of certain additional channel assignments. Both countries can increase the daytime power of their secondary stations on certain clear channels of the other. At specified distances from the border, the power of local stations can be increased from 250 to 500 watts. Many outstanding objections of long standing regarding proposed station assignments of both countries have been resolved by compromise, agreement, or deletion.

The signed agreement will be submitted to the U.S. Senate in the near future for its advice and consent to ratification as a formal treaty.

Agricultural Surplus Commodity Agreement With Korea

Press release 46 dated January 30

Korean Minister of Reconstruction Kim Hyon-chol, on behalf of the Republic of Korea, and Acting Deputy Under Secretary of State for Economic Affairs Thorsten V. Kalijarvi, on behalf of the United States, met on January 30 to conclude an agreement in Washington, through an exchange of notes, for the sale to Korea of American agricultural commodities under title I of the Agricultural Trade Development and Assistance Act (Public Law 480, 83d Congress).

The commodities included in the agreement will have a total export market value of $18.9 million, including certain ocean transportation costs to be financed by the United States. This sum will permit the purchase of approximately 70,000 metric tons of rice, 35,000 metric tons of wheat, and 75,000 metric tons of barley. These quantities of grain, together with grain provided under U.S. economic aid programs and Korean grain production, are expected to meet the Korean food grain requirements through September 1957 and thus have an important stabilizing effect on the Korean grain market and the entire Korean price structure.

The major portion of the hwan proceeds of the sales will be used to procure equipment, materials, facilities, and services for the Korean defense forces for common defense.

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Current Actions

MULTILATERAL

Aviation

Protocol amending articles 48(a), 49(e), and 61 of the convention on international civil aviation (TIAS 1591) by providing that sessions of the Assembly of the International Civil Aviation Organization shall be held not less than once in 3 years instead of annually. Done at Montreal June 14, 1954. Entered into force December 12, 1956.

Proclaimed by the President: February 1, 1957.

Cultural Property

Convention for protection of cultural property in event of armed conflict, and regulations of execution. Done at The Hague May 14, 1954. Entered into force August 7, 1956.1


International Court of Justice


Declaration recognizing compulsory jurisdiction deposited: Denmark, December 10, 1956.

Trade and Commerce


Whaling

Amendments to paragraphs 8(a) and 8(c) of the schedule of the International Whaling Convention signed at Washington December 2, 1946 (TIAS 1849). Adopted at the eighth meeting of the International Whaling Commission held at London in 1956. TIAS 3739.

Entered into force: November 1, 1956.

BILATERAL

Belgium


Entered into force: January 18, 1957 (date on which each Government received from the other written notification that it had complied with statutory and constitutional requirements).

Brazil


Ceylon

Agreement providing for the reciprocal reduction of non-

1Not in force for the United States.

**Greece**


**Italy**


**Japan**

Agreement supplementing the understandings to the surplus agricultural commodities agreement of February 10, 1956 (TIAS 3550), by providing loan funds for construction of facilities for the promotion of the raw silk industry. Effected by exchange of notes at Tokyo January 18, 1957. Entered into force January 18, 1957.

**Mexico**


**Switzerland**

Agreement for cooperation concerning civil uses of atomic energy. Signed at Washington June 21, 1956. *Entered into force*: January 29, 1957 (day on which each Government received from the other written notification that it had complied with statutory and constitutional requirements).

**Thailand**

Agreement amending the educational exchange agreement of July 1, 1950, as amended (TIAS 2005, 2509, 3277), to provide for use of certain funds accruing under the surplus agricultural commodities agreement for the educational exchange program. Effected by exchange of notes at Bangkok January 21, 1957. Entered into force January 21, 1957.

**Yugoslavia**

Agreement amending the surplus agricultural commodities agreement of November 3, 1956 (TIAS 3688), by decreasing the allotment for wheat and increasing the allotment for ocean transportation. Effected by exchange of notes at Washington January 23 and 24, 1957. Entered into force January 24, 1957.

**Congressional Documents Relating to Foreign Policy**

**84th Congress, 2d Session**

World Economic Growth and Competition. Hearings before the Subcommittee on Foreign Economic Policy of the Joint Economic Committee pursuant to sec. 5 (a) of Public Law 304, 70th Congress. December 10-13, 1956. 175 pp.

**85th Congress, 1st Session**


**Confirmation**

The Senate on January 29 confirmed Raymond A. Hare to be Ambassador to Egypt.

The Senate on January 29 confirmed Douglas Mac-Arthur II to be Ambassador to Japan.

The Senate on January 29 confirmed Carl W. Strom to be Ambassador to Cambodia.

The Senate on January 30 confirmed James David Zellerbach to be Ambassador to Italy.

**THE CONGRESS**

**Resignations**

James B. Conant as Ambassador to the Federal Republic of Germany. For text of Mr. Conant's letter to the President and the President's reply, see White House press release dated January 28; for biographic details, see press release 41 dated January 28.
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40 1/28 Educational exchange.
*41 1/28 Resignation of Ambassador Conant (biographic details).
42 1/29 Italian limit on velveteen exports (printed in BULLETIN of Feb. 11).
43 1/29 Communist failure to release Americans.
*44 1/30 Allison nomination.
45 1/30 U.S.-Mexican broadcasting agreement.
46 1/30 Korean surplus commodity agreement.
47 1/31 Rubottom: "Mexico: Cooperation and Progress."
48 2/1 Spank to visit Washington.
49 2/1 Visit of EURATOM group.

*Not printed.
†Held for a later issue of the BULLETIN.
THE SECRETARIES OF STATE . . .

Portraits and Biographical Sketches

This publication is based on a collection of portraits of Secretaries of State which the Department of State has been accumulating since 1861. It makes available for the first time reproductions of the portraits in this collection. The reproductions—which are in black and white—are arranged chronologically according to the terms of service of the Secretaries of State. Each reproduction is accompanied by a biographical sketch of the Secretary and by a note regarding the artist and the portrait.

The publication includes also three appendixes—the first relating to Secretaries of State ad interim, the second consisting of notes regarding other portraits belonging to the Department of State, and the third consisting of a chronological list of Presidents of the United States, Secretaries of State, and Secretaries of State ad interim.


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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.
Meeting the Threat of Communism in the Far East

by Walter S. Robertson
Assistant Secretary for Far Eastern Affairs

When I first accepted your invitation, the Middle Eastern crisis and the tremendous explosion of Hungary were just developing. A great deal has happened since with profound significance for our time. I should like to discuss with you tonight the relation of these events to our position in the Far East, which involves discussion of our China policy, and to give you my idea of your stake in international affairs.

Before I do so, however, I would like to ask you to bring to mind two significant historical facts of the era in which we are living.

The first of these facts, necessary to an understanding of our position in the Far East today, is the tremendous change which has occurred in American outlook.

One of the things that we Americans discovered when we were rudely awakened in 1941 from our dream of isolationism was that global peace and our own national security are indivisible. Reluctantly we came to accept the fact that aggression anywhere is a threat, however disguised or apparently remote, to our own freedom. We learned that events in one part of the world affect every other part. We learned that, no matter how remote the fire may be, we must help to put it out, lest it consume us all. We learned another uncomfortable lesson, too—that American wealth and productive capacity has given us power and with that power has come world leadership, unsought and unwanted. These are the lessons that we must now apply.

The second historical fact which I ask you to remember as we explore the international scene of today this emergence of international communism as the one great, aggressive threat to the liberties of mankind. This threat is an integral part of the equation which we must solve.

When Lenin plotted his plans for world domination, he did not control a square inch of the world's territory. His possessions consisted of an economic and political philosophy—an idea—to which he gave passionate allegiance, a band of devoted fanatical disciples, and a fertile bed compounded of man's injustice to man in which to plant his seed. His plans were comprehensive and explicit. He brooked no permanent compromise. Coexistence, he wrote, for any length of time is unthinkable. He likened the Communist Party to a man ascending a steep, unexplored mountain who comes to an obstacle making further progress impossible. The man then, said Lenin, must descend, seek another path—longer, perhaps, but one which would enable him to reach the summit. He defined his summit in exact terms. "First," he said, "we will take Eastern Europe, then the masses of Asia, then we will surround America, the last citadel of capitalism. We won't have to attack; she will fall into our lap like an overripe fruit."

His blueprint has been followed with clocklike precision by his disciples. After the revolution in Russia had been consolidated, the Communists began one by one to pluck off every country of Eastern Europe—Estonia, Latvia, Lithuania, Czechoslovakia, Poland, Bulgaria, Hungary, Rumania, East Germany, Albania. At Yalta in 1945 the Soviets were awarded the de facto control of Manchuria, the most strategic base in all Asia for the furtherance of Lenin's designs. The Soviets well
knew that they had within China a hard core of philosophical Marxists with a fanatical dedication matching their own. They well knew that Stalin had no more devoted disciple in the world than the leader of the Chinese Communists, Mao Tse-tung. When some American and other apologists were portraying Mao as spearheading a democratic revolution for agrarian reform, Mao was writing of himself, "I am a Marxist, dedicated to communizing China and the world under the leadership of Moscow." Within 4 years the Chinese Communists, in collusion with the Russians and armed and equipped with Japanese weapons turned over to them by the Russians, had taken possession of the mainland of China.

There followed in quick succession the invasion of Korea, the occupation of Tibet, and the war in Indochina. The Asian score? The mainland of China, North Korea, Tibet, North Viet-Nam, two provinces of Laos—Lenin's masses, plus strategic positions for future operations.

Starting from zero in our generation, the international Communists now hold a grip of ruthless power 16 nations, 900 million people—a circumstance recently described by the Secretary of State as "the most frightening fact history records." This is a hard, uncompromising truth which is being constantly swept under the rug by the erstwhile and present-day wishful thinkers.

U.S. Response to Challenge

Thus we see that the leadership we have acquired as a gift of history is thrust into our hands at a moment when the world is confronted with a new problem to be solved. Our response to this challenge has been rapid and resolute. It has taken two principal forms. Broadly speaking, we led the free world in resisting aggression in any form and at the same time have tried to help others gain the strength to assist in making aggression unprofitable.

With other United Nations forces we resisted and checked the Communist challenge in Korea. We have also made clear our determination to aid in resisting further open aggression. Specifically, we have signed a security treaty with Japan and bilateral security treaties with the Republics of the Philippines, Korea, and China. The Anzus treaty links Australia, New Zealand, and the United States in a defensive alliance. Australia and New Zealand also joined with the United

States, Pakistan, Thailand, the Philippines, Great Britain, and France in the SEATO treaty of alliance against aggression in Southeast Asia.

The second way in which we have met the Communist threat in the Far East has been to offer military, economic, and technical assistance to those nations desiring it and willing to use it to maintain their own independence.

Now, at a critical time, these same principles are being applied in a new area of the world where the threat of Communist expansion has again become acute. President Eisenhower has proposed a course of action to insure "the full sovereignty and independence of each and every nation of the Middle East."

The application of this policy will mean closing an obvious gap in the free world's chain of defenses beginning with Nato to the West and running through the Far East, where our defensive strength already has been heavily engaged. We thereby reduce the genuine risk of a breakthrough by the forces dedicated to the destruction of the free world. In doing this we of course accept new risks, but we do so with calculation, knowing that without some risk there can be no safety.

The President's decision to place a shield over the vulnerable Middle East had not yet been known before I concluded my most recent visit to the Far East in November—December last. Yet found the peoples of that area engaged in reassessing their estimate of what generally many of them have heretofore regarded as some kind of power struggle between two great nations which the hoped would become none of their affair.

The forthright, unequivocal stand of the United States against aggression by anyone in the Middl East regardless of any considerations of expen ency created a profound effect, resulting in a new prestige for the United States in Asia. This has been accompanied by a proportionate reduction in the suspicion of our motives which has characterized our relationships in some quarters in recent years. Since we are the close associate of colonic powers in Europe, the newly independent nations of Asia have not always been ready to accept our own statement of our intentions.

The words of President Eisenhower in announcing our steadfast American doctrine have had welcome ring in the new nations of Asia.

... we cannot and we will not condone armed aggression—no matter who the attacker, and no matter who the victim.
We cannot—in the world, any more than in our own nation—subscribe to one law for the weak, another law for the strong; one law for those opposing us, another for those allied with us.

There can be only one law—or there will be no peace.

Those were words that Asia longed to hear. They have at a stroke, and by the actions which followed in the United Nations, given a new glow of Asian confidence in American objectives in the Far East. Yet we must remember that this new feeling of trust which these words and actions have created is as fragile as a new seedling, and we must constantly be on our guard against any act which would even faintly hint that America would compromise the principle behind them.

The Soviet aggression in Hungary was also a profound revelation to many an Asian who had heretofore clung to the words rather than the deeds of communism for comforting reassurance. In a single blinding flash the facade has come down and the stark structure of Soviet imperialism has been exposed in all its horror. There remain some apologists and some of faint heart, but their words are largely lost in the upsurge of indignation that has swept informed Asians in the wake of this Communist outrage.

Now I should be the last to tell you that as a result of our policies the threat of communism has been met in the Far East. On the contrary, the menacing shadow of the international Communists still lies heavily over the area. Yet I think there can be no question but that the course we have pursued has had a deterrent effect and has bought some of the time needed for the free nations of Asia to build the strength which they will require to retain their independence.

Of one thing I am confident: Simply because we have made a few gains, this is no time to talk of relaxing or softening the policies that we have pursued. Now is the time to press even more resolutely along the path we have chosen. Let me illustrate.

For some months prior to November 6 last, it was widely whispered at home and abroad that, once the elections were over, a change could be expected in America’s policy with respect to non-recognition and opposition to U.N. membership for Communist China. The negotiations which have been carried on at Geneva since August 1, 1955, between American Ambassador Alexis Johnson and a representative of the Red Chinese regime, Wang Ping-nan, were cited as evidence that the United States was negotiating a political accommodation with the Reds. As has been repeatedly stated, these negotiations were undertaken by the United States in an effort to obtain the release of our illegally imprisoned nationals and to obtain from the Red Chinese a meaningful agreement for the renunciation of force in the Taiwan area. Despite these clear statements and despite the fact that the Kelly resolution opposing recognition and U.N. membership for the Peiping regime was passed by an overwhelming and unanimous vote of Congress—391 to 0 in the House and 86 to 0 in the Senate—and that the presidential candidates of both parties ran on platforms containing almost identical planks against such recognition and U.N. membership, these rumors were once more revived after the elections. Well, the elections are over and we have not changed our minds. I see no reason to expect that we will.

Bases of Policy Toward China

Our opposition to the Red regime in Peiping is not, as some have said, based upon the disapproval of an ideology or an economic system, much as we abhor both. We recognize many totalitarian governments and those with many economic systems, and we have not been unwilling to meet with them in the world forum of the United Nations. Nor is our policy, as our critics would have it, based on an “emotional reaction” to the Korean war. Our policy is a realistic one, rooted in principle as well as in the self-interest of the free world. It is based upon three basic considerations.

The first of these considerations is the security interests of the United States and the free world’s collective security, which is part and parcel of our own.

It is often forgotten by some critics that recognition of Communist China would, as a practical matter, mean the liquidation of the Republic of China on Formosa, with all that implies to our strategic, moral, and psychological position in opposition to Communist expansion in the Far East. When that is recalled, it is much easier to understand why we have established diplomatic relations with Soviet Russia, the homeland of communism, but not with Communist China.

Formosa is a vital link in the free world’s island chain of defenses in the Pacific, all now covered by mutual defense treaties. The army on Formosa

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of some 400,000 men, trained and equipped by the United States, is a powerful deterrent to Communist overt aggression in Korea and elsewhere in Asia. If Formosa should fall to the Communists, Japan, the Philippines, and all of Southeast Asia would be seriously threatened.

The second main consideration on which our policy is based is the interest of Asian countries in escaping Communist enslavement. If the United States were to abandon the Republic of China in order to placate the insatiable Red Chinese, no country in Asia could feel that they could longer rely on the protection of the United States against the Communist threat. These comparatively weak nations would have no other recourse than to come to terms, the best they could get, with the Peiping colossus.

Not only could we then expect the rapid expansion of communism throughout Asia, but the moral position of the United States, upon which we must inevitably rely for much of our strength, would suffer serious damage.

The third major consideration for our policy is the long-range interest of the Chinese people themselves.

The National Government is a symbol, the only rallying point in the world for non-Communist Chinese—the only alternative to communism for millions of Chinese on the mainland and throughout Southeast Asia. If the National Government should be liquidated, some 12 million overseas Chinese would automatically become citizens of Red China and potential cells of infiltration and subversion against the governments of the countries where they reside. Such an eventuality would become a matter of the gravest concern to the free countries of Asia.

Let no one say that we are denying representation to 600 million Chinese. The defiant Marxist imposters in Peiping come no closer to representing the true interests, aspirations, and will of the Chinese people than William Z. Foster comes to representing the will and aspirations of the American people. They are part and parcel of the apparatus of the international Communist conspiracy. Their regime was imposed by force with the volition of only an infinitesimal fraction of the Chinese people. It has been kept in power by bloody purges and the liquidation of some 18 millions of mainland Chinese in 7 years. Our Government is opposed to any action which would create international prestige for this regime or to increase its capacity for advancing its plan for the communization of Asia or which would betray the hopes of those having the will to resist it.

Even if we were to consider the question of recognition from a purely legalistic point of view, there is no basis to be found either for recognition of Communist China by the United States or for admission of that regime to the United Nations.

By every standard of national and international conduct, Red China under its present regime is an outlaw nation. Recognition of a government involves not only de facto control of territory but also the ability and willingness to live up to international obligations. What has been the record of the Peiping regime? Seizing power in 1949 it promptly repudiated all the international obligations of the Government of China. It confiscated without compensation properties of other nationals valued in the hundreds of millions of dollars. It demanded and received as blackmail hundreds of thousands of dollars additional for granting exit visas to foreign nationals owning and/or operating these properties. It threw foreign citizens into prison without trial.

In 1950, having been in power less than a year Red China invaded Korea and was promptly branded an aggressor against the peace of the world by U.N. resolution. That resolution is still outstanding. If Red China was an aggressor in 1950, it is an aggressor in 1957. Its armies are still in military occupation of North Korea. I have shown complete disregard for international commitments made on its own account. Signing an armistice in Korea in July 1953 calling for the exchange of all war prisoners, it held back group of our prisoners and later bargained for their release. It brought into North Korea hundreds of modern airplanes and other combat equipment prohibited by the Armistice Agreement.

A similar pattern was followed in Indochina.

The Geneva agreement in 1954 governing the cease-fire in Viet-Nam was negotiated with the French by Chou En-lai, Red China's Foreign Minister, and Molotov, with the Viet Minh representative playing only a minor part. In flagrant violation of this agreement, the Communist puppet Viet Minh armies have been built up by the Red Chinese from 7 to 20 divisions and their artillery firepower increased some sixfold. Furthermore, on September 10, 1955, after long week
of negotiation, Red China made an unconditional public commitment to release all Americans detained in China against their will. There were 19 known Americans in jail on that date. Only 9 have been released, and the remaining 10 are now being held as political hostages in an effort to obtain political concessions.

Can this record qualify any régime for acceptance as a responsible representative government? I leave the answer in your hands.

**Individual’s Stake in World Affairs**

That brings me to the question I would like to leave with you tonight. What is your stake in these international problems?

I think I can sum up the answer in one word—Blooming, the Blooming you know tonight, the Blooming you plan for the morrow.

When you picked up your morning paper and read the uncensored news of the world, you probably gave no thought to the fact that you were exercising a privilege denied to hundreds of millions of people with whom you share this globe. Freedom of the press exists only in the free world.

When you go to a lecture or a political meeting and there find a speaker lambasting the national government, or the state government, or the city government, or anything else that might have aroused his ire, you do not need to be reminded that he is indulging a right purchased for you by the blood of your forefathers, the right to criticize—freedom of speech.

And on a Sunday morning, glorious with sunshine, when the call of the golf course is so strong that you find little difficulty in persuading yourself that on such a day and after such a hard week what you need most in all the world is exercise, pause long enough to remember that there is a precious privilege also available to you on this day, the right to go into the church or synagogue of your choice and worship God as you please. Freedom of worship is a foundation stone of American life.

And, when in the middle of the night there comes a sharp rap on the door, you go sleepily and grumpily expecting to receive a telegram or a special delivery letter, not in shrinking fear of being whisked away by dreaded secret police, without charge or warrant, to a fate unknown.

These simple things—priceless blessings which we so casually take for granted; all the rights, privileges, freedoms, dignities guaranteed to us by a Bill of Rights wrought out of long, tortuous years of struggle and sacrifice; everything that goes to make up the warp and woof of your lives—all these represent your stake in international affairs.

Whatever international affairs may have involved in the past, the primary objective today is to save what we call our way of life from destruction. We are grievously threatened. We are threatened by an implacable enemy already holding more than one-third of the world’s population in its grip, an enemy fired by an evil ideology fanatically dedicated to the communization of the world, an enemy which philosophically would make society better by destroying everything in society which makes it good.

What can we do to save ourselves? I believe that our ability to prevent the Communists from launching an all-out war of conquest at some time of their choosing depends on our strength and the strength of our allies. Our international programs are dedicated to making the free world strong, to holding and winning allies to the cause of freedom, to arousing the masses of the world to its peril.

We continue to seek peace with all men. Yet we do not believe that peace is attainable through giving the aggressor what he seeks. On the contrary, the firmer we stand, the cooler our nerve, the more united we are, the more likely we are to come through the tensions of this time without resort to war and with our freedom intact.

**United States and Poland To Hold Economic Talks**

Press release 55 dated February 7

The United States has invited the Polish Government to hold economic talks in Washington in order to explore certain questions involved in expanding economic relations between the two countries. The Polish Government has already indicated a readiness to send financial and commercial experts to Washington for this purpose. The talks are expected to include, in particular, consideration of Poland’s interest in obtaining U.S. agricultural commodities in surplus supply. It is expected that the discussions will take place in the near future.
Secretary Dulles' News Conference of February 5

Press release 53 dated February 5

Secretary Dulles: I am sorry that I was not able to meet with you during the month of January. I planned it once or twice, but I had other engagements that turned out to be more pressing. I am glad to be here today and will answer any questions that you ask, if I can.

Q. Mr. Secretary, would you favor use of sanctions against Israel if it refused to withdraw from Gaza and the Gulf of Agaba?

A. Well, that is a question we could only answer within the context of a United Nations resolution. We would not take any action in the way of sanctions unilaterally. If there was action by United Nations calling for sanctions, we of course have to give them very serious consideration.

Q. Does the United States favor certain sanctions?

A. Well, that is a hypothetical question which I would prefer not to answer because our thinking certainly is in terms of compliance by Israel with the terms of this resolution, and we have good ground to hope, at least, that this resolution will be complied with and we have not gone on to think what would happen if it did not. Ambassador Lodge made the statement if it was not complied with, it could not be predicted what would happen.1 I would prefer myself not to make that prediction.

Q. Mr. Secretary, we have been committed, as I understand it, through the United Nations, and through the Tripartite Agreement of 1950 and various other statements that this administration has made, to support what might be called the existence of Israel. Would we go to the protection of that existence of Israel to the extent, as our policy now stands, of risking war with the Soviet Union?

A. I don't think we would be deterred from taking any course we thought right because of fear of what the Soviet Union might do. That would put the Soviet Union in the position of being able to dictate our policy and swerve us from what we thought the right course. I cannot imagine that we would be influenced from what we thought right because of fear of what the Soviet Union might do. We have repeatedly faced up to situations where the Soviet Union made serious threats if we did something, and we went ahead and did it, and I think that is the proper course to pursue.

Congressional Review of Middle East Policy

Q. Mr. Secretary, can you tell us what the situation is regarding State Department activity in connection with the Senate request for documents and material relating to Middle East policy?

A. We started the work going, I think, in the Historical Division. It is a task of very great magnitude which will involve reviewing several hundred thousand, I suppose, of documents, and it covers a span of 11 years, but the work is already started actively. I cannot yet give the time forecast as to when it will be completed, and one matter we want to discuss, I think, with the committee is whether they want to get it on a year-by-year basis or wait and get it all at one time. We will presumably start our work going back to 1946, which is the year beginning, and we could prepare this perhaps on a year-by-year basis or wait until it is all available.

Q. Mr. Secretary, do you anticipate hearings to follow after you have collected this information and passed it on to the committee?

A. Well, we have no reason to anticipate that. Of course, that is up to the Senate to decide, but

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1 See p. 327.
the original suggestion at the hearings has been modified in favor of the written report and I suppose the Senate will then consider, in the light of the written report, whether it will be important to have hearings or not. But we have no reason to anticipate that.

Q. Mr. Secretary, what did you have in mind when testifying on the Hill that the white paper would adversely affect our relations with Britain and France?

A. I said, if it involved disclosure of confidential information. Of course, a great deal of what transpired is reflected in exchanges of communications which, in accordance with accepted international practice, should not be made public without the consent of the other governments concerned. Any effort to force the publication without that would have an adverse effect upon our relations. I think also the content of some of this would have a serious effect upon relations. Sometimes the story of these events cannot be fully told until some time after, when they are of interest to historians rather than politicians.

Q. Then for the time being you feel that this story cannot be fully told?

A. I do not think it can now be fully told.

Policy Toward Red China

Q. Mr. Secretary, in recent weeks there has been a feeling the United States might be considering a change in its policy toward Red China. There have been reports the United States is actively working for increasing trade restrictions with the Chinese Communists. I wonder if you could clarify what our position is and will be with regard to Red China?

A. I am not aware of any change whatsoever in our position. I don't know of any change with reference to trade other than the normal meetings of Chincom, which is a committee which deals currently with these matters and meets from time to time. But nothing has been brought personally to my attention in that situation to suggest anything that is abnormal and involving any change in policy.

Q. Mr. Secretary, on one aspect of that question, would you give us your philosophy about the policy of denying access to reporters in China, particularly the apparent failure to draw these distinctions between a reporter going there to do his job and, say, a businessman going there to sell a product?

A. Well, my philosophy is, I think, in that respect the same as the President expressed at a recent press conference, that we don't like to have American citizens used as a means of coercion as against the United States Government. As you know, of course, the Chinese Communist Government has for some time been trying to get reporters—preferably those it picked—to come into Communist China, and it has repeatedly tried to use the illegal detention of Americans in Communist China as a means of pressure to accomplish its ends in that respect. We do not think that it is sound philosophy to permit other governments—other regimes—to feel that it is profitable business for them to withhold and detain illegally and throw into jail American citizens so they can put a price on their release. If we allow that to happen in one case, then I think the safety of all Americans throughout the world is lowered by several degrees for a long time in the future. It is a fact that the Chinese Communists are trying to use Americans to accomplish that end, which makes us reluctant to do it. If the Americans were released, then we would, of course, give a new look at the situation.

Q. Mr. Secretary, in the negotiations for the Dhahran air base has any attempt been made to get an agreement from King Saud to discontinue discrimination against American personnel there?

A. The talks with King Saud's counselors are going on, and I prefer not to comment on the progress of those talks while they are in progress.

Q. Mr. Secretary, can you shed any light on who the mystery patient in the Kremlin is?

A. No, I am sorry to say that our intelligence people have not been able to identify him. We think we know quite a few people who he is not, but just who he is is much more difficult to say.

Q. Mr. Secretary, to get back to the reporters in China for a moment, do you believe that any reports coming out of there from bona fide American correspondents will be inevitably beneficial to the Chinese Communists?

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2 For a statement on the failure of Communist China to release imprisoned Americans, see Bulletin of Feb. 18, 1957, p. 261.
A. No, sir. Our policy is in no sense at all dictated by a desire to withhold from the American people any information about Communist China. It is solely dictated by the fact that we do not want to see the Chinese Communists gain their ends by the means of holding Americans in jail.

Q. Sir, that being so, and your statement that you do not think that reports by bona fide American correspondents, if they were to operate from China, would be beneficial necessarily to the regime—against that background what is the connection then between the State Department’s or the administration’s policy of banning American correspondents going to China—to Communist China—and the position of the American prisoners? I don’t get the bridge between the two.

A. The bridge is one that was built by the Chinese Communists, not by us. There is no necessary connection whatsoever. The Chinese Communists have made the connection. They have said, in effect, that they want to have certain American correspondents come to Communist China and will hold Americans in jail until we allow them to come. Now that is the situation we are faced with.

Q. But, Mr. Secretary, surely it is true that this was the policy before they were holding these prisoners. We were denied the right to send a correspondent to China even before the present situation existed.

A. I am not aware that any correspondents tried to go to China before that time. It didn’t come to my knowledge. But the connection you refer to is the connection, not made by us but made by the Chinese Communists.

Q. Just to pursue it a little further, Mr. Secretary, in that case is it correct, then, to say if some bona fide American correspondent whom the Chinese have not said that they wanted was able to get permission from Peiping that this would not necessarily be a contradiction of your policy if the State Department gave him a passport?

A. Well, it is very difficult for me to conceive of any American correspondent going to Communist China against the wishes of the Chinese Communist Government.

Q. I am simply raising the point because I am confused about your definition of what that category is of sending certain correspondents that they would like to have.

A. I thought you put the case of somebody that they didn’t like to have going.

Q. I did, but I—

A. I say that is a case which cannot exist.

Q. I realize that, sir, but I am simply trying to get at what you think is their definition of correspondents they would like to have come.

A. I don’t know how they define whom they would like to have come. All I do know is that they first tried to use the American fliers that they held illegally under the armistice as a means of getting Americans—particularly the families of the fliers—in. And the first talks that took place with reference to that matter indicated that they were prepared to make a deal and that they would release these fliers if we would drop the ban upon the families and, for that matter, upon the American correspondents going in. We declined to make that deal. Finally we got the fliers out.\(^1\) They have proposed to make the same deal in essence with reference to the American civilians. We have so far refused to make that deal. We have got all of the civilians out except 10. I don’t believe that the bodies of American citizens ought to be made a subject for that kind of barter. So long as the Chinese Communists make the connection, we cannot escape the consequences of that connection or escape the fact that, if we give in to it, it puts a premium for all time and at all places upon seizing and imprisoning Americans illegally and then bargaining as to the terms under which they will be allowed to get out. That kind of blackmail I don’t propose to satisfy.

Q. Mr. Secretary, have they made any recent representations at Geneva along the lines you just mentioned, swapping the 10 American civilians in prison?

A. No, not directly.

Q. Sir, does this passport apply to correspondents of other nationalities to go to Red China? Would those correspondents be allowed to come to the United States after they go to China?

A. We are not trying to run other governments.

They decide for themselves whether they let their people go to China.

Q. No, but suppose they then want to come to the U.S. Is there any objection?

A. None at all.

Q. Mr. Secretary, does the United States plan any further action against the three correspondents who did go into Red China; I believe they are all out, although they may not be in this country.

A. I believe that matter is being studied.

Oil Shipments to Europe

Q. Mr. Secretary, there is a very serious oil shortage in Europe and this administration has appealed to the oil industry here, but so far without success. Some high personages in the administration believe that the only thing left is for the President to make an appeal. I was wondering whether you have been considering to ask the President to do that.

A. I do not think that the situation is one which, perhaps, calls for such measures as a Presidential appeal. It might assume those proportions. On the whole, the oil has been moving to Europe in one way or another in quantities which are not as good as we had hoped but still are pretty substantial. There has been a very considerable increase in shipment from this country, although not as much as we had hoped for, largely due to the reluctance of the Texas Railroad Commission to cooperate. But there has also been a diversion from the Middle East of oil which normally comes to the eastern seaboard and an appreciable increase of shipments from Venezuela. So, from these combined sources, there has been a very considerable measure of absorption of the loss which otherwise would have occurred. Now the detailed figures I don't have at my fingertips. You can get them, I think, from Mr. Flemming's office [Office of Defense Mobilization]. As I say, they fall somewhat below what they had hoped for, but not to a large degree.

Q. Sixty percent of what was expected?

A. That would not check with my figures, if you take into account the diversions from the Middle East and Venezuela.

Q. Mr. Secretary, under the administration's proposed resolutions for the Middle East, is it the administration's intention that some of the funds be used to promote the development of democratic institutions in the Arab States, and, if so, how can that be accomplished?

A. Well, the promotion of democratic processes in other countries is a matter which must always be primarily the concern to the country itself. It is not possible for one country to export to another its particular political and social processes. We can, largely through example, lead to the spread of our processes. That was the original concept, indeed, of the founders of this Government, who said, as I recall, in the opening paragraph of The Federalist papers, "It seems to have been reserved for the American people by their conduct and example" to show that free societies can function for the benefit of mankind. Primarily you have got to do these things by conduct and example and by bringing home to the people of other countries knowledge of what we do and what the results of it are. It is primarily an educational process. It is not a result which can be bought or coerced in any way.

Q. Mr. Secretary, Congressman Lanham and a score of other Congressmen have asked for a full-scale investigation of the Japanese cotton-textile exporting program, calling it a nameless arrangement outside the law. Do you have any comment on this?

A. Well, I take it that it is always competent for a foreign country, such as Japan, to voluntarily limit its exports to another country. That has been done repeatedly, and I don't know just what it means to say it is "outside the law." Of course it is outside our law, because Japan is outside our law.

Q. Sir, the Congressmen indicated that the State Department by cooperating with the Japanese to arrive at this export quota program was in effect trying to encroach upon the responsibility of Congress to set legislation or import quotas—that it was a way to get around Congress setting import quotas and the State Department taking over Congress's prerogatives.

A. We couldn't take over Congress' preroga-

tives. There is no way I know of where the State Department can stop the Congress from acting.

Middle East

Q. Mr. Secretary, I believe it was said that it was hoped that the Congress will have the Middle East resolution by February 1. It will be some time after that before the action is taken finally. I wonder if you think this delay has any weakening psychological effect.

A. Well, somewhat, but I don't think that it is at this point serious. I think that there is a recognition everywhere that the matter is being given active consideration by the Congress, that it is not practicing dilatory tactics, and I think, as long as the world has the impression that Congress is moving ahead in an orderly and expeditious way, that it will not have a grave effect. I think, if it should be felt that there was any filibustering or dilatory tactics being practiced, then it could seriously affect the situation.

Q. Mr. Secretary, in a final vote Saturday night in the General Assembly on the Gaza-Aqaba question, all the Arab delegations and the Communist delegations ended up in one camp and we in another. Do you expect a different result at the conclusion of the debate on Algeria?

A. Of course, your diagnosis is largely true but not quite true because also in that same camp were France, Israel, and the Netherlands, if you are speaking about the abstentions on the second resolution?

Q. Yes, sir.

A. I think and certainly I hope that the debate on Algeria primarily will be an exchange of views. I think an exchange of views in these cases is often very valuable, and one of the roles of the General Assembly is to be an arena for discussion and debate and exchange of views. I do not know whether it is possible or would be an advantage to try to arrive at any substantive resolution which would be voted upon, and perhaps it would be better and perhaps would help the whole situation if that was not attempted. These issues are very complicated, and it is not very easy to put them in the framework of a resolution.

Q. Mr. Secretary, what is the status of the 1950 Tripartite Agreement? Has it been made invalid by recent events, or does it still involve commit-

ment of the United States, for example, under certain circumstances to Britain and France?

A. Well, the United States abides by the policy declaration that was expressed in the Tripartite Agreement. I am not sure that the other parties feel equally bound by it, but it still constitutes an expression of the United States policy.

Q. Mr. Secretary, do we still consider it a valid agreement?

A. We still consider it an outstanding statement of United States policy.

Q. Mr. Secretary, the long-projected state visit of Marshal Tito has been “on again, off again” for the past few weeks. Can you tell us whether there has been any new development and how it stands at the moment?

A. Well, it has never been “on” in the sense that perhaps that word would be normally understood, in the sense that there was an agreed date for a visit. As I said, I think, in my last press conference here with you—that is, last December, I think— the United States Government does think that it would be useful if there were an exchange of views between President Eisenhower and President Tito, and there have been conversations which were looking toward a firming up of that viewpoint and the fixing of a definite date. No date has been fixed, but the general point of view continues as I expressed it.

Q. Mr. Secretary, I don't think you have publicly expressed your view on the latest version of the Bricker amendment. Can you tell us whether it is any more acceptable to the administration?

A. It is being studied, I know, by the Attorney General, and the views of the State Department have been sought. As far as I am aware, there has been no final conclusion reached, but my general impression is that it is not a resolution which conforms with what the President has said as to the conditions that he would attach to supporting an amendment. As I recall, he said that he would not do so if it did more than clarify what he understood the law now to be and did not subtract from the traditional powers of the President in relation to the conduct of foreign affairs. Now my impression is that this does not fit into the framework of the President’s statement in that

respect, but, as I say, I have not yet seen the final study made by the Department of Justice.

Q. Mr. Secretary, do you consider India in violation of the United Nations for its stand on the Kashmir?

A. No, I would not say that there is yet violation, and we hope that there will not be.

Q. Mr. Secretary, the President and various other individuals have commented on the very bitter and personal attacks made against you in Congress. What is your comment on these comments, sir, that you were to blame for the Middle East crisis?

A. Well, let me say, first, that I don't think that there have been any "bitter" attacks on me. There have been some speeches that were reminiscent of the recent campaign, but even those were not any more bitter than is traditional in American politics. I feel that the position which the United States took in this matter has been an honorable position and a sound position and one that will be justified by the verdict of history. We complied with what we believed to be a very basic and fundamental principle if there is to be world order—namely, that force should not be used against the territorial integrity or political independence of any state other than as is authorized by the charter of the United Nations. That authorizes the use of armed forces only in defense against an armed attack.

Now, it is not easy to apply these principles where they seem to be broken by your friends. It is very easy to apply them as against those who are hostile. It is much harder to apply them where the breach seems to be committed by those who are your friends. But if you are going to have a world where law and order and justice prevail, there must, as President Eisenhower said, be one rule which applies to all.

I think the decision which the United States took last November was perhaps the most difficult decision that we ever had to take, but I think it may also prove to be in the long run the most historically important decision that we have had to take in recent times.

Q. Mr. Secretary, I am a little confused about what you said about newsmen in Red China. A couple of years ago, Doris Fleeson and I [May Craig] asked permission to go. Mr. Suydam, after a lapse of 2 weeks, said that the State De-

partment position was that no American correspondent should go because we do not have relations with them and our Government could not protect us. He said that only one other correspondent, Joe Alsop, had asked, and that it had been denied on that ground. Well, now, with or without the release of prisoners, the ground would still be that you couldn't protect us there unless you recognized them?

A. Well, there is a problem which would always exist about the issuance of a passport valid for Communist China, and I do not think under any circumstances that so long as the present state of at least semiwar prevails, and we do not recognize that regime, that we would issue a passport valid for Communist China. Now, then, you get into all sorts of refinements, however, as to whether or not a correspondent wishes to go without claiming any protection from the United States Government. Now, I don't know whether that was involved in your case or not. But the issuance of passports to a regime which is not recognized is something which is never done.

Q. Mr. Secretary, what prospect is there for a meeting in the predictable future among the leaders of the United States, Britain, and France, either on a tripartite basis or bilaterally?

A. There has been no discussion, as far as I am aware, of any tripartite meeting. It would be normal that in due course there would be bilateral meetings between the head of the British Government and President Eisenhower and also between the head of the French Government and President Eisenhower. Nothing definite in those respects has been fixed at the present time, but it would be normal if that came about sometime or other in the not-too-distant future.

Q. Would you expect them to be held in Washington, these meetings?

A. Well, it is not advanced far enough yet so that I could say where they would be held.

Compliance With U.N. Resolutions

Q. Mr. Secretary, you said earlier that you had good ground to hope that Israel would comply with the resolution. Could you elaborate on this, as to why you had these hopes?

A. Well, I have those hopes because Israel is a country which, like most of the free nations of the
world, has what we call in our Declaration of Independence "a decent respect to the opinions of mankind," and I would think that a country like Israel, which naturally has that respect and which also depends very largely for its continued existence upon the good will of many other nations, would pay a respect to the overwhelming verdict of the world community as expressed in the United Nations General Assembly. After all, you had a vote there with only two negatives—that of Israel itself and of France—and that is a pretty impressive thing. I am not basing myself on any special inside information as to what Israel would do but merely on the fact that I would think a country which has the traditions of Israel, the democratic instincts of Israel, which is itself the creation of the United Nations, would have a decent respect for such an overwhelming verdict of the United Nations as was expressed last Saturday night.

Q. Mr. Secretary, on that point, would you apply the same reasoning to Egypt in the light of Egypt defying the United Nations on the free passage of Israeli ships through the Suez Canal?

A. I would think that Egypt could also be expected to respect the verdict or the voice of the United Nations General Assembly. Of course, that matter has never been in any concrete form before the General Assembly. There was this verdict or decision by the Security Council in 1951, but no efforts were made at that time to put any strong moral support behind that decision of the Security Council, and it was allowed more or less to go by default. But I think that there is a greater recognition now, perhaps, than there was then, of the necessity of a general compliance with the armistice and a hope that there will come a period of tranquillity, if not formalized peace, to that area. I would expect that the strong present desire, which I sense in the nations of the world, to see that come about would also have an influence on Egypt.

Q. Mr. Secretary, referring to your question or to your answer on Kashmir, do you feel that further action could be taken by the U.N. General Assembly toward the carrying out of a plebiscite there?

A. Well, we continue to believe that, unless the parties are able to agree upon some other solution, the solution which was recommended by the Secretary General of the United Nations should prevail, which is that there should be a plebiscite.

Q. Mr. Secretary, from your answer to an earlier question, can we assume that you have no present plans now to resign or retire?

A. I have no present plans now to resign or retire.

Q. Mr. Secretary, while you were under the congressional barrage last week, the President told us that you had a wisdom and knowledge perhaps unmatched in the world today. Would you like to tell us how that made you feel at a time like that?

A. Well, it makes you feel pretty good when a person with the wisdom and experience of President Eisenhower says a thing like that about you. It makes your heart warm.

Euratom Committee Proposes Fuel Program for Europe

Following is the text of a statement issued by the White House on February 6 following a conference between President Eisenhower and Louis Armand, Franz Etzel, and Francesco Giordani, representing the countries negotiating a treaty establishing a European atomic energy community, together with a communique issued on February 8 at the conclusion of the committee's visit to Washington.\(^1\)

**WHITE HOUSE STATEMENT**\(^2\)

The group reviewed the main items of their proposal for the construction of nuclear power plants. They stressed that a large-scale program for the industrial application of nuclear power carried out within an integrated European community would provide new opportunities for significant cooperation between the United States and Europe in the spirit of the President's atoms-for-peace program.

The President reiterated his strong and continuing support for European integration. He

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\(^1\) For background, see Bulletin of Jan. 7, 1957, p. 29, and Feb. 18, 1957, p. 250.

\(^2\) Read to correspondents on Feb. 6 by Acting Press Secretary Murray Snyder.
expressed his hope that the creation of a European atomic energy community would permit the development of a fruitful partnership with the United States, to the benefit of the entire free world.

**TEXT OF COMMUNIQUE**

1. A Committee appointed by the Governments of Belgium, France, Germany, Italy, Luxembourg, and the Netherlands which are negotiating at Brussels the treaty for a European atomic energy community (EURATOM) concluded today its official visit in Washington. The Committee, composed of Mr. Louis Armand, Mr. Franz Etzel and Professor Francesco Giordani, called on President Eisenhower, the Secretary of State, and the Chairman of the U.S. Atomic Energy Commission, and held discussions with officials of the Department of State and the Commission.

2. The Committee's task is to determine the extent to which atomic power can meet Europe's growing energy needs. The availability and cost of energy has become a limiting factor on the growth of Europe's economic strength and welfare. The Committee's review of the needs and possibilities has led it to adopt as an objective the stabilization of fuel imports early in the 1960's. To meet this target would require that nuclear power plants with a total generating capacity of 15,000,000 KW be installed within the next ten years.

3. Examination of the Committee's program indicates that its objective is feasible. Under present circumstances, the availability of nuclear fuels is not considered to be a limiting factor. A joint group of experts to be designated by the Committee and the Atomic Energy Commission will continue to examine the technical problems posed by the Committee's objective.

4. The Committee pointed out that the Atomic Energy Community (EURATOM) which will result from the present Brussels negotiations provides the framework and the stimulus required to realize the Committee's objective. It would mobilize in Europe the technical and industrial resources required and would provide a political entity com-

5. The U.S. Government welcomes the initiative taken in the Committee's proposal for a bold and imaginative application of nuclear energy. On February 22, 1956, President Eisenhower in announcing the allocation of 20,000 kilograms of U-235 for sale or lease outside the U.S. for peaceful purposes (principally power and research reactors) stated, "Significant actions are under way to create an international agency and an integrated community for Western Europe to develop peaceful uses of atomic energy. The United States welcomes this progress and will cooperate with such agencies when they come into existence." The United States anticipates active association in the achievement of the Committee's objective, and foresees a fruitful two-way exchange of experience and technical development, opening a new area for mutually beneficial action on both the governmental and the industrial level and reinforcing solidarity within Europe and across the Atlantic.

**Soviet Expulsion of U.S. Attachés**

*Statement by Lincoln White*

*Acting Chief, News Division*

The Department has just been notified that the Soviet Government has ordered the expulsion of two American Assistant Naval Attachés, Capt. Paul R. Uffelman, USMC, and Lt. William S. Lewis, USN. These officers have been falsely accused by the Soviet Government of engaging in spying activities. This expulsion order closely follows an elaborately staged “press conference” in Moscow yesterday by the Soviet Ministry of Foreign Affairs, at which four Soviet citizens were falsely presented as U.S. spies and a whole series of earlier charges of so-called U.S. spying activities going back over the whole postwar period were again brought forth.

Only 8 days have passed since the Soviet Government ordered the expulsion of two U.S. Assistant Military Attachés on equally spurious es-

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*Issued on Feb. 8 (press release 58) by the Department of State, the Chairman of the U.S. Atomic Energy Commission, and the EURATOM Committee.


*Made to correspondents on Feb. 7.*
pionage charges. This, you will recall, was January 30 and the attaches were Maj. Hubert E. Tansey and Capt. Charles W. Stockell.

The revival of old propaganda charges and the fabrication of new incidents by the Soviet Government apparently is timed to provide material in an effort to support the Soviets’ false claims of U.S. interference in the internal affairs of the countries of Eastern Europe. These charges, moreover, derive from the understandably extreme sensitivity of the Soviet Government to the overwhelming U.N. condemnation of Soviet aggression in Hungary.

The expulsion of the four American military officers on false charges can be presumed to be in retaliation against revelations of actual Soviet espionage activities in the United States. During the past year, a number of Soviet officials have been expelled from the United States for improper activities. As you all recall, recently three U.S. citizens were indicted in New York for participation in Soviet espionage activities.

Now, as regards the two American Assistant Naval Attachés, namely Lieutenant Lewis and Captain Uffelman. They were physically assaulted on a Leningrad street recently (January 26) by a group of persons dressed in civilian clothes. A Soviet militiaman stood by during the assault. Only when these persons had seized Lieutenant Lewis’ camera did the militiaman intervene, taking the camera from the civilians. Notwithstanding the fact that the American officers presented their diplomatic cards, the militiaman refused to return Lieutenant Lewis’ camera, which he had been carrying in an open area as permitted by Soviet law.

The American officers were ordered to enter a police station under threat of force after they had fully identified themselves and informed the militiamen that they considered themselves to have been arrested. After statements were taken from “witnesses,” the American officers were permitted to depart.

Incidentally, I am told that, of the four alleged spies produced in Moscow yesterday, three have been previously produced on previous occasions making virtually the same allegations.

Visits of King Saud of Saudi Arabia

Following is the text of a joint communiqué issued on February 8 following the discussions held by King Saud and President Eisenhower during the former’s state visit to Washington, together with greetings exchanged on King Saud’s arrival on January 30 and a list of his official party.

TEXT OF COMMUNIQUE

White House press release dated February 8

His Majesty Saud ibn Abd al-Aziz Al-Saud, King of Saudi Arabia, and President Eisenhower today concluded the series of discussions which they have held during King Saud’s state visit. His Majesty and the President met previously on January 30 and February 1. Their discussions have been supplemented during the past week by further meetings between His Majesty and his advisers with the Secretary of State and other American officials.

These meetings provided the opportunity to reaffirm the close friendship which has so long existed between Saudi Arabia and the United States. In an atmosphere of cordiality, the King and the President exchanged views on how the two nations might work together to strengthen the peace of the Middle East.

The two Heads of State reached full agreement on the following:

1. Saudi Arabia, by virtue of its spiritual, geographical, and economic position, is of vital importance in the Middle East. It is in the interests of world peace that this Kingdom be strengthened for the maintenance of its own stability and the safeguarding and progressive development of its institutions.

2. The two Governments will exert efforts to settle justly problems of the Middle East area by peaceful and legitimate means within the framework of the United Nations Charter. They assert
their firm opposition to the use of force from any source as a means of settling international disputes.

3. The aim of the peoples of the area is to maintain their full independence, live in peace, and enjoy economic freedom and prosperity. Any aggression against the political independence or territorial integrity of these nations and the intervention from any source in the affairs of the states of the area would be considered endangering peace and stability. Such actions should be opposed in accordance with the purposes and principles of the United Nations.

4. His Majesty indicated his purpose to continue close cooperation with the United States and carried the expressed wishes of other Arab leaders to improve their relations with the United States. President Eisenhower explained the purposes of his proposals to Congress in relation to the Middle East, pointing out that they were designed to supplement the universal non-aggression principles expressed in the Charter of the United Nations and to promote the independence and proper aspirations of the Arab peoples. King Saud received with satisfaction this exposition and assured President Eisenhower that he welcomed every step that promotes the United Nations principles respecting independence and sovereignty of states and self-determination of peoples.

5. With respect to the military defense of Saudi Arabia, including the Dhahran Airfield, President Eisenhower assured His Majesty King Saud of the willingness of the United States to provide assistance for the strengthening of the Saudi Arabian armed forces within the constitutional processes of the United States. To this end, plans are being made by representatives of both countries for the supply of military equipment, services and training, for the purposes of defense and the maintenance of internal security in the Kingdom. In the same spirit, His Majesty King Saud assured President Eisenhower of His Majesty's intention that the United States continue for another five years to use the facilities accorded to it at the Dhahran Airfield under conditions provided for in the Agreement concluded between the two countries on June 18, 1951. The United States agreed to consider the provision of economic facilities that would serve to augment the combined aims and interests of the two countries.

6. The two Chiefs of State exchanged views on a number of other matters of common interest.

**EXCHANGE OF GREETINGS AT AIRPORT**

White House press release dated January 30

The President:

Your Majesty, on behalf of the American people, I welcome you to this country. We recognize in you both a leader of the Arabian people and a custodian of those cities most sacred to Islam. It is an honor to have you here.

We were fortunate, in the United States, in calling your late father, His Majesty King Saud, our friend.

We are equally fortunate in calling you our friend. And I look forward with great expectation to the conversations we shall have here of problems important to both our countries because we value your friendship and we believe out of these conversations should come results to strengthen and reaffirm the friendships that we have with your country.

King Saud: (through interpreter)

I have the great pleasure to extend to Your Excellency and to the American people, my deep gratitude and appreciation of this warm welcome. I am indeed happy to respond to Your Excellency's call to renew and to consolidate the traditional friendship between our peoples, the foundations of which were laid down by my late father.

On behalf of my people, I wish to assure Your Excellency of our desire to establish our relationship with the American people on the basis of amity and mutual interest. I look forward to this opportunity provided to me by my visit to undertake with Your Excellency and your Government a discussion characterized by the same degree of complete frankness as indicated by Your Excellency.

May God the Almighty bestow upon us wisdom and sagacity and guide us all toward universal peace and goodwill.

**MEMBERS OF OFFICIAL PARTY**

The Department of State announced on January 25 (press release 39) the members of the official party accompanying King Saud on his visit to Washington. They are as follows:

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Prince Muhammad ibn Saud Al-Kabir, cousin of the King
Prince Musaad ibn Abd-Rahman, Chief of Royal Diwan of Complaints
Prince Faisal ibn Saud, Minister of Defense
Prince Muhammad ibn Saud, son of the King
Prince Mashhur ibn Saud, son of the King
Prince Muhammad ibn Turki, cousin of the King
Shaikh Abdullah Al-Khayyal, Ambassador of Saudi Arabia to the United States
Shaikh Yusuf Yasin, Royal Counselor and Deputy Foreign Minister
Khalid Bey Abu Al-Walid, Royal Counselor
Shaikh Muhammad Surur, Royal Counselor and Minister of Finance
Jamal Bey Al-Hussain, Royal Counselor
Abd al-Rahman Azzam, Legal Adviser
Shaikh Abdullah Al-Sadun, Tribal Leader of Mutair

Mexico: Cooperation and Progress

by Roy R. Rubottom, Jr.
Assistant Secretary for Inter-American Affairs

One look at the map will tell you why Mexico will always be of prime importance to us and why the United States will always be of prime importance to Mexico. The facts of geography are inescapable; and here the compelling fact is 1,935 miles of common frontier. There has to be a continuous community of interest where there is such a long line of permanent contact. That border has helped shape the history of our two countries and the psychology of our peoples.

However, history as well as geography makes Mexico and the United States continuously important to each other. This is due in part to the historic circumstance of our parallel development as nations. First, in both cases, was the European settlement in a new world of colonies which were to achieve their independence and choose their own destinies as constitutional democracies. Along with our mutual growth as republics, our economic, diplomatic, and cultural relations with each other have been progressively extended and intensified. Increasing cooperation along and across the border has been symbolized in recent years by the interchange of visits between our

Maj. Gen. Ibrahim Al-Tassan, Acting Chief of Staff and Director General of Civil Aviation
Abd al-Munim Mustafa, Legal Adviser
Shaikh Muhammad ibn Dughraither, Chief of Royal Diwan (Telegraphic Bureau)
Abdullah Balkhair, Director General of Press, Broadcasting, and Publications
George Wadsworth, American Ambassador to Saudi Arabia
Victor Purse, Acting Chief of Protocol, Department of State
Brig. Gen. Dale O. Smith, USAF, American Aide to the King
Clement E. Conger, Assistant Chief of Protocol, Department of State
Joseph W. Reap, Press Officer, Department of State

Chiefs of State: Presidents Roosevelt and Avila Camacho; Presidents Truman and Alemán; more recently, Presidents Eisenhower and Ruiz Cortines.

Mexico is the second largest Spanish-speaking country in the world and is the fourth largest of the American Republics, exceeded in area only by Brazil, Argentina, and the United States. With a population of around 31 million, it is also the third American Republic in population.

Size, strategic location, progressiveness, and a wealth of resources, both material and cultural, have given Mexico international stature and significance. In the Organization of American States, composed of the 21 Republics of this hemisphere, and in the United Nations, the voice of Mexico is heard often and eloquently in behalf of the free world. In this connection, let me recall that the Mexican flag under which the Mexican aviators fought in the South Pacific in World War II now stands in the Court of Heroic Flags in the historic Castle of Chapultepec. In keeping with this tradition of supporting the free world, more than 200,000 Mexican workers on December 13, 1956, the day of the Virgin of Guadalupe, prayed for the liberation of Hungary.

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1 Address made at Michigan State University, East Lansing, Mich., on Feb. 2 (press release 47 dated Jan. 31).
I should like to recall also a story—which is not told nearly often enough—about successful Mexican—United States cooperation in repelling aggression against the hemisphere. It happened almost a century ago. The course of history, not only our history and Mexico’s but that of the world, might have been changed if Mexican statesmanship and United States statesmanship had not then united to keep the hemisphere free.

The year was 1864, the season early spring, and freedom was threatened on many fronts. In our own country, terribly torn by civil war, General Grant was hurriedly reorganizing his armies. In Paris, Napoleon III was making no secret of his project of a Mexican empire for Maximilian. In London, Maximilian was being received incognito by Queen Victoria. In Mexico, the young nation was confronted by European determination to end its independence.

Our Secretary of State was William H. Seward. He was faced by this threat of European monarchical aggression against Mexico while we ourselves were tragically involved in fratricidal war at home. The Secretary carried out his officially neutral role as between Mexico and France, even while Napoleon III was telling the world about the potentialities of Maximilian’s forthcoming empire. It was an hour of crisis when Mexico and the United States had to plan and to act together. To frustrate that last attempt by a European power at establishing an empire in this hemisphere was the joint objective of Seward and the youthful Mexican Minister to the United States, Matías Romero. In this they had the tremendous support of public opinion. At a dinner at Delmonico’s in New York held by influential private citizens in support of the Mexican position, William E. Dodge, Jr., declared that “when our own civil war shall be over, there will not be a city, nor a town, nor a village which will not immediately arm a company of soldiers to fly to the aid of our sister republic, now making so glorious a fight.”

Romero responded with deep emotion that while true enough, Mexicans had once believed the United States was chiefly concerned with enlarging its own territorial areas, now a new era had dawned. “Our common interest, political as well as commercial,” he said, “will give us a common continental policy which no European nation would dare disregard.” The relation of how Romero and Seward worked tirelessly and effectively together is a fundamental hemisphere document. Seward described their success as “creation of mutual moral alliance to the end that all external aggression may be prevented throughout the whole continent.”

Suggestions have been made from time to time that in the historical series of United States postage stamps one group should be devoted to Latin American and United States citizens who have worked together in close inter-American solidarity. When such a series is designed, I hope that, along with the collaboration of Bolívar and Henry Clay, the mutual contributions to educational progress of Sarmiento and Horace Mann, the association in New York of Martí and Dana, there will be a portrayal also of this memorable, fundamental defense of hemisphere freedom by the brilliant young Mexican diplomat and our farseeing, hard-pressed Secretary of State.

Of course, in referring to United States—Mexican relations, we in all honesty should consider the totality of our relationships. If we could draw up a balance sheet, the credit side of the ledger would show a tremendous advantage over the debit side. However, the very existence of a debit side, of a negative aspect of our relations, of problems unsolved, if you please, constitutes the greatest challenge to wholehearted cooperation which our two countries can have. We both need to work unceasingly to solve those problems that still confront us, to add to that enormous depository of good will which already has made a model of our neighborly relationships.

**Economic Relations**

To examine in some detail the economic side of our relations with Mexico, I might go back to the early days of World War II. In 1941 the United States agreed to lend Mexico $40 million for highway construction, including completion of the Mexican section of the Inter-American Highway, as well as for building and expanding factories for steel. A later loan was for other strategic materials needed in the war effort. As one of the Allied forces in World War II, Mexico made invaluable contributions of such materials.

The Mexican-American Commission for Economic Cooperation was established in 1943. It strengthened our cooperation in World War II and was a strong factor in the hemisphere’s successful resistance to aggression.

In recent years constructive economic coopera-
tion with Mexico has increased progressively. For instance, there are the series of loans made by the Export-Import Bank for a wide variety of purposes, including railroad rehabilitation and construction; development and expansion of steel, sugar, sulphur, and mining industries; and electrification. During the past 7 years these Export-Import Bank loans to Mexico total $231,766,000. The International Bank for Reconstruction and Development has also granted loans to Mexico of $141 million during the same period "for power development and railroad rehabilitation." These figures attest to Mexico's excellent credit standing.

Foreign investment in Mexico advanced steadily last year over the 1955 total of $112 million. United States investors made up more than 70 percent of the total. Among new United States industrial enterprises in 1956 were theRalston Premium factory for cattle feed in Queretaro and the John Deere plant in Nuevo Leon for manufacturing and assembling tractors and farm implements.

Comercio Internacional, official organ of the National Association of Importers and Exporters of Mexico, recently published a summary of United States business enterprises now operating in that country. One interesting fact brought to light is that, out of 46 such enterprises, half were owned jointly by Mexican and United States citizens, the Mexicans in several cases holding the controlling interest. Furthermore, 22 of the companies consistently reinvest 100 percent of their net profits in Mexico, and an additional 9 reinvest in Mexico more than half the net profits. The survey concluded that the average Mexican citizen receives the following benefits from United States private investment in Mexico:

1. Employment opportunities. Of the 53,000 workers in the 46 enterprises, 52,200 are Mexicanos.
2. Opportunities for high-level executive experience. Of the 978 executive and managerial positions in these companies, 746 are occupied by Mexicans. In some of these, Mexicans hold all the top jobs.
3. Good wages.
4. Excellent technical training. The survey reports that through these companies "there is evolving in Mexico a skilled labor force which is already the equal of any other in Latin America and superior to most."
5. Availability of up-to-date United States technology, along with discoveries and improvements worked out in research laboratories of industries with Mexican plants.

At the present time, direct United States investments in Mexico exceed $600 million. After Governor G. Mennen Williams' recent visit to Latin America, he pointed out that "some United States businessmen are serving as ambassadors of good will while making a good profit. They are providing much-needed technical know-how and helping to build solid and democratic States."

As regards our total trade, Mexico is both one of our indispensable sources of supply and one of our best customers—our largest customer in Latin America, in fact, and our third largest in the world. In 1956 Mexico bought approximately $894 million of United States products, 15 percent more than in 1955.

Fifty percent of Mexican exports are sent to the United States; 80 percent of Mexican imports come from the United States. Imports—largely investment goods for industrial and agricultural development projects—were somewhat in excess of exports during 1956. (The figures, from January through September, were: exports, $620 million; imports, $789 million.) However, this deficit was more than offset by a number of factors: increased private investment, both domestic and foreign; large tourist receipts; gold and silver production; and remittances from short-term agricultural laborers in the United States. As regards the last category, the agricultural laborers, it is my information that at the peak period last August, right here in Michigan, which is a long way from the Mexican border, you had some 10,500 of these Mexican workers helping to harvest your sugar beets and raw crops and to pick your cherries.

At the end of December 1955, Mexican gold and dollar reserves amounted to $410 million. At the end of 1956, Mexico's foreign-exchange reserves were around $460 million, according to the Mexican Finance Minister.

In his recent end-of-the-year message to the nation, President Ruiz Cortines provided an accelerated program for Mexico in 1957.

"We can see what 25 years of internal peace have achieved," he said, and forecast a great public-works program for the current year: intensification of road building; irrigation in agricultural zones; construction of schools, hospitals, and
grain elevators—these last to expand production by affording much-needed storage facilities.

The country's present economic condition justifies the Mexican Government's optimistic forecasts for the present year. There have been 3 successive years of good harvests, in spite of drought in some areas. Mineral, agricultural, and industrial production has been rising steadily. Mexico's gross national production in 1956 reached approximately 100 billion pesos ($8 billion), an increase of 10 percent over the 1955 gross of 84 billion pesos ($6.7 billion).

The Mexican Government's optimism is reflected in the generally buoyant attitude of the Mexican people regarding their economic future. Both Government and people have contributed to the improved status by exercising intelligence and self-discipline. For example, Mexico is not sitting back to enjoy present prosperity but using the gains to increase national productive capacity. Inflationary tendencies, not long since a serious menace, appear to be under control.

There are some long-range problems, such as the shortage of new arable lands that can be brought into production by irrigation. However, the Mexican Government and people have proved their ability to cope successfully with such difficulties.

"People to People" Contacts

It may surprise you to hear that some 35,000 United States citizens make their home in Mexico. Similarly, thousands of Mexican citizens reside in this country. Nor should we forget that many families, especially in California, Florida, Louisiana, and the States along the Rio Grande are of Mexican ancestry and keep in touch with their Mexican relatives. Valuable "people to people" contacts are maintained also through the half-million or more United States citizens who visit Mexico annually, crossing the border every month of the year in friendly multitudes. They come home with increased understanding and admiration for that hospitable land and its people, to whose economy they add by spending there some $250 million a year.

No less important is a parallel flow of Mexican citizens to the United States. In fact, their number is even greater, since, in addition to the thousands of Mexicans who come to this country as tourists and for professional and business reasons, numerous agricultural laborers arrive to work under temporary contracts. In this group of workers alone, more than 400,000 came during 1956. Let me say in this connection that the difficult problems arising from illegal entry of many such workers are being satisfactorily resolved by both Governments.

An extremely important category in this large-scale exchange of persons, to employ awkward but useful official terminology, is that of university students. Hundreds of young Mexicans are studying in United States colleges and universities—many of them, as you are well aware, have come to East Lansing and Ann Arbor—and hundreds of our own young people, especially under the GI Bill of Rights, have been enrolled in Mexican institutions of learning. As a matter of record, an exchange of notes between our two Governments in 1949 established the United States-Mexican Cultural Commission. In the words of our Ambassador, the primary purpose is "to create even better understanding between the United States and Mexico . . . through the free interchanges of ideas, knowledge, and information about each other's way of living and thinking."

That cultural agreement with Mexico was the first which the United States had ever signed with any country. There was an especial fitness that it should have been with our neighbor, Mexico. The first printing press in this hemisphere was at Mexico City, which published the first book in 1537. A school with more than a thousand students had been established 15 years earlier; and in 1553 the University of Mexico—now housed in one of the most modern and beautiful physical plants in the world—was officially opened. In his scholarly and delightful work titled Books of the Brave, Dr. Irving A. Leonard, a distinguished member of the faculty of the University of Michigan, tells us that by 1605, when the first edition of Don Quixote appeared, Spanish books were arriving regularly at Mexico in considerable quantities and there were several sizable private libraries. One of these included, in addition to a wide assortment of literary, theological, and scientific works, numerous maps, woodcuts, drawings, and astrolabes and other scientific instruments.

Our own unofficial cultural relations with Mexico began in colonial times. Benjamin Franklin
took a special interest in encouraging inter-American scientific contacts, and Latin American scientists showed responsive enthusiasm. In 1789 and 1790 the Mexican astronomer José Alzate wrote extensive commentaries on Franklin's experiments with electricity and translated material by Franklin on optics, rays, and waves. An early New York scientist, Dr. Samuel Latham Mitchill, who worked cooperatively with Mexicans in his field, said of Mexico that its public spirit had been "manifested in the endowments of learned institutions and in the encouragement of scientific man to an extent of which no parallel exists in our state of society." In keeping with this cordial recognition, Mexican friends of science made various important contributions of books and mineral specimens to the American Philosophical Society, which Benjamin Franklin had founded and zealously cherished.

Ever since, as I have indicated already, United States-Mexican cooperation has been operating at many levels and through innumerable media, both public and private. Take, for example, the diversified agricultural program inaugurated in Mexico in 1943 by the Rockefeller Foundation. It includes research into the production of wheat, beans, potatoes, truck crops, sorghum, soy beans, grasses, poultry, and, most important of all, that basic Mexican crop—corn. Under this program corn production has been increasing steadily for the past decade. The main food crop in Mexico since the time of the Aztecs has been corn, and that country is now able to meet the needs of her own increasing population.

The story of the Mexican-American Commission for the Eradication of Foot-and-Mouth Disease demonstrates the great, even tragic, difficulties which cooperation sometimes involves. The Commission in 1947 undertook the vital task of eliminating all cattle with foot-and-mouth disease in Mexican ranchlands, and of vaccinating the rest. The project met with opposition—sometimes extremely violent—from country people who regarded its personnel merely as hostile "cow-killers."

On most small Mexican farms in a large part of the infected area, farm draft power was furnished by oxen. Killing the cattle, including the oxen, on these farms paralyzed virtually all farm production. Furthermore, cattle provide the principal source of income from large areas of rough, mountainous farmland in Mexico. Finally, the Joint Commission was forced to develop a method of eradication of foot-and-mouth disease by inoculating susceptible animals—cattle, sheep, goats, and hogs—every 4 or 5 months until no further infection appeared. But no more exposed animals were slaughtered. In some areas efforts to carry out the campaign had met with armed resistance, which made the final success all the more remarkable. That success was achieved by the joint labor of both Governments, and, in particular, by the devotion of the Commission personnel, Mexican and United States, during 5 years of working shoulder to shoulder under trying and difficult conditions.

Falcón Dam

A unique and enduring monument to Mexican—United States cooperation and friendship is the mighty Falcón Dam. Planned, constructed, and built by the two Governments on the Rio Grande, 75 miles downstream from Laredo, there has been no other intergovernmental project in history quite like it. As President Eisenhower said in his dedicatory address October 19, 1953:

More than a mute monument to the ingenuity of engineers, this Falcón Dam is living testimony to the understanding and the cooperation binding our two peoples. . . .

This work is one of the most dramatic achievements of the International Boundary and Water Commission, which conceived and executed its construction. . . . It has given the world a lesson in the way nations . . . should live; in peace, in mutual respect, in common prosperity.9

And President Ruiz Cortines said in response:

Thousands of families on these lands scorched by the droughts of centuries will see the fruit of their labors multiplied. Electric power will replace muscle power. The lifegiving and indispensable waters, now under control, will make the sown fields fertile. Falcón Dam symbolizes in a most special way the desire of our two countries to unite their efforts in this sphere of cooperation which their neighborhood makes imperative; to facilitate—and, if possible, to accelerate—the forward march of social and economic progress.

Mexico is opening many new channels of communication through its great roadbuilding program. I have already referred to the Inter-American Highway, which, as you know, will be

completed soon. The Mexican section, 1,601 miles long, extending from Texas to Guatemala, efficiently built, paid for, and maintained by Mexico, was inaugurated in 1950. Present road construction responds to the rapid increase in population. The Mexican rate, between 2½ and 3 percent annually, is one of the highest in the world and makes necessary a corresponding increase in means of communication. Among the more important of these is the new north-south route from Piedra Negra, just across the river from Eagle Pass, Texas, to Mexico City, which is due for completion this year.

Last September Mexico inaugurated a multi-million dollar, 5-year campaign to wipe out malaria, which in some regions of the country has been practically endemic for generations. While some 700,000 dwellings receive residual spraying against mosquitoes, victims of the disease will be treated, with results surveyed and evaluated. Since malaria is a global problem, made more so in the air age, the results of this campaign are of international interest. It is accordingly fitting that it should be, as it is, an international cooperative project. Mexico makes what is by far the chief financial contribution, aided by the United Nations Children’s Fund and the World Health Organization; while our own Ica, the United States International Cooperation Administration, gives some consultative assistance.

Another example of the way in which we are cooperating successfully in working things out is the radio broadcasting agreement between the United States and Mexico signed just a few days ago, on January 29. During the past 8 years concerted efforts had been made to settle the complex broadcasting problems between our countries. Technical representatives of our two Governments held numerous conferences on the subject. Representatives of both Mexican and United States broadcasting industries also took part in these conferences. The mutual desire of these industrial representatives for rules which would regulate and control the industry was instrumental in bringing about the final agreement.

Both Mexico and the United States are constitutional democracies, whose peoples find in a republican form of government the greatest safeguard of their freedoms and the greatest promise for their future. Mutuality of interests no less than geographical propinquity will undoubtedly increase the methods and objectives of cooperation for our common benefit.

As both our nations continue to grow, Mexico and the United States will undoubtedly extend existing cooperation through our regional grouping in the Organization of American States, our global association in the United Nations, and our bilateral agreements with each other.

For both countries, increasing population, expanding development of natural resources, and enlarging industrial potential will afford myriad new opportunities for cooperation—economically, politically, and culturally. I have no doubt that our Governments and our peoples alike will welcome these opportunities and will make the most of them in benefit of our two nations and of mankind.

Just over a half century ago, in 1906, Elihu Root told the Pan American Conference at Rio de Janeiro:

We wish to increase our prosperity, to expand our trade, to grow in wealth, in wisdom, and in spirit; but one conception of the true way to accomplish this is not to pull down others and profit by their ruin but to help all friends to a common prosperity and a common growth, that we may all become greater and stronger together.

That expression of our own country’s attitude was enhanced and reaffirmed for the 21 American Republics on March 6, 1945, at Chapultepec, with the declaration that “the inter-American community is dedicated to the ideals of peaceful cooperation.” I should like to close—and look forward—with that affirmation.

**Eximbank Loan to Honduras for Inter-American Highway**

A loan of $1,650,000 to Honduras to assist in completion of the Inter-American Highway across that country between the borders of Nicaragua and El Salvador was announced on February 5 by the Export-Import Bank of Washington. This is the third recent loan by the Export-Import Bank to a Central American Republic to accelerate progress on the Inter-American Highway. Eximbank loaned $9,540,000 to Costa Rica for this purpose in 1955 and $2,000,000 to Nicaragua in 1956.

Existing administrative arrangements provide that the Government of Honduras will disburse
loan funds under the supervision and fiscal control of the U.S. Bureau of Public Roads for construction, engineering, and incidental costs on three sections of highway totaling 94 miles. Work to be done consists largely of grading, constructing bridges, and providing asphalt surfacing.

The U.S. Bureau of Public Roads is supervising construction programs along the highway in other Central American Republics under similar arrangements.

In Honduras the highway runs along the south coast beginning, at its westerly point, at El Amatillo on the El Salvador border and extending to El Espino on the Nicaraguan border. The highway passes through Jicaro Galan, junction for Tegucigalpa, capital of Honduras, located 117 kilometers or 73 miles to the north, then through San Lorenzo, Choluteca, Chinchayote, San Matías, and to El Espino.

Major traffic movement expected to be developed by completion of the highway will be through traffic from El Salvador and Nicaragua. Improvement of this highway is expected to stimulate increased agricultural production, especially such foodstuffs as corn and beans. The movement of products over the section from Jicaro Galan to El Amatillo is expected to result in an increased exchange of goods between Honduras and El Salvador. Products, in addition to foodstuffs, will be general merchandise.

Passenger traffic is also expected to increase as a consequence of the improvements being made in the southern highway that connects Tegucigalpa with the Inter-American Highway.

Terms provide that the loan shall be repaid in 30 approximately equal semiannual installments commencing not later than February 1, 1960.

The convention for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income is effective retroactively beginning January 1, 1957. It is the first such convention to be concluded with any of the American Republics. Its provisions follow, in general, the pattern of income tax conventions in force between the United States and numerous other countries.

The convention is designed, by eliminating as far as possible double taxation on the same income, to remove an undesirable impediment to international trade, investment, and economic development. It applies, so far as U.S. taxes are concerned, only to the Federal income taxes, including surtaxes. It does not apply to the imposition or collection of taxes by the several States, the District of Columbia, or the territories or possessions of the United States, except that it contains a broad national-treatment provision similar to a provision customarily found in treaties of friendship, commerce, and navigation.

**Agreement With Brazil Concerning Guided Missiles Facility**

The United States and Brazil on January 21 concluded an agreement for the establishment of a guided missiles facility on the Island of Fernando de Noronha. The agreement was effected by an exchange of notes at Rio de Janeiro between U.S. Ambassador Ellis C. Briggs and José Carlos de Macedo Soares, Brazilian Minister for Foreign Affairs. Following is the text of the U.S. note.

Rio de Janeiro,
January 21, 1957

Excellency:

I have the honor to acknowledge Your Excellency's Note No. DPo/11/520.5 of today's date, the text of which in English is as follows:

The Government of the United States of Brazil, conscious of the obligations which devolve upon it and which extend equally to the Government of the United States of America, with reference to the common defense of the two countries and the defense of the Continental, by reason of diplomatic undertakings previously concluded, especially the Inter-American Treaty of Reciprocal Assistance signed in Rio de Janeiro on September 2, 1947, as reaffirmed by the Military Assistance Agreement concluded in this capital by the two Governments on March 15, 1952, both duly approved by the Legislative Power of Brazil, is prepared to conclude the following Agreement which

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**Tax Convention With Honduras Enters Into Force**

Press release 59 dated February 8

On February 6, 1957, the income tax convention between the United States and Honduras signed at Washington on June 25, 1956, was brought into force by the exchange of instruments of ratification. The exchange took place at Tegucigalpa.

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1 **Bulletin** of July 9, 1956, p. 68. For text, see S. Exec. K, 84th Cong., 2d sess.
follows in particular Article I, Paragraph 1, in fine, of the Agreement mentioned:

(1) The Governments of Brazil and of the United States of America, with a view to the defense of Brazilian territory and of the American Continent, have agreed to the construction on the Island of Fernando de Noronha of installations particularly of an electronic character connected with the tracking of guided missiles.

(2) These installations shall be constructed by United States specialists and technicians assisted by Brazilian specialists and technicians.

(3) The said installations shall be under the command of a Brazilian officer and the Brazilian national flag exclusively shall continue to fly over the Island of Fernando de Noronha.

(4) The operation of the said technical installations shall be under the responsibility of United States technicians assisted by Brazilian technicians and military.

(5) The Governments of Brazil and of the United States of America agree that United States technicians shall be gradually replaced by Brazilian technicians in accordance with conditions to be determined by common agreement.

(6) The Government of the United States of America, in view of the fact that the Government of Brazil considers its responsibilities increased by the establishment of the guided missile tracking station on the Island of Fernando de Noronha, agrees to undertake immediately with the Brazilian Government an examination of the extent of the responsibilities that may be involved.

(7) The construction and fixed improvements made on the Island of Fernando de Noronha in connection with the technical installations to which this Agreement refers shall become the property of Brazil without any indemnification, upon termination of this Agreement or upon termination of any extension.

(8) It is understood that this Note and Your Excellency's reply thereto shall constitute an Agreement between our two Governments which shall remain in force for a period of five years from this date and may be extended only under the conditions and for the length of time to be determined by common agreement. In the event of an extension, the Agreement may be denounced by either of the two Governments with prior notice of one year.

I have the honor to inform Your Excellency that the Government of the United States of America confirms this Agreement.

Accept, Excellency, the renewed assurances of my highest consideration.

ELLIS O. BRIGGS,
American Ambassador

License Regulations Based On Exports of Technical Data

Simplification of regulations covering scientific, educational, and other types of unclassified technical data exportable under general license to all foreign destinations, without the necessity of applying for an individual license, were announced on January 31 by the Bureau of Foreign Commerce, Department of Commerce. Exporters of certain technical data need no longer indicate on the letter or parcel the general license authorization under which the export is made, if the shipment is noncommercial and is being exported via first-class mail.

This amendment of the regulations applies only to noncommercial shipments such as those made by a private person not engaged in business, by a philanthropic organization, or by a nonprofit scientific society, and only to those shipments authorized under general license GTSD (scientific or educational data) or GTDP (published technical data). Previously, exporters of such data were required to place the applicable general license symbol and the phrase "Export License Not Required" on the wrapper of the parcel.

The Bureau of Foreign Commerce has also revised its regulations to permit U.S. Government agencies to export technical data under general license GTDS without placing the required authorization on the package. Previously this requirement had been eliminated for Government agencies only for shipments under GTDP.

The amendments are designed to facilitate exchange of unclassified scientific and technical information. The previous requirement had been misunderstood by many persons to mean that the Government exercised censorship over such communications. This is not the case, the Bureau said, and the change in regulations should serve to give emphasis to this fact.1

1 These revisions are published in detail in Current Export Bulletin 779, dated Jan. 31. The bulletin may be obtained from the Department of Commerce, Washington 25, D. C., or from any of the Department's field offices at 10 cents a copy.
The 1956 International Wheat Agreement

by L. I. Highby

The International Wheat Agreement of 1956, which was negotiated by the United Nations Wheat Conference in sessions held in late 1955 and early 1956 at Geneva and London, entered into force in direct succession to the similar 1953 agreement, which expired July 31, 1956. Forty-five countries, including the United States, have now formally accepted the new agreement.

The message of the President to the Senate of June 12, 1956, requesting the advice and consent of that body to ratification set forth the circumstances of the negotiation and the character and extent of the rights and obligations of member countries. It also contained a summary of the principal provisions of the new agreement, indicating the most important changes from the predecessor agreement. The present article is intended to account for subsequent developments in connection with formal acceptance of the agreement and the organization of the new International Wheat Council. It also shows the role played in international trade in wheat by the 1949 and 1953 International Wheat Agreements, which were in operation in the 7 years preceding entry into force of the present agreement.

Senate Hearings on Wheat Agreement

At a hearing held on the wheat agreement before the Committee on Foreign Relations of the Senate on July 3, 1956, testimony was given by representatives of the Departments of Agriculture and State. The Department of Agriculture, in a formal statement presented for the record, brought out the fact that, in view of the high level of world wheat stocks and the unwillingness of the exporting countries to make any important concessions on price as from the 1953 agreement, the ultimate success of the Wheat Agreement negotiation would seem to represent a signal manifestation of the widespread belief among nations in the principle, and value, of international cooperation in the world marketing of wheat.

Consultation held by the Department of Agriculture with agricultural groups advisory to the Government, with farm organizations, with wheat growers, and with wheat and flour export trade associations in the United States had also indicated widespread support for the continuation under present conditions of world supply of this type of cooperation. It was explained that the relatively modest quantity of 303 million bushels, as compared with 396 million covered in the 1953 agreement and a still larger quantity in the 1949 agreement, was due to the continued nonparticipation of the United Kingdom and the reluctance of other importing countries to commit sizable quantities under the terms of the agreement in view of the current abundance of supplies of wheat. The share of the United States as entered in the new agreement thus became about 132 million bushels as compared with 196 million under the previous agreement. The statement by the Department of Agriculture pointed out, however, that this was “more in line with actual United States sales under the agreement, which in 1954-1955 were 130 million bushels, and which are estimated for 1955-1956 at 132 million.”

Mr. Highby is an international economist, Office of International Trade and Resources.

3 For an article on the 1949 agreement, see ibid., Apr. 21, 1949, p. 507.
The Department of Agriculture testimony also brought out that, while the projected membership of importing countries was almost the same as in the 1953 agreement, the prospect that Argentina and Sweden might be added to the exporter members "goes a long way toward compensating for the smaller quantities in the agreement, for although the agreement total represents only about 31 percent of world trade in wheat, yet the 6 exporting member countries export inside and outside the agreement 90 percent of all wheat moving in world trade. It is not unreasonable to suppose that these exporting countries may coordinate their selling policies outside the agreement with those under the agreement to a degree which would exert considerable influence on the entire 90 percent of world wheat trade." It was also brought out that the Argentine representative at the conference had given reason to expect that his Government would effect changes in its trade policy which would result in bringing additional quantities under the wheat agreement.

In accounting to the committee for the cost of the 1953 wheat agreement which was about to terminate, the statement of the Department of Agriculture included the following:

In September 1953—the second month of the current 3-year agreement—world prices of wheat outside the agreement fell below the agreement maximum price. Naturally prices under the agreement declined likewise, since trade is obtained by competition within the agreement price range just as it would be obtained competitively outside the agreement. Since the agreement maximum price ceased to operate as a ceiling for selling prices and the IWA selling prices and other world prices were at the same level, one viewpoint might be that the implementation of membership in the Wheat Agreement insofar as export payments themselves are concerned resulted in no additional cost to the United States. This is not to say that the funds appropriated by the Congress to defray the payment of 60 1/2 cents per bushel do not represent very real costs to the Government, but the point here is that there would have been involved a similar cost in accomplishing the exportation of the same quantity of wheat in the absence of a wheat agreement—prevailing domestic market prices and prices in world competition being what they were. There is considerable justification for the further viewpoint that, in the absence of price stability afforded by the agreement, the selling prices of wheat in world markets might well have gone much lower with corresponding increase in the cost of United States export payment necessary to sustain exports.

Agriculture's testimony also referred to the new provision in the 1956 agreement (paragraph 7 (a), article XIII) which made it permissive for the Wheat Council to study any aspect of the world wheat situation and to sponsor exchanges of information and intergovernmental consultations relating thereto. In discussion at the hearing it was clearly brought out that this provision did not open any possibility of interference or dictation by the Wheat Council concerning the domestic policies of member countries, since it is immediately followed in the agreement itself by a statement of reservation by the member countries of "complete liberty of action in the determination and administration of their internal agricultural and price policies."

The Department of Agriculture's statement summarized reasons for commending the agreement for Senate approval as follows:

1. The prospect that the agreement may for the first time include all the major world exporters of wheat except Turkey and Uruguay.

2. The degree of stability afforded by the price range, and the psychological effect thereof on the prices of all wheat in world trade.

3. The agreement provides a useful point of contact between the United States and importing countries which are potential buyers of United States wheat.

4. The agreement provides a natural and continuing point of contact between the United States and other major exporting countries, which is of particular value in view of other United States disposal programs and their effect upon international relations, and the need for maintaining understanding and equilibrium.

5. The agreement affords an internationally accepted structure within which the United States may operate its export subsidy program on wheat and flour.

6. Continuation of the agreement has strong support in farm organizations and industry and other agricultural advisory groups.

The testimonial statement presented by the Department of State contained the following:

It is clear that our interests are best served by working with friendly countries in this matter. It is also clear that such cooperation is most effective and most acceptable if pursued on a multilateral basis with participation of both exporting and importing countries. . . . The Department of State considers the agreement in the best interest of the United States since it offers a guaranty of an important export outlet for wheat at a given price and can serve to stabilize wheat prices generally in international trade, thus avoiding unnecessary hazards in the field of our foreign economic relations.

U.S. Ratification

The Committee on Foreign Relations reported the agreement favorably on July 5, unanimously recommending that the Senate give its advice and
consent to ratification. On July 10 the Senate agreed to ratification with only one dissenting vote. A formal instrument of ratification was then signed by the President and deposited on July 13 with the Department of State, which acts as depositary for the agreement.

Membership and Guaranteed Quantities Listed in the Agreement as Negotiated

The importer membership and the guaranteed purchases for each crop year as projected in the negotiated agreement (annex A to article III) were as follows:

ANNEX A TO ARTICLE III
GUARANTEED PURCHASES FOR EACH CROP-YEAR

<table>
<thead>
<tr>
<th>Metric tons</th>
<th>Equiv. in bushels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
<td>100,000</td>
</tr>
<tr>
<td>Belgium</td>
<td>450,000</td>
</tr>
<tr>
<td>Bolivia</td>
<td>110,000</td>
</tr>
<tr>
<td>Brazil</td>
<td>200,000</td>
</tr>
<tr>
<td>Ceylon</td>
<td>175,000</td>
</tr>
<tr>
<td>Colombia</td>
<td>70,000</td>
</tr>
<tr>
<td>Costa Rica</td>
<td>40,000</td>
</tr>
<tr>
<td>Cuba</td>
<td>202,000</td>
</tr>
<tr>
<td>Denmark</td>
<td>50,000</td>
</tr>
<tr>
<td>Dominican Republic</td>
<td>30,000</td>
</tr>
<tr>
<td>Ecuador</td>
<td>50,000</td>
</tr>
<tr>
<td>Egypt</td>
<td>300,000</td>
</tr>
<tr>
<td>El Salvador</td>
<td>25,000</td>
</tr>
<tr>
<td>Germany</td>
<td>1,500,000</td>
</tr>
<tr>
<td>Greece</td>
<td>300,000</td>
</tr>
<tr>
<td>Guatemala</td>
<td>40,000</td>
</tr>
<tr>
<td>Haiti</td>
<td>60,000</td>
</tr>
<tr>
<td>Honduras</td>
<td>25,000</td>
</tr>
<tr>
<td>India</td>
<td>200,000</td>
</tr>
<tr>
<td>Indonesia</td>
<td>140,000</td>
</tr>
<tr>
<td>Ireland</td>
<td>150,000</td>
</tr>
<tr>
<td>Israel</td>
<td>225,000</td>
</tr>
<tr>
<td>Italy</td>
<td>100,000</td>
</tr>
<tr>
<td>Japan</td>
<td>1,000,000</td>
</tr>
<tr>
<td>Jordan</td>
<td>10,000</td>
</tr>
<tr>
<td>Kenya</td>
<td>60,000</td>
</tr>
<tr>
<td>Lebanon</td>
<td>75,000</td>
</tr>
<tr>
<td>Liberia</td>
<td>2,000</td>
</tr>
<tr>
<td>Mexico</td>
<td>100,000</td>
</tr>
<tr>
<td>Netherlands</td>
<td>700,000</td>
</tr>
<tr>
<td>New Zealand</td>
<td>160,000</td>
</tr>
<tr>
<td>Nicaragua</td>
<td>10,000</td>
</tr>
<tr>
<td>Norway</td>
<td>180,000</td>
</tr>
<tr>
<td>Panama</td>
<td>30,000</td>
</tr>
<tr>
<td>Peru</td>
<td>200,000</td>
</tr>
<tr>
<td>Philippines</td>
<td>165,000</td>
</tr>
<tr>
<td>Portugal</td>
<td>160,000</td>
</tr>
<tr>
<td>Saudi Arabia</td>
<td>100,000</td>
</tr>
<tr>
<td>Spain</td>
<td>125,000</td>
</tr>
<tr>
<td>Switzerland</td>
<td>190,000</td>
</tr>
<tr>
<td>Union of South Africa</td>
<td>150,000</td>
</tr>
<tr>
<td>Vatican City</td>
<td>15,000</td>
</tr>
<tr>
<td>Venezuela</td>
<td>170,000</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>100,000</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>8,244,000</strong></td>
</tr>
</tbody>
</table>

The exporter membership and the guaranteed sales as projected in the agreement (annex B to article III) were as follows:

ANNEX B TO ARTICLE III
GUARANTEED SALES FOR EACH CROP-YEAR

<table>
<thead>
<tr>
<th>Metric tons</th>
<th>Equiv. in bushels</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
<td>400,000</td>
</tr>
<tr>
<td>Australia</td>
<td>823,471</td>
</tr>
<tr>
<td>Canada</td>
<td>2,800,395</td>
</tr>
<tr>
<td>France</td>
<td>165,000</td>
</tr>
<tr>
<td>Sweden</td>
<td>175,000</td>
</tr>
<tr>
<td>United States</td>
<td>3,595,124</td>
</tr>
<tr>
<td><strong>Totals</strong></td>
<td><strong>8,244,000</strong></td>
</tr>
</tbody>
</table>

In the above list the shares of the three main exporting countries—Australia, Canada, and the United States—are in the same proportion to each other as in the 1953 agreement. The shares of the new participants—Argentina and Sweden—and of France, which had only a nominal quantity in the 1953 agreement, are related to quantities importing countries were prepared to cover by increases in their guaranteed purchases over and above what they were prepared to commit in an agreement with exporter membership limited to Australia, Canada, and the United States.

Entry Into Force

As was stated in the President's message to the Senate, article XX, paragraph 2, of the agreement provided that instruments of acceptance should be deposited by signatory governments with the Government of the United States not later than July 16, provided, however, that a notification by a signatory government by that date of its intention to accept the agreement, followed by the deposit of an instrument of acceptance not later than December 1, 1956, in fulfillment of that intention, should be deemed to constitute acceptance on July 16. Article XX, paragraph 3, required that such acceptances by countries listed in the agreement (annexes to article III) by July 16 should account for two-thirds of the guaranteed sales and two-thirds of the guaranteed purchases entered in the agreement in order to bring it into force as of that date with respect to its administrative sections (parts 1, 3, 4, and 5) and by August 1 with respect to its rights and obligations (part 2).

Ten of the importing countries listed in the document (Ceylon, Colombia, Cuba, Haiti, Honduras, Indonesia, Jordan, Saudi Arabia, Spain, and Venezuela) had not signed the document in the period when it was open for signature up to May 18. These countries were not qualified to
accept the agreement under article XX but would be able to apply for accession under article XXI. Review of the status of acceptances as reported by the Department of State showed that all six exporting countries had accepted under the terms of article XX, thus accounting for 100 percent of the guaranteed sales listed in the agreement (8,244,000 metric tons). Thirty-two of the thirty-four signatory importers had likewise accepted; they accounted for 6,857,000 tons, or over 83 percent of the total of guaranteed purchases. Most of the countries which accepted, lacking time in the short period which had elapsed since the signing to complete procedures for formal acceptance, accepted, as provided in the agreement, by submission to the Department of State of notes indicating intention to accept, to be followed by an instrument of acceptance by December 1.

The conference thereupon announced that the agreement entered into force as to the organizational and administrative sections (parts 1, 3, 4, and 5) on July 16 and as to rights and obligations (part 2) on August 1. Thereupon, the meeting constituted itself the 20th session of the International Wheat Council in accordance with paragraph 1 of article XIII of the agreement, which provides:

The International Wheat Council established by the International Wheat Agreement, which was opened for signature in Washington on 23 March 1949, shall continue in being for the purpose of administering the present Agreement.

The assets of the Wheat Council which operated under the 1953 agreement had been conveyed by action of that body in its final session on July 16 to the Council which would operate under the new agreement.

The Council, acting under paragraph 5 of article XX, extended the time for deposit of instruments of acceptance until December 1 for two of the signatory importing countries, Ireland and New Zealand, which had not taken action to accept the agreement as provided in paragraph 2 of article XX.

The application for accession of two of the ten importing countries listed in the agreement which had not become signatories, namely, Indonesia and Saudi Arabia, were accepted under article XXI subject to deposit of an instrument of accession by December 1. It was agreed that the other eight which had failed to sign might apply and be accepted on the basis in each case of the quantity listed for it in the agreement and subject to deposit of an instrument of accession by December 1. The Council further accepted under article XXI—subject to deposit of an instrument of accession by December 1—the application for accession of Iceland, which had not been included in the agreement document, with a quantity of 2,000 tons.

Application of provisions in the agreement (article IX) to adjust the guaranteed sales of exporting countries to the total of the guaranteed purchases of importing countries was postponed until the next meeting of the Council, to be held in early December.

Organization of the Council

Membership of the Executive Committee for the 1956-57 agreement year was constituted as follows:

4 exporting countries: Argentina, Australia, Canada, the United States.
8 importing countries: Benelux, Brazil, Germany, India, Italy, Japan, Portugal, Union of South Africa.

Delegation of powers to the Executive Committee and adoption of rules of procedure followed closely the pattern established under the previous agreement.

F. Sheed Anderson of the United Kingdom was continued as chairman of the Council with authority of chief executive officer, and Sir Ed- win McCarthy as vice chairman. They were also again elected as chairman and vice chairman, respectively, of the Executive Committee.

The seat of the Council continues to be London but is subject to change, according to the agreement, if the Council so decides by concurrent majority vote of exporting and importing countries.

Status of Acceptances as of December 1, 1956

At its 21st session, convened on December 4, 1956, the Wheat Council reviewed the status of instruments of formal acceptance deposited with the United States Government by December 1.

The six signatory exporting countries had deposited instruments of acceptance, thus accounting for the total of guaranteed sales (8,244,000 metric tons) listed in the agreement. Thirty of the

\footnote{For a Department announcement concerning the status of acceptances, see \textit{ibid.}, Jan. 7, 1957, p. 41.}
thirty-four signatory importing countries had deposited instruments of acceptance accounting for over 75 percent (6,162,000 metric tons) of the guaranteed purchases under the agreement. In addition, seven of the 10 importing countries listed in the agreement which failed to sign in the prescribed period had applied to accede, had been accepted, and had deposited instruments of accession. These accounted together for an additional quantity of 822,000 metric tons. Thus, importing countries listed in the agreement which had fully accepted accounted for nearly 85 percent of the guaranteed purchases entered therein. In addition, an importing country not listed in the agreement, Iceland, had deposited an instrument of acceptance with a quantity of 2,000 tons.

The four signatory importing countries which had not deposited instruments of acceptance by December 1 indicated intention to complete procedures for depositing instruments of acceptance and were granted an extension of time until March 31 for this purpose. Since this group of countries accounts for 1,005,000 metric tons, the total of guaranteed purchases is prospectively 7,991,000 metric tons or about 97 percent of the total listed in the agreement. The countries and their quantities are listed at the right.

Since guaranteed sales exceeded guaranteed purchases, the Wheat Council, acting under article IX, reduced pro rata the quantities of the exporting countries in order to effect a balance. The resulting distribution was as follows:

<table>
<thead>
<tr>
<th>Metric tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Argentina</td>
</tr>
<tr>
<td>Australia</td>
</tr>
<tr>
<td>Canada</td>
</tr>
<tr>
<td>France</td>
</tr>
<tr>
<td>Sweden</td>
</tr>
<tr>
<td>United States</td>
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</tbody>
</table>

Shortly after the 21st session of the Wheat Council, Panama deposited its instrument of acceptance. This brings present membership of importing countries to 39 and total membership to 45. The expected formal acceptance of the three remaining signatories will bring membership to 48 as compared with 50 listed in the negotiated document.

Similarities to 1949 and 1953 Agreements

The International Wheat Agreement of 1956 is in direct descent from the agreements negotiated and put into force in 1949 and 1953, as to both its general form and the character of the rights and obligations of members. It is a so-called multilateral contract, with importing countries required to take their guaranteed quantities from the exporting countries when called upon to do so at the specified minimum price, and exporting countries required to make wheat available up to the amount of their guaranteed quantity upon demand at the specified maximum price. Rights and obligations do not come into play when wheat is sold

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**Importing Countries Listed in the Agreement Which Had Deposited Instruments of Acceptance or Accession by December 1**

<table>
<thead>
<tr>
<th>Metric tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Austria</td>
</tr>
<tr>
<td>Belgium</td>
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<tr>
<td>Bolivia</td>
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<tr>
<td>Costa Rica</td>
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<tr>
<td>Cuba</td>
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<tr>
<td>Denmark</td>
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<tr>
<td>Dominican Republic</td>
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<tr>
<td>Ecuador</td>
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<tr>
<td>Egypt</td>
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<tr>
<td>El Salvador</td>
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<tr>
<td>Germany</td>
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<td>Greece</td>
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<td>Guatemala</td>
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<td>Haiti</td>
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<td>Honduras</td>
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<tr>
<td>India</td>
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<tr>
<td>Indonesia</td>
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<tr>
<td>Ireland</td>
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<tr>
<td>Israel</td>
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<tr>
<td>Italy</td>
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<tr>
<td>Japan</td>
</tr>
<tr>
<td>Korea</td>
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<tr>
<td>Liberia</td>
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<tr>
<td>Mexico</td>
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<tr>
<td>New Zealand</td>
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<tr>
<td>Nicaragua</td>
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<tr>
<td>Norway</td>
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<td>Peru</td>
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<tr>
<td>Philippines</td>
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<tr>
<td>Portugal</td>
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<tr>
<td>Saudi Arabia</td>
</tr>
<tr>
<td>Spain</td>
</tr>
<tr>
<td>Switzerland</td>
</tr>
<tr>
<td>Union of South Africa</td>
</tr>
<tr>
<td>Vatican City</td>
</tr>
<tr>
<td>Venezuela</td>
</tr>
<tr>
<td>Yugoslavia</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Countries Listed in the Agreement Which Have Been Granted an Extension of Time for the Deposit of Their Instruments**

<table>
<thead>
<tr>
<th>Metric tons</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brazil</td>
</tr>
<tr>
<td>Lebanon</td>
</tr>
<tr>
<td>Netherlands</td>
</tr>
<tr>
<td>Panama</td>
</tr>
<tr>
<td></td>
</tr>
</tbody>
</table>

**Additional Accessing Country**

| Iceland     | 2,000 |

| Total       | 7,991,000 |

Department of State Bulletin
within the range of the specified minimum and maximum prices, although provision is made for transactions to be recorded progressively with the Council secretariat against the contingent obligations.

This type of agreement was evolved in the wheat discussions sponsored by the old International Wheat Council in the late forties. It was negotiated at a time when importing countries were just emerging from the supply stringencies following World War II and when exporting countries were concerned about changes in the supply situation which would follow upon recovery of production in the importing countries. Thus protection for the importing countries against high prices in times of relative shortage could be bargained in return for protection of the exporting countries against undue reduction in prices when supplies became more plentiful. Furthermore, long experience in international efforts to deal with the wheat problem had demonstrated the difficulties of successful negotiation of the traditional quota type of commodity agreement, which sought to divide the whole world market among the exporters and to bind directly or indirectly both exporting and importing countries in various ways in regard to the conduct of national policies.

The new type of agreement recommended itself as workable short of universal participation by all countries important in wheat trade or of regulation under its terms of all wheat exported or imported by its member countries. The negotiations which led up to the renewal of this type of agreement in 1956 have again demonstrated conclusively that participating governments, virtually all of which conduct some type of government price support or marketing operation in wheat, are not prepared to include, in a commodity agreement on wheat, commitments regarding the conduct of national policies or to delegate to an international body any authority to direct such policies.

**Trade Under 1949 and 1953 Agreements**

The Wheat Agreement has since its genesis in 1949 functioned through wheat-supply conditions ranging from recent emergence from a world deficit following World War II to a world surplus at the present time. Thus under the first agreement in the 4-year period 1949-53 wheat was sold under the agreement at the specified maximum price ($1.80 for No. 1 Manitoba Northern in position at Fort William/Port Arthur, Canada) and for a considerable part of the period with imposition also of a carrying charge of 6 cents. Wheat was sold materially higher outside the agreement during this period.

In the first agreement year (1949-50) about 81.6 percent of the quotas of exporting countries was sold under the agreement; virtually the entire quantity was covered by the agreement in the 3 years which followed. The coverage of the 1949 agreement grew from 12,418,000 metric tons (456.2 million bushels) originally negotiated to 13,810,000 metric tons (580.9 million bushels) in the final year of the agreement (1952-53). This growth resulted from accessions of additional importing countries and from increases in quantities authorized under terms of the agreement to the extent exporting countries were prepared to match increases in guaranteed purchases by correspondingly increasing their guaranteed sales. The world emergency brought on by the Korean conflict had its effect on demand and prices during much of this period. The “guaranteed sales” in the 1949 agreement and the actual sales of the exporter members for each of the 4 years are listed on the following page.

The prices negotiated in the renewal of the agreement in 1953 reflected the fact that the 1949 price range (maximum $1.50 and minimum receding from $1.50 by 10 cents a year to $1.20 the last year) had resulted in sales under the agreement at materially lower prices than the world market outside of the agreement. The prices were revised to a maximum of $2.05 and a uniform minimum of $1.55 over the 3-year life of the agreement. However, the largest importer, the United Kingdom, which had a guaranteed quantity of 177 million bushels in the 1949 agreement, refused to accept the 1953 agreement on the grounds that the maximum price was set too high. This agreement came to cover a quantity after adjustments of 10,749,000 metric tons (394.9 million bushels).

In the fall of 1953, shortly after the new agreement came into force, increased supplies of wheat and a falling off of exports brought the price below the maximum provided in the agreement. It remained during the rest of the 3-year life of the agreement, as far as Canada and the United States are concerned, in the range between the maximum and minimum and on a par with selling prices outside the agreement. At the lowest the price for the base quality (No. 1 Manitoba Northern in
EXPORTER QUOTAS AND SALES IN 1949 AGREEMENT

(Metric tons, in wheat equivalent)

<table>
<thead>
<tr>
<th>Exporting country</th>
<th>Quota 1949-50</th>
<th>Sales</th>
<th>Quota 1950-51</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>2,199,000</td>
<td>2,199,173</td>
<td>2,414,019</td>
<td>2,575,520.33</td>
</tr>
<tr>
<td>Canada</td>
<td>5,582,000</td>
<td>5,647,048</td>
<td>6,030,757</td>
<td>5,195,004.84</td>
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<tr>
<td>France</td>
<td>91,000</td>
<td>90,000</td>
<td>111,283</td>
<td>105,737.99</td>
</tr>
<tr>
<td>United States</td>
<td>6,419,000</td>
<td>4,424,170</td>
<td>6,755,904</td>
<td>6,794,502.44</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>14,291,000</strong></td>
<td><strong>11,769,391</strong></td>
<td><strong>15,309,963</strong></td>
<td><strong>14,450,765.40</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Exporting country</th>
<th>Quota 1951-52</th>
<th>Sales</th>
<th>Quota 1952-53</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1,959,519</td>
<td>1,939,166.36</td>
<td>2,414,019</td>
<td>3,358,855.14</td>
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<tr>
<td>Canada</td>
<td>6,575,653</td>
<td>6,574,897.36</td>
<td>6,395,653</td>
<td>6,288,920.62</td>
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<tr>
<td>France</td>
<td>111,283</td>
<td>111,200.00</td>
<td>111,283</td>
<td>92,000.00</td>
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<tr>
<td>United States</td>
<td>6,544,008</td>
<td>6,947,571.78</td>
<td>6,889,008</td>
<td>6,834,882.08</td>
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<tr>
<td><strong>Total</strong></td>
<td><strong>15,500,463</strong></td>
<td><strong>15,572,835.52</strong></td>
<td><strong>15,809,963</strong></td>
<td><strong>15,574,606.84</strong></td>
</tr>
</tbody>
</table>


Position at Fort William/Port Arthur, Canada) stood about two-thirds of the way down from the maximum to the minimum ($1.72) but later firmed at a somewhat higher level ($1.75). However, discounts in the determination of price equivalents for other types, grades, and qualities, resulting from competition and the character of demand, in many cases brought the price for these materials lower in relation to the base price than formerly. During the latter part of the 3-year period Australia sold wheat nearer the minimum than did Canada and the United States.

With prices in the range where quota obligations did not directly enter into play and with wheat being sold by agreement exporting countries at the same price level outside the agreement and under the agreement, the full guaranteed quantities were not recorded during the years of the 1953 agreement. Sales so recorded averaged about 66 percent of the total covered by the agreement in each of the 3 years. The quotas and sales recorded against them for each of the 3 years of the agreement are shown at the right.

Figures of the Wheat Council on sales and purchases recorded under the 1953 agreement taken together with general wheat export statistics make it possible to show the relation to the total trade in wheat of the trade which was directly covered by the wheat agreement operation. The figures show that during the 3 years of the 1953 agreement (1953-54—1955-56) sales made by the four member exporting countries—Australia, Canada, France, and the United States—to member importing countries and recorded under the agreement constituted about 58 percent of the total trade in wheat between these two groups. The wheat thus sold under the agreement constituted about 45 percent of the total imported from all sources by the member importing countries. It accounted for 40 percent of the total exported by member exporting countries to all destinations. However, analyzing the exports of each member individually, one finds that the proportion of agreement sales to global exports of each varied greatly. For Australia and the United States, it made up about 45 percent; for Canada, 33 percent; and for France, which had only a token quantity in the agreement and had become a relatively heavy exporter, half of one percent. Per-

EXPERTR QUOTAS AND SALES IN 1953 WHEAT AGREEMENT

(In metric tons, to nearest ton)

<table>
<thead>
<tr>
<th>Exporting country</th>
<th>Quota 1953-54</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1,207,170</td>
<td>755,987</td>
</tr>
<tr>
<td>Canada</td>
<td>4,105,247</td>
<td>2,473,731</td>
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<tr>
<td>France</td>
<td>9,215</td>
<td>10,000</td>
</tr>
<tr>
<td>United States</td>
<td>5,270,368</td>
<td>2,888,007</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,592,000</strong></td>
<td><strong>6,128,725</strong></td>
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<table>
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<th>Exporting country</th>
<th>Quota 1954-55</th>
<th>Sales</th>
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</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1,219,137</td>
<td>1,129,792</td>
</tr>
<tr>
<td>Canada</td>
<td>4,145,943</td>
<td>2,972,012</td>
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<tr>
<td>France</td>
<td>9,307</td>
<td>10,220</td>
</tr>
<tr>
<td>United States</td>
<td>5,322,613</td>
<td>3,796,866</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,697,000</strong></td>
<td><strong>7,908,890</strong></td>
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</table>

<table>
<thead>
<tr>
<th>Exporting country</th>
<th>Quota 1955-56</th>
<th>Sales</th>
</tr>
</thead>
<tbody>
<tr>
<td>Australia</td>
<td>1,225,064</td>
<td>1,222,441</td>
</tr>
<tr>
<td>Canada</td>
<td>4,166,097</td>
<td>2,063,493</td>
</tr>
<tr>
<td>France</td>
<td>9,392</td>
<td>9,878</td>
</tr>
<tr>
<td>United States</td>
<td>5,348,487</td>
<td>3,649,000</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td><strong>10,749,000</strong></td>
<td><strong>6,944,812</strong></td>
</tr>
</tbody>
</table>

1 Figures from International Wheat Council Annual Reports.
General Assembly Adopts Two Resolutions on Middle East Question

Following are the texts of two statements on the Middle East question made in the plenary session of the U.N. General Assembly on February 2 by U.S. Representative Henry Cabot Lodge, Jr., together with two resolutions adopted by the Assembly on the same date.

FIRST STATEMENT ON FEBRUARY 2

U.S. delegation press release 2007

The United States has participated in extensive consultations in the last few days in order to reach a just and constructive solution of the difficult problems which confront us. These consultations have revealed clearly that a very large number of members of this Assembly are convinced of two things:

First, Israel must withdraw behind the armistice line without further delay in accordance with the resolutions of the General Assembly.

Second, there must be positive action which assures progress toward the creation of peaceful conditions in the region.

The two resolutions now before the Assembly reflect these sentiments. We believe their adoption will go far to assure achievement of these two objectives.

The first resolution represents the position consistently taken by the United States and almost unanimously by the Assembly that the withdrawal of all remaining Israeli forces must be completed without further delay. We appreciate the necessity of avoiding the return to the conditions that prevailed prior to the recent hostilities. But we are convinced that the measures to restore peaceful conditions in the area, as required by the Armistice Agreement and the relevant decisions of the Security Council and the General Assembly, should be taken upon the withdrawal of all Israeli forces behind the armistice line. We do not believe that any member is entitled to exact a price for his compliance with the elementary principle of this Organization, that all members shall refrain from use of force against the territorial integrity of any state or in any other manner inconsistent with the purposes of the United Nations. The United States again urges Israel to heed the call of the General Assembly and promptly complete the withdrawal of its forces.

We recognize, however, that such withdrawal will not assure tranquillity in troubled areas where there are conflicting claims. So we join in proposing the second resolution. This deals with the measures set forth in the Secretary-General’s report (A/3512). It also accords with the position consistently taken by the United States and expressed by a majority of the General Assembly. Upon the withdrawal of Israeli forces, the United

February 25, 1957

Average annual total imports of 15,374,000 metric tons. from all sources.

Average annual total of exports of 17,622,000 metric tons.

*Approximate figures, since 1955-56 component is preliminary.

Nations Emergency Force should continue to move into the areas being evacuated by Israeli forces, in order to assure the implementation of the November 2 resolution of the General Assembly. This was the case when previous withdrawals were effected. It worked well then; it should work well now. What we suggest today, therefore, is not new. It is a continuation of a procedure which has been highly satisfactory.

I stated on January 28 that the United States believes that “strict observance by both Egypt and Israel of the provisions of the Armistice Agreement and the fullest respect for the resolutions of the Security Council and the General Assembly are the keys to the restoration of peace and stability.” To be effective, the United Nations Emergency Force must serve as a restraint against any attempt to exercise belligerent rights or to engage in hostile actions contrary to the Armistice Agreement, the decisions of the Security Council, and the resolutions of the General Assembly.

The United Nations Emergency Force can best fulfill its mission and exercise such restraining influence if, as proposed in the Secretary-General’s report, it is deployed on both sides of the armistice line, particularly in the sensitive Gaza and El Auja sectors. This will enable it to cooperate most effectively in the supervisory duties of the Truce Supervision Organization in those areas where the Organization is authorized to function under the Armistice Agreement and the relevant resolution of the Security Council.

Again, with regard to Gaza, the United States supports the Secretary-General’s recommendation. The Secretary-General should, through a mission of his selection, supervise the withdrawal of the present civil administration in the Gaza strip and take steps to assure that incursions or raids across the armistice line in the Gaza area will not take place. The second resolution would provide for carrying out these measures.

As I also stated on January 28, the United States believes that “it is essential that units of the United Nations Emergency Force be stationed at the Straits of Tiran in order to achieve there the separation of Egyptian and Israeli land and sea forces. This separation is essential until it is clear that the nonexercise of any claimed belligerent rights has established in practice the peaceful conditions which must govern navigation in waters having such an international interest. All of this would, of course, be without prejudice to any ultimate determination which may be made of any legal questions concerning the Gulf of Aqaba.” The second resolution reflects this position taken by the United States in my statement of January 28.

The adoption of the second resolution now before the Assembly would place the authority of the General Assembly behind the speedy implementation of the measures proposed in the report of the Secretary-General. The United States strongly supports this resolution. It deserves the largest possible support from the General Assembly.

Mr. President, the United States requests that the two resolutions be considered together, that the second resolution be put to the vote immediately after the first, and understands that this will be done. The adoption of either one without the other would jeopardize the achievement of the objectives set forth in the resolution of November 2 and would not promote peace and stability in the region.

Mr. President, before I take my seat, let me say this very frankly to the members of the Assembly. There is no doubt that these are not perfect documents. For one thing, they are the work of human beings—which, of course, is guaranty enough against perfection. For another thing, they are the product of compromise. But they do contain the words which will make possible the events of which I have just spoken. They do, therefore, contain the words which can lead away from hostilities and toward an era of peace in this part of the world, if the parties desire to abide by these words.

Of course this is a crucial “if” in anything that we contemplate here in the General Assembly on any subject. We are not engaged here in running a world government or a superstate which passes resolutions having the force of law. We are a forum engaged in passing resolutions which can have great influence. What we do is hortatory and recommendatory. And the final result is up to the parties.

We hope they will fall in with this plan which can mean so much to them and to the world. We see encouraging signs. Passage of these resolutions represents our effort to persuade them to do so. It is an effort which all of us who are members of the General Assembly are—so it seems to the United States—bound to make.

326 Department of State Bulletin
SECOND STATEMENT ON FEBRUARY 2

U.S. delegation press release 2608

The United States has a few added observations to make regarding its position on the matter before us arising out of questions which have been raised in the debate as well as questions which have been addressed to me during the recess. Some of these points have been discussed and I think very ably discussed by the representative of India and in a manner with which I find myself in substantial agreement. But I think it may be useful if I touch upon certain ones again.

First, the United States has time and again urged the withdrawal of Israeli forces behind the armistice demarcation line. We believe this withdrawal should take place forthwith, and by forthwith we mean that the withdrawal should take place in only the few days necessary physically to move the forces behind the demarcation line.

As a matter of fact, it seems to me that this withdrawal should take less time than was taken by the British and French withdrawals since those withdrawals were delayed by the time necessary to set up and create the United Nations Emergency Force. Now, on the other hand, the United Nations Emergency Force is a going concern; so there need be no delay on that account.

While I am on this subject of withdrawals, which of course is the sole object of the first resolution and which is the governing, overriding consideration of the second resolution, let me also say this in all seriousness and solemnity: that I cannot predict the consequences which can ensue if Israel fails to comply with the will of the General Assembly as expressed in the pending resolutions.

Let me make clear another point which appears to have caused some concern. The measures contained in the Secretary-General’s report, which are referred to in the second resolution before us, would not go into effect until Israel’s withdrawals have been completed. We have previously taken note and endorsed the Secretary-General’s view that “withdrawal is a preliminary and essential phase in a development through which a stable basis may be laid for peaceful conditions in the area.” We believe withdrawal is the first essential step. None of the constructive measures included in the second resolution are intended to go into effect until Israel has completed its withdrawal. Nor, let me add once again, will any of them be undertaken without the agreement of the affected party. It is for this reason that paragraph 4 asks the Secretary-General to consult with the affected party.

I would like to express the hope before I take my seat that delegates will take a broad and understanding view of this. There are no hidden meanings in it. It is not a perfect document, but it represents the best that a lot of very serious members here have been able to produce to lead us out of a very difficult and dangerous situation.

RESOLUTION I

The General Assembly,
1. Deplores the non-compliance of Israel to complete its withdrawal behind the armistice demarcation line despite the repeated requests of the General Assembly;
2. Calls upon Israel to complete its withdrawal behind the armistice demarcation line without further delay.

RESOLUTION II

The General Assembly,
Having received the report of the Secretary-General of 24 January 1957;4
Recognizing that withdrawal by Israel must be followed by action which would assure progress towards the creation of peaceful conditions,
1.Notes with appreciation the Secretary-General’s report and the measures therein to be carried out upon Israel’s complete withdrawal;
2. Calls upon the Governments of Egypt and Israel scrupulously to observe the provisions of the General Armistice Agreement between Egypt and Israel of 24 February 1949; 4
3. Considers that, after full withdrawal of Israel from the Sharm el-Shelkh and Gaza areas, the scrupulous main-

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3 U.N. doc. A/Res/460; adopted by the General Assembly on Feb. 2 by a vote of 74 to 2 (France, Israel), with 2 abstentions (Luxembourg, Netherlands).
6 Official Records of the Security Council, Fourth Year, Special Supplement No. 3.
tenance of the Armistice Agreement requires the placing of the United Nations Emergency Force on the Egyptian-Israel armistice demarcation line and the implementation of other measures as proposed in the Secretary-General's report, with due regard to the considerations set out therein with a view to assist in achieving situations conducive to the maintenance of peaceful conditions in the area;

4. Requests the Secretary-General, in consultation with the parties concerned, to take steps to carry out these measures and to report, as appropriate, to the General Assembly.

Industrialization of Underdeveloped Countries

Statement by Paul G. Hoffman
U.S. Representative to the General Assembly

I believe we are all agreed that, if standards of living throughout the world are to be substantially improved, it is essential that there be a continual expansion of manufacturing facilities—particularly in the underdeveloped countries.

Clearly, the industrially advanced countries could not, even with their great industrial potential and under conditions of continued full employment, supply all the manufactures which the world needs. That is why there must be an expansion of industrialization in the less developed areas. Consequently the underdeveloped countries are eager, and rightly so, to obtain the means by which they themselves can produce sorely needed materials and manufactured goods in local factories with local labor. To help them along this road is one of the great opportunities of the United Nations—an opportunity that should be welcomed by all the members of this organization.

It has sometimes been suggested that there exists a basic conflict of interest between countries which are already largely industrialized and the aspirations for greater industrialization of the less developed countries. We do not accept this argument. On the contrary, I am confident that I reflect the view of the majority of American businessmen when I say that we are convinced that greater industrialization of the underdeveloped countries, with its accompanying diversification of their economies and increase of their national income, is in the interest of all countries—the developed countries as well as those in the early stages of economic development. The fact that

the largest proportion of the assistance we made available under the Marshall plan was to reconstruct and increase the productivity of industry in Western Europe reflects the attitude of the United States toward industrialization of other countries. I shall be speaking later of ways in which we are currently assisting underdeveloped countries in this same field.

As has been pointed out by various speakers during our previous discussion of problems of economic development, the best customers of industrialized countries are other industrialized countries. This proposition is clearly demonstrated by the fact that a major portion of the world's exports of manufactured goods moves, not to the less developed, but between industrialized countries.

We in the United States also appreciate the magnitude of the job that confronts a country taking the first steps toward industrialization of its economy. During our own relatively brief history as a developing country, we have had to deal with many of the same problems which now confront the less developed countries. At the same time, the American people are among the first to recognize the benefits to be obtained from diversification and industrialization. For these reasons they welcome the opportunity of contributing to the process of industrialization in underdeveloped countries.

The United States has been able to assist in this process both through private enterprise and through our foreign aid programs. The supply of industrial know-how, the construction of manufacturing enterprises, the provision of capital

1 Made in Committee II (Economic and Financial) on Jan. 23 (U.S. delegation press release 2596).
resources—these are some of the ways in which we have been able to help. All of you are, of course, familiar with the support we are also giving to similar efforts through such multilateral programs as United Nations technical assistance, the International Bank, the International Finance Corporation, and other specialized agencies working in the field of industrial development.

The members of this Committee may be interested in specific illustrations of ways in which American business enterprises and our Government have participated in bringing the seeds of industrialization to underdeveloped countries around the world.

**Contribution of U.S. Business**

All students of the problems of industrialization have long recognized the key importance of an expanded pool of labor and technical skills. Our automobile industry is engaged in manufacturing or assembly operations in many foreign countries, both developed and underdeveloped. An important part of its relationships with its overseas establishments consists of sending technicians and engineers abroad to transmit their knowledge and experience to the overseas factories and of bringing people from overseas to the United States for similar training. Many of these overseas factories carry on training programs, not only for workers employed directly by the companies but also for others engaged in related activities, such as automobile service stations—thus adding to the local reservoir of mechanics and skilled workers.

For example, hundreds of young men have passed through the technical training courses given at one of these company plants located in São Paulo, Brazil, spreading their knowledge to the four corners of the country. The plant is constantly visited by students from vocational schools, and a large number of engineers have been trained there in order to become acquainted with the most modern methods of industrial production. Others have been sent abroad with all expenses paid by the company. In this and many other ways the company's long-accumulated experience of manufacturing cars, trucks, parts, and accessories is being passed on to the Brazilian people, opening new technical horizons for Brazil's younger generation and new opportunities for careers that will contribute directly to Brazil's economic strength.

Atul Products, Limited, located in India, is an example of how American private industry stands ready to work with a locally controlled and managed enterprise. The company was established in 1952 to manufacture dyestuffs and pharmaceuticals. Ninety percent of its capital was locally subscribed; 10 percent was provided by the American Cyanamid Company. The American firm has no share in the actual management of the plant, but it has provided much of the necessary technical assistance. The dyes produced by this enterprise now fill a substantial part of the demands of the textile and other industries in India. Its production of sulfa drugs and antibiotics makes possible more effective implementation of the country's health program.

This interest in foreign operations is by no means limited to our large business enterprises. Hundreds of relatively small concerns are also eager to use their know-how and experience in other countries. One example of how such relatively small enterprises are assisting the creation of industry in underdeveloped countries is provided by the Anchor Precision Corporation, which, since 1948, has set up factories in 15 countries for the manufacture of zippers. In addition to building the factories, the company supplies the know-how and machinery and trains the nationals of each country in its operation. Thus far the company has built plants in Burma, India, and Korea, as well as in South America and Europe. The corporation undertakes surveys to determine the size of the local market; its engineering staff advises on the size of the plant required and provides the necessary blueprints; the company makes available the required machinery, which is installed with the assistance of company engineers, who also select and train the necessary supervisory staff from among local nationals.

**Government Programs**

Governmental efforts are increasingly supplementing the achievements of private enterprise. Over the past 2 or 3 years, there has been a steady growth in the industrial component of our bilateral technical assistance program, now administered by the International Cooperation Administration. Today about 55 percent of our aid programs in underdeveloped countries relates to industrial development. We expect that this growth will continue, and we are ready to con-
sider requests for this kind of assistance to the extent that funds and the necessary technical personnel are available.

A typical example of the activities carried on under this program is the visit to the United States early last year of a group of management, technical, and labor representatives of the Mexican shoe industry to study the factors that contribute to the high productivity of the American shoe industry. The objective of this visit was to assist Mexico in increasing the efficiency of its own shoe industry and thus to lower the cost of its products to the Mexican consumer.

At about the same time a team of 11 representatives of government, industry, and labor arrived from Uruguay for an intensive 6-week study, with the assistance of the International Cooperation Administration, of the basic factors underlying the high productivity of labor in the United States. During its study tour the group gave special attention to such matters as industrial engineering, production planning, market research, and personnel administration in their overall application to industrial development.

Our Export-Import Bank for years has been making credits available not only to help finance basic development in fields such as transportation, power, communications, and public health but also for a wide variety of manufacturing projects. In recent months, the bank has financed exports of steel-mill equipment for Brazil; cotton textile machinery for Colombia; sugar-mill machinery for Ecuador; machinery and equipment for industrial development in the Philippines; rayon-spinning machines for India; and thermopower equipment for Iran.

U.N. Aid to Industrialization

Our immediate problem in this Committee is to consider what contribution the United Nations can most usefully make to the efforts of the underdeveloped countries through research and study in this field. Because of the widespread interest in rapid industrialization and the expectations of economic progress based on such development, it is extremely important that industrial planning be soundly conceived. At the same time, every means must be explored for shortening the time necessary to achieve an adequate level of efficient industrialization in underdeveloped areas and to initiate development programs which will in turn stimulate the creation of further industrial capacity.

The United States delegation in the [22d session of the] Economic and Social Council participated in the detailed consideration of the Secretary-General's proposed program of work in this field and supported its endorsement by the Council. At that time the United States delegation also indicated a number of points which we feel the Secretary-General will wish to keep in mind when carrying out his proposed work program.

I shall not repeat these at this time. I do wish, however, to emphasize a point which has also been made by other delegations—that studies by the Secretariat will be helpful to underdeveloped countries in direct proportion to the extent to which they address themselves to concrete problems facing these countries and are presented in such ways as to be utilized by persons in the underdeveloped countries concerned with practical problems of economic development. The United States representative in Ecosoc also pointed out that national agencies such as our own International Cooperation Administration have already made extensive studies in the field of industrialization. As he indicated at that time, the United States is ready to make available to the Secretary-General the results of our work and experience.

During the period of my association with the Economic Cooperation Administration, where we were also working on projects of industrialization in underdeveloped areas encompassed by the Marshall plan, I was able to observe some of the difficulties which had to be overcome in getting such programs under way. I came to appreciate what steps had to be taken first if effective progress in spreading industry in such areas was to be achieved without wasting resources.

I was particularly impressed with the need for first clearly determining the basic requirements of the population in the way of manufactured goods—the things they needed and desired to obtain, the goods they would buy if they became available. Only with this information could the necessary choices be rationally made regarding the priorities to be assigned a series of desirable projects in the field of industrial development. Our experience in this field also strongly indicated the desirability of building, where possible, on what already existed in the area by way of capaci-
ity and skills in the particular industries selected for expansion. This might take the form of expanding existing small enterprises, or introducing new tools or techniques into existing handicraft or cottage industries, or introducing alterations of product design to make it more acceptable to potential markets and thus provide a basis for the expansion of industrial activity. Here is an area where technical assistance and advisory services by the United Nations could be extremely helpful.

I think that the wisdom of this line of approach has been demonstrated in a number of instances where countries in the early stages of industrialization have invested in plants constructed on a relatively excessive scale and having no particular relationship to the bulk of already existing industry. While the objectives of such investment may have been desirable—such as low cost, quantity production, or most modern design—in many cases they were not attained because of the great difficulty in constructing and successfully managing large establishments.

The resulting delays in obtaining efficient levels of production have meant excessive costs. Against these risks and the lack of flexibility of large installations, the advantages of a large number of smaller factories have often been strikingly demonstrated. The trend to large installations has fallen off and even been reversed in many industries in the developed countries. Competing side by side with large factories are medium and small firms which utilize the same modern design and techniques and operate at comparable low production costs. Investments in such smaller plants, which, as I have said, might simply be an extension of already existing facilities, by countries starting out on the road of industrial development may often mean that production and management objectives will be much more rapidly attained.

Another point which emerges from a close analysis of a number of underdeveloped countries which in recent years have attained a notable rate of industrial growth is the importance of private investment in such development. It is evident that, in any democratic society, governmental resources for new industrial investment are limited. If desired rates of development are to be obtained, substantial amounts of private investment funds must be attracted. This is particularly true in view of the extensive requirements for governmental financing in the public and social services sectors of the economy.

In recent years many underdeveloped countries have become familiar with the ways in which engineering and construction firms operate in carrying out economic development projects. A similar familiarity with world capital markets and investment firms is required. Many observers are convinced that considerably greater amounts of investment funds could be obtained from foreign capital markets for underdeveloped areas if the underdeveloped countries were better acquainted with the institutional operation of this important source of capital.

Need for Exploring Resources

The pattern of industrialized and underdeveloped countries which exists today is obviously not a permanent pattern. The world is still young in the exploration of the resources with which nature has endowed it and in the ways in which these resources can be utilized. Many a country which thinks it is poor in resources may find, by taking careful stock of what it has, that it has possibilities for economic development now unknown. Even more, as technology continues to develop, apparently useless resources may become of great value. The fact of the matter is that we never know how rich a country is in resources until it starts to industrialize and to develop a large class of scientifically trained citizens who know how to locate resources and to recognize them when they see them.

This is not to imply, of course, that industrialization in the narrow sense of manufacturing is the only road to economic development. Economic development means progress in many fields—in agriculture, mining, transportation, communications, and power and in the skills and capacities of the people. All of these are mutually reinforcing elements in the process. And they are all competing claimants for the resources available, particularly capital. The wise apportionment of scarce resources among these elements must necessarily vary in time and circumstances. In the field of manufacturing itself, countries can obtain the largest return from investment if they emphasize enterprises most suited to their resources and skills.

During our discussion of general problems of
economic development, we heard from at least two of the countries present of the costly consequences of forced-draft industrialization which neglected other sectors of the economy. A recent statement by a leading Hungarian official in the newspaper Nepakarat also gives some serious food for thought in this respect. He stated on January 4 that—

Wrong economic leadership, unrealistic plans, and industrial development which ignored our economic peculiarities and possibilities, as well as the neglect of agricultural production and the suppression of incentives stimulating production, caused a grave crisis in the Hungarian economy even before October 23rd.

Mr. Chairman, in some areas the industrialization of underdeveloped countries is only beginning. In others, it has already made encouraging strides. I have indicated some of the ways in which the people of the United States are contributing to this tremendous world revolution of our times. In the American tradition, we shall continue to work with the peoples of the underdeveloped countries both through the United Nations and directly to the best of our abilities in the years ahead.

U.N. Special Political Committee Recommends Admission of Republics of Korea and Viet-Nam

Statements by Edward S. Greenbaum
U.S. Representative to the General Assembly

STATEMENT OF JANUARY 23

U.S. delegation press release 2597

It is with genuine pleasure that I speak on behalf of my Government in support of the resolutions for the early admission of the Republics of Korea and Viet-Nam.1

Last year the General Assembly and the Security Council broke the longstanding deadlock on new members. The Security Council continued throughout the year to consider and approve other applicants for membership in the United Nations on their merits. Twenty new states were admitted. But the Republics of Korea and Viet-Nam were not. In spite of having been found fully qualified for membership in the United Nations on separate occasions and individually by the General Assembly, both these countries were again prevented from securing United Nations membership by the abuse of the veto on the part of the U.S.S.R.

In the new and more hopeful situation created by the admission of new members to the United Nations, the exclusion of these two fully qualified applicants from our midst has become an even more glaring injustice. In the practical interests of making it possible for other applicants to be received, the General Assembly refrained last year from pressing for consideration of these applications. These restraints are no longer pertinent. The time has again come for the General Assembly to reaffirm its findings and request the Security Council to act. This is what the draft resolutions seek to do, and we hope that they will be given wide support.

Korea

In considering Korean membership, I am sure we all have in mind the special and unique place that the Republic of Korea has in relation to the United Nations. In 1947 the United Nations recommended that Korea be unified through democratic elections to be held throughout the peninsula under the observation of a United Nations commission. When the U.S.S.R. refused to permit the 1947 resolution of the United Nations General Assembly to be carried out in its zone of occupation and refused to permit the United Nations Commission to enter that zone, the resolution was nonetheless carried out in the southern zone of Korea where the great majority of the Korean peo-

1 Made in the Special Political Committee.
2 U.N. docs. A/SPC/1.7 and Add. 1 and A/SPC/1.8 and Corr. 1 and Add. 1.
people reside. These democratic elections resulted in the establishment of the Republic of Korea.

The United Nations Commission reported on these activities to the third session of the General Assembly. In its resolution 195 (III) of 12 December 1948 the Assembly declared that "there has been established a lawful government (the Government of the Republic of Korea) having effective control and jurisdiction over that part of Korea where the Temporary Commission was able to observe and consult and in which the majority of the people of all Korea reside." The resolution continued with the statement "that this Government is based on elections which were a valid expression of the free will of the electorate of that part of Korea and which were observed by the Temporary Commission; and that this is the only such Government in Korea."

Since then the United Nations has reflected its recognition of the Republic of Korea as the only lawful government in Korea by seating its delegation for discussion of the Korean problem while refusing to seat representatives of the puppet regime in North Korea. The Republic of Korea has participated actively in the work of many of the specialized agencies of the United Nations. This Assembly has on several occasions previously recommended the Republic of Korea for membership in the United Nations. It has been excluded from membership only by the negative vote of the U.S.S.R.

Although thus kept from membership in the United Nations by an arbitrary Soviet vote, the Republic of Korea has nonetheless played an active role in the community of nations, in connection with the United Nations and otherwise. More than 30 states have extended formal recognition to the Republic of Korea. The Communist regime in North Korea, on the other hand, has been recognized only by the Communist bloc.

The Republic of Korea is unique in its relationship to the United Nations. This country has become the symbol of the first great effort of the free world to take collective action against aggression. Members of the United Nations contributed forces and material to repel the North Korean and Chinese Communist aggressions. The Republic of Korea shared fully in this struggle. Korean soldiers fought side by side with men from the countries under the United Nations Command.

The aspirations of the Government of the Republic of Korea and the Korean people to membership in the United Nations have been strong for many years. The Republic of Korea has existed as a state for more than 8 years. It has continued to welcome the activities of the United Nations Commissions, which include observation of the development of representative government within the Republic of Korea. The Government of the Republic of Korea has repeatedly indicated its interest in and strong desire for United Nations membership. In recent months the Korean people themselves have demonstrated this in a truly remarkable way. Almost 10 million of them have signed petitions which have been delivered to the United Nations Secretary-General.

The Government of the United States considers the Republic of Korea fully qualified for membership in the United Nations and urges that this General Assembly so recommend in the proposed resolution.

Viet-Nam

The Government of the United States also warmly supports the application of Viet-Nam. Successor to the ancient Empire of Annam, the Republic of Viet-Nam, although young in terms of regaining its juridical independence, is old in terms of culture and tradition.

After many years of war its people are resuming peaceful pursuits and its countryside is generally orderly and calm. It has absorbed more than three-fourths of a million refugees who preferred to leave their ancestral lands and homes rather than suffer life under Communist tyranny. In the past 2 years this country has made an almost miraculous recovery from the disrupted and tormented condition that caused many to doubt its prospects for survival.

There is no doubt that Viet-Nam fulfills the conditions laid down in article 4 of the charter, as the Assembly has already determined. It has declared itself willing to accept the obligations arising out of the charter and has demonstrated ability to do so by its efforts in the political, economic, and administrative spheres. As exemplified in the successful holding of free elections in March 1956, Viet-Nam has proved the vitality of its democratic institutions.

Viet-Nam has clearly shown its acceptance of the obligations contained in the charter and its desire to make constructive contributions to the
United Nations and to the principles of the charter. It has done so by its membership in the various specialized organizations, the World Meteorological Organization, the International Telecommunication Union, the Universal Postal Union, the World Health Organization, the United Nations Educational, Scientific and Cultural Organization (UNESCO), the International Civil Aviation Organization, the International Monetary Fund, the Food and Agriculture Organization, the International Bank, and the International Labor Organization, as well as in the Economic Commission for Asia and the Far East (ECAFE).

The fact that the Republic of Viet-Nam has already been recognized by more than 47 countries as a sovereign and independent state is eloquent testimony to its qualifications.

The Government of the United States considers the Republic of Viet-Nam fully qualified for membership in the United Nations and urges that this General Assembly so recommend in the proposed resolution.

For these reasons my Government has joined with other governments in sponsoring the draft resolutions now before us. These resolutions seek to have the General Assembly reaffirm its determination that these two countries are fully qualified for admission to membership in the United Nations and request the Security Council to reconsider their applications in the light of this determination.

**STATEMENT OF JANUARY 30**

U.S. delegation press release 2601

On the important question of the admission of new members to the United Nations, the United States has consistently adhered to these principles: first, that all qualified states which apply should be admitted; second, that, in determining the qualifications of applicants for membership, strict regard must be paid to the provisions of the charter.

We believe that these principles are basic to the United Nations Charter. Membership in this body is a solemn matter; it involves rights, duties, and obligations vital to world peace and security. It must not be the subject of bargains or deals.

The draft resolution tabled by the Soviet Union \(^3\) is in clear violation of these principles. The resolution lists four applicants for admission and requests the Security Council to recommend the “simultaneous admission” of all of them. The words “simultaneous admission” are not mine. They are in the resolution. The implication is that, if we do not accept this “all or nothing” demand, the Soviet Union is ready to use the veto again in the Security Council. It would thus again be abusing the voting privilege given to five nations in the expectation that it would be used only in exceptional circumstances.

The draft resolution submitted by the Soviet Union not only flouts the spirit of the charter. It is also in clear violation of the advisory opinion of the International Court of Justice of May 28, 1948.\(^4\)

What is the practical effect of the proposal of the Soviet Union? It arbitrarily lumps together two states which, by every test, meet the charter specifications with two other political entities which, it is generally conceded, do not meet the standards of the charter. It couples the Republics of Korea and Viet-Nam, which on numerous occasions have been endorsed for admission by heavy majorities in the General Assembly and the Security Council, with North Korea and North Viet-Nam, which have never been found qualified either by the Assembly or by the Security Council.

In my earlier intervention, Mr. Chairman, I pointed out why, in the opinion of my Government, the Republics of Korea and Viet-Nam are fully qualified for membership in the United Nations. Many other delegates have clearly set forth the reasons why their governments have arrived at a like conclusion. The Soviet proposal makes it necessary to examine the claims put forward on behalf of North Korea and North Viet-

\(^3\) U.N. doc. A/SPC/L.9. Under the Soviet proposal the General Assembly would request the Security Council, “having regard to the general opinion that the composition of the United Nations should be as universal as possible, to reconsider the applications of the Democratic People's Republic of Korea, the Republic of Korea, the Democratic Republic of Viet-Nam and South Viet-Nam with a view to recommending the simultaneous admission of all these states to membership in the United Nations.”

\(^4\) In its advisory opinion the Court said, in effect, that a member of the United Nations called upon to express itself on the admission of an applicant state was not jurisdictionally entitled to make its consent dependent on conditions not expressly provided by the membership article of the charter.
Nam. It is true that we know very little about these areas because the familiar Communist barriers to information seal them off from contact with the free world. But what we do know is certainly not reassuring. In fact, there is every reason to consider them not as states in the juridical sense of the term, but as some sort of Communist political entity standing in a subordinate relationship to Moscow or Peiping, or both.

How do they meet the requirements of article 4 of the charter?

Communist Regimes in North Korea and North Viet-Nam

Let us first consider North Korea. Since the nature and policies of the North Korean regime have frequently been discussed in this Assembly and in other bodies of the United Nations, I will merely touch upon the following important and well-established facts. First, the U.S.S.R., which occupied the northern zone of Korea in 1945, never permitted the unification of Korea through nationwide democratic elections under United Nations observation, as called for in the General Assembly resolution of November 1947. Second, the Soviet authorities excluded the United Nations Temporary Commission on Korea from the northern zone. Thirdly, the structure of this regime has differed hardly at all from the Soviet occupation regime. Many of the leaders of the regime, as has often been pointed out in discussions in the United Nations, are Soviet citizens. Fourthly, the North Korean regime was set up in defiance of the United Nations; it has been guilty of aggression which had to be repelled by United Nations military action. Fifthly, since the cessation of these hostilities, it has engaged in an ominous military buildup in violation of the provisions of the Armistice Agreement.

The regime in North Viet-Nam likewise had its origins in subversion and violence. Ever since it came into being, its activities, overt and covert, have constituted a serious threat to the security and happiness of its neighbors to the south and west. Clearly it is not a peace-loving state.

This Communist regime fails to fulfill the requirements of article 4 of the charter.

First, in 1953 and 1954 the Communist Viet Minh forces invaded Laos and in 1954 menaced its capital city, Luang Prabang.

Second, the North Vietnamese Communists have flagrantly interfered in the internal affairs of Laos. This provoked the Prime Minister of Laos on June 20, 1956, to complain about such acts of interference as the presence of Viet Minh cadres and the supply of arms and ammunition to those units.

Third, the Vietnamese Communists have imported voluminous quantities of arms across the Chinese frontier. This was vividly stated by the British Government in a diplomatic note sent to Moscow and released to the press in April of last year. It said, “The Viet Minh Army has been so greatly strengthened by the embodiment and the re-equipment of irregular forces that, instead of the seven divisions in existence in July 1954, there are now not less than twenty.” This striking contrast of military expansion in the North and the withdrawal and reduction of military forces in the South speaks for itself.

Fourth, the Vietnamese Communists still show utter disregard for human rights. For example, only 2 months ago, according to the Hanoi radio itself, uprisings took place in North Viet-Nam. Villagers protested against the so-called “land reform” decrees imposed by the Communist regime and tried to seek refuge in South Viet-Nam. Several thousand troops with armored cars and heavy weapons moved into the area, crushing these gatherings of unarmed men and women. Yet the United Nations is asked to admit this northern puppet regime as a peace-loving state!

In neither North Viet-Nam nor North Korea has there been anything that could by any stretch of the imagination be called free elections. Yet we do have a striking demonstration of how the people of North Viet-Nam and North Korea feel about their Communist masters. That is shown by the action of the refugees, now numbering into the millions, who have fled from their homes to areas of the free world. This mass flight of desperate human beings, braving enormous dangers, is a clear repudiation of their regimes.

It is significant, Mr. Chairman, that even those delegates who spoke in favor of the Soviet proposal have not submitted any facts which warrant this committee in holding that either North Viet-Nam or North Korea are peace-loving states or accept the obligations contained in the charter. Nor have they submitted any facts which would
warrant the United Nations in judging that these states are either able or willing to carry out the obligations of the charter. We submit that they failed to do so because there are no such facts. Their complete silence on this point gives eloquent evidence of their inability to muster any facts in support of the eligibility of these two puppet states. Neither North Viet-Nam nor North Korea has the necessary qualifications for membership in the United Nations.

The delegate from the Soviet Union tries to make it appear that we contend that the test is whether or not the economic or social character of the applicant is to our liking. We, of course, make no such contention. What we do contend is that the applicant must have the qualifications specified in article 4 of the charter.

**Question of Unification**

In the course of his speech the Soviet delegate declared that the problem to be solved is the unification of Korea and Viet-Nam. He then said that the only solution to this problem lies in the acceptance of the proposal contained in his draft resolution. I submit that such action would have precisely the opposite effect from what the Soviet delegate would have us believe. The United Nations would by its action not only sacrifice the fundamental principles of the charter, it would also perpetuate and give its blessing to the tragic division of these two nations. We must not forget that this division was caused by, and has been maintained by, Communist defiance and contempt for the United Nations. Only in the encouragement of peace-loving and democratic forms of government lies the way toward the eventual solution of the problem of unification.

Were the Soviet argument to prevail, it would enable the U.S.S.R. to prevent the United Nations from admitting to membership any state that it had succeeded in splintering. The argument is that the mere existence of the puppet regime which it has created—even though totally lacking in qualifications for membership—prevents the admission of the peace-loving, qualified state. Who can honestly claim that the denial of membership to these qualified states that we are now considering will hasten unification? The fact is, we believe, that denial of such membership will perpetuate existing conditions and that granting admission to them in accordance with the principles of the United Nations will hasten unification.

Mr. Chairman, in the light of all these facts, it is no wonder that virtually no state outside the Communist orbit has seen fit to extend recognition to the regimes of North Korea and North Viet-Nam. By the same token, it appears to us unthinkable that these two countries should be proposed for membership in the United Nations. For this reason my delegation has opposed, and will continue to oppose, their applications. My delegation will vote against their admission.

The arguments which I have advanced above are also pertinent to the draft resolution tabled yesterday by India and Syria. This resolution, which recalls the Tenth General Assembly’s resolution 918 of December 8, 1955, would have this Committee and the General Assembly take no stand on the membership question this year but would leave the matter entirely in the hands of the Security Council. This is more than a procedural resolution. In effect, this proposal reduces all the applicants, regardless of their past history and present qualifications, to the same footing. This is substantive, not procedural.

I submit that such an action would do grave injustice to the Republics of Korea and Viet-Nam. These two countries—and only these two of all the applicants mentioned here—have repeatedly been found qualified for membership in the United Nations by the General Assembly and the Security Council. In 1955, because of then-existing considerations involving the admission of other qualified applicants, the Tenth General Assembly decided to refrain from pressing the applications of the Republics of Viet-Nam and Korea at that time. That was resolution 918 of the Tenth General Assembly adopted on December 8, 1955. I am not ignoring it. On the contrary, I am specifically referring to it. As the representative of the U.S.S.R. said, the General Assembly then felt that it was “untimely” to act on these two applications at that time. But the circumstances which caused this restraint do not exist today. They certainly did not wipe out the past endorsements of the Assembly nor raise to respectability countries which have never been found qualified for membership. In all fairness to the two small and courageous Republics of Korea and Viet-Nam we should reaffirm our previous findings in their cases.

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and should thereby let them and the world know that we have not abandoned them.

Mr. Chairman, representatives of the Soviet Union and of India and Syria have indicated that they will ask that their respective resolutions be given priority over the resolutions previously submitted by the 13 powers on the subject of membership for the Republics of Korea and Viet-Nam. For the reasons which I have set forth earlier, we firmly oppose the admission of the North Korean and North Viet-Nam regimes. Likewise, we oppose giving priority to the Soviet draft resolution. For the reasons which we and other co-sponsors of the 13-power draft resolution have stated, we believe that the General Assembly should be given the opportunity of reaffirming its belief that the Republics of Korea and Viet-Nam should be admitted to membership. For that reason we oppose giving priority to the draft resolution proposed by India. Instead, we ask that the normal order be followed and a vote be held first on the two resolutions submitted by the 13 powers.7

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**U.S. Makes Final 1956 Payment to U.N. Refugee Fund**

U.S./U.N. press release 2606

The U.S. Representative to the United Nations, Henry Cabot Lodge, Jr., on February 1 transmitted to the Secretary-General a check for $250,486, which is the final contribution toward the U.S. pledge of $1,300,000 to the United Nations Refugee Fund for the calendar year 1956. The U.S. pledge to this fund was subject to the limitation that the U.S. contribution would be at the rate of one-third of all government contributions.

In addition the United States has given a total of $5 million to the Secretary-General of the United Nations for emergency assistance to Hungarian refugees. Of this amount $1 million was presented on November 13 and $4 million on December 17, 1956.

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TREATY INFORMATION

### Current Actions

**MULTILATERAL**

#### Finance


*Signatures:* France, Thailand, United Kingdom, United States.

#### Fur Seals

Interim convention on conservation of North Pacific fur seals. Signed at Washington February 9, 1957. Enters into force on date of deposit of the fourth instrument of ratification, and thereupon article 1X, paragraphs 1 and 2, shall be deemed operative from June 1, 1956, provided the parties have fulfilled certain conditions specified in the convention.

*Signatures:* Canada, Japan, Union of Soviet Socialist Republics, United States.

### BILATERAL

#### Germany

Agreement relating to offshore procurement. Signed at Bonn April 4, 1955.

*Entered into force:* February 7, 1957 (date of deposit of instrument of ratification by the Federal Republic).

#### Greece

Agreement amending the agricultural commodities agreement of August 8, 1956 (TIAS 3653), by providing for purchase of evaporated milk and cheese. Effected by exchange of notes at Athens January 8 and 25, 1957.


#### Haiti


#### Honduras

Convention for the avoidance of double taxation and prevention of fiscal evasion with respect to taxes on income. Signed at Washington June 25, 1956.

*Ratifications exchanged:* February 6, 1957.

*Entered into force:* February 6, 1957, with effect on and after January 1, 1957 (the first day of the year in which exchange of ratifications took place).

#### Iran

Korea


Liberia


Philippines

Agreement providing for duty-free entry into the Philippines and exemption from internal taxation of relief supplies and packages. Effectd by exchange of notes at Manila April 29, 1954, and October 18, 1956. Entered into force October 18, 1956.

DEPARTMENT AND FOREIGN SERVICE

Appointments

Wiley T. Buchanan as Chief of Protocol, effective February 4. For biographic details, see press release 15 dated January 11.

Consular Agencies

A consular agency was established at Las Palmas-Santa Cruz de Tenerife in the Canary Islands on October 12, 1956.

PUBLICATIONS

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.


A publication making available for the first time reproductions of the portraits of the Secretaries of State from Thomas Jefferson through John Foster Dulles. The reproductions are arranged chronologically according to the terms of service of the Secretaries, and each reproduction is accompanied by a biographical sketch of the Secretary and a brief statement regarding the artist and the portrait.


A pamphlet containing information concerning the International Educational Exchange Program, a program which enables citizens of the United States to visit other countries and foreign nationals to come to this country for purposes of study, teaching, conducting research, etc. Educational exchanges are awarded annually to about 6,000 persons from more than 70 countries.


A pamphlet containing information about our highest ranking diplomatic official, the American Ambassador.


A pamphlet containing outlines of the requirements for employment in the Department of State and the Foreign Service and the manner in which appointments are made.


A list of treaties and other international agreements of the United States on record in the Department of State on October 31, 1956, which had not expired by their terms or which had not been denounced by the parties, replaced or superseded by other agreements, or otherwise definitely terminated.


Message to Congress by President Eisenhower, January 5, 1957; and statement by Secretary of State Dulles before the House Committee on Foreign Affairs, January 7, 1957.

Defense—Loan of Vessels to Portugal. TIAS 3681. 5 pp. 5¢.


Surplus Agricultural Commodities. TIAS 3682. 4 pp. 5¢.

Agreement between the United States of America and Spain, supplementing agreement of March 5, 1956, as supplemented—Signed at La Toja September 15, 1956. Entered into force September 15, 1956.

Surplus Agricultural Commodities. TIAS 3683. 4 pp. 5¢.

Agreement between the United States of America and Spain, supplementing agreement of March 5, 1956, as supplemented—Signed at La Toja September 15, 1956. Entered into force September 15, 1956.

Mutual Defense Assistance in Indochina. TIAS 3693. 15 pp. 10¢.

Agreement between the United States of America and Cambodia, France, Laos, and Viet Nam, amending annex A to agreement of December 23, 1955, as amended. Exchange of notes—Dated at Saigon June 5 and 29, 1953; Vientiane June 5 and July 16, 1953; Phnom Penh June 5 and July 30, 1953; Saigon June 5 and September 7, 1953. Entered into force September 7, 1953; operative retroactively July 1, 1953.
February 25, 1957

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51 2/4 Renegotiation sworn in as Chief of Protocol.
52 2/5 Robertson: "Meeting the Communist Threat in the Far East."
53 2/5 Dulles: news conference.
54 2/6 McCallum sworn in as Deputy Administrator of SCA.
55 2/7 Economic talks with Poland.
56 2/7 Reinhardt nominated Counselor.
*57 2/8 Reply to Swiss request concerning Interhandel.
58 2/8 Communiqué on EURATOM.
59 2/8 Tax convention with Honduras.

*Not printed.
†Held for a later issue of the Bulletin.
THE SECRETARIES OF STATE . . .

Portraits and Biographical Sketches

This publication is based on a collection of portraits of Secretaries of State which the Department of State has been accumulating since 1861. It makes available for the first time reproductions of the portraits in this collection. The reproductions—which are in black and white—are arranged chronologically according to the terms of service of the Secretaries of State. Each reproduction is accompanied by a biographical sketch of the Secretary and by a note regarding the artist and the portrait.

The publication includes also three appendixes—the first relating to Secretaries of State ad interim, the second consisting of notes regarding other portraits belonging to the Department of State, and the third consisting of a chronological list of Presidents of the United States, Secretaries of State, and Secretaries of State ad interim.


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The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.
United States Foreign Policy and the Situation in Europe

by Julius C. Holmes
Special Assistant to the Secretary

I am grateful for the opportunity to speak tonight on "United States Foreign Policy and the Situation in Europe." May I say that this is a large order. It is large because all or virtually all of American foreign policy is influenced in some way by what happens in Europe. We cannot escape the fact that the Soviet Union is a European as well as an Asiatic power and that the actions of the Soviet Union have a major influence on nearly all of our policies. I want to confine my remarks tonight, however, to the developments directly connected with the European scene.

I like to compare the situation in Europe since the end of World War II with the two sides of a balance scale. I see one side filled by the efforts of the Soviet Union to spread its domination wherever it can—particularly Western Europe—and the other side holding the programs and policies of the free nations aimed at preventing this spread and securing a peace that will endure. To keep the world scale tipped in favor of freedom and justice is the unceasing job of our foreign policy guided by our President, carried out by our Secretary of State, guarded by you—our military—and administered by our career Foreign Service.

In order to understand this postwar world it is necessary to see how these two forces developed in opposition to each other; so I want to review this development with you tonight. We who deal daily with foreign affairs are always in danger of the occupational disease of the specialist—that is, taking too much for granted the broad principles upon which our work is based. We often tend to talk only about the current problems or the specialized issues, giving forth a kind of verbal shorthand about weu, oeec, Oas, un esco, scua, Ica, usia, CIA, and rias, to the point where even a well-informed listener is depressed, if not confused.

So tonight, as I review before the usn the foreign problems of the U.S.A., I shall endeavor to take things step by step and to use unabbreviated English wherever possible.

Europe at the End of World War II

With the Europe of today a relatively prosperous and stable area of the globe, it is difficult to recall conditions of barely more than a decade ago. The end of World War II was accompanied by a deep Soviet penetration into the heart of Europe. In considerable measure as a result of our support of its war effort, the Soviet Union was in a position to move forces into Eastern Europe following the defeat of the German Army. The vacuum was filled with troops and guns and with political regimes under Soviet control.

A control of that area had long been a Russian ambition. What formerly served as "buffer states" were now helpless satellites in Soviet hands. Russian control of the Black Sea was complete, with the exception of the Turkish coast and the Dardanelles. Through its domination of Eastern Europe, Russia also gained the rich uranium mines of Hungary, Czechoslovakia, and Eastern Germany, and the steel and coal resources of Poland.

With the Soviet Union now in control of the land mass from Vladivostok to the middle of

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Germany, Western Europe was meanwhile in the grip of the poverty and the economic ruin which followed the end of the war. This gave an opportunity for the Communist parties in those countries to make extravagant promises of a better way of life. The power of communism was bolstered greatly by the fact that, by suppressing the Communist movement, the Nazis had forced it into resistance, into the underground, and had therefore put it into position where it was able to assume a role of leadership in the emerging post-war world. This was particularly true in France and in Italy, and to a lesser extent in some of the other countries of Western Europe. It must have looked from the Kremlin in 1945 as though the empire of the Soviets would soon extend from the Pacific to the Atlantic.

There was only one means by which further Soviet aggression could be prevented: by the power of the United States. We can be proud that we recognized that challenge and met it.

Meeting the Challenge of Soviet Aggression

Let me recall to your minds events as they occurred.

There was first our aid to Greece and Turkey. With our help, Turkey's hold on the Dardanelles remained secure and the Communist rebellion in Greece, domestically led but inspired and supported from outside, was ended.

Next was the Marshall plan. By helping Western Europe to help itself, we shared in the restoration of morale and self-confidence there and thus helped eradicate the conditions in which communism could flourish.

The Organization for European Economic Cooperation was proposed as an adjunct to the Marshall plan. It has provided continuity for European economic cooperation. Other forms of European integration followed. The result of all this was economic stability, which by its very nature created a climate for political stability.

It was at this point that the Communists began to see that the political and economic conquest of Western Europe might not materialize. So the Russians began to use military threat. This was in great measure responsible for the success of the coup in Czechoslovakia. Next came the blockade which directly challenged the presence of the Western powers in Berlin. The airlift was one of the highest accomplishments of our military, because through it we were able to meet political challenge without actual warfare.

The possibility of Soviet military attack presented a new danger to the peoples of Western Europe. Although they were still weary from the war, they nevertheless faced the new danger. Five European countries joined in an alliance which became known as Western Union. It bound together Britain, France, and the Benelux countries, with the pledge to come to each other's defense should any of them be attacked.

North Atlantic Treaty Organization

In 1948 the Soviet threat against Western Europe was so steady and strong that opinion in the United States began to recognize the ultimate threat to our own security and the need for American aid. The United States Senate, which had rejected any involvement of the United States in the League of Nations in 1919, now passed by overwhelming vote the Vandenberg Resolution urging the President to negotiate regional arrangements for collective self-defense.

A military alliance in peacetime was something in which the United States had never before participated outside the Western Hemisphere. As result of the negotiations that followed, the North Atlantic Treaty was signed, a treaty which goes as far as we can constitutionally go in promising the support of our armed forces in the event of an attack on our allies. This was a most significant turning point in American history. The American people had accepted the challenge of war leadership. They had agreed to fight, if necessary, to defend the free world against those determined to destroy it. The North Atlantic Treaty Organization—NATO—is the final step which separates us from our past, when we were secured by two oceans, and leads us into the atomic age, when no nation, alone, can assure its survival.

In 1949, when the NATO treaty was signed, it was merely a pledge, a pledge which would not result in action except in the case of attack. But against communism challenged, and again the West responded. With the attack in Korea it became obvious that NATO needed bone and sinew, that a defense organization in being was needed in Western Europe. Such an organization was created through the establishment of the Supreme Allied Commands and through the program of armed
n which we have since been engaged with our Nato partners.

By their attack on Korea the Soviets indirectly sharpened a reappraisal of policy toward Germany.

Rearming of Germany

By the time of the Korean war, Germany was again playing a particularly important role in Europe. Any analysis of the European situation must deal with Germany in some detail. In 1945, after Germany had been defeated, the Western powers were determined that Germany would never again rearm. We meant it, although there were even then those who predicted that the time would come when we would change our minds. In 1950, when Soviet-trained Communists attacked South Korea, the parallel with Germany was too close for comfort. In Korea there had been a well-trained Communist army in the north attacking an undefended country in the south; in Germany a Communist police force, backed by overwhelming Russian forces, stood poised on the borders of a Federal Republic which had no forces of its own with which to defend itself.

It might be argued that we could have avoided the decision to rearm Germany by one of two methods: the occupying powers themselves could have taken on the defense for an indefinite period, or we could have left Germany undefended. Neither alternative was or is feasible. It would be unthinkable that Americans, Frenchmen, and Englishmen might die on German soil while Germans were prevented from the defense of their homeland. Similarly, it must be clear from the point of view of elementary strategy that a country of 50 million people, nearly 200 miles in width and with tremendous industrial and natural resources, presented a prize whose possession would materially alter the balance of power and whose loss could not be permitted by default.

You will recall that German rearming was brought about within the European Defense Community, under which Germany would have an army of its own; there would only be a European Army, in which the French and German soldiers would wear the same uniform. But time had not yet healed the wounds that the wars had afflicted; France could not accept such an arrangement, and Germany had to be rearmed without the concept of a European Army. Germany was brought directly into Nato as a full member and as a full participant in the defensive structure of the West. By 1960, according to present plans, Germany will be contributing 500,000 men to Nato defense forces. The people of West Germany threw their lot with the free nations of the West, and these countries wished to help the Germans build up their own strength.

U.S. Proposal for European Security System

Before we could give effect to this decision, however, it was necessary to convince ourselves, to convince the Germans, and to convince the French that there was no other way of meeting the Soviet challenge.

In January 1954, for the first time in over 5 years, we decided that we should sit down with the Russians and see whether the situation had changed. There was some reason to hope that it might have changed. Stalin had died, and some relaxation of positions had taken place. There was a chance that, with a new approach from here, there might be a new approach from there. In order to test the possibility of a new approach, we submitted a proposal for a European security system under which the Soviet Union would be protected against the possibility of a German attack, which it claimed to fear so much. In return for this we asked that free elections be held in all four zones of Germany so that the country might be unified and given the opportunity to choose its own foreign policy and its own alliances. We believed that a repetition of the "dictated peace" of Versailles, which limited Germany's freedom to conduct its own foreign policy, would tend to stimulate revisionism and therefore be contrary to the interests of all concerned, including the Soviet Union.

The Soviets refused to agree to any such plan. They rejected our plans out of hand at Berlin; they rejected them again at Geneva. If this was not clear at the so-called "summit conference" in July 1955, it became strikingly clear at the second Geneva conference in October of that year. It became obvious that the Soviet position had not changed. The peaceful smile did make its short appearance, but even the outward smile vanished with the Hungarian tragedy this fall.

Soviet tactics can and do change from time to time, but Soviet armed might and ultimate objectives have remained unchanged. Recent
events in Eastern Europe, particularly the events in Hungary, show that the Soviet Union will not hesitate to use force or the threat of force as it has in the past. This fact makes it essential that the effective military shield of the North Atlantic alliance be maintained and its capabilities constantly adapted to changing circumstances.

The Soviet Union has been challenged—challenged in its further expansion and challenged in its efforts at political control through the Communist parties in the West. In its sphere of influence, which it thought forever secure, it has been challenged by the independence of Yugoslavia and the moves in that direction on the part of the new Polish regime. But below these surface occurrences, tensions in the Eastern European satellites have been mounting—tensions of which the rebellion in Hungary was the most violent example.

We in the West have strengthened our economies, stabilized our international political system, and built a defensive shield of visible strength, and plans are now maturing toward the greater unity and strength of Western Europe through the formation of Euratom and a common market. The countries of the Western alliance have determined to maintain and safeguard their democratic institutions and have recognized that to do so they must achieve close cooperation in every field. I do not think that a few years ago many would have agreed to a paragraph in the report of the NATO "Three Wise Men" recently issued which reads as follows:

The fundamental historical fact . . . is that the nation state, by itself and relying exclusively on national policy and national power, is inadequate for progress or even for survival in the nuclear age.

That recognition shapes American policy. It has caused this country to join the North Atlantic alliance. It has caused us to strengthen our allies in Western Europe both economically and militarily at great cost to ourselves.

Let me say also that we have had our own tensions. The recent crisis in the Eastern Mediterranean caused a great many people to say that our alliance was falling apart. It did not. We had become accustomed to work together in the common interest every day in the North Atlantic Council, and during the Suez crisis we continued to do that.

Need for More Effective Consultation in NATO

One of the lessons that we have learned recently is the need for much more effective and continuing consultation in NATO on foreign policies. I do not suggest that effective consultation of this kind will rule out all possibility of divergent policies any more than it rules out the necessity of any government acting on its own quickly and effectively in a genuine emergency. There will always be some differences of national approach to particular problems in a coalition such as NATO and there will always be domestic considerations impinging on the requirements for consultation with allies. But if we are to preserve freedom, if we are to preserve the North Atlantic alliance, we cannot afford to let such differences of approach lead to deep divisions of policy on important matters affecting the Atlantic Community. The process of acquiring the habit of consultation is a slow one, a gradual one at best, probably slower than we might wish. We can be well satisfied, however, if it is steady and sure.

I should like to say just one more thing on this subject. A sound foreign policy depends more than anything else on our vigilance—not only vigilance against the possibility of a more active threat but also constructive vigilance for the possibility of any advance toward a more peaceful world. We must be willing to analyze every opportunity, be willing to test and test again, to see if we cannot arrive at a situation where the scale might permanently tip the balance in favor of peace and freedom, not only for ourselves but for all men.

The spirit in which we approach this task was most eloquently expressed by President Eisenhower in his second inaugural address: "Our world," he said, "is where our full destiny lies—with men, of all peoples and all nations, who are or would be free."

"We voice our hope and our belief," the President went on, "that we can help to heal this divided world. Thus may the nations cease to live in trembling before the menace of force. Thus may the weight of fear and the weight of arm be taken from the burdened shoulders of man kind."

"This, nothing less," he concluded, "is the labo to which we are called and our strength dedi cated."


Anniversary of Independence of Baltic Republics

Statement by Secretary Dulles

Press release 69 dated February 15

Thirty-nine years ago the peoples of Lithuania, Latvia, and Estonia declared their independence from Russia. The Soviet Union recognized their independence and established diplomatic relations with them. In the years that followed, the Baltic peoples demonstrated their capacity for self-government and their will to maintain their national independence.

Though the Soviet Government forcibly incorporated these three states—all independent members of the League of Nations—into the Soviet Union in 1940, there is ample evidence that the peoples of the Baltic Republics still desire their freedom from foreign rule. The strenuous efforts of the Soviet regime to seal off the peoples of the Baltic states from contact with the free world have not succeeded in hiding this fact.

On the anniversaries of their national independence, we honor their continuing courageous determination to regain the national rights of which they have been so cruelly and unjustly deprived.

Keeping the Peace

Remarks by Walter F. George
Special Assistant to the President

Now and again scholars debate whether events are the creations of men or men the creatures of events. I do not know the answer to the question, and I, therefore, do not undertake to answer it. I merely wish to say that I am moved to suggest on this occasion that perhaps it is the times that you honor rather than the man. Those who are fortunate enough to come for a brief moment toward the light of history certainly are aware that they cannot control events or shape them; at best, they are conscious of the fact that, by the help of God, events can be controlled only by the good men and women of all free lands. I am duly ap-

1 Made before the Veterans of Foreign Wars at Washington, D.C., on Feb. 6, on the occasion of Mr. George's acceptance of the organization's Gold Medal Citizenship Award.

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the peace of the world is the most difficult job committed to men; that is, if one recognizes peace as the peace of justice which Edmund Burke conceived as the standing policy of all civilized states, and if one believes that moral law is yet a force in the affairs of mankind.

If we are to keep the peace, we must preserve and strengthen the defenses that guard it. The vital link in these defenses is the NATO organization, which has come to be the shield of free men in Western Europe and also, may I say with deep conviction, the shield of the United States of America as well.

Another essential for the guarding of the peace is, in my judgment, the approval by the Congress of the President's Middle Eastern proposal. Whatever may be the powers of the President under the Constitution, certain it is that the Congress and the President's standing together would present a greater deterrent to Soviet aggression and would assuredly give a higher degree of confidence to those who are about to become the victims of aggression all around the world.

**Making Our Policy Clear**

In maintaining our previous defenses against aggression, in creating new ones, it is imperative that we make clear to all that, while we cherish our friendship with nations that have freedom or now seek it, we would, as the President has said, no more seek to buy their sovereignty than we would to sell our own. We must also make it plain that, while we honor the aspirations of those captive nations which hunger to be free, we do not seek military alliances with them nor to remake their society in the shape of our society. We must make it clear, I think, to the world that we do not reject the proffered hand of sincere friendship—of honorable friendship—merely because the nation offering such friendship is not itself in strict conformity with our own ideals and our own declarations as a people. We must also make it plain that, while we honor the aspirations of these captive nations who are no longer free, we do not propose to make them over in the image of anyone. We must, finally, make it unmistakably evident that, so long as the Soviets do not first resort to aggression, the Soviet Union and the Russian people have nothing whatsoever to fear from the United States in any part of the world.

On this occasion, and touched as I am by the great honor which you have bestowed upon me, I might speak of many things which have brought us thus far to the point where we are as a nation tonight. But no one can tell you what the future is to bring forth. I have the fervent belief which has been traveling with me toward a higher and higher degree of certainty that, if in our time we can meet the duties and responsibilities which are presented to us, then that Power which is in men, but not of men, but which is definitely above men, and which shapes matters having to do with the destinies of men and women, will see that all will be well with us. Certain it is that in no other way can we of this present day and of this present time pay our obligation to those who have sacrificed for us on the fields of battle around this earth; and certain it is that by meeting our obligations and our duties alone can we keep faith with the living men and women who earnestly desire peace—just, honorable peace.

And so again, thanking you for your special award tonight, I bid you Godspeed, back in your respective homes and communities—whether they be great cities or crossroads in our country—to give support to those enduring principles which have brought us thus far on the road that we have traveled as a people. Assuredly, there will be nothing to fear if we rise to that high responsibility which inspired a public servant from my own State many years ago to boldly declare that "He who saves his country, saves all things; and all things saved, will bless him. He who lets his country die, lets all things die, dies himself ignobly, and all things dying curse him."

**U.S. Delegation to Ghana Independence Ceremonies**

The Department of State announced on February 14 (press release 68) the appointment of the U.S. delegation to accompany Vice President Nixon to the ceremonies marking the independence of Ghana (now the Gold Coast). The Vice President, who will head the delegation, will be accompanied by Mrs. Nixon. The independence ceremonies will take place at Accra from March 3 to 10, 1957.

Members of the U.S. delegation are as follows:
Dominican Republic Documents on Disappearance of U.S. Citizen

Press release 66 dated February 14

On December 31, 1956, and January 16, 1957, the American Embassy at Ciudad Trujillo requested of the Dominican Government the evidence developed by the Dominican authorities in the investigation of the disappearance of Gerald Lester Murphy, a U.S. citizen, on December 3, 1956, in the Dominican Republic. The State Department has now received from our Embassy evidence gathered by the Dominican Government. The U.S. Government is studying this evidence with a view to determining what further steps will be taken in connection with the disappearance of Mr. Murphy.

Twenty-seven Countries Invited to International Naval Review

Press release 64 dated February 12

The Department of State announced on February 12 that it had forwarded on behalf of the U.S. Navy, the Virginia 350th Anniversary Commission, and the port communities of Hampton, Newport News, Norfolk, Portsmouth, Virginia Beach, and Warwick invitations to 27 countries to attend an International Naval Review at Hampton Roads, Va., June 8-17, 1957.

In 1957 the Federal Government and the Commonwealth of Virginia will join in an 8-month celebration of the 350th anniversary of the beginning of the American Colonies from which this Nation grew. This celebration will be known as the Jamestown Festival of 1957. It will begin on April 1 at Jamestown, the site of the original settlement. The International Naval Review at Hampton Roads has been planned as part of the anniversary celebration.

The Virginia 350th Anniversary Commission has chosen as a theme for this review "Freedom of the Seas," because the founding of the Jamestown Colony marked the beginning of the flow of people and their culture across the Atlantic.

The Commander in Chief of the U.S. Atlantic Fleet has been designated the U.S. Navy representative to this International Review and as such will be responsible for all arrangements in this connection. Invitations to participate in the International Naval Review have been extended to those European countries having fleets which participated in the development of the Western Hemisphere; to all countries in the Western Hemisphere maintaining fleets; and to those countries in the North Atlantic Treaty Organization that have fleets.

During the period June 8-17, 1957, the Committee for the International Naval Review has planned commemorative ceremonies and entertainment to be held in the Hampton Roads area. Included in the planned entertainment will be trips for the participating naval personnel in the Jamestown-Williamsburg-Yorktown areas, international athletic events, and cultural and social activities.

Vice Admiral Richmond Heads Committee on Oil Pollution of Seas

Press release 61 dated February 11

Vice Adm. Alfred C. Richmond, Commandant of the U.S. Coast Guard, has been selected chairman of the National Committee for Prevention of Pollution of the Seas by Oil at the second meeting of that organization, held February 8 at the Department of State.

The National Committee is charged with responsibility for the study and review of the oil pollution problem as it affects the United States. It plans and disseminates proposals designed to alleviate the oil pollution problem, including research and educational measures, means for international cooperation, and the study of technical problems.

For an announcement of the first meeting, see Bulletin of Oct. 1, 1956, p. 521.
Business at the February 8 meeting included the installation of Vice Admiral Richmond as chairman of the committee and the delegation of responsibility to the Coast Guard for a technical evaluation of the International Convention for the Prevention of Pollution of the Sea by Oil, 1954, which would facilitate the committee's study of that convention. Other matters relating to the committee's terms of reference and future plans were discussed.

The National Committee was established in compliance with the recommendation of the International Conference on Pollution of the Seas and Coasts by Oil held at London in 1954 to the effect that such committees in each nation be established to study and propose remedies for this longstanding international problem. The committee consists of representatives of governmental agencies. The various departments, however, are represented in more than one capacity and also may reflect the views of various nongovernmental interests and organizations concerned with oil pollution problems.

Represented at the meeting were the Departments of Commerce, Defense, Interior, State, and Treasury.

3 For an article on the London conference by Rear Adm. H. C. Shepheard and John W. Mann, see ibid., Aug. 30, 1954, p. 311.

U.S. Replies to Swiss Request To Arbitrate Interhandel Issue

U.S. NOTE OF JANUARY 11, 1957

Press release 57 dated February 8

On January 11, 1957, the Department of State informed the Government of Switzerland in a note handed to the Minister of Switzerland that the Government of the United States was unable to comply with the Swiss request for arbitration or conciliation of the Swiss claim for a release of the large shareholding in General Aniline and Film Corporation. These shares had been seized in 1942 by the United States as enemy property under the Trading With the Enemy Act. This note was accompanied by a memorandum which explained in detail the reasons for the position of this Government. Following is the text of the Department's note together with the accompanying memorandum.

The Secretary of State presents his compliments to the Honorable the Minister of Switzerland and has the honor to refer to the Legation's note dated August 9, 1956, concerning certain shares in General Aniline and Film Corporation, an American corporation, held and owned by the United States under the Trading With the Enemy Act, and claimed by a corporation incorporated under the laws of Switzerland, Societe Internationale pour Participations Industrielles et Commerciales S. A., hereinafter called Interhandel, and the Swiss claim to the right to a release of this property because of the provisions of the Swiss Allied Accord of May 25, 1946. The Swiss Government has requested arbitration or conciliation of the claim with respect to the property in question.

In the note under reference, the Government of Switzerland further requested that the status quo be maintained in respect of those shares pending arbitration or conciliation proceedings.

The United States Government deeply regrets that the Interhandel case and the interpretation of the provisions of the Swiss-Allied Accord have so long represented sources of disagreement between the United States and Switzerland. Over a period of many years the two Governments have on repeated occasions expressed their views on these subjects.

Mindful of the traditionally fruitful and friendly relations between the United States and Switzerland, the United States Government has given most serious consideration to the views expressed in the aforementioned note. This has involved a thorough and lengthy reexamination by

1 For text, see Bulletin of June 30, 1946, p. 1121.
The United States Government regrets therefore to inform the Government of Switzerland that, for reasons set forth in detail in the enclosed memorandum, it cannot agree to the suggestion of the Government of Switzerland that the said matter be referred to arbitration, on the ground that the matter does not involve a dispute falling within the scope of the obligation to have recourse to arbitration. Likewise as to the suggestion of conciliation, the United States Government regrets that it cannot accede to this suggestion for the reasons set forth in said memorandum. In view of this conclusion, the United States Government also regrets to state that it cannot agree to the request of the Government of Switzerland that the status quo be maintained in respect to the assets of Interhandel located in the United States.

The United States Government recalls its notes of May 27, 1953 \(^2\) and June 7, 1955 \(^2\) to the Government of Switzerland, in which the Attorney General of the United States expressed the willingness to negotiate with the parties a settlement of the case in the United States courts. The Attorney General remains willing to enter into direct negotiations with the parties to the suit or their duly authorized representatives, in the light of the status of the suit, for a settlement of the case which will protect the legitimate interests of all parties concerned.

Enclosure:

Memorandum

DEPARTMENT OF STATE,
Washington

The Government of Switzerland has requested arbitration or conciliation, pursuant to the Treaty of February 16, 1931 or the Swiss-Allied Accord of May 25, 1946, of the question of its right, under the Accord of 1946, to the release of certain shares in General Aniline and Film Corporation, an American corporation, held and owned by the United States under the Trading with the Enemy Act and claimed by a Swiss corporation, Societe Internationale pour Participations Industrielles et Commerciales S. A., hereinafter called Interhandel.

\(^2\) Not printed.

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Interhandel to produce the documents and books which had been examined by the Swiss Government.

The eventual dismissal of Interhandel's complaint was based on the failure to produce the Sturzenegger papers. The Court originally set the time for production of the papers as July 1949. When after lengthy proceedings it finally appeared that the papers would not be produced, the Court ruled, in 1953, that the suit by Interhandel must be dismissed with prejudice for the failure of the claimant to produce the required papers. 111 Fed. Sup. 435. The Court held that Interhandel had shown itself unable to comply with the fundamental rules of the American judicial system under which the facts must be fully developed and revealed in order that justice be done. It was held irrelevant that Interhandel was prevented by the orders of its Government from producing the papers. The Court noted that it was not sitting in judgment on the secrecy laws of Switzerland; that neutrals as well as citizens, governments as well as individuals, were required to comply with the rules of procedure of United States courts, which are designed to give full discovery of the facts to the adverse party in the interest of fair and just settlement of disputes.

To adopt any other course, the Court held, "would permit a foreign government to release only the documents favorable to one party and to retain or destroy the rest" and "might defeat the purposes of the Trading with the Enemy Act by permitting a foreign national to bring suit in this country to recover property seized under the Act and then seek shelter under the protective cloak of its government when discovery is sought". The Court concluded that "due process would be denied if a foreign government were to be allowed to frustrate the procedures established in the Courts of the United States".

The United States Court of Appeals for the District of Columbia unanimously affirmed this decision and the Supreme Court of the United States has refused to review the case further. 385 F. 2d 532, 350 U.S. 537.

In June 1955, when the Court of Appeals affirmed the decision of the District Court, it granted Interhandel still another extension of time of six months to produce the records, and this extension was prolonged during the Supreme Court's consideration of the matter. The last extension of time expired in August 1956, and the case now stands dismissed without any qualification.

United States courts are known for their independence and readiness to do justice at the suit of all, regardless of whether the suitor is an alien or whether the United States Government is the party against whom complaint is brought. These courts have a continuing preoccupation to maintain the principles both of American constitutional law and of international law that property may not be taken from citizen or alien without due process of law and that for every taking claimed to be illegal there must be a full remedy.

The course of the proceedings in this case has shown the solitude of the laws and of the courts of the United States for the rights of Interhandel. By Sections 9 (a) and 32 of the Trading with the Enemy Act, Congress has given two remedies to any person claiming that he is the owner of vested property and that he is not enemy-tainted. One is the right to file a claim with the administrative authorities. The second remedy, heard de novo by the courts without any prejudice by a failure in the first remedy, is the right to litigate in court. Interhandel has had the benefits of both remedies. Both its claim and suit have been dismissed.

The remedy thus provided by Congress in the Trading with the Enemy Act has been held by the Supreme Court of the United States to be full and adequate and in compliance with the principles of the Constitution mentioned above. Stoehr v. Wallace, 255 U. S. 239. The rules of procedure in the United States courts regarding disclosure of information are an integral part of the judicial remedy afforded by the United States, and are in compliance with the standards of international law for a fair hearing. Interhandel has received due process of law. The claim of Interhandel to the shares in question has thus been defeated.


The claim which is being made by the Swiss Government is stated to be based upon the Allied-Swiss Accord, signed at Washington on May 25, 1946, and known as the Washington Accord. Arbitration or conciliation is requested under that Accord or under the Treaty of February 16, 1931.

A. The Claim Under the Washington Accord.

In respect to the Washington Accord, it has been asserted by the Swiss Government that a decision by the Swiss Compensation Office in 1947, affirmed by the Swiss Authority of Review in 1948, to the effect that Interhandel is a Swiss concern and not German owned or controlled, was a decision pursuant to its authority under the Washington Accord of May 25, 1946, and therefore binding on the United States to release Interhandel's assets located in the United States, under Article IV of the Accord. Article IV provides that "the Government of the United States will unblock Swiss assets in the United States".

The United States Government cannot accept this argument. The decisions adverted to were not under the Accord but were rather decisions by Swiss tribunals under a Swiss decree of February 16, 1945. Moreover, even had the decisions been made under the Accord, they would necessarily have had to be limited in application to Interhandel's assets in Switzerland and would have had no effect on the General Aniline and Film shares since these shares are property in the United States, not in Switzerland. The authority of the Swiss Compensation Office and of the Authority of Review under the Accord did not encompass German assets located outside Switzerland, being limited to such assets located in Switzerland. Lastly, the obligation to unblock in Article IV refers to the lifting of United States Treasury controls on admittedly Swiss assets and not to the divesting of property vested by the Alien Property Custodian as German enemy property, which has always been fully understood to be a wholly different matter.

1. The proceedings before the Swiss Compensation Office and the Authority of Review were not proceedings under the Accord and thus could not be binding on the Joint Commission established pursuant to that Accord or on the Allies. The proceedings were purely Swiss,
before a Swiss tribunal on a Swiss matter—a blocking of Interhandel by Swiss authorities under a Swiss decree.

The decisions of the Swiss Compensation Office and of the Authority of Review were based on Interhandel's complaint. This complaint, which was instituted even before the Washington Accord was signed, was against a domestic, Swiss blocking of the assets of Interhandel, in October and November 1945, under a Swiss decree of February 16, 1945. It has been claimed that the decision of the Swiss Authority of Review, when it affirmed the decision of the lesser body, was one under the Washington Accord, and in support of this it has been claimed that the sole purpose of the Authority of Review is to hear disputes arising under the Accord. However, by the Swiss decree of December 27, 1946, the Authority was given jurisdiction over purely Swiss matters, including appellate jurisdiction over the decisions of the Swiss Compensation Office in respect of blockings under the Swiss decree of February 16, 1945. Thus, when the Authority of Review on January 5, 1948, affirmed the decision of the Swiss Compensation Office, it was not acting under the Accord but rather as an entirely Swiss body exercising jurisdiction granted by Swiss law to affirm a decision by another Swiss body under a Swiss law—the 1945 blocking decree.

The decision makes this clear. The title of the decision states that the matter involved is Interhandel's appeal against the 1945 blockings. In the opinion, the Authority concerns itself only with whether the facts warrant the blocking of Interhandel under the 1945 blocking decree. Furthermore, the judgment is only that the Swiss blocking is rescinded retroactive to the date it was imposed, October 50, 1945. This date was long before the Washington Accord was negotiated.

The fact that the Joint Commission under the Washington Accord was invited to join in the proceeding and refused to do so did not convert the decision into a decision under the Accord. The Joint Commission made it clear that the Interhandel case before it under the Accord was a separate matter, still on its agenda and that the decision of the Authority could have no effect on the case under the Accord. In its letter of December 19, 1947, declining the invitation as inappropriate under the Accord, the Joint Commission said:

"The case in question is still under consideration by the Joint Commission under the terms of the Washington Accord and as yet the Commission has not disagreed with any decision of the Swiss Compensation Office and thus there seems no basis for the Joint Commission to appear before the Commission de Recours at this time as provided in Article III of the Annex to the Washington Accord.

"A majority of the Joint Commission would prefer that the case of J.G. Chemie [Interhandel] be postponed by the Commission de Recours until consideration of the matter by the Joint Commission has been concluded. If, however, this wish cannot be granted, a majority of the Joint Commission states that the appeal presented by the aforementioned firm can, naturally, have no effect on any proceedings undertaken pursuant to the Washington Accord, on the matter by the Joint Commission."

The Authority of Review in its opinion recited the contents of this letter from the Joint Commission. While the Authority could not agree to the postponement of its decision, it did not suggest that its decision would affect the issue under the Accord. It rather went on to write a detailed opinion devoted only to the 1945 Swiss blocking and the decree of February 16, 1945. The Authority by this opinion recognized that it was making a decision on a Swiss blocking case and not one under the Washington Accord. The decision, therefore, cannot be considered to bind anyone under the Washington Accord.

2. Moreover, a decision of the Authority of Review under the Accord could have no effect on any property in the United States such as these shares, for the Accord (except for Article IV thereof) relates only to German property in Switzerland and the authority of the Swiss Authority of Review is as a consequence limited to German property "in Switzerland". This is borne out by the words of the Accord, its purpose, the record of the negotiations and its construction by the parties.

In the entire history of the negotiations of the Washington Accord there was never a suggestion by anybody that the Swiss Compensation Office, which the Accord provided would deal with German assets in Switzerland, or the Swiss Authority of Review should have any jurisdiction regarding assets, German or otherwise, not located in Switzerland. Neither was there any suggestion that either of these bodies should have any jurisdiction in matters arising under Article IV of the Accord.

The negotiations were between representatives of the United States, United Kingdom, and France on the one hand, representing Allied countries entitled to seek reparations from German assets in Switzerland, and representatives of Switzerland on the other. The concern of all, as is about to be demonstrated, was only German assets in Switzerland. It was in this connection that provision was made in Article I of the Accord for the functions of the Swiss Compensation Office with respect to German assets in Switzerland. Article IV, though included in the Accord, dealt with a purely bilateral matter between the United States and Switzerland, namely the unblocking of Swiss assets in the United States. It was not germane to the scheme represented by the rest of the Accord, but related to an entirely separate matter, and is discussed separately below.

That only German assets located in Switzerland were the concern of the negotiators and their Governments is clear. The first two articles demonstrate this limitation. By Article I, paragraph 1, the Swiss Compensation Office was to investigate and liquidate "property of every description in Switzerland owned or controlled by Germans in Germany", and by paragraph 2 the German owners were to be indemnified "for the property which has been liquidated in Switzerland pursuant to this Accord". The "proceeds of the liquidation of property in Switzerland of Germans in Germany" were to be divided equally between the Allies and Switzerland. Art. II (1).

The Accord did not deal with the title to German property in the United States, although in Article IV it provided for the unblocking of Swiss assets in the United States. Its subject matter as to title was confined to German property in Switzerland.

In the Accord, in the Annex dealing with procedures and in the letters simultaneously exchanged, there are repeated and numerous references confirming that the
property which is the subject of the Accord is German property in Switzerland. E. g., pages 42, 57, 59, 66 of the plenary sessions of the negotiators. The chief Swiss negotiator stated, "You ask the German assets in Switzerland for reparations and we ask the German assets in Switzerland for covering at least partially our claims against Germany" (pages 64-65 of the plenary sessions).

The preamble, illuminating the entire purpose and scope of the Accord, opens with words confirming that the outer limits of the Accord are German property in Switzerland. It is said that the Allies have "claimed title to German property in Switzerland by reason of the capitulation of Germany and the exercise of supreme authority within Germany", that the Swiss Government was unable to recognize this claim but desired to contribute to the reconstruction of Europe and that in these circumstances the parties had arrived at the Accord.

The Swiss Government has itself acted on the basis that German property not within Switzerland is not within the Accord, by freeing from restrictions under the Accord such German assets as were administered from Switzerland but were not actually located there, on the ground that "the Washington Accord covers only assets in Switzerland". (Feuille Féderale, 1949, p. 774-5.)

It must be recognized, too, that the American negotiators of the Accord were not authorized to make an Accord which would affect rights to property in the United States, either vested or subject to vesting as enemy property. Vested property is not only subject to the power of Congress as such but is also subject under the Constitution to Congressional control because it is property of the United States. The disposition of such property was and is solely for Congress, which had then by statutes, since repeated and confirmed, expressed its will as to the release of property deemed enemy property under the standards of United States law. There have been set out above, in Part I, the methods permitted by Congress for the release of property vested as enemy under the Trading with the Enemy Act. These methods were exclusive and could not be varied by negotiators in the Executive Branch, who as to vested property, were bound by the Constitutional provision that only Congress and not the Executive may dispose of property of the United States. The negotiators were thus not authorized to make, and did not make, any agreement in the Accord affecting property vested in the United States.

Other materials, which need not now be specified in detail, confirm that the Accord was in terms and in its construction limited to German assets in Switzerland. In its origin it was intended to be so limited. The genesis of the Accord lies in the Inter-Allied Declaration of January 5, 1943, and in Resolution VI of the Bretton Woods Conference of July 1944. By these declarations the Allies stated their intention to undo acts of looting by the enemy and to take possession of enemy assets in neutral countries. In the Potsdam Protocol of August 2, 1945, it was agreed that the Allies other than the U.S.S.R. were in part to satisfy their reparations claims from German external assets in neutral countries. The Allied Control Council for Germany was directed to take control and power of disposition of German external assets "not already under the control of the United Nations" (Part II (B) (18)). Accordingly, the Control Council enacted its Law No. 5, claiming title to German external assets. The effectuation of this law was the stated purpose of the negotiations, requested by the Allies, which culminated in the signing of the Accord. The Allies already had taken control over German property within their own borders and there was no need for any negotiations or for any Accord with Switzerland with respect to such property. There was, however, need for an Accord which would recognize the Allied rights to the German property in Switzerland.

The Paris Reparation Agreement of January 14, 1946, was the final step in the chain of international events preceding the Washington Accord. By Article 6A of the Agreement the signatory powers agreed to retain the German assets within their borders. Further, they authorized France, the United Kingdom and the United States to negotiate with Switzerland for the disposition of German assets in Switzerland, and with the other neutrals for the disposition of German assets in those other countries. Article 6C provides:

"German assets in those countries which remained neutral in the war against Germany shall be removed from German ownership or control and liquidated or disposed of in accordance with the authority of France, the United Kingdom and the United States of America, pursuant to arrangements to be negotiated with the neutrals by these countries. The net proceeds of liquidation or disposition shall be made available to the Inter-Allied Reparation Agency. . . ."

It was pursuant to this authorization that the three named powers negotiated the Washington Accord with Switzerland and in Article V of the Accord the negotiating powers noted that they signed on behalf of the governments signatory to the Paris Reparation Agreement. The limitation on their authority of the three powers bound them to seek only to gain control of German assets in the neutral countries, on behalf of the United Nations who are members of the Inter-Allied Reparation Agency. The three powers had no authority to negotiate with respect to assets outside Switzerland.

Accordingly, the powers represented in the Inter-Allied Reparation Agency have declined to accept the Swiss Government's position on the Washington Accord. On January 21, 1949, the Assembly of the Inter-Allied Reparation Agency, comprising all the powers signatory to the Paris Reparation Agreement, having been informed of the Swiss Government's arguments to the contrary, denied that the argument had any validity. The resolution of the Assembly reads, in part, as follows:

"CONSIDERING that the Washington Agreement is clearly limited in scope to apply solely to German assets located in Switzerland, and that its language demonstrates that the negotiating powers recognized that there was no authority vested in them to bind Governments Members of the Inter-Allied Reparation Agency, in a way which would affect the respective rights of those Governments over assets within their own jurisdiction; "CONSIDERING therefore that the decisions of the Joint Commission cannot be binding or have extraterritorial effect on assets within the jurisdiction of Governments Members of the Agency;"

Individual Governments, including those of France and Belgium through their courts, have taken a similar position. Cour d'Appel de Colmar, France, May 31, 1949;
The Washington Accord relates only to German assets located in Switzerland. Its terms demonstrate that it is entirely inapplicable to assets located in the territory of any of the powers signatories to the Accord, and it has no bearing upon measures which such power may deem appropriate to take with regard to those assets.

The decision of the said Joint Commission, therefore, does not bind the Belgian Government or the Belgian courts as concerns the execution of measures in the sequestration of the assets of the Aeroxon Corporation located in Belgian territory.

In this respect, the place where plaintiff’s shares are located is irrelevant.

3. Proceeding from the contention, which, as indicated above, the United States does not accept, namely, that the decision that Interhandel is Swiss was made under the Accord and therefore binds the United States, the Swiss Government assumes that, Interhandel being Swiss, its American assets are Swiss. It then contends that under Article IV of the Washington Accord they are required to be released.

Article IV (1) of the Accord provides:

“The Government of the United States will unblock Swiss assets in the United States. The necessary procedure will be determined without delay.”

The contention, as stated in the earlier notes of the Swiss Legation, is apparently that by this article the United States undertook to “release” or “liberate” any “Swiss” assets such as these, claimed to be Swiss though vested in the United States as enemy.

The United States did not accept such an obligation. For one thing, it would have been beyond the powers of the negotiators. Vested property is property of the United States and can be disposed of only by Congress, whose will is expressed in the Trading with the Enemy Act. In 1946, at the time the Accord was being negotiated, Sections 9 and 32 of that Act had already expressed Congress’ intention with respect to the return of property vested as enemy. Only those who proved themselves to be nonenemies under Section 9 or to be only technical enemies such as persecuted persons under Section 32 could obtain a return of vested property. Thereafter, in 1948, the Congress by Section 30 confirmed that there was to be no return of property deemed to be German. These dispositions of law governed the negotiators for the Accord.

An agreement to release property vested as enemy, such as the Government of Switzerland now contends was made by the Accord, was thus beyond the executive power as an encroachment upon the legislative powers of Congress. It could therefore not be made and it was not purported to be made.

The obligation which was undertaken by the United States under Article IV of the Accord was merely to lift or remove the controls on all recognized Swiss property then maintained by the United States Treasury Foreign Funds Control under Executive Order No. 8389. That the wholly different set of laws and procedures applicable to enemy property under the Trading with the Enemy Act was no part of this obligation was fully understood by all parties at the time of the negotiation.

The reason for this was the great difference between freezing of foreign property—blocking and unblocking—and vesting of enemy property. The foreign funds controls had as their purpose the prevention of enemy advantage from foreign owned assets. Their means was an immobilization of property, without any taking of title or seizure, and a prohibition on dealings without Treasury license. The administering agency was the Treasury Foreign Funds Control, and the method of the release of the controls was the grant of a license, either general or special, in the discretion of the Secretary of the Treasury.

The system for enemy property was another thing entirely. Its purpose was the seizure of enemy property in the beneficial interest of the United States, and its means was a vesting which transferred title to the United States. The administering agency was the Alien Property Custodian (later the Attorney General), and the method of release was an administrative claim before the Attorney General and, if that were denied, a suit in the courts under Section 9 (a) of the Trading with the Enemy Act.

The recognized vocabulary descriptive of the Treasury foreign funds controls was “block” and “blocking”, “freeze” and “freezing”, for the imposition or existence of the controls, and “unblock” or “defrost” for their lifting or removal. Thus, agreement to the lifting of the controls in what became Article IV was requested in a Swiss letter of April 11, 1946, asking for an end to “freezing”. To this request the chief American negotiator responded on April 12 that when the other issues were settled, the United States would discuss “procedures for the unfreezing of legitimate Swiss assets in the United States”. The actual lifting was expressed in Article IV of the Accord as an obligation to “unblock”.

On the other hand, the recognized vocabulary appropriate for the enemy property program was “vesting” and “divesting” of enemy or German property. The use of the term “Swiss assets” precluded any thought of divesting, for property was vested only when it was deemed to be enemy property, and divesting took place not by executive action but on findings made in an administrative claim proceeding or by the court in a lawsuit. The terms “unblock” and “Swiss assets” were thus a complete negation of any thought of divesting of enemy assets.

It is clear that the negotiators for the Government of Switzerland, who had great experience in these matters, understood the words used in the sense indicated above. The record of the negotiations discloses that the words “unfreeze” and “unblock”, “blocking” and “freezing” were used interchangeably by the Swiss negotiators, and moreover used to refer to Treasury controls.

In an early meeting the chief negotiator for Switzerland said (Meeting of March 18, 1946, p. 20):

“As far as legally acquired property which came to us is concerned, our attitude is identical with that taken by the United States at the time of the introduction of the ‘freezing’ and which was defined as follows: “We have to protect those who have faith in the United States and invested their assets here.” It is strange, indeed, that the Swiss assets which had been blocked with this end in view cannot now be released, precisely because we cannot stoop to observe an attitude which would be the
very negation of the American principle which I have quoted." (Plenary Meeting of March 18, 1946, p. 29.)

The speaker here was not only using "blocked" and "freezing" as referring to the United States Treasury foreign funds controls but he was showing an intimate knowledge of the origins and even the rationale of those controls, matters which are in all respects utterly different from the program for the vesting of enemy property.

Other instances in which the chief negotiator for Switzerland repeatedly expressed his concern, in the course of the negotiations for the Accord, over the blocking and freezing of Swiss assets, using the words interchangeably, are to be found at pages 21, 30, 44, 48, 53 of the record of the plenary sessions and in the letters from Minister Stecki of April 17 and 24, 1946. When the matter was discussed in the Swiss Parliament it was so clear that only Treasury controls were being lifted that the totals of the Swiss assets involved were stated as reported by a United States Treasury publication on the results of its freezing controls. Debates, Nationalrat, June 26, 1946, p. 403.

There likewise was no misunderstanding on the part of the United States negotiators, who could not have so ignored the provisions of law stating the exclusive means for the divesting of property vested as enemy.

The Swiss Government has long recognized that the obligation of Article IV to unblock Swiss assets was implemented in exchanges of letters between Secretary of the Treasury Snyder and the Chief of the Federal Political Department, M. Petitpierre, on November 22, 1946, and between Counsellor Dr. Reinhard Hohi and Mr. James H. Mann, United States Treasury Representative, on November 25, 1946. Feuille Fédérale, 1949, 776-7.

In the letter from Dr. Hohi it is said:

"It was understood throughout the discussions that the arrangements provided for in the foregoing and in the letter [of Secretary Snyder] were designed only to meet practical operation problems and do not in any way alter the status under the Trading with the Enemy Act, as amended, or Executive Order No. 8830, as amended, of enemy assets situated within the United States and held through Switzerland."

This was a clear reference to Interhandel, which is precisely such a case.

By the agreements of November 1946 the parties recognized that enemy property, whether vested or subject to vesting, was outside the obligation to unblock. Thus there was agreement that property, though claimed to be Swiss, was not eligible for certification by Switzerland for unblocking if the American authorities deemed it to be enemy. See also Feuille Fédérale, 1946, 131; Feuille Fédérale, 1949, 777.

There is much further evidence to support the conclusion that the obligation to "unblock Swiss assets" has no bearing on the vested enemy property claimed by Interhandel. For instance, it appears that there is no reference in the record of the negotiations either to the Interhandel case, the largest case of vested enemy assets, or even to vested enemy assets generally. Moreover, vested enemy assets were administered by the Department of Justice, a different agency from the Treasury. In the very week of the signing of the Accord while some of the Swiss negotiators met with Treasury officers to discuss the implementation of Article IV, i. e., the provisions which eventually became the Snyder-Petipierre letter, a somewhat different group of Swiss representatives met with the Department of Justice to discuss a joint Swiss-American investigation of Interhandel, for the purpose of determining procedures to obtain evidence that could be used by the United States in the defense of the suit which it was expected Interhandel would bring against the American authorities under the American Trading with the Enemy Act, in an attempt to recover property of Interhandel already vested by the United States as enemy property. It was recognized by all that any unblocking in the United States pursuant to Article IV was an entirely separate matter from the vesting of the assets in the United States claimed by Interhandel.

The distinction between "block" and "unblock" and "freeze" and "unfreeze" Swiss assets on the one hand, and "vest" and "divest" enemy assets on the other, was and is as great as can be achieved by the use of technical words, deliberately chosen and well understood. Consequently the contention that the United States was committed by Article IV to divest itself of General Aniline and Film shares vested as German is without merit on two separate grounds. First, the term "unblock" shows an exclusive concern for the lifting of Treasury foreign funds controls and has no relationship to any divesting or return under the procedures appropriate for property vested as enemy. Secondly, even as to an obligation to unblock, this obligation ran only to property admittedly Swiss, and not to property subject to vesting as enemy property.

4. In 1948, this Government, on request of the Swiss Legation, completely reexamined its views on this matter. This Government then reaffirmed to the Swiss Government its position as follows:

"The question of the return of the property formerly owned by I. G. Chemie [Interhandel] and now vested under the Trading with the Enemy Act is wholly beyond the scope of the Washington Accord of May 25, 1946, and is governed solely by the statutes of the United States. The question is far beyond any permissible construction of the Accord and is therefore not subject to the arbitration clause of the Accord."

These views are again reaffirmed. No claim of a denial of justice in the court proceedings has been asserted by the Government of Switzerland on behalf of its national, Interhandel, nor do any grounds exist for the assertion of such a claim. As stated, there has been full justice and due process of law. The Government of Switzerland has no ground in this respect to request arbitration.

In so far as the claim made is grounded on the Washington Accord, there was no agreement and hence there is no obligation to arbitrate contentions which, as demonstrated, are beyond any permissible construction of the terms of the Accord. The assertion of a claim said to be based upon an international agreement, which clearly has no relation to the claim, cannot give rise to an obligation to arbitrate.

As stated above, under Article IV, Section 3, of the Constitution of the United States only Congress has the power to dispose of property belonging to the United States, and the negotiators of the Accord, in the Executive
Branch, had no authority to make (even if they had purported to, which as pointed out they did not) any agreement to transfer property located in the United States and owned by it, property whose disposition had at that time been specifically provided for by statutes enacted by the Congress. Likewise, these negotiators had no authority, no Congressional consent having been given, to agree to submit a question to arbitration which could result in an arbitral decision that the United States should transfer certain of such property to another. Therefore, it was impossible for the negotiators to have agreed, for the United States, that the instant contentions of the Swiss Government, or any other questions affecting the release of property vested in enemy in the United States, were arbitrable matters under the Washington Accord.

The Government of the United States therefore cannot agree to the suggestion of the Swiss Government that the said matter be referred to arbitration under the Accord, on the ground that the matter does not involve a dispute falling within the obligation under the Accord to have recourse to arbitration.

B. The Claim Under the 1931 Treaty.

As a matter wholly apart from the Accord, the Swiss Government also requests arbitration of "the interests in question", under the Treaty of February 16, 1931. This request would put within the competence of arbitrators the power to dispose of property within the United States, as is here involved. A dispute involving title to such property is not subject to arbitration. Article VI of the Treaty specifically provides that:

"The provisions of Article V [the arbitration provision] shall not be invoked in respect of any difference the subject matter of which
(a) is within the domestic jurisdiction of either of the Contracting Parties, . . . ." (emphasis supplied)


The disposition of title to property located within a country is manifestly within the domestic jurisdiction of that country unless the country involved has by sovereign act removed the matter from its exclusive domestic jurisdiction. The United States has not removed the matter of the ownership of these shares in General Aniline & Film Corporation from its domestic jurisdiction. Neither by the Washington Accord nor any other act has the United States consented that any body other than its courts should determine the ownership of these shares. It has given an ample remedy in its courts, and the remedy has been fully utilized by Interhandel.

Now to agree that any body other than the United States courts acting under United States statutes has jurisdiction to rule on the ownership of the property here in question, would be to override and ignore the statutes enacted by Congress. These statutes provide the exclusive method, forum and standards for the return of property vested in the United States under the Trading with the Enemy Act. Under the Constitution of the United States as noted above the Executive Branch cannot dispose of property of the United States. It can only be disposed of by the Congress through appropriate statutes. It has already been pointed out that the negotiators for the Accord did not seek to bring about, and did not bring about, such an unconstitutional result. This Government could not now do what the negotiators were unable to do and did not do. As a consequence the United States deems the ownership of these shares is a matter "within the domestic jurisdiction" of the United States within the meaning of the Treaty, with the result that the arbitration provisions of the Treaty may not be invoked.

The comments made above regarding the request for arbitration also compel the conclusion that the interests of our mutual relations would not be furthered by resorting to conciliation under the 1931 Treaty. The processes of investigation and reporting by a conciliatory group upon the nature of a claim and its basis where there has been obscurity or lack of clarity therein, enabling the parties to compose differences which have been based upon such obscurity or lack of clarity, are of course the essence of the provisions of the 1931 Treaty relating to conciliation. In that situation the parties nevertheless retained "the right to act independently upon the subject matter" even after the report is made. The instant case, however, does not represent that kind of situation. Rather, it is a case where the position of the Government of Switzerland and its basis have long been fully understood and the position of the Government of the United States of America has been communicated fully to the Swiss Government. Consequently, it is not the type of situation in which there could be any advantage to be gained from further investigation and reporting. Furthermore, such processes could not, for the reasons set forth above, lead to subsequent arbitration which, under the 1931 Treaty, appears to be one of the objectives of the process of conciliation.

The Swiss Government has not set forth a claim falling within the scope of the 1946 Accord, and the question of title to the shares, being a matter within the domestic jurisdiction of the United States, has been finally settled by the competent courts of the United States in proceedings the propriety of which is not questioned. Under the circumstances, and in the light of the Constitutional and statutory limitations regarding disposition of property of the United States referred to above, conciliation proceedings could not achieve the objectives of the conciliation provisions of the 1931 Treaty and would necessarily be unproductive. Therefore, the request for conciliation must be respectfully declined.

The position of this Government on this claim is based upon careful and repeated reexamination of the claim over a period of eight years. On each occasion the matter
has been raised by the Government of Switzerland, a
careful reexamination of the question has taken place.
In each instance the conclusion was the same. This
Government again addressed itself to the problem, fol-
lowering receipt of the note of August 9, 1956, and has con-
duced that no change in its previously declared position is
justified.

C. The Request for the Maintenance of the Status Quo
There remains for discussion the request for main-
tenance of the status quo of the assets involved, pending
arbitration or conciliation. The note of August 9, 1956,
suggests that principles of good faith, which underlie
the authority of the International Court of Justice to
take appropriate precautionary measures, require that
this Government maintain the status quo. We take this
request to be one to refrain from making any sale of
the General Aniline and Film shares to which claim is
made.

The request for maintenance of the status quo fails
with the request for arbitration, for the principles above
discussed are equally applicable to the request for main-
tenance of the status quo. In the instant case, moreover,
the request for the maintenance of the status quo is in
fact a request for a change of the status quo. To refrain
from making a sale of the assets would prevent the
effectuation of the laws of the United States which, once
the litigation in the courts reaches a prescribed stage,
permit and require a sale of the assets. A sale is de-
sirable in the national interest of the United States,
based in part upon considerations of national defense.
Only the courts of the United States have jurisdiction
to stay such a sale of property located in the United
States; such jurisdiction is sovereign and exclusive.

SWISS NOTE OF AUGUST 9, 1956
The Chargé d'Affaires ad interim of Switzerland pre-
sents his compliments to the Honorable the Secretary of
State and, in accordance with instructions of his Govern-
ment, has the honor to bring to his attention the following
matter:
The fact that the considerable assets of the Société
Internationale pour Participations Industrielles et Com-
merciales SA., hereafter called "Interhandel", which were
vested in 1942 and 1943, have to this date not been re-
turned to their rightful owners, is a cause of great con-
cern to the Government of Switzerland. Indeed, all at-
ttempts of the Swiss owners to obtain the return of their
property have so far remained unsuccessful. As of the
present, in view of the latest American court decisions in
this matter, which have been restricted to mere pro-
cedural grounds, the prospects for a satisfactory overall
solution seem to be remote.
The Federal Council is of the opinion that the refusal
of the United States Government to return these assets
is contrary to Article IV, paragraph 1, of the Swiss-
Allied Accord of May 25, 1946. The Federal Council, in
principle, as well as on account of the important interests
involved, finds it impossible to acquiesce in such a situa-
tion. Therefore, it is now confronted with the necessity
of giving the matter its consideration, not only on the
basis of the principles of international law pertaining
to the protection of the legitimate interests of a neutral
State, which principles are recognized both by the United
States and Switzerland, but also because the matter in-
volves adherence to an agreement concluded between the
Governments of the two countries.

Since, over a long period of time, differences of opinion
have existed between the Governments of Switzerland
and the United States with respect to the interpretation
of the aforementioned Accord, which have been the sub-
ject of discussions on more than one occasion, the Swiss
Government now finds itself compelled to submit the
matter to settlement by international proceedings.

In view of the close and friendly relations between
Switzerland and the United States, as well as in view
of the general principles involved, the Swiss Government
regrets that its repeated suggestions, made especially in
the memorandum of the Swiss Legation in Washington,
dated December 1, 1954, and its note of March 1, 1955,
concerning the possibility of amicably settling the Inter-
handel matter in further diplomatic discussions, remained
without positive reaction on the part of the United States
Government, so that no other way remains open for the
preservation of the interests in question. The Treaty of
Arbitration and Conciliation concluded between Switzer-
land and the United States on February 16, 1931, provides
in Article 1 that every dispute arising between the con-
tracting parties shall, when ordinary diplomatic proceed-
ings have failed, be submitted "to arbitration or to con-
ciliation", as the contracting parties may at the time
decide. An arbitration clause is also contained in the
Accord of May 25, 1946. The Federal Council proposes
that all necessary arrangements be made in accordance
with the applicable provisions of the Treaty of February
16, 1931, but, in making this proposal, it is not intended
to waive any rights under the Accord of May 25, 1946.

The Federal Council is convinced that the Government
of the United States of America will, in view of the con-
templated arbitration or conciliation proceedings, uphold
the principles of the law of nations, whereby good faith
demands that all action be avoided during the course of
procedure which might prejudice the execution of the
decisions of an arbitration court or the acceptance of the
proposals of a conciliation commission, and, in addition,
that the parties involved refrain from undertaking any
kind of action whatsoever which might heighten or in-
crease the differences in question. Therefore, in the
sense of these principles of good faith, as laid down in
numerous arbitration treaties, and which underlie the
authority of the International Court of Justice to take
appropriate precautionary measures, the Federal Council
requests the Government of the United States of America
to ensure that the status quo relating to the assets of the
Interhandel located in the United States remains un-
changed during the course of the arbitration or concilia-
tion proceedings.

WASHINGTON, D. C.,
August 9, 1956

358 Department of State Bulletin
Consultations on Import Restrictions for Balance-of-Payments Reasons

Press release 63 dated February 12

The Committee for Reciprocity Information on February 12 issued notice that it invites submission of views in connection with U.S. participation in consultations with certain Contracting Parties to the General Agreement on Tariffs and Trade (GATT) which maintain restrictions on imports for balance-of-payments reasons.

A panel of 13 countries, including the United States, will conduct the consultations, which will be held separately with each of the countries listed below at Geneva, Switzerland, during the periods indicated:

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The Committee for Reciprocity Information is an interagency group within the U.S. Government which collects views of interested persons regarding proposed or existing trade agreements. The committee consists of a member of the U.S. Tariff Commission and representatives from the Departments of State, Treasury, Defense, Agriculture, Commerce, Labor, Interior, and the International Cooperation Administration.

The consultations will afford the opportunity for the Contracting Parties to review with each consulting country its financial situation and, in this context, to discuss the possibilities for further relaxation of the level of import restrictions and the moderation of particular policies and practices that have proved especially burdensome for the exporters of other countries.

Written statements should be submitted by March 29, 1957, concerning matters relating to those countries consulting in June, and by July 31, 1957, for those consulting in October. Communications should be addressed to: Committee for Reciprocity Information, Tariff Commission Building, Washington 25, D. C.

The committee's formal notice, which follows, sets forth the types of information which American traders, business firms, labor organizations, and other interested individuals or associations may wish to submit.

COMMITTEE FOR RECIPROCITY INFORMATION

Consultations with certain contracting parties to the General Agreement on Tariffs and Trade regarding quantitative restrictions on imports for balance-of-payments reasons imposed under Article XII of the General Agreement

Submission of information to the Committee for Reciprocity Information:

Closing date for submission of written statements: March 29, 1957 regarding certain contracting parties, and July 31, 1957 regarding certain other contracting parties.

The Contracting Parties to the General Agreement on Tariffs and Trade intend to enter into consultations with certain contracting parties to the General Agreement which are applying import restrictions under Article XII of said Agreement (61 Stat. (pt.5) A31). Article XII relates to the use by a contracting party of quantitative import restrictions to safeguard its external financial position and balance-of-payments, but these restrictions must be progressively relaxed as conditions improve and must be eliminated altogether when conditions no longer justify their use.

The consultations, to be conducted in Geneva, will begin in June 1957 with the following contracting parties: Sweden, Denmark, Italy, Kingdom of the Netherlands, Norway, Greece, Austria, Germany, and France, and in October 1957 with the following contracting parties: Turkey, Finland, Brazil, Australia, Union of South Africa, Japan, United Kingdom, Federation of Rhodesia and Nyasaland, Ceylon, Pakistan and New Zealand. Such consultations will take place separately with each contracting party.

The consultations will afford the opportunity for the contracting parties to review with each consulting contracting party its financial situation and, in this context, to discuss the possibilities for further relaxation of the level of import restrictions and the moderation of particular policies and practices that have proved especially burdensome for the exporters of other countries. The discussions will cover four principal topics: (1) the present and prospective foreign exchange position of the country; (2) the means that might be used
to correct the country's foreign exchange difficulties and make it possible to relax or eliminate its import restrictions; (3) the country's system of import restrictions and its administration; (4) the effects of the country's import restrictions on the trade of other countries and on its own industries (which are incidentally afforded protection by the restrictions maintained for foreign exchange reasons).

American traders, business firms, labor organizations and other individuals or associations which have an interest in export trade to one or more of the consulting countries may, as a result of their own experience, have information pertinent to topics 3 and 4 above, that will be useful to the United States Government. Accordingly, the United States Government desires to supplement its preparations for the consultations by obtaining information and views from interested persons relevant to the matters covered in topics 3 and 4.

The following list includes examples of the type of information that interested persons may wish to furnish in response to this invitation:

1. Information indicating discrimination in the treatment of goods available from the United States as compared with the treatment afforded similar goods from other countries with convertible currencies;
2. Information indicating that trade is being restrained by complex or arbitrary licensing procedures or lack of adequate information available to traders regarding import regulations;
3. Information indicating that reasonable access to a traditional foreign market has not been restored for a particular commodity even though the country concerned has substantially relaxed its restrictions on imports in general;
4. Information indicating that the long-standing application of import restrictions by a country on a particular product has been accompanied by the growth of uneconomic output of that product within the country;
5. Information indicating that loss of foreign markets as a result of import restrictions has been responsible for a contraction of production or employment in an industry in the United States.

In order to enable adequate consideration of views and information submitted, it is requested that all responses be submitted by March 29, 1957 regarding those countries expected to consult in June 1957 and by July 31, 1957 for those consulting in October, 1957. Any additional information coming to the attention of the trade after these dates may be submitted to the Committee and it will be considered to the extent time permits.

All communications on this matter, in fifteen copies, should be addressed to: The Secretary, Committee for Reciprocity Information, Tariff Commission Building, Washington, D. C. Views may be submitted in confidence, if desired. If any interested party considers that his views cannot be adequately expressed to the Committee for Reciprocity Information in a written statement, consideration will be given to a request for oral presentation before the Committee for Reciprocity Information.

By direction of the Committee for Reciprocity Information this 12th day of February, 1957.

Edward Yardley
Secretary
Committee for Reciprocity Information

Renegotiation of Canadian Tariff Concession on Potatoes

Press release 51 dated February 4

The Committee for Reciprocity Information on February 4 issued notice that it will hold public hearings in connection with U.S. participation in tariff negotiations arising from Canada's desire to increase its rate of duty on potatoes under its tariff concession. The Canadian trade-agreement concession on potatoes was initially negotiated with the United States within the framework of the General Agreement on Tariffs and Trade.

The Committee for Reciprocity Information is an interagency group which collects views of interested persons regarding proposed or existing trade agreements. The committee consists of a member of the U.S. Tariff Commission and representatives from the Departments of State, Treasury, Defense, Agriculture, Commerce, Labor, and Interior, and the International Cooperation Administration.

The negotiations for modification of the concession would be undertaken under General Agreement procedures provided for in the March 10, 1955, "Declaration on the Continued Application of Schedules." Under the applicable procedures,
the country proposing modification of a concession
negotiates with the country of initial negotiation
(in this case the

United States) and any

othoi-

interested countries regarding compensation.

these negotiations

new

concessions

may

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be granted

by the country proposing the modification. Another possible result may be withdrawal or upward adjustment by the atfected countries of concessions of a value substantially equivalent to the

one modified.
In preparation for the proposed negotiations
the Committee for Reciprocity Information would
welcome views from interested parties regarding
concessions which the United States might seek

from Canada as compensation, as well as views
concerning a possible upward adjustment in U.S.
tariffs, including our tariff on potatoes, now the
subject of concessions in the General Agi-eement.
Should the United States increase a mostfavored-nation rate provided for in its schedule
to the General Agreement, such modification
might involve a modification also of the rate or
of the margin of preference applicable to the like
product of Cuba, other than the modification of a
rate negotiated with Cuba. In that event it might
become necessary to engage in further negotiations
with Cuba, possibly combined with other pending
tariff negotiations with Cuba.^
The texts of the existing Canadian potato concession and the existing U.S. concessions on potatoes negotiated with Canada are annexed to this
release (annex A).
The U.S. Tariff Commission is not holding
"peril point" hearings since no decrease will be
made in United States rates of duty on potatoes.
Hearings before the Committee for Reciprocity
Information will open on March 6, 1957, at 10
a.m. Applications for oral presentation of views
and information should be presented to the committee not later than February 27, 1957.

Persons

desiring to be heard should also submit written
briefs or statements to the

Committee for ReciOnly

procity Information by February 27, 1957.
those persons will be heard
briefs or statements

and

who

filed

presented written

applications to be

heard by the date indicated. Persons who do not
desire to be heard may present written statements
until

March

6,

1957.

Communications should be addressed to

:

Com-

* For an
announcement concerning negotiations with
Cuba, see Bdlletin of Oct. 22, 1956, p. 646.

March

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1957

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Information, Tariff

Com-

mission Building, Washington 25, D.C.
Details concerning the submission of briefs

and

applications to be heard are contained in the

committee's notice (annex B).

Annex A
Canadian Potato Tariff Concession Contained in
General Agreement on Tariffs and Trade,
Schedule V.
Tar-


Annex B

COMMITTEE FOR RECIPROCITY INFORMATION

Negotiations resulting from Canadian desire to renegotiate Tariff Concession on Potatoes in General Agreement on Tariffs and Trade

Submission of Information to the Committee for Reciprocity Information:

Closing date for applications to appear at hearing February 27, 1957.

Closing date for submission of briefs by persons making application to appear at the hearing February 27, 1957.

Closing date for submission of briefs for persons not desiring to be heard March 6, 1957.

Public hearings open March 6, 1957.

The Government of Canada intends to renegotiate, with a view to its upward modification, the Canadian concession on potatoes contained in item 83 in part I of Schedule V (Geneva—1947) to the General Agreement on Tariffs and Trade (61 Stat. (pt. 5) A396). The United States will participate in such renegotiations, which will be carried out under the procedures provided for in the Declaration on the Continued Application of Schedules, of March 10, 1955 (Treaties and Other International Agreements Series 3433). Interested persons are invited to submit their views with regard to the anticipated effect on United States Trade of modification of this concession on potatoes, or with regard to products on which the United States might request new or further tariff concessions from Canada as compensation to the United States for such modification of the Canadian concession. Views may also be submitted with regard to possible upward modification, or withdrawal, of United States tariff concessions in Part I of any Schedule XX to the General Agreement, including the concessions on potatoes (items 771, Schedule XX (Geneva—1947, 61 Stat. (pt. 5), A1244 and A1245).

Should the United States modify a rate of duty provided for in Part I Schedule XX, such modification might involve a modification also of the rate or the margin of preference applicable to the product of Cuba, other than the modification of a rate specified in Part II of any Schedule XX.

No concession involving reduction in duties or other import restrictions of the United States, or continuance of existing customs or excise treatment of an article not now included in any Schedule XX to the General Agreement, will be granted by the United States pursuant to this notice.

The Committee for Reciprocity Information hereby gives notice that all applications for oral presentation of views in regard to the proposed renegotiations shall be submitted to the Committee for Reciprocity Information not later than February 27, 1957. The application must indicate the product or products on which the individual or groups desire to be heard and an estimate of the time required for oral presentation. All persons who make application to be heard shall also submit to the Committee their views in writing in regard to the foregoing proposal not later than February 27, 1957. Written statements of persons who do not desire to be heard shall be submitted not later than March 6, 1957. Such communications shall be addressed to “Committee for Reciprocity Information, Tariff Commission Building, Washington 25, D. C.” Fifteen copies of written statements, either typed, printed, or duplicated shall be submitted, of which one copy shall be sworn to.

Written statements submitted to the Committee, except information and business data proffered in confidence, shall be open to inspection by interested persons. Information and business data proffered in confidence shall be submitted on separate pages clearly marked “For Official Use Only of Committee for Reciprocity Information.”

Public hearings will be held before the Committee for Reciprocity Information, at which oral statements will be heard, beginning at 10:00 a. m., March 6, 1957, in the hearing room in the Tariff Commission Building, Eighth and E Streets, N.W., Washington 25, D.C. Witnesses who make application to be heard will be advised regarding the time and place of their individual appearances. Appearances at hearings before the Committee may be made only by or on behalf of those persons who have filed written statements and who have within the time prescribed made written application for oral presentation of views. Statements made at the public hearings shall be under oath.

By direction of the Committee for Reciprocity Information this 4th day of February, 1957.

Edward Yardley
Secretary
Committee for Reciprocity Information

Department of State Bulletin
First Annual Report on Operation of Trade Agreements Program

Following is the text of President Eisenhower's first annual report on the trade agreements program, submitted to the Congress on February 11 (White House, Thomasville, Ga., press release; House Document 93, 85th Congress, 1st session). The House document includes also the seven appendixes referred to in the report.

PRESIDENT'S MESSAGE OF TRANSMITTAL

To the Congress of the United States:

This is my first annual report on the operation of the trade agreements program. It is submitted to the Congress pursuant to Section 350 (e) (i) of the Tariff Act of 1930 as amended by Section 3 (d) of the Trade Agreements Extension Act of 1955. The trade agreements program is carried out under the authority contained in the Trade Agreements Act of 1934 and its various amendments and extensions.

Our present trade policy objectives, which I outlined in my special message on foreign economic policy of March 30, 1954, were established after study by the bipartisan Commission on Foreign Economic Policy, constituted in 1953 pursuant to Public Law 215, 83rd Congress. Most of the Commission's recommendations have been adopted and put into effect. This report outlines the steps which have been taken to achieve these foreign trade policy goals.

The major efforts undertaken in recent years have been concentrated, first, upon improving the substance and administration of the existing trade agreement system. These activities are described in Section I of this report. They were directed primarily to a basic review of the General Agreement on Tariffs and Trade. This review resulted in proposals for the improvement of the substantive provisions of the General Agreement and in the drafting of an agreement to establish an Organization for Trade Cooperation. I have requested the Congress to authorize United States membership in the proposed Organization. Establishment of the Organization for Trade Cooperation is essential to make our trade-agreements program more effective in the interest of American industry, agriculture and labor.

The United States has also taken gradual steps under authority granted by the Congress to reduce barriers to trade through reciprocal tariff negotiations. The most recent of these negotiations was carried on under new authority set forth in Public Law 86, 84th Congress. Safeguards for domestic industry are contained both in the escape clause and peril point provisions of this law and in the administrative procedures established thereunder. A detailed account of these negotiations is given in Section II.

The United States has also worked successfully through the General Agreement on Tariffs and Trade to obtain the reduction or elimination of quotas that have restricted United States export trade. These activities are described in Section III.

Section IV of this report covers actions under special legislative provisions affecting the trade agreements program—the "escape clause" and the "national security" amendment.

The final portion of this report, Section V, summarizes developments in our trading relations with those countries which are not parties to the

General Agreement but with which the United States has bilateral trade agreements.

Since this is the first Presidential report on a program that has been in effect for a number of years, the report is not limited to the 1956 calendar year but includes such earlier developments as are necessary to place recent events in perspective. Detailed accounts of individual actions taken under the trade agreements program are included in the Tariff Commission's annual report to the Congress.

Exports and imports are important to our economic strength and to the well-being of our people. International commerce is beneficial to the community of nations and conducive to the establishment of a just and lasting peace in the world. Our national trade policy, which seeks to promote the continued growth of mutually profitable world trade, is thus doubly in the self-interest of the United States; it furthers both our prosperity and our national security.

Dwight D. Eisenhower

The White House,
February 11, 1957

TEXT OF REPORT

First Annual Report of the President of the United States on the Trade Agreements Program

Section I—Consolidation of Gains Made Under Trade Agreements Program

Review of the General Agreement

By 1954 the United States and the other contracting parties to the General Agreement on Tariffs and Trade had had more than six years of experience with its provisions. They were agreed that, on the whole, the multilateral system for handling trade problems had worked well and was much superior to the strict bilateral system. There was, however, a consensus that the General Agreement should be reviewed in the light of the experience gained. These views were shared by the United States. In addition, the President had urged renegotiation of the organizational provisions of the General Agreement and had announced that he would submit the resulting organizational proposals to the Congress for approval.

Accordingly, it was agreed that the ninth regular business session would be made the occasion for a review of the General Agreement. The Ninth Session was held at Geneva, Switzerland, from October 28, 1954 to March 7, 1955.8

The preparation of instructions for the United States delegation to the business sessions of the Contracting Parties has always been the responsibility of the Interdepartmental Committee on Trade Agreements, an interagency committee composed of representatives of the Departments of State, Commerce, Agriculture, Defense, Treasury, Interior, Labor, the International Cooperation Administration, and a member of the Tariff Commission. Through these agencies the interests of American agriculture, labor and business are taken into account in arriving at positions that will best serve the national interest. Executive agency members on the Trade Agreements Committee are the official representatives of their agencies. In special cases, as when preparing for the part of the Ninth Session devoted to the review of the General Agreement, a special interagency group is constituted at the Assistant Secretary level or higher to consider major policy questions. Before the President authorized the chairman of the United States delegation to sign the instruments resulting from the work of the Ninth Session, such a special committee made a final review of the documents.

All interested private groups and individuals were invited, orally or in writing, to submit their views regarding changes to be made in the General Agreement during public hearings held in Washington in September 1954.4 These submissions showed widespread support for the multilateral approach to the trade agreements program and for the development of a more effective General Agreement.

The United States delegation to the Ninth Session included six persons from outside the Executive Branch to serve as advisers. Four came from the Congress and two from outside the Government. From the Senate, Senators Frank Carlson

1 For a report of the ninth session, see ibid., Mar. 21, 1955, p. 495.
4 For a statement by Samuel C. Waugh at the opening of the review hearings, see ibid., Sept. 27, 1954, p. 458; for a Department announcement and notices by the Interdepartmental Committee and the Committee for Reciprocity Information, see ibid., Oct. 4, 1954, p. 508.
and Albert Gore were appointed; from the House, Representatives Jere Cooper and Richard Simpson. The two from outside the Government were Lamar Fleming, Jr., Chairman of the Board of Anderson, Clayton and Company, and Cola G. Parker, Chairman of the Board of the Kimberly-Clark Corporation. With the exception of one member who was held in Washington by other official duties, these advisers spent several weeks working directly with the United States Delegation in Geneva. They contributed substantially to the success achieved by the United States in the negotiations.

The main United States objectives at the Ninth Session were: (1) to provide a more effective organization for the administration of the General Agreement; (2) to extend the firm life of the tariff concessions negotiated under the General Agreement while at the same time assuring governments sufficient leeway for modifying individual concessions; (3) to make the provisions regulating the use of balance-of-payments import restrictions simpler and stronger; (4) to add standards on the use of export subsidies consistent with United States policy and practice, and thus to remove a source of friction; and (5) to revise the provisions permitting exceptional measures for economic development purposes.

Another objective was to obtain international agreement that any action which the United States might have to take under Section 22 of the Agricultural Adjustment Act to prevent imports from interfering with domestic agricultural programs would not be considered in contravention of United States obligations under the Agreement. In negotiating a separate agreement for an Organization for Trade Cooperation, the United States aimed for an arrangement to provide continuing and improved administration of the substantive provisions of the General Agreement on Tariffs and Trade.

The results of the Ninth Session were highly satisfactory to the United States. Greater stability in existing schedules of tariff concessions should result from changes that were made in the General Agreement. More effective and simpler balance-of-payments provisions were devised. These included special provisions to fit the needs of newly-developed countries. These revisions will enter into force when they have been accepted by the Contracting Parties to the General Agreement.

In addition, an Agreement on the Organization for Trade Cooperation was drafted. This Agreement has been submitted to the United States Congress for approval. The primary purpose of the Organization would be to administer the General Agreement on Tariffs and Trade. The functions of the Organization are described in the organizational agreement itself.

Full details of the results of the Ninth Session and of the Eighth Session during which the proposal for review of the General Agreement was initiated are contained in the reports of the Chairman of the United States Delegation which are attached as Appendices A and B.

**Section II—Tariff Negotiations To Remove Barriers to Trade and Adjustments in Existing Concessions**

**Negotiations for the Accession of Japan to the General Agreement**

Among the more important recent developments in international trade was the accession of Japan to the General Agreement in September, 1955. Japan had participated in the Eighth Session of the Contracting Parties to the General Agreement on a provisional basis. Japanese accession marked a significant step in the reintegration of Japan into the world trading community.

Greater opportunity for Japan to participate in foreign trade, which Japanese accession to the General Agreement will promote, is essential if Japan is to have a sound, self-sustaining economy. Participation in the General Agreement by offering expanded trading opportunities to Japan not only lessens the danger of increased Japanese dependence on the Communist-dominated Asiatic mainland but also enlarges the number of potential free world markets available to the Japanese.

Negotiations looking toward Japanese accession began at Geneva, Switzerland, on February 21, 1955, and the final document was opened for signature on June 7, 1955. Seventeen countries, contracting parties to the General Agreement, negotiated with Japan. These countries were Burma, Canada, Chile, Denmark, Dominican Republic, Finland, Germany, Greece, Indonesia, Italy, Nicaragua, Norway, Pakistan, Peru, Sweden, United

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March 4, 1957

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States and Uruguay. Complete details of all the concessions granted and received were published by the Department of State on June 1, 1955, in State Department publication 5881.6

A number of countries, parties to the General Agreement, which had not entered into negotiations with Japan exercised their rights under Article XXXV of the General Agreement not to undertake, vis a vis Japan, the obligations of the General Agreement, including the obligation to grant most-favored-nation treatment. The United States has continued to urge these countries to reconsider their decision and to enter into full General Agreement relationships with Japan. Approximately half of these countries, however, do accord Japan de facto most-favored-nation treatment even though not legally committed to do so.

During these tariff negotiations the United States Delegation was assisted by four public advisers:

Allan B. Klein, Western Spring, Illinois, former president of the American Farm Bureau Federation.
Bert Seldman, Washington, D.C., staff economist of the American Federation of Labor.
Russell C. Smith, San Francisco, executive vice president of the Bank of America, in charge of international operations.
Lawrence F. Whittenmore, Concord, New Hampshire, board chairman of Brown Company, pulp and paper manufacturers.

The statement issued by these public advisors after completion of their assignment is attached as appendix C.


In the early months of 1956 the United States participated in further multilateral tariff negotiations under the General Agreement on Tariffs and Trade.7 This time, the United States was negotiating under the authority given the President by the Trade Agreements Extension Act of 1955. This Act granted authority to the President to reduce tariffs by 15 percent of existing rates in three annual stages. It also authorized the President to bring duties in excess of 50 percent ad valorem or its equivalent down to that level in gradual stages.

In the negotiations pursuant to this authority, the United States exchanged tariff concessions on a reciprocal basis with 21 countries (Australia, Austria, Belgium, Canada, Chile, Cuba, Denmark, Dominican Republic, Finland, France, Federal Republic of Germany, Haiti, Italy, Japan, Luxembourg, the Netherlands, Norway, Peru, Sweden, Turkey, and the United Kingdom). The participation of the High Authority of the European Coal and Steel Community in the negotiations was a significant innovation. The Community was authorized with regard to iron and steel tariffs to act as agent for the six member states (Belgium, France, Germany, Italy, Luxembourg, and the Netherlands). The details of these negotiations were published in June, 1956, in Department of State publication 6348.8

During this round of tariff negotiations public advisers to the United States delegation were:

Elliott V. Bell, editor and publisher of Business Week and Chairman of the Executive Committee of the McGraw-Hill Publishing Company, Inc.
Homer L. Brinkley, executive vice president of the National Council of Farmer Cooperatives.
Bryant Essick, president of the Essick Manufacturing Company, Los Angeles, California.
Stanley H. Rutenber, director of the Department of Research, American Federation of Labor-Congress of Industrial Organizations (AFL-CIO).

The statement of these public advisers issued upon completion of their work is attached as appendix D.9

Adjustment of existing tariff concessions

Since early 1955 other tariff negotiations have been carried on by the United States and several other countries to withdraw some existing tariff concessions that had been made under the General Agreement. These negotiations were held under the provisions of Article XXVIII of the General Agreement and pursuant to the procedures of the Declaration of March 10, 1955, under which participating countries agreed to continue the application of the existing schedules to the General Agreement on Tariffs and Trade. The negotiations were designed to maintain the general level

8 Bulletin of May 14, 1956, p. 813.
of tariff concessions by granting new concessions for those which were changed.

Twenty-one countries have completed negotiations with the United States under these provisions. These are Italy, Peru, Union of South Africa, Turkey, India, Netherlands Antilles, New Zealand, Nicaragua, Pakistan, Austria, Ceylon, Cuba, the Netherlands, Sweden, Dominican Republic, Finland, France, Belgium, Canada, Greece and Germany. With three exceptions (the negotiations with Cuba, Netherlands Antilles and Peru), a very limited number of items was involved in each of these negotiations. In every case compensatory concessions were given for concessions which were withdrawn. Concessions were withdrawn on approximately 225 items of direct interest to the United States. In addition, in some of the other concessions being altered by negotiations between other countries, the United States was indirectly concerned because of its substantial trade interest in the affected items.

Because the trade data presented in connection with these negotiations varied according to the year adopted as the basis for negotiations, no precise over-all value can be given of the amount of trade affected by the concessions withdrawn or modified. Estimates indicate that the total trade affected by the modifications does not exceed $30 million on the basis of 1954 figures and that new compensatory concessions obtained cover approximately the same amount of trade.

In addition, on October 1, 1956, the United States exercised a right which had been reserved in the original GATT negotiations in 1947, limiting the reduced rates there negotiated on woven fabrics to a quantity of imports equal in any calendar year to five percent of the average annual domestic production of similar fabrics for the preceding three calendar years. Under the new arrangement, imports in any year up to a set figure (to be announced for each year after having been determined in accordance with the formula) will continue to enter under the rates of duty that have been in effect since the beginning of 1948, but any imports beyond that amount will pay the higher rates which were specified in the reservation. For the fourth quarter of 1956, the quota was set at 3.5 million pounds, one-quarter of a figure which in turn is not less than five percent of average annual domestic production of similar fabrics in the United States in the years 1953-55. No allocation was made within this quota, seasonally, by country or otherwise.

Section III—Reducing or Removing Quantitative Barriers to Trade

During the years of depression in the 1930's and increasingly after World War II, many nations resorted to exchange controls and to the establishment of quotas on imports for the protection of their balance-of-payments positions and for other reasons. In recent years, as balance-of-payments positions have improved, the United States has intensified its efforts to obtain the relaxation or removal of such restrictions.

The General Agreement on Tariffs and Trade has been of major value in these efforts. In becoming contracting parties to the General Agreement, nations agreed, as their balance-of-payments positions and the level of their gold and dollar reserves improved, to reduce and ultimately to eliminate balance-of-payments restrictions. These international obligations provide a basis for discussions during sessions of the Contracting Parties to the General Agreement. They also add weight to the representations which the United States makes to other countries through traditional diplomatic channels.

The result has been a substantial relaxation of quantitative restrictions on imports of United States goods. There has also been an encouraging tendency on the part of countries in balance-of-payments difficulties to seek a solution of their external financial problems through measures other than the imposition of quotas on imports. For example, in recent years the United Kingdom, to alleviate its external payments difficulties, resorted to internal monetary and fiscal measures in order to reduce the inflationary pressures which have been adversely affecting the United Kingdom's balance-of-payments and foreign exchange position. When the Suez Canal crisis brought new pressures on sterling, the United Kingdom again evidenced its determination to avoid new quantitative restrictions. In December of 1956 it arranged to borrow up to 1.3 billion dollars from the International Monetary Fund. In announcing the arrangement, the Fund indicated that the British decision to avoid new restrictions on trade

10 Ibid., Oct. 8, 1956, p. 555.

and payments was an important factor in the Fund’s agreeing to a drawing of this magnitude.

**How business sessions under the General Agreement are used to reduce quantitative restrictions:**

There are three procedural methods available to the United States at the regular sessions of the General Agreement for encouraging the reduction or removal of restrictions against American trade.

1. There are the formal multilateral consultations, conducted by the parties to the Agreement, to examine a country’s balance-of-payments restrictions in the light of its financial situation, and to explore how the effects of the restrictions on other countries can be eased. In the past, only the countries which apply discriminatory restrictions under an optional provision of the Agreement (in 1956 Australia, Ceylon, the Federation of Rhodesia and Nyasaland, New Zealand and the United Kingdom) have been required to consult annually whereas other countries have consulted only if they intensified restrictions. When the pending amendments to the General Agreement enter into force, however, all countries maintaining balance of payments restrictions will be required to consult regularly—the developed countries annually, the underdeveloped countries every other year. In the interim, as a means of filling the gap, a greatly enlarged program of consultation will be carried out in 1957, the Contracting Parties having approved, at the Eleventh session, a United States proposal that countries still restricting imports for financial reasons be invited to consult before the end of the next session.

2. The United States, on its own initiative, conducts bilateral consultations during each session with a selected group of countries, taking advantage of the presence of trade experts from these countries at the session and of the constructive and cooperative atmosphere which typically prevails. These bilateral consultations do not involve discussion of such broad issues as general financial developments. Rather, they are directed at examining the effect of the restrictions upon trade in specific products of interest to the United States and on the possibilities for increasing trade in these products.

3. There is the “complaints” procedure of the General Agreement. Under this procedure the United States can bring a case against the country imposing unwarranted restrictions on United States trade and can seek a recommendation from the Contracting Parties for action that will help to obtain a relaxation or removal of those restrictions. The United States normally does this as a last resort, where diplomatic representations or the procedures outlined above have not yielded the desired result.

The actions taken at the Tenth Session of the Contracting Parties (October 27–December 3, 1955) and at the Eleventh Session of the Contracting Parties (October 11–November 17, 1956) to obtain the relaxation of balance-of-payments restrictions illustrate the use of these three devices. The complete reports of the Chairman of the United States Delegation to the Tenth and Eleventh Sessions are attached as Appendices E and F.

At these sessions, formal multilateral consultations took place with Australia, Ceylon, the Federation of Rhodesia and Nyasaland, New Zealand, and the United Kingdom, the five countries which have been required to consult annually. These consultations were organized along new lines evolved during 1955, which greatly enhanced their value in pointing up the difficulties which the restrictions create for exporting countries and in determining whether there is a need for the existing level of import restrictions. At the Eleventh Session, each country was able to report some progress towards the reduction of discrimination against dollar goods, Ceylon in particular having arrived at a state of virtually complete non-discrimination.

During the Tenth Session, the United States Delegation discussed bilaterally with the Delegations of nine other participating countries specific trade problems which had arisen from the administration of quota restrictions. At the Eleventh Session, similar consultations were held with 13 countries. These discussions were extremely useful in making other governments aware of the problems created for particular United States industries by the maintenance of import restrictions and in obtaining certain assurances that action to ease the restrictions would be taken or considered.

During the Tenth Session, the Contracting Parties considered the complaint of the United States of New Zealand against the import restrictions on New Zealand dairy products which had been imposed by the United States for the protection of American dairy industries.

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12 For a review of the tenth session, see *ibid.*, Dec. 19, 1955, p. 1016; for a review of the eleventh session, see *ibid.*, Dec. 3, 1956, p. 893.
States that certain regulations of the Federal Republic of Germany had the effect of limiting imports of coal from the United States. This item had been carried over from the Ninth Session. The United States withdrew the complaint early in the Tenth Session, after West Germany had relaxed appreciably its restrictions on imports of coal from the United States. Coal was placed on the dollar-free list in June 1956, and can now be imported into West Germany without restriction.

Effective use of the procedures together with an improvement in world economic conditions have thus resulted in a substantial relaxation of quantitative restrictions against imports from the United States. This has been particularly true since 1953. Appendix G summarizes, country by country, the progress made from July 1, 1953 through December 31, 1956.

Section IV—Special Legislative Provisions: “Escape Clause” and “National Security”

The escape clause case in this period that affected the largest amount of trade was that relating to bicycles. A majority of the Trade Commission found that the domestic industry was being injured by imports and this finding was accepted by the President though the duty was not increased by the full amount recommended. In this case the President pointed out that, in addition to taking into account the Tariff Commission’s findings and recommendations, other factors to be considered were (1) the protection of American consumers against unnecessary and unjustified price increases, (2) the building of export markets for the products of our farms, factories, and mines, (3) our national security interest in the economic strength of other countries, and (4) our obligation under our trade agreement commitments to compensate nations affected by the withdrawal of concessions previously granted by us.

On January 18, 1956, the Tariff Commission made a divided report on acid-grade fluorspar. Three of the Commissioners found that a threat of serious injury to the domestic industry from imports existed, and recommended that the duty be increased from $2.10 to $5.60 per long ton. The three other Commissioners found no threat of serious injury to the domestic industry from imports. In cases where the Tariff Commission splits 3–3, the law authorizes the acceptance of either finding as the finding of the Commission. In this case the President accepted the finding that the domestic acid-grade fluorspar industry was not being threatened with serious injury by increased imports. The fluorspar “escape clause” case was separate and distinct from the domestic industry’s application before the Office of Defense Mobilization for relief under the “national security” amendment to the Trade Agreements Extension Act of 1956.

In a case on linen toweling, the Tariff Commission found that the domestic industry was being injured by imports. It recommended that the duty on toweling of flax, hemp, or ramie, dutiable under tariff paragraph 1010 of the Tariff Act of 1930, be increased from 10 to 40 percent ad valorem in order to remedy the injury. The recommendation was accepted.

On June 14, 1956, the Commission made a divided report on paraaminosalicylic acid and salts. Three Commissioners found that the industry was being injured by imports and recommended that the duty be increased from 3½ cents per pound plus 25 percent ad valorem to 5 cents per pound plus 35 percent ad valorem. The other three Commissioners found no injury. The President on August 10, 1956 accepted the finding that the industry was not being injured.

On November 13, 1956 the President rejected a recommendation of the Tariff Commission that the duty on ferrocerium (lighter flints) and all other cerium alloys should be increased 100 percent. The President’s letter to the Chairmen of the Senate Finance and House Ways and Means Committees pointed out that he did not find sound evidence that the difficulties of the United States industry are due to imports.

On October 12, 1956 the Tariff Commission recommended to the President that those imports of groundfish fillets presently dutiable at 1½ cent per pound should be dutiable at 2.875 cents per pound, and that those dutiable at 2½ cents per pound should be dutiable at 3.75 cents per pound. On December 10, 1956 the President, citing steps

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33 Ibid., Apr. 2, 1956, p. 596.
34 Ibid., July 16, 1956, p. 115.
already taken by the Federal Government to aid the groundfish fillet industry and expressing his doubts that a tariff increase would resolve the industry's basic problems, rejected the Tariff Commission recommendation. He also cited the fact that the other nations concerned are our close friends and that their economic strength is of strategic importance to us in the continuing struggle against the menace of world communism.

On October 24 the Commission found that imports of velveteen fabrics were causing serious injury to the domestic industry. The Commission recommended that the duty on imports of plain-back velveteens be increased from 25% ad valorem to 467/8%, and that the duty on imports of twillback velveteens be increased from the present duty of 25 cents a square yard but not less than 221/2% nor more than 30% ad valorem to 561/4% ad valorem. One Commissioner dissented from the recommendation and recommended an increase to 44% ad valorem for both types of velveteens. On December 21, 1956 the President informed the Chairman of the Senate Finance and House Ways and Means Committees that the Executive Branch was giving the Tariff Commission's report intensive consideration but because of the nature of the issues involved would require more time than the customary sixty-day period.

In addition to those discussed above, five escape-clause cases are pending. They relate to violas and violins, gingham, straight pins, and safety pins, and certain jute fabrics.

The law provides that escape clause action shall remain in effect for the time necessary to prevent or remedy injury. Under an Executive Order, the Tariff Commission is required to keep under review developments regarding products on which escape clause actions have been taken and to make periodic reports concerning such developments.

Since July 1, 1955, the Commission has made such reports on women's fur felt hats and hat bodies, hatter's fur, dried figs, and watches and parts. In each case the Commission found there was no sufficient reason to re-investigate the actions taken with respect to these commodities and the President has concurred.

National Security and Trade Expansion

Section 7 of the Trade Agreements Extension Act of 1955 gives the Director of the Office of Defense Mobilization specific instructions to advise the President whenever he has reason to believe that any article is being imported into the United States in such quantities as to threaten to impair the national security. If, after an investigation, the President finds that such a threat does exist, he is authorized to take "such action as he deems necessary to adjust the imports of such articles to a level that will not threaten to impair the national security."

On February 26, 1955, a date prior to the passage of the Trade Agreements Extension Act of 1955 recommendations regarding imports of crude oil and residual oil were made to the President by his Advisory Committee on Energy Supplies and Resources Policy under the chairmanship of the Director of the Office of Defense Mobilization. The Director of the Office of Defense Mobilization at that time requested the oil importing companies on a voluntary individual basis to keep their imports to the levels recommended by the Committee. The Advisory Committee on October 17, 1956, reaffirmed the import standard set in 1955. In response to a petition filed under Section 7 by a group of petroleum associations, the Office of Defense Mobilization held a public hearing on the oil import problem on October 22, 1956. On December 4, 1956 the Director of the Office of Defense Mobilization announced that because of the situation in the Middle East he had suspended action on the petroleum petition. In making this announcement, he stated that the import programs of the importing companies that had been filed with the Office of Defense Mobilization showed that if the plans the importers had formulated for 1957 had been carried out that they would have been contrary to the recommendations of the Committee and would have constituted a threat to the national security that would have left him no

\[\text{Footnote in original: see } \text{ibid., Feb. 11, 1957, p. 218.}\]

\[\text{Footnote in original: see } \text{ibid., Jan. 4, 1957, p. 55.}\]

\[\text{Footnote in original: see } \text{ibid., Jan. 21, 1957, p. 105.}\]

\[\text{Footnote in original: see } \text{ibid., Mar. 21, 1955, p. 487.}\]
course but to make a certification to the President under Section 7 of the Trade Agreements Extension Act of 1955.

At the end of the year, the Office of Defense Mobilization was considering petitions for restrictions upon imports under the “national security” amendment from United States industries manufacturing cordage, jewelled watches, clocks and pin-lever watches, analytical balances, thermometers (clinical fever), wool felt, wool textiles, and wooden boats. A public hearing has been held on cordage. A hearing on jewelled watches and clocks and pin-lever watches was scheduled for January 7, 1957. A hearing on fluor spar was cancelled at the request of the industry.

Section V—Development Under Bilateral Agreements

Trade relations between the United States and Argentina, El Salvador, Honduras, Iceland, Iran, Paraguay, Switzerland, and Venezuela—all of them not contracting parties to the General Agreement on Tariffs and Trade—continued to be governed by bilateral trade agreements entered into under the trade agreements legislation.

A supplementary trade agreement with Switzerland was signed on June 8, 1955. This provided additional tariff concessions by the United States to compensate Switzerland for an increase in United States rates of duty on imports of certain watches and watch movements. This increase in rates was put into effect on July 27, 1954, as the result of Presidential action on an escape clause recommendation by the Tariff Commission.

An exchange of notes with Iceland on March 5 and 6, 1956, embodied an agreement to withdraw the item “tuna, canned in brine” from a United States concession on canned fish granted in the 1943 trade agreement between the two countries. Concurrently the United States invoked a right reserved in negotiations with Japan at the time of the latter’s accession to the General Agreement in 1955 to increase the duty on imports of tuna, canned in brine, which exceed 20 percent of the domestic production of canned tuna. In the future the duty on tuna canned in brine will automatically be increased from 12.5 percent ad valorem to 25 percent ad valorem on those imports in any year in excess of 20 percent of the domestic production of canned tuna during the preceding year.

A bilateral trade agreement with Guatemala was terminated on October 14, 1955, by mutual consent. Guatemala was experiencing difficulty in giving full effect to the terms of the agreement. At the time of the termination the Guatemalan Government said it was considering adherence to the General Agreement on Tariffs and Trade and that a detailed study to that end would be made.

The United States and Ecuador also mutually agreed to a termination of their bilateral trade agreement effective July 16, 1956. This developed from Ecuador’s inability to maintain the tariff rates granted in the agreement.

Pursuant to Section 6 of the Trade Agreements Extension Act of 1951, the United States has negotiated to incorporate into existing bilateral trade agreements “escape clause” provisions complying with the requirements of this Section. Upon termination of the agreement with Ecuador, there remained only two United States bilateral agreements that do not contain escape clauses. These two are with El Salvador and Honduras. As set forth in the report of the President to the Congress on Trade Agreements Escape Clause (July 10, 1952), no action has been taken with regard to these two bilateral agreements because it is believed that any move in that direction would lead to an attempt to renegotiate the entire agreements and would result in a less satisfactory situation than now exists.

Congressional Documents Relating to Foreign Policy

85th Congress, 1st Session


Calendar of Meetings

Adjourned During February 1957

North Pacific Fur Seal Conference .................................. Washington .......................... Nov. 28, 1955–
ICAO Panel on Future Requirements of Turbo-jet Aircraft: 2d Meeting .................. Montreal ......................... Feb. 9, 1957
FAO/ECE International Consultation on Insulation Board, Hardboard, and Particle Board .................. Geneva ......................... Jan. 21–Feb. 1
North Pacific Fur Seal Conference .................................. Washington ..................... Nov. 28, 1955–
ICAO Panel on Future Requirements of Turbo-jet Aircraft: 2d Meeting .................. Montreal ......................... Feb. 9, 1957
FAO/ECE International Consultation on Insulation Board, Hardboard, and Particle Board .................. Geneva ......................... Jan. 21–Feb. 1

In Session as of February 28, 1957

U.N. General Assembly: 11th Session .................................. New York ......................... Nov. 12, 1956–
SEATO Study Group on Skilled Labor Shortage: 2d Meeting .................. Bangkok ..................... Feb. 15–
ICAO Technical Panel on Teletypewriter .................................. Montreal ......................... Feb. 19–

Scheduled March 1–May 31, 1957

U.N. ECOSOC Committee on Nongovernmental Organizations .................. New York ......................... Mar. 4–
International Sugar Council: 12th Session .................................. London ......................... Mar. 6–
FAO Committee on Relations with International Organizations .................. Rome ......................... Mar. 7–
U.N. ECAFE Industry and Trade Committee: 9th Session .................. Bangkok ..................... Mar. 7–
UNESCO Executive Committee: Preliminary Ad Hoc Meeting .................. Paris ......................... Mar. 10–
FAO Ad Hoc Intergovernmental Meeting on Wheat and Coarse Grains .................. Rome ......................... Mar. 11–
ILO Inland Transport Committee: 6th Session .................................. Hamburg ..................... Mar. 11–
9th Pakistan Science Conference .................................. Peshawar, West Pakistan .................. Mar. 11–
SEATO Council: 3d Meeting .................................. Canberra, Australia .................. Mar. 11–
ICAO Aerodromes, Air Routes, and Ground Aids Division: 6th Session .................. Montreal ......................... Mar. 12–

Scheduled March 1–May 31, 1957—Continued

UNESCO Executive Board; 47th Session
FAO Committee on Commodity Problems; 28th Session
U.N. Disarmament Commission; Subcommittee of Five
ECOSOC Commission for Asia and the Far East; 13th Session
U.N. ECE Coal Committee
U.N. ECOSOC Commission on Status of Women; 11th Session
FAO Cocoa Study Group; Statistical Subcommittee
ILO Advisory Committee on Salaried Employees and Professional Workers; 4th Session.
UPU Executive and Liaison Committee
FAO Special Committee on Observer Status
ICEM Executive Committee; 6th Session
FAO Cocoa Study Group; Executive Committee
ICEM Council; 6th Session
U.N. Scientific Committee on the Effects of Atomic Radiation; 3d Meeting
5th Regional Conference of Asian Statisticians (in cooperation with FAO)
UNICEF Executive Board and Program Committee
U.N. ECOSOC Human Rights Commission; 13th Session
ILO Tripartite Working Party on Wages, Hours of Work, and Manning on Board Ship
United States: World Trade Fair
U.N. Economic and Social Council; 23d Session
Inter-American Commission of Women; Meeting of Technical Experts and Administrative Heads of Women’s Labor Bureaus
Pan American Institute of Geography and History: 4th Pan American Consultation on History
FAO International Popular Commission; 9th Session
FAO International Popular Congress
European Civil Aviation Conference; 2d Meeting
9th ILO International Conference of Labor Statisticians
U.N. ECE Steel Committee and Working Parties
ICAO Legal Committee; Subcommittee on Hire, Charter, and Interchange of Aircraft
U.N. Economic Commission for Europe; 12th Session
U.N. ECOSOC Narcotic Drugs Commission; 12th Session
Inter-American Presidential Representatives; 3d Meeting
ITU Administrative Council; 12th Session
Past 30–
South Pacific Commission; Conference on Review of Commission and Intergovernmental Modification of Agreement
Inter-American Travel Congresses; Permanent Executive Committee
International Commission on Irrigation and Drainage; 3d Congress
19th International Cannes Film Festival
NATO Council; Ministerial Meeting
FAO Technical Meeting on Soil Fertility for Latin America
ILO Metal Trades Committee; 6th Session
U.N. Economic Commission for Latin America; 7th Session
U.N. ECOSOC International Commission on Commodity Trade; 5th Session
U.N. ECOSOC Social Commission; 11th Session
FAO European Forestry Commission; 9th Session
WHO: 10th World Health Assembly
7th International Hydrographic Bureau Congress
Inter-American Atomic Energy Symposium
FAO Committee on Financial Control; 23d Session
FAO Indo-Pacific Fisheries Council; 7th Session
U.N. ECAFE Highway Subcommittee; Seminar on Highway Safety
U.N. ECE Electric Power Committee; Working Party on Statistics
International Cotton Advisory Committee; 16th Plenary Meeting
International Cotton Cooperation Council
International Commission for Northwest Atlantic Fisheries; 7th Meeting
WHO Executive Board; 20th Session
U.N. ECE Housing Committee; 14th Session and Working Parties
ILO Governing Body; 136th Session
ICAO Panel on Future Requirements for Turbo-jet Aircraft; 3d Meeting
PAIGH Commission; 24th Meeting
PAIGH Directing Council; 2d Meeting

Paris. Mar. 15–
Rome. Mar. 18–
London. Mar. 18–
Bangkok. Apr. 1–
Geneva. Apr. 1–
New York. Apr. 1–
Geneva. Apr. 8–
Lausanne. Apr. 1–
Geneva. Apr. 2–
Geneva. Apr. 2–
Geneva. Apr. 4–
Geneva. Apr. 8–
Geneva. Apr. 8–
Bangkok. Apr. 8–
New York. Apr. 8–
Geneva. Apr. 11–
New York. Apr. 14–
New York. Apr. 16–
México, D. F. Apr. 20–
Cuenca, Ecuador Apr. 21–
Paris. Apr. 22–
Paris. Apr. 22–
Madrid. Apr. 24–
Geneva. Apr. 24–
Geneva. Apr. 24–
Montreal. Apr. 29
Geneva. Apr. 29–
New York. Apr. 29–
Washington. Apr. 29–*
Geneva. Apr. 29–
Canberra, Australia Apr. 30–
Lima. April
San Francisco. May 1–
Cannes. May 2–
Bonn. May 2–
Costa Rica. May 6–
Geneva. May 6–
La Paz. May 6–
New York. May 6–
New York. May 6–
Rome. May 7–
Geneva. May 7–
Monte Carlo. May 7–
Upton, N. Y. May 13–
Rome. May 13–*
Tokyo. May 13–
Geneva. May 16–
Istanbul. May 20–
Brussels. May 27–
Lisbon. May 27–
Geneva. May 27–
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Geneva. May 27–
Montreal. May 27–*
Rio de Janeiro. May

March 4, 1957

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○ Membership. ○ Informal association. □ Covered in a protocol to SEATO agreement. *Included in treaty area as colonies of the United Kingdom.

1 Countries which have concluded bilateral mutual defense treaties with U. S.
2 Hong Kong is also associated.
3 Consultative Committee for Economic Development in South and Southeast Asia. (Canada is also a member.)
4 Belgium, Canada, Colombia, Ethiopia, Greece, Luxembourg, the Netherlands, the Philippines, Turkey, and the Union of South Africa also sent troops to Korea.
5 Chile and Turkey are also members.
6 Iran, Iraq, and Turkey are also members.
TREATY INFORMATION

U.S., Canada, Japan, and U.S.S.R. Sign Fur Seal Convention

The North Pacific Fur Seal Conference came to a successful close in Washington on February 9 with the signing of the Interim Convention for the Conservation of North Pacific Fur Seal Herds. The convention is the result of extensive negotiations by delegations of Canada, Japan, the Union of Soviet Socialist Republics, and the United States of America, which began discussions on November 28, 1955.

There are about 1,600,000 fur seals in the North Pacific Ocean. Indiscriminate killing of seals would soon reduce their numbers sharply and perhaps jeopardize their existence. This was demonstrated in the late 19th century when the herds, whose numbers in the 1860’s had reached almost 2,000,000, fell to about 200,000 head in 1911 after commercial hunters had relentlessly pursued them. Under the four-power Fur Seal Convention of 1911, Canada, Japan, Russia, and the United States prohibited their nationals from hunting the seals at sea. As a result, the populations rose to 1,600,000 by 1941 when the 1911 convention was terminated. Meanwhile during this 30-year period over a million skins were harvested on the breeding islands by the governments having control of them. The present convention will reinstitute multilateral conservation by the four North Pacific powers.

The fur seal spends 9 months each year at sea, 3 months on land. Migrating each winter to waters as far south as the latitude of San Francisco and Tokyo, the herds, beginning in June, return to three island groups in the far north—the Pribilof Islands off Alaska and the Commander Islands and Robben Island off the Asian coast. Here they remain for 3 months on the shingle beaches while the pups are born and are prepared for life at sea, even having to learn to swim during this time. In September the seals begin to leave for their 9-month journey southward. By October the islands are again bare.

The seal is a polygamous creature. One bull may have a harem of as many as 50 females. For the needs of the fur industry the practice has, therefore, been to take the surplus males. Usually 3-year-old males are taken, the pelage being then at its prime. The killing is done on the Asian islands by the Government of the U.S.S.R. and on the Pribilof Islands by the United States Government.

The convention provides among other things for:

1. the establishment of a North Pacific Seal Commission of four members, one from each of the signatories;
2. a 6-year cooperative research program;
3. the prohibition of pelagic sealing (seal hunting at sea), except to a specified extent for research purposes;
4. boarding and search of vessels at sea in suspicious circumstances and arrest of vessels and crews upon reasonable belief of seal hunting with trial in the country of the flag of the vessel;
5. the enactment and enforcement by the parties of such legislation and the application of such measures as may be necessary to guarantee the observance of the convention; and
6. a sharing of the land kill such that Canada and Japan receive each year from the U.S.S.R. and the U.S.A. 15 percent of the sealskins taken on the islands by the latter two Governments.

The convention will enter into effect upon the deposit of ratifications in Washington by the four signatories. It will continue in effect for 6 years, although in certain circumstances the term may vary from 6 years. The parties agree to hold a

1 Released to the press by the North Pacific Fur Seal Conference on Feb. 9.
meeting toward the close of the research program
to determine what more permanent arrangements may be necessary for the conservation of the herds.

The text of the convention follows.

INTERIM CONVENTION
ON
CONSERVATION OF NORTH PACIFIC FUR SEALS

The Governments of Canada, Japan, the Union of Soviet Socialist Republics, and the United States of America,
Desiring to take effective measures towards achieving the maximum sustainable productivity of the fur seal resources of the North Pacific Ocean so that the fur seal populations can be brought to and maintained at the levels which will provide the greatest harvest year after year, with due regard to their relation to the productivity of other living marine resources of the area,
Recognizing that in order to determine such measures it is necessary to conduct adequate scientific research on the said resources, and
Desiring to provide for international cooperation in achieving these objectives,
Agree as follows:

ARTICLE I

1. The term "pelagic sealing" is hereby defined for the purposes of this Convention as meaning the killing, taking, or hunting in any manner whatsoever of fur seals at sea.

2. The words "each year", "annual" and "annually" as used hereinafter refer to Convention year, that is, the year beginning on the date of entry into force of the Convention.

3. Nothing in this Convention shall be deemed to affect in any way the position of the Parties in regard to the limits of territorial waters or to the jurisdiction over fisheries.

ARTICLE II

1. In order to realize the objectives of this Convention, the Parties agree to coordinate necessary scientific research programs and to cooperate in investigating the fur seal resources of the North Pacific Ocean to determine:

(a) what measures may be necessary to make possible the maximum sustainable productivity of the fur seal resources so that the fur seal populations can be brought to and maintained at the levels which will provide the greatest harvest year after year; and

(b) what the relationship is between fur seals and other living marine resources and whether fur seals have detrimental effects on other living marine resources substantially exploited by any of the Parties and, if so, to what extent.

2. The research referred to in the preceding paragraph shall include studies of the following subjects:

(a) size of each fur seal herd and its age and sex composition;

(b) natural mortality of the different age groups and recruitment of young to each age or size class at present and subsequent population levels;

(c) with regard to each of the herds, the effect upon the magnitude of recruitment of variations in the size and the age and sex composition of the annual kill;

(d) migration routes of fur seals and their wintering areas;

(e) numbers of seals from each herd found on the migration routes and in wintering areas and their ages and sexes;

(f) extent to which the food habits of fur seals affect commercial fish catches and the damage fur seals inflict on fishing gear; and

(g) other subjects involved in achieving the objectives of the Convention, as determined by the Commission established under Article V, paragraph 1.

3. In furtherance of the research referred to in this Article, each of the Parties agrees to carry out, each year after the entry into force of the Convention, the programs set forth in the Schedule annexed to the Convention with any modifications thereof made pursuant to Article V, paragraph 3. The said Schedule, together with any such modifications, shall be considered an integral part of this Convention.

4. Each Party agrees to provide the Commission annually with information on:

(a) number of black pups tagged for each breeding area;

(b) number of fur seals, by sex and estimated age, taken at sea and on each breeding area; and

(c) tagged seals recovered on land and at sea; and

(f) extent to which the food habits of fur seals affect commercial fish catches and the damage fur seals inflict on fishing gear; and

(g) other subjects involved in achieving the objectives of the Convention, as determined by the Commission established under Article V, paragraph 1.

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(c) tagged seals recovered on land and at sea; and

(f) extent to which the food habits of fur seals affect commercial fish catches and the damage fur seals inflict on fishing gear; and

(g) other subjects involved in achieving the objectives of the Convention, as determined by the Commission established under Article V, paragraph 1.

5. The Parties further agree to provide for the exchange of scientific personnel; each such exchange shall be subject to mutual consent of the Parties directly concerned.

6. The Parties agree to use for the scientific pelagic research provided for in this Article only government-owned or government-chartered vessels operating under strict control of their respective authorities. Each Party shall communicate to the other Parties the names and descriptions of vessels which are to be used for pelagic research.

ARTICLE III

In order to realize the purposes of the Convention, including the carrying out of the coordinated and cooperative research, each Party agrees to prohibit pelagic sealing, except as provided in Article II, paragraph 3 and the Schedule, in the Pacific Ocean north of the 30th parallel of north latitude including the seas of Bering, Okhotsk, and Japan by any person or vessel subject to its jurisdiction.

ARTICLE IV

1. Each Party shall bear the expense of its own research. Title to sealskins taken during the research shall rest in the Party conducting such research.

2. If the total number of seals of the Commander Islands breeding grounds decreases and falls below 50,000 head, according to data in official records, then commercial killing of seals and apportionment of skins may

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be suspended by the Union of Soviet Socialist Republics until the number of seals exceeds 50,000 head. This provision also applies to the fur seal herd of Robben Island, if the population of that herd becomes less than 50,000 head.

3. The Government of the Union of Soviet Socialist Republics upon suspending such sealing shall so inform the other Parties. In this case the Commission shall determine whether or not to reduce the level of or to suspend completely the pelagic sealing for scientific purposes in the Western Pacific Ocean during the period of the said suspension.

4. The Commission may, subsequent to the second year of operation of the Convention, modify the floor figure set forth in paragraph 2 of this Article in accordance with its findings based upon scientific data received by it; and if any such modifications are made, paragraph 2 of this Article shall be considered amended accordingly. The Commission shall notify each Party of every such amendment and of the effective date thereof.

**ARTICLE V**

1. The Parties agree to establish the North Pacific Fur Seal Commission to be composed of one member from each Party.

2. The duties of the Commission shall be to:

(a) formulate and coordinate research programs designed to achieve the objectives set forth in Article II, paragraph 1;

(b) recommend these coordinated research programs to the respective Parties for implementation;

(c) study the data obtained from the implementation of such coordinated research programs;

(d) recommend appropriate measures to the Parties on the basis of the findings obtained from the implementation of such coordinated research programs, including measures regarding the size and the sex and age composition of the seasonal commercial kill from a herd; and

(e) recommend to the Parties at the end of the fifth year after entry into force of this Convention and, if the Convention is continued under the provisions of Article XIII, paragraph 4, at a later year, the methods of sealing best suited to achieve the objectives of this Convention; the above-mentioned later year shall be fixed by the Parties at the meeting early in the sixth year provided for in Article XI.

**ARTICLE VI**

In order to implement the provisions of Article III, the Parties agree as follows:

1. When a duly authorized official of any of the Parties has reasonable cause to believe that any vessel outfitted for the harvesting of living marine resources and subject to the jurisdiction of any of the Parties is offending against the prohibition of pelagic sealing as provided for by Article III, he may, except within the territorial waters of another State, board and search such vessel. Such official shall carry a special certificate issued by the competent authorities of his Government and drawn up in the English, Japanese, and Russian languages which shall be exhibited to the master of the vessel upon request.

2. When the official after searching a vessel continues to have reasonable cause to believe that the vessel or any person on board thereof is offending against the prohibition, he may seize or arrest such vessel or person. In that case, the Party to which the official belongs shall, as soon as possible notify the Party having jurisdiction over the vessel or person of such arrest or seizure and shall deliver the vessel or person as promptly as practicable to the authorized officials of the Party having jurisdiction over the vessel or person at a place to be agreed upon by both Parties; provided, however, that when the Party receiving notification cannot immediately accept delivery of the vessel or person, the Party which gives such notification may, upon request of the other Party, keep the vessel or person under surveillance within its own territory, under the conditions agreed upon by both Parties.

3. The authorities of the Party to which such person or vessel belongs alone shall have jurisdiction to try any case arising under Article III and this Article and to impose penalties in connection therewith.

4. The witnesses or their testimony and other proofs necessary to establish the offense, so far as they are under the control of any of the Parties, shall be furnished with all reasonable promptness to the authorities of the Party having jurisdiction to try the case.

5. Skinskins discovered on seized vessels shall be subject to confiscation on the decision of the court or other authorities of the Party under whose jurisdiction the trial of a case takes place.

6. Full details of punitive measures applied to offenders against the prohibition shall be communicated to the other Parties not later than three months after the application of the penalty.

**ARTICLE VII**

The provisions of this Convention shall not apply to Indians, Aleuts, or Eskimos dwelling on the coast of the waters mentioned in Article III, who carry on pelagic sealing in canoes not transported by or used in connection with other vessels, and propelled entirely by oars, paddles, or sails, and manned by not more than five persons each, in the way hitherto practiced and without the use of firearms; provided that such hunters are not in the employment of other persons or under contract to deliver the skins to any person.

**ARTICLE VIII**

1. Each Party agrees that no person or vessel shall be permitted to use any of its ports or harbors or any part of its territory for any purpose designed to violate the prohibition set forth in Article III.

2. Each Party also agrees to prohibit the importation and delivery into and the traffic within its territories of skins of fur seals taken in the area of the North Pacific Ocean mentioned in Article III, except only those taken by the Union of Soviet Socialist Republics or the United States of America on rookeries, those taken at sea for research purposes in accordance with the Schedule, those taken under the provisions of Article VII, those con-
fiscated under the provisions of Article VI, paragraph 5, and those inadvertently captured which are taken possession of by a Party; provided, however, that all such excepted skins shall be officially marked and duly certified by the authorities of the Party concerned.

**ARTICLE IX**

1. The respective Parties agree that, of the total number of sealskins taken commercially each season on land, there shall at the end of the season be delivered a percentage of the gross in number and value thereof as follows:

   By the Union of Soviet Socialist Republics
   - to Canada . . . 15 per cent
   - to Japan . . . 15 per cent

   By the United States of America
   - to Canada . . . 15 per cent
   - to Japan . . . 15 per cent

2. Each Party agrees to deliver such sealskins to an authorized agent of the recipient Party at the place of taking, or at some other place mutually agreed upon by such Parties.

3. In order more equitably to divide the direct and indirect costs of pelagic research in the Western Pacific Ocean, it is agreed:

   (a) that in any year in which commercial killing is carried out for both the Commander and Robben Islands herds and pelagic research in that area is carried on at a level of 2,000 or more seals:

   (1) Canada and Japan will forego the delivery of the sealskins by the Union of Soviet Socialist Republics as set forth in paragraph 1 of this Article; and

   (2) the United States of America will increase its delivery to Canada and Japan as set forth in paragraph 1 of this Article by a total of 375 sealskins to each of these Parties;

   (b) that in any year in which commercial killing is carried out for one only of the Commander or Robben Islands herds and pelagic research in that area is carried on at a level of 1,000 or more seals:

   (1) Canada and Japan will forego the delivery of the sealskins by the Union of Soviet Socialist Republics as set forth in paragraph 1 of this Article; and

   (2) the United States of America will increase its delivery to Canada and Japan as set forth in paragraph 1 of this Article by a total of 150 sealskins to each of these Parties.

**ARTICLE X**

1. Each Party agrees to enact and enforce such legislation as may be necessary to guarantee the observance of this Convention and to make effective its provisions with appropriate penalties for violation thereof.

2. The Parties further agree to cooperate with each other in taking such measures as may be appropriate to carry out the purposes of this Convention, including the prohibition of pelagic sealing as provided for by Article III.

3. The Commission may, subsequent to the first year of operation of the Convention, modify in accordance with its scientific findings the research programs set forth in the Schedule and, if any such modifications are made, the Schedule shall be considered amended accordingly. The Commission shall notify each Party of every such amendment and of the effective date thereof.

4. Each Party shall have one vote. Decisions and recommendations shall be made by unanimous vote. With respect to any recommendations regarding the size and the sex and age composition of the seasonal commercial kill from a herd, only those Parties sharing in the sealskins from that herd under the provisions of Article IX, paragraph 1 shall vote.

5. The Commission shall elect from its members a Chairman and other necessary officials and shall adopt rules of procedure for the conduct of its work.

6. The Commission shall hold an annual meeting at such time and place as it may decide. Additional meetings shall be held when requested by two or more members of the Commission. The time and place of the first meeting shall be determined by agreement among the Parties.

7. The expenses of each member of the Commission shall be paid by his own Government. Such Joint expenses as may be incurred by the Commission shall be defrayed by the Parties by equal contributions. Each Party shall also contribute to the Commission annually an amount equivalent to the value of the sealskins it confiscates under the provisions of Article VI, paragraph 5.

8. The Commission shall submit an annual report of its activities to the Parties.

9. The Commission may from time to time make recommendations to the Parties on any matter which relates to the fur seal resources or to the administration of the Commission.

**ARTICLE XI**

The Parties agree to meet early in the sixth year of this Convention and, if the Convention is continued under the provisions of Article XIII, paragraph 4, to meet again at a later year, to consider the recommendations of the Commission made in accordance with Article V, paragraph 2 (e) and to determine what further agreements may be desirable in order to achieve the maximum sustainable productivity of the North Pacific fur seal herds. The above-mentioned later year shall be fixed by the Parties at the meeting early in the sixth year.

**ARTICLE XII**

Should any Party consider that the obligations of Article II, paragraphs 3, 4, or 5 or any other obligation undertaken by the Parties is not being carried out and notify the other Parties to that effect, all the Parties shall, within three months of the receipt of such notification, meet to consult together on the need for and nature of remedial measures. In the event that such consultation shall not lead to agreement as to the need for and nature of remedial measures, any Party may give written notice to the other Parties of intention to terminate the Convention and, notwithstanding the provisions of Article XIII, paragraph 4, the Convention shall thereupon terminate as

*March 4, 1957*
to all the Parties nine months from the date of such notice.

**ARTICLE XIII**

1. This Convention shall be ratified and the instruments of ratification deposited with the Government of the United States of America as soon as practicable.

2. The Government of the United States of America shall notify the other signatory Governments of ratifications deposited.

3. This Convention shall enter into force on the date of the deposit of the fourth instrument of ratification, and upon such entry into force Article IX, paragraphs 1 and 2, shall be deemed to have been operative from June 1, 1956, provided that the Parties shall have, from the date of signing, maintained under their internal law the prohibition and effective prevention of pelagic sealing by all persons and vessels subject to their respective jurisdictions.

4. The present Convention shall continue in force for six years and thereafter until the entry into force of a new or revised fur seal convention between the Parties, or until the expiration of one year after such period of six years, whichever may be the earlier; provided, however, that it may continue in force for a further period if the Parties so decide at the meeting early in the sixth year provided for in Article XI.

5. The original of this Convention shall be deposited with the Government of the United States of America, which shall communicate certified copies thereof to each of the Governments signatory to the Convention.

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

**DONE** in Washington this ninth day of February 1957, in the English, Japanese, and Russian languages, each text equally authentic.

For the Government of Canada:
A. D. P. Heeney
G. R. Clark

For the Government of Japan:
Masayuki Tani

For the Government of the Union of Soviet Socialist Republics:
G. Zarouhin

For the Government of the United States of America:
Wm. C. Herrington
Arnie J. Suomela

**SCHEDULE**

1. The United States of America each year during the first four years shall tag 50,000 black pups on the Pribilof Islands.

2. The Union of Soviet Socialist Republics each year during the first four years shall tag 25 per cent of the black pups on the Commander Islands and 25 per cent of the black pups on Robben Island.

3. In the event that pelagic sealing should be suspended for one or more years under the provisions of Article IV, paragraph 3, the tagging of black pups shall continue at the mentioned rates for a comparable number of years.

4. The United States of America each year shall take at sea for research purposes in the Eastern Pacific Ocean between 1,250 and 1,750 seals.

5. Canada each year shall take at sea for research purposes in the Eastern Pacific Ocean between 500 and 750 seals.

6. Japan shall take at sea in the Western Pacific Ocean:
(a) annually in the first and second years of pelagic research between 2,750 and 3,250 seals;
(b) annually during the remaining four years of pelagic research between 1,400 and 1,600 seals.

7. The Union of Soviet Socialist Republics shall take at sea in the Western Pacific Ocean:
(a) annually in the first and second years of pelagic research between 750 and 1,250 seals;
(b) annually during the remaining four years of pelagic research between 400 and 600 seals.

**Current Actions**

**MULTILATERAL**

**Atomic Energy**

**Signatures:** Afghanistan and Nicaragua, January 23, 1957.

**Aviation**
Agreement on joint financing of certain air navigation services in Greenland and the Faroe Islands. Done at Geneva September 25, 1956.1

**Acceptance deposited:** United States, February 8, 1957.
Agreement on joint financing of certain air navigation services in Iceland. Done at Geneva September 25, 1956.1

**Acceptance deposited:** United States, February 8, 1957.

**Copyright**

**Ratification deposited:** Mexico, February 12, 1957.

**Ratification deposited:** Mexico, February 12, 1957.

**Cultural Relations**

**Ratification deposited:** Paraguay, January 25, 1957.

**Shipping**

**Ratification deposited:** Italy, January 28, 1957.

1 Not in force.
2 Not in force for the United States.
**BILATERAL**

**Colombia**

**Cuba**

**Italy**
Agreement amending the agreement of October 30, 1956 (TIAS 3702), by increasing the amount of lire allotted for promotion of the economic development program. Effect of exchange of notes at Rome January 28 and February 1, 1957. Entered into force February 1, 1957.

**Spain**
Agreement amending the agricultural commodities agreement of October 23, 1956 (TIAS 3085), by adding barley to the list of commodities to be purchased. Effect of exchange of notes at Madrid February 1, 1957. Entered into force February 1, 1957.

**Turkey**

**Surplus Commodity Agreement Signed With Ecuador**
Press release 70 dated February 15

The United States and Ecuador on February 15 signed an agreement authorizing the sale to Ecuador through private U.S. traders of wheat, corn, inedible tallow, edible oil and/or lard, and tobacco to a total value of $4,100,000, including certain ocean transportation costs. These sales are being made under the authority and provisions of the Agricultural Trade Development and Assistance Act of 1954, as amended. The agreement was signed at Quito by Carlos Tobar, Minister of Foreign Affairs, José F. A. Intriglio, Minister of Economy, and Fausto Cordovéz, Minister of Treasury, on behalf of the Ecuadorian Government, and by Ambassador Christian M. Ravndal on behalf of the United States.

The agreement provides that payment for the commodities under the sales program will be made in Ecuadorian currency. A part of the currency accruing will be earmarked for loans designed to contribute to Ecuadorian economic development and will be payable in dollars or Ecuadorian currency under the terms of a supplemental loan agreement. The balance will be reserved for the use of the United States in Ecuador.

**DEPARTMENT AND FOREIGN SERVICE**

**Foreign Service Fees Revised**

White House press release dated February 6

The President on February 6 signed an Executive order revising the Tariff of United States Foreign Service Fees.¹

The revised schedule of fees is prescribed for use at American diplomatic and consular offices effective March 1, 1957. The schedule increases the fees for a number of the services performed at these offices and places certain of the services formerly performed without charge on a fee basis. Many of the items, however, are continued on their present nonfee basis.

The new schedule reflects the estimated current cost of providing the specific services and is in accord with the principle expressed by the President in his budget message of last year that Government services which give special benefits to users should be financed by adequate charges paid by the users. It also conforms to a previous expression of the sense of the Congress, 65 Stat. 290, that such services be made self-sustaining to the extent possible through the establishment of equitable fees and charges.

**Resignations**

L. Corrin Strong as Ambassador to Norway. (For text of Mr. Strong’s letter to the President and the President’s reply, see White House press release dated February 8.)

Carl W. McCordale as Assistant Secretary for Public Affairs. (For biographic details, see press release 73 dated February 16.)

¹ No. 10697, 22 Fed. Reg. 777 (not printed here). Copies of a summary of the changes may be obtained from the Office of Special Consular Services, Department of State, Washington 25, D. C.
Confirmations

The Senate on February 7 confirmed John Hay Whitney to be Ambassador to Great Britain.

The Senate on February 7 confirmed C. Burke Elbrick to be an Assistant Secretary of State.

Recent Releases

For sale by the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D. C. Address requests direct to the Superintendent of Documents, except in the case of free publications, which may be obtained from the Department of State.

Establishment of an Oceanographic Research Station in the Turks and Caicos Islands. TIAS 3696. 17 pp. 10¢.


Weather Stations—Cooperative Program in the Dominican Republic. TIAS 3699. 8 pp. 10¢.


Economic Development. TIAS 3701. 5 pp. 5¢.


Surplus Agricultural Commodities. TIAS 3702. 17 pp. 10¢.

Agreement, with exchanges of letters, between the United States of America and Italy—Signed at Rome October 30, 1956. Entered into force October 30, 1956.

Naval Mission to the Dominican Republic. TIAS 3703. 18 pp. 10¢.


United States Educational Foundation in Finland. TIAS 3704. 4 pp. 5¢.


Agricultural Commodities. TIAS 3705. 5 pp. 5¢.


Surplus Agricultural Commodities. TIAS 3706. 2 pp. 5¢.


Surplus Agricultural Commodities. TIAS 3707. 3 pp. 5¢.


Saint Lawrence Seaway—Deep-Water Dredging in Cornwall Island Channels. TIAS 3708. 3 pp. 5¢.

Exchange of notes between the United States of America and Canada—Signed at Ottawa November 7 and December 4, 1956.

Mutual Defense Assistance—Disposition of Equipment and Materials. TIAS 3710. 5 pp. 5¢.


 Atomic Energy—Cooperation for Civil Uses. TIAS 3711. 7 pp. 10¢.


Relief From Taxation on Defense Expenditures. TIAS 3712. 6 pp. 5¢.


Corrections

Bulletin of January 21, 1957, p. 100, first column: The name of the Icelandic Minister of Foreign Affairs should be spelled Guðmundur I. Guðmundsson.

Bulletin of February 27, 1957: The first line of the second column on page 295 should read "of today is the emergence of international commun-"); in the table at the top of the second column on page 320, the figure for U.S. guaranteed sales in bushels should be "132,098,561."
March 4, 1957

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Check List of Department of State Press Releases: February 11-17

Releases may be obtained from the News Division, Department of State, Washington 25, D.C.
Press releases issued prior to February 11 which appear in this issue of the BULLETIN are Nos. 51 of February 4 and 57 of February 8.

No. Date Subject

†00 2/11 Number of visas issued.
61 2/11 National Committee for Prevention of Pollution of Seas by Oil.
†02 2/12 Kalijarvi: “Two-Way Streets Around the World.”
63 2/12 Consultations on import restrictions.
64 2/12 International Naval Review.
†65 2/14 Elbrick sworn in.
66 2/14 Dominican Government documents on disappearance of Murphy.
†67 2/14 Delegation to UNESCO committee on primary education (rewrite).
68 2/14 Delegation to Ghana independence ceremonies (rewrite).
69 2/15 Dulles: anniversary of Baltic independence.
70 2/15 Surplus commodity agreement with Ecuador.
*71 2/15 Visit of Indian educators.
†72 2/17 U.S. aide memoir to Israel.
†73 2/16 McCardle resignation (biographic details).

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

U. S. GOVERNMENT PRINTING OFFICE: 1957
TREATIES IN FORCE...

A List of Treaties and Other International Agreements of the United States

The 1956 edition of Treaties in Force: A List of Treaties and Other International Agreements of the United States was recently released. The publication lists treaties and other international agreements which according to the Department's records were in force between the United States and other countries on October 31, 1956.

The list includes bilateral treaties and other agreements, arranged by country or other political entity, multilateral treaties, and other agreements, arranged by subject with names of countries which have become parties. Date of signature, date of entry into force for the United States, and citations to texts are furnished for each agreement.

Documents affecting international copyright relations of the United States are listed in the appendix.

Information on current treaty actions, supplementing the information contained in Treaties in Force, is published weekly in the Department of State Bulletin.

QUESTION OF WITHDRAWAL OF ISRAELI FORCES FROM EGYPTIAN TERRITORY

Address by President Eisenhower

Statement by Secretary Dulles

U.S. Aide Memoire to Israel

Agreed Statement of Secretary Dulles and Ambassador Eban

Report by U.N. Secretary-General

SECRETARY DULLES' NEWS CONFERENCE OF FEBRUARY 19

TWO-WAY STREETS AROUND THE WORLD • by Thorsten V. Kalijarvi

UNITED STATES FOREIGN RELATIONS: A SEARCH FOR PERSPECTIVE • by William B. Macomber, Jr.

GENERAL ASSEMBLY ACTION ON ALGERIAN QUESTION • Statements by Ambassador Henry Cabot Lodge and Ambassador James J. Wadsworth, Texts of Resolutions

For index see inside back cover
The Department of State BULLETIN, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.
Question of Withdrawal of Israeli Forces From Egyptian Territory

Following are the texts of President Eisenhower's radio-television address of February 20 on the situation in the Middle East; a statement made by Secretary Dulles at Thomasville, Ga., on February 16 following a conference with the President; a White House statement of February 17; a Department release of February 17 containing the text of a U.S. aide memoire of February 11; a statement of February 22 by James C. Hagerty, Press Secretary to the President; an agreed statement issued on February 24 at the conclusion of a meeting between Secretary Dulles and Israeli Ambassador Abba Eban; and a February 11 report by the U.N. Secretary-General.

ADDRESS BY PRESIDENT EISENHOWER, FEBRUARY 20

White House press release dated February 21

I come to you again to talk about the situation in the Middle East. The future of the United Nations and peace in the Middle East may be at stake.

In the 4 months since I talked to you about the crisis in that area, the United Nations has made considerable progress in resolving some of the difficult problems. We are now, however, faced with a fateful moment as the result of the failure of Israel to withdraw its forces behind the armistice lines, as contemplated by the United Nations resolutions on this subject.

I have already today met with leaders of both parties from the Senate and the House of Representatives. We had a very useful exchange of views. It was the general feeling of that meeting that I should lay the situation before the American people.

Now, before talking about the specific issues involved, I want to make clear that these issues are not something remote and abstract but involve matters vitally touching upon the future of each one of us.

The Middle East is a land bridge between the Eurasian and African continents. Millions of tons of commerce are transmitted through it annually. Its own products, especially petroleum, are essential to Europe and the Western World.

The United States has no ambitions or desires in this region. It hopes only that each country there may maintain its independence and live peacefully within itself and with its neighbors and, by peaceful cooperation with others, develop its own spiritual and material resources. But that much is vital to the peace and well-being of us all. This is our concern today.

So tonight I report to you on the matters in controversy and on what I believe the position of the United States must be.

When I talked to you last October, \(^1\) I pointed out that the United States fully realized that military action against Egypt resulted from grave and repeated provocations. But I said also that the use of military force to solve international disputes could not be reconciled with the principles and purposes of the United Nations. I added that our country could not believe that resort to force and war would for long serve the permanent interests of the attacking nations, which were Britain, France, and Israel.

So I pledged that the United States would seek through the United Nations to end the conflict. We would strive to bring about a recall of the forces of invasion and then make a renewed and earnest effort through that organization to secure justice, under international law, for all the parties concerned.

Since that time much has been achieved and

\(^1\) Bulletin of Nov. 12, 1956, p. 743.
many of the dangers implicit in the situation have been avoided. The Governments of Britain and France have withdrawn their forces from Egypt. Thereby they showed respect for the opinions of mankind as expressed almost unanimously by the 80 nation members of the United Nations General Assembly.

I want to pay tribute to the wisdom of this action of our friends and allies. They made an immense contribution to world order. Also they put the other nations of the world under a heavy obligation to see to it that these two nations do not suffer by reason of their compliance with the United Nations resolutions. This has special application, I think, to their treaty rights to passage through the Suez Canal, which had been made an international waterway for all by the treaty of 1888.

The Prime Minister of Israel, in answer to a personal communication, assured me early in November that Israel would willingly withdraw its forces if and when there should be created a United Nations force to move into the Suez Canal area. This force was, in fact, created and has moved into the canal area.

Subsequently, Israeli forces were withdrawn from much of the territory of Egypt which they had occupied. However, Israeli forces still remain outside the armistice lines. They are at the mouth of the Gulf of Aqaba, which is about 100 miles from the nearest Israeli territory. They are also in the Gaza Strip, which, by the Armistice Agreement, was to be occupied by Egypt. These facts create the present crisis.

**Efforts To Bring About Israeli Withdrawal**

We are approaching a fateful moment when either we must recognize that the United Nations is unable to restore peace in this area or the United Nations must renew with increased vigor its efforts to bring about Israeli withdrawal.

Repeated, but, so far, unsuccessful, efforts have been made to bring about a voluntary withdrawal by Israel. These efforts have been made both by the United Nations and by the United States and other member states.

Equally serious efforts have been made to bring about conditions designed to assure that, if Israel will withdraw in response to the repeated requests of the United Nations, there will then be achieved a greater security and tranquillity for that nation. This means that the United Nations would assert a determination to see that in the Middle East there will be a greater degree of justice and compliance with international law than was the case prior to the events of last October-November.

A United Nations Emergency Force, with Egypt's consent, entered that nation's territory in order to help maintain the cease-fire which the United Nations called for on November 2. The Secretary-General, who ably and devotedly serves the United Nations, has recommended a number of measures which might be taken by the United Nations and by its Emergency Force to assure for the future the avoidance by either side of belligerent acts.

The United Nations General Assembly on February 2 by an overwhelming vote adopted a pertinent resolution. It was to the effect that, after full withdrawal of Israel from the Gulf of Aqaba and Gaza areas, the United Nations Emergency Force should be placed on the Egyptian-Israeli armistice lines to assure the scrupulous maintenance of the Armistice Agreement. Also the United Nations General Assembly called for the implementation of other measures proposed by the Secretary-General. These other measures embraced the use of the United Nations Emergency Force at the mouth of the Gulf of Aqaba, so as to assure nonbelligerency in this area.

The United States was a cosponsor of this United Nations resolution. Thus the United States sought to assure that Israel would, for the future, enjoy its rights under the armistice and under international law.

In view of the valued friendly relations which the United States has always had with the State of Israel, I wrote to Prime Minister Ben-Gurion on February 3. I recalled his statement to me of November 8 to the effect that the Israeli forces would be withdrawn under certain conditions, and I urged that, in view of the General Assembly resolutions of February 2, Israel should complete that withdrawal.

However, the Prime Minister, in his reply, took the position that Israel would not evacuate its military forces from the Gaza Strip unless Israel retained the civil administration and police. This would be in contradiction to the Armistice Agreement. Also, the reply said that Israel would not

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withdraw from the Straits of Aqaba unless freedom of passage through the straits was assured.

It was a matter of keen disappointment to us that the Government of Israel, despite the United Nations action, still felt unwilling to withdraw.

Statement of U.S. Policy

However, in a further effort to meet the views of Israel in these respects, Secretary of State Dulles, at my direction, gave to the Government of Israel on February 11 a statement of United States policy. This has now been made public. It pointed out that neither the United States nor the United Nations had authority to impose upon the parties a substantial modification of the Armistice Agreement which was freely signed by both Israel and Egypt. Nevertheless, the statement said, the United States as a member of the United Nations would seek such disposition of the United Nations Emergency Force as would assure that the Gaza Strip could no longer be used as a source of armed infiltration and reprisals.

The Secretary of State orally informed the Israeli Ambassador that the United States would be glad to urge and support, also, some participation by the United Nations, with the approval of Egypt, in the administration of the Gaza Strip. The principal population of the strip consists of about 200,000 Arab refugees, who exist largely as a charge upon the benevolence of the United Nations and its members.

With reference to the passage into and through the Gulf of Aqaba, we expressed the conviction that the gulf constitutes international waters and that no nation has the right to prevent free and innocent passage in the gulf. We announced that the United States was prepared to exercise this right itself and to join with others to secure general recognition of this right.

The Government of Israel has not yet accepted, as adequate insurance of its own safety after withdrawal, the far-reaching United Nations resolution of February 2, plus the important declaration of United States policy made by our Secretary of State on February 11.

Israel seeks something more. It insists on firm guaranties as a condition to withdrawing its forces of invasion.

This raises a basic question of principle. Should a nation which attacks and occupies foreign ter-

itary in the face of United Nations disapproval be allowed to impose conditions on its own withdrawal?

If we agree that armed attack can properly achieve the purposes of the assailant, then I fear we will have turned back the clock of international order. We will, in effect, have countenanced the use of force as a means of settling international differences and through this gaining national advantages.

I do not, myself, see how this could be reconciled with the charter of the United Nations. The basic pledge of all the members of the United Nations is that they will settle their international disputes by peaceful means and will not use force against the territorial integrity of another state.

If the United Nations once admits that international disputes can be settled by using force, then we will have destroyed the very foundation of the organization and our best hope of establishing a world order. That would be a disaster for us all.

I would, I feel, be untrue to the standards of the high office to which you have chosen me if I were to lend the influence of the United States to the proposition that a nation which invades another should be permitted to exact conditions for withdrawal.

Justice and Conformity With International Law

Of course, we and all the members of the United Nations ought to support justice and conformity with international law. The first article of the charter states the purpose of the United Nations to be “the suppression of acts of aggression or other breaches of the peace, and to bring about by peaceful means, and in conformity with . . . justice and international law, adjustment or settlement of international disputes.” But it is to be observed that conformity with justice and international law are to be brought about “by peaceful means.”

We cannot consider that the armed invasion and occupation of another country are “peaceful means” or proper means to achieve justice and conformity with international law.

We do, however, believe that upon the suppression of the present act of aggression and breach of the peace there should be a greater effort by the United Nations and its members to secure justice and conformity with international law. Peace and justice are two sides of the same coin.
Perhaps the world community has been at fault in not having paid enough attention to this basic truth. The United States, for its part, will vigorously seek solutions of the problems of the area in accordance with justice and international law. And we shall in this great effort seek the association of other like-minded nations which realize, as we do, that peace and justice are in the long run inseparable.

But the United Nations faces immediately the problem of what to do next. If it does nothing, if it accepts the ignoring of its repeated resolutions calling for the withdrawal of invading forces, then it will have admitted failure. That failure would be a blow to the authority and influence of the United Nations in the world and to the hopes which humanity placed in the United Nations as the means of achieving peace with justice.

I do not believe that Israel's default should be ignored because the United Nations has not been able effectively to carry out its resolutions condemning the Soviet Union for its armed suppression of the people of Hungary. Perhaps this is a case where the proverb applies that two wrongs do not make a right.

No one deplores more than I the fact that the Soviet Union ignores the resolutions of the United Nations. Also no nation is more vigorous than is the United States in seeking to exert moral pressure against the Soviet Union, which by reason of its size and power, and by reason of its veto in the Security Council, is relatively impervious to other types of sanction.

The United States and other free nations are making clear by every means at their command the evil of Soviet conduct in Hungary. It would indeed be a sad day if the United States ever felt that it had to subject Israel to the same type of moral pressure as is being applied to the Soviet Union.

There can, of course, be no equating of a nation like Israel with that of the Soviet Union. The people of Israel, like those of the United States, are imbued with a religious faith and a sense of moral values. We are entitled to expect, and do expect, from such peoples of the free world a contribution to world order which unhap ply we cannot expect from a nation controlled by atheistic despots.

It has been suggested that United Nations actions against Israel should not be pressed because Egypt has in the past violated the Armistice Agreement and international law. It is true that both Egypt and Israel, prior to last October, engaged in reprisals in violation of the Armistice Agreements. Egypt ignored the United Nations in exercising belligerent rights in relation to Israeli shipping in the Suez Canal and in the Gulf of Aqaba. However, such violations constitute no justification for the armed invasion of Egypt by Israel which the United Nations is now seeking to undo.

Failure to withdraw would be harmful to the long-term good of Israel. It would, in addition to its injury to the United Nations, jeopardize the prospects of the peaceful solution of the problems of the Mid-East. This could bring incalculable ills to our friends and indeed to our nation itself. It would make infinitely more difficult the realization of the goals which I laid out in my Middle East message of January 5th to the Congress seeking to strengthen the area against Communist aggression, direct or indirect.

The United Nations must not fail. I believe that—in the interests of peace—the United Nations has no choice but to exert pressure upon Israel to comply with the withdrawal resolutions. Of course, we still hope that the Government of Israel will see that its best immediate and long-term interests lie in compliance with the United Nations and in placing its trust in the resolutions of the United Nations and in the declaration of the United States with reference to the future.

Egypt, by accepting the six principles adopted by the Security Council last October in relation to the Suez Canal, bound itself to free and open transit through the canal without discrimination and to the principle that the operation of the canal should be insulated from the politics of any country.

We should not assume that, if Israel withdraws, Egypt will prevent Israeli shipping from using the Suez Canal or the Gulf of Aqaba. If, unhappily, Egypt does hereafter violate the Armistice Agreement or other international obligations, then this should be dealt with firmly by the society of nations.

**The Tasks of the United Nations**

The present moment is a grave one, but we are hopeful that reason and right will prevail. Since

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the events of last October—November, solid progress has been made, in conformity with the charter of the United Nations. There is the cease-fire, the forces of Britain and France have been withdrawn, the forces of Israel have been partially withdrawn, and the clearing of the canal nears completion. When Israel completes its withdrawal, it will have removed a definite block to further progress.

Once this block is removed, there will be serious and creative tasks for the United Nations to perform. There needs to be respect for the right of Israel to national existence and to internal development. Complicated provisions insuring the effective international use of the Suez Canal will need to be worked out in detail. The Arab refugee problem must be solved. As I said in my special message to Congress on January 5, it must be made certain that all the Middle East is kept free from aggression and infiltration.

Finally, all who cherish freedom, including ourselves, should help the nations of the Middle East achieve their just aspirations for improving the well-being of their peoples.

What I have spoken about tonight is only one step in a long process calling for patience and diligence, but at this moment it is the critical issue on which future progress depends.

It is an issue which can be solved if only we will apply the principles of the United Nations.

That is why, my fellow Americans, I know that you want the United States to continue to use its maximum influence to sustain those principles as the world’s best hope for peace.

STATEMENT BY SECRETARY DULLES, THOMASVILLE, FEBRUARY 16

I discussed with President Eisenhower a number of topics, including plans for the prospective visits of Mr. Guy Mollet, the Premier of France, and Mr. Harold Macmillan, the Prime Minister of the United Kingdom.

We also discussed the status of the President’s proposal in relation to the Middle East. The President again expressed his sense of urgency for final congressional action, particularly in view of the recent propaganda by the Soviet Union against the President’s Middle East program.

A matter of primary concern in our conversations was the failure of Israel so far to respond to the repeated calls of the United Nations General Assembly that it end occupation of non-Israeli territory and withdraw behind the agreed armistice lines.

I informed the President fully with reference to the exchange of views which had taken place yesterday in Washington between the Israeli Ambassador and myself in an effort to achieve the results sought by the United Nations. In view of the probability of further action in the United Nations in relation to this matter, Ambassador Henry Cabot Lodge, Jr., participated in this phase of our conversations.

The President and I hope promptly to receive a further clarification of the position of the Israeli Government. Pending this, there was no definitive decision today concerning further action which may be taken by the United States in support of the United Nations.

WHITE HOUSE STATEMENT, FEBRUARY 17

White House (Thomasville, Ga.) press release

The President has authorized the following statement:

The Department of State is today making public a memorandum which the United States gave to the Government of Israel on February 11th. It relates to Israeli withdrawal to within the armistice lines as repeatedly called for by the United Nations. The memorandum outlines the policies which the United States would, thereafter, pursue in relation to the two matters—the Gulf of Aqaba and the Gaza Strip—which so far lead Israel not to withdraw.

Israel would prefer to have the future status of the Gulf of Aqaba and the Gaza Strip definitely settled to its satisfaction prior to its withdrawal, and as a condition thereto. But all members of the United Nations are solemnly bound by the Charter to settle their international disputes by peaceful means and in their international relations to refrain from the threat or use of force against the territorial integrity of any state. These undertakings seem to preclude using the forcible seizure and occupation of other lands as bargaining power in the settlement of international disputes.

The United Kingdom and France, which occupied portions of Egypt at about the time of Israel’s attack upon Egypt of last October, withdrew promptly and unconditionally in response to the same United Nations Resolution that called
for Israeli withdrawal. They deferred to the overwhelming judgment of the world community that a solution of their difficulties with Egypt should be sought after withdrawal and not be made a condition precedent to withdrawal. The United States believes that Israel should do likewise.

President Eisenhower's letter to Prime Minister Ben-Gurion of Israel of November 8, 1956, urged, as a matter of "highest priority" that "Israeli forces be withdrawn to the General Armistice line." "After which", the President said, "new and energetic steps should be undertaken within the framework of the United Nations to solve the basic problems which have given rise to the present difficulty."

Prime Minister Ben-Gurion in his reply said: "In view of the United Nations Resolutions regarding the withdrawal of foreign troops from Egypt and the creation of an international force, we will, upon conclusion of satisfactory arrangements with the United Nations in connection with this international force entering the Suez Canal area, willingly withdraw our forces."

The international force referred to by the Prime Minister has been created and, pursuant to arrangements which the United Nations has deemed satisfactory, has entered into and is now within the Suez Canal area. But while there has been a partial withdrawal of Israeli forces from Egypt, Israel persists in its occupation of Egyptian territory around the entrance of the Gulf of Aqaba and of the Gaza Strip.

The United States is aware of the fact that Israel has legitimate grievances and should, in all fairness, see a prospect of remediing them. The United Nations General Assembly by its second resolution of February 2nd, endorsing the Secretary General's report, gave such a prospect. We believe that that prospect is further assured by the view which the United States has formulated and communicated to Israel in its memorandum of February 11th. There, the United States took note of Israeli views with reference to the Gaza Strip and the Straits of Aqaba and made clear what the United States would do, after Israel's withdrawal, to help solve the problems that preoccupy Israel. Our declaration related to our intentions, both as a Member of the United Nations and as a maritime power having rights of our own.

The United States believes that the action of the United Nations of February 2nd and the statements of various governments, including the United States memorandum of February 11th, provide Israel with the maximum assurance that it can reasonably expect at this juncture, or that can be reconciled with fairness to others.

Accordingly, the United States has renewed its plea to Israel to withdraw in accordance with the repeated demands of the United Nations and to rely upon the resoluteness of all friends of justice to bring about a state of affairs which will conform to the principles of justice and of international law and serve impartially the proper interests of all in the area. This, the United States believes, should provide a greater source of security for Israel than an occupation continued contrary to the overwhelming judgment of the world community.

The United States, for its part, will strive to remain true to, and support, the United Nations in its efforts to sustain the purposes and principles of the Charter as the world's best hope of peace."

DEPARTMENT ANNOUNCEMENT, FEBRUARY 17

Press release 72 dated February 17

The attached is the text of an aide memoire handed to Israeli Ambassador Abba Eban on February 11, 1957, by Secretary Dulles.

February 11, 1957

The United Nations General Assembly has sought specifically, vigorously, and almost unanimously, the prompt withdrawal from Egypt of the armed forces of Britain, France and Israel. Britain and France have complied unconditionally. The forces of Israel have been withdrawn to a considerable extent but still hold Egyptian territory at Sharm el Shaik at the entrance to the Gulf of Aqaba. They also occupy the Gaza Strip which is territory specified by the Armistice arrangements to be occupied by Egypt.

We understand that it is the position of Israel that (1) it will evacuate its military forces from the Gaza Strip provided Israel retains the civil administration and police in some relationship to the United Nations; and (2) it will withdraw

Attached to the White House statement was a copy of the U.S. aide memoire of Feb. 11. For text, see below.
from Sharm el Shaikh if continued freedom of passage through the Straits is assured.

With respect to (1) the Gaza Strip—it is the view of the United States that the United Nations General Assembly has no authority to require of either Egypt or Israel a substantial modification of the Armistice Agreement, which, as noted, now gives Egypt the right and responsibility of occupation. Accordingly, we believe that Israeli withdrawal from Gaza should be prompt and unconditional, leaving the future of the Gaza Strip to be worked out through the efforts and good offices of the United Nations.

We recognize that the area has been a source of armed infiltration and reprisals back and forth contrary to the Armistice Agreement and is a source of great potential danger because of the presence there of so large a number of Arab refugees—about 200,000. Accordingly, we believe that the United Nations General Assembly and the Secretary General should seek that the United Nations Emergency Force, in the exercise of its mission, move into this area and be on the boundary between Israel and the Gaza Strip.

The United States will use its best efforts to help to assure this result, which we believe is contemplated by the Second Resolution of February 2, 1957.

With respect to (2) the Gulf of Aqaba and access thereto—the United States believes that the Gulf comprehends international waters and that no nation has the right to prevent free and innocent passage in the Gulf and through the Straits giving access thereto. We have in mind not only commercial usage, but the passage of pilgrims on religious missions, which should be fully respected.

The United States recalls that on January 28, 1950, the Egyptian Ministry of Foreign Affairs informed the United States that the Egyptian occupation of the two islands of Tiran and Senafir at the entrance of the Gulf of Aqaba was only to protect the islands themselves against possible damage or violation and that “this occupation being in no way conceived in a spirit of obstructing in any way innocent passage through the stretch of water separating these two islands from the Egyptian coast of Sinai, it follows that this passage, the only practicable one, will remain free as in the past, in conformity with international practice and recognized principles of the law of nations”.

In the absence of some overriding decision to the contrary, as by the International Court of Justice, the United States, on behalf of vessels of United States registry, is prepared to exercise the right of free and innocent passage and to join with others to secure general recognition of this right.

It is of course clear that the enjoyment of a right of free and innocent passage by Israel would depend upon its prior withdrawal in accordance with the United Nations Resolutions. The United States has no reason to assume that any littoral state would under these circumstances obstruct the right of free and innocent passage.

The United States believes that the United Nations General Assembly and the Secretary General should, as a precautionary measure, seek that the United Nations Emergency Force move into the Straits area as the Israeli forces are withdrawn. This again we believe to be within the contemplation of the Second Resolution of February 2, 1957.

(3) The United States observes that the recent resolutions of the United Nations General Assembly call not only for the prompt and unconditional withdrawal of Israel behind the Armistice lines but call for other measures.

We believe, however, that the United Nations has properly established an order of events and an order of urgency and that the first requirement is that forces of invasion and occupation should withdraw.

The United States is prepared publicly to declare that it will use its influence, in concert with other United Nations members, to the end that, following Israel’s withdrawal, these other measures will be implemented.

We believe that our views and purposes in this respect are shared by many other nations and that a tranquil future for Israel is best assured by reliance upon that fact, rather than by an occupation in defiance of the overwhelming judgment of the world community.

**STATEMENT BY MR. HAGERTY, FEBRUARY 22**

White House press release

The President and the Secretary of State discussed the speech of last night of Prime Minister Ben-Gurion of Israel, insofar as the text was available.
The President and the Secretary regret that the Government of Israel has not yet found it possible to withdraw its forces from the Gaza Strip and the Gulf of Aqaba.

The door is certainly not closed to further discussion of the situation.

The President and the Secretary welcome such further discussion because they believe that a full understanding of the U.S. position and the United Nations resolutions of February 2d should make it possible for Israel to proceed with the withdrawal.

In the meanwhile, the Secretary of State is awaiting the return of the Israeli Ambassador who, Prime Minister Ben-Gurion said, would convey to the American Government the position of the Government of Israel.

The President and the Secretary also conferred by telephone with Ambassador Lodge in New York City with respect to the presentation to the United Nations of the United States position. No United States presentation, however, will be made until after Ambassador Eban has had an opportunity to meet with the Secretary of State, as Prime Minister Ben-Gurion requested.

AGREED STATEMENT OF SECRETARY DULLES AND AMBASSADOR EBAN, FEBRUARY 24

Press release 85 dated February 24

Ambassador Eban, having returned from consultations in Israel with new instructions, conveyed to the Secretary of State his Government's position on the problems discussed during the previous week.

The Secretary of State clarified certain points regarding the attitude and intent of the United States on matters discussed in the U.S. memorandum of February 11. The Ambassador of Israel is communicating urgently with his Government on the content of this conversation and remains in close contact with the Department of State.

It was recognized that important aspects of the problems were primarily of concern to the United Nations, and, accordingly, the Ambassador hopes promptly to confer again with the Secretary-General.

It is hoped that out of these discussions a solution will be found consistent with the principles of the United Nations.

REPORT OF U.N. SECRETARY-GENERAL, FEBRUARY 11

U.N. doc. A/3527

1. The General Assembly on 2 February 1957, adopted two resolutions, resolutions I and II (A/RES/160 and A/RES/461), concerning the Middle Eastern question. In resolution I the General Assembly, declaring "the non-compliance of Israel to complete its withdrawal behind the armistice demarcation line", called upon Israel to complete this withdrawal without further delay. In resolution II the General Assembly, recognizing that withdrawal by Israel must be followed by action which would assure progress towards the creation of peaceful conditions, noted with appreciation the Secretary-General's report and the measures therein "to be carried out upon Israel's complete withdrawal", called upon the Governments concerned scrupulously to observe the Armistice Agreement, and stated that it considered that, after full withdrawal of Israel from the Sharm el-Sheikh and Gaza areas, various measures, as proposed in the Secretary-General's report, would be required for the scrupulous maintenance of the Armistice Agreement. The General Assembly requested the Secretary-General, in consultation with the parties concerned, to take steps to carry out the measures envisaged and to report, as appropriate, to the General Assembly.

2. The Secretary-General on 3 February transmitted the two resolutions to the representatives of Egypt and Israel. He asked the representative of Israel to meet with him on 4 February, at which time he hoped to learn the position of the Government of Israel, particularly, as a matter of special urgency, on resolution I concerning withdrawal. On 4 February the representative of Israel, in reply to this request, presented an aide-mémoire, which is annexed to this report (Annex I).

3. In the aide-mémoire the Government of Israel "requests the Secretary-General to ask the Government of Egypt whether Egypt agrees to a mutual and full abdication from belligerent acts, by land, air and sea, on withdrawal of Israeli troops". In another point in the aide-mémoire clarification is sought by Israel as to whether, "immediately on the withdrawal of Israeli forces from the Sharm el-Sheikh area, units of the United Nations Emergency Force will be stationed along the western shore of the Gulf of Aqaba in order to act as a restraint against hostile acts, and will remain so deployed until another effective means is agreed upon between the parties concerned for ensuring permanent freedom of navigation and the absence of belligerent acts in the Straits of Tiran and the Gulf of Aqaba".

4. The first of these two points in the Israel aide-mémoire must be understood as a request for action in implementation of resolution II, while the wording of the request leaves open the question whether it involves a willingness to comply with the demand for withdrawal in resolution I, even given a positive response by Egypt. The Secretary-General, at the meeting with the representative of Israel, asked whether, with regard to Gaza, it is understood by the Government of Israel that the withdrawal must cover elements of administration as
as well as military troops, forces and units. A clarification on this point appeared to be a prerequisite to further consideration of the Israel aide-mémoire. This point and the following one are related, as there is an unavoidable connection between Israel's willingness to comply fully with resolution I as concerns the Gaza Strip and what may be done toward maintaining quiet in the Sharm el-Sheikh area. It is unrealistic to assume that the latter question could be solved while Israel remains in Gaza.

5. The second of the points in the Israel aide-mémoire requests a "clarification" which, in view of the position of the General Assembly, could go beyond what was stated in the last report only after negotiation with Egypt. This follows from the statements in the debate in the General Assembly, and the report on which it was based, which made it clear that the stationing of the Force at Sharm el-Sheikh, under such terms as those mentioned in the question posed by Israel, would require Egyptian consent. In the light of this implication of Israel's question, the Secretary-General considered it important, as a basis for his consideration of the aide-mémoire, to learn whether Israel itself, in principle, consents to a stationing of UNEF units on its territory in implementation of the functions established for the Force in the basic decisions and noted in resolution II of the General Assembly of 4 February, where it was indicated that the Force should be placed "on the Egyptian-Israeli armistice demarcation line".

6. Concerning his two questions, the Secretary-General received on 5 February a letter from the Permanent Representative of Israel. The letter is annexed to this report (Annex II). The answer of the Secretary-General to this communication was transmitted by his letter of 6 February (Annex III).

7. A further meeting with the representative of Israel was held, on the invitation of the Secretary-General, on 10 February. Following the meeting, the representative of Israel sent the Secretary-General an additional letter, received on 11 February. This letter is likewise annexed to the report (Annex IV).

8. This latest communication received from the representative of Israel does not add any new information. Thus it is still an open question whether Israel, under any circumstances, accepts full implementation of resolution I, which, as pointed out above, requires withdrawal from the Gaza Strip of Israel's civil administration and policies as well as of its armed forces. Further, it is still an open question whether Israel accepts the stationing of units of the United Nations Emergency Force on its side of the armistice demarcation line under resolution II, concerning which, in a similar respect, Israel has raised a question which requires clarification of the Egyptian stand. In case Israel were to receive the assurance from Egypt, which it has requested the Secretary-General to ask for as an action in implementation of resolution II, the representative of Israel in his latest communication has stated only that his Government "would formulate its position on all outstanding questions in the light of Egypt's response".

9. The fact that the Government of Israel has not found it possible to clarify elements decisive for the consideration of their requests, has complicated the efforts to achieve implementation of the resolutions of the General Assembly. If this development has "adversely affected the time-schedule for the withdrawal" of Israel forces, about which the Secretary-General had not been informed, an ultimate reason is that Israel's request for an assurance from Egypt concerning the cessation of all belligerent acts has been put forward while Israel itself, by continued occupation, maintains a state of belligerence which, in the case of Gaza, it has not indicated its intention fully to liquidate.

10. The Secretary-General shares the view of the Government of Israel that the office of the Secretary-General may serve as a means for an interchange between Member states of "proposals and ideas", but wishes to draw attention to the fact that the action which the Government of Israel has requested cannot be regarded as properly described in such terms, as it would be an action within the scope of resolution II and in implementation of this resolution which, although closely related to resolution I, has, at least, full and unconditional acceptance of the demand in resolution I as its prerequisite.

11. The Secretary-General does not consider it necessary here to discuss other points in the latest Israel communication, to which he will have to revert in forthcoming discussions with the representative of Israel.

II

12. The General Assembly, in adopting resolutions I and II (A/RES/460 and A/RES/461), was guided by the need to "assure progress towards the creation of peaceful conditions" in the area. It was recognized that this objective—which was also the theme of the Secretary-General's report on which the debate in the General Assembly was based—required, as an initial step, withdrawal of Israel behind the armistice demarcation line, to be followed by various measures within the framework of the Armistice Agreement. These measures aimed at "a return to the state of affairs envisaged in the Armistice Agreement, and avoidance of the state of affairs into which conditions due to lack of compliance with the Agreement had progressively deteriorated." With this in view, resolution II in its operative paragraph 2 called for scrupulous observance of the Armistice Agreement, which, in its first article, establishes the right of each party to "its security and freedom from fear of attack by the armed forces of the other".

13. The position of the Secretary-General, in his efforts to secure implementation of the two resolutions, has been based on the following considerations. First, agreement was widespread in the General Assembly, as reflected in the sequence of the two resolutions, that "like the cease-fire, withdrawal is a preliminary and essential phase in a development through which a stable basis may be laid for peaceful conditions in the area". Second, the principle which must guide the United Nations after a change in the status juris through military action contrary to the Charter, as stated in the last report of the Secretary-General (A/3512, paragraph 5 (a)), is rec-
ognized as expressing a basic rule of the Charter, thus
giving a high priority to requests based on that principle.
The key significance of resolution I, as indicated by these
two considerations, is confirmed by the fact that resolu-
tion II explicitly states that the measures to which it
refers are to be carried out “after full withdrawal of
Israel” behind the armistice demarcation line.

14. The Secretary-General has understood the General
Assembly to see in resolution II a formal undertaking
with respect to measures to be effected upon withdrawal,
in the light of which resolution I should be implemented
without delay. This is particularly so, since the United
Nations Force is deployed in the region with an assurance
from the Government of Egypt that the Government, when
exercising its sovereign rights on any matter concerning
the presence and functioning of UNEF, will be guided
in good faith by its acceptance of the basic General As-
sembly resolution of 5 November 1956 concerning the
Force and its functions.

15. Beginning with its initial resolution of 2 November
1956 (Resolution 997 (ES-I)) concerning this question,
and culminating in its resolution II of 2 February 1957
(A/RES/461), the General Assembly has stressed the
importance it attaches to scrupulous observance by
both parties of the terms of the Armistice Agreement
between Egypt and Israel. In this regard, the Secretary-
General is able to report that the Government of Egypt
reaffirms its intent to observe fully the provisions of the
Armistice Agreement to which it is a party, as indicated
earlier in its acceptance (A/3266) of the 2 November
resolution of the General Assembly, on the assumption,
of course, that observance will be reciprocal. Attention
should be drawn, in this context, to the statement in
paragraph 22 of the last report of the Secretary-General
(A/3512) reporting the desire of the Government of
Egypt to see an end to all raids and incursions across the
armistice line, in both directions, with effective assist-
ance from United Nations auxiliary organs to that effect.

16. The position of the Government of Israel on the
Armistice Agreement, as reaffirmed by the representative
of Israel in response to a question on the matter during
his meeting with the Secretary-General on 10 February,
was set forth in the letter of 25 January 1957 from the rep-
resentative of Israel to the Secretary-General (Annex V).

17. The relationship between the two resolutions on
withdrawal and on measures to be carried out after with-
drawal, affords the possibility of informal explorations
of the whole field covered by the resolutions, preparatory
to negotiations. Later, the results of such explorations
may be used in negotiations through a constructive com-
bination of measures, representing for the two countries
concerned parallel progress toward the peaceful condi-
tions sought. However, such explorations cannot be per-
mitted to invert the sequence between withdrawal and other
measures, nor to disrupt the evolution of negotiations
toward their goal. Progress toward peaceful conditions,
following the general policy suggested in the last report
to the General Assembly, on which its resolution II is
based, has to be achieved gradually. To disregard this
would render the process more difficult and might seri-
ously jeopardize the possibility of achieving desired results.
In explorations and negotiations, which in this sense
necessarily have to proceed step by step, the parties in-
volved must time and again show willingness to accept
some risks as a condition for progress.

18. Peaceful conditions in the Middle East must be
created in the interest of all countries in the region and
of the world community. The basic principles of the
Charter must be asserted and respected, in the very
same interest. Neither one of these imperative demands
can be met at the expense of the other. The fulfillment
of one will make it easier to meet the other, but to have
peace with justice, adherence to principle and law must
be given priority and cannot be conditioned. In the
present case, efforts to meet the two requirements just
stated have so far been frustrated. The United Nations
must maintain its position on these requirements and,
in doing so, should be entitled to count on the assistance,
in the complex process of gradual and sensitive approach
to the objectives, in particular of the two Member States
directly concerned. If such assistance is not forthcoming,
the efforts of the United Nations will be caused to fail, to
the detriment of all. In an organization based on volun-
tary co-operation and respect for the general opinion
to which the organization gives expression, the respon-
sibility for such a failure would fall, not on the organi-
zation, but on those who had denied it the necessary
co-operation. This responsibility extends beyond the
immediate issue. It may also, in this case, well have to
cover difficulties, flowing from possible failure, for the
United Nations to fulfill its vital functions under the
Armistice Agreements and for the parties to come to
grips with the wider problems which call for such urgent
attention.

19. The Charter has given to the Security Council
means of enforcement and the right to take decisions
with mandatory effect. No such authority is given to the
General Assembly, which can only recommend action to
Member Governments, which, in turn, may follow the
recommendations or disregard them. This is also true of
recommendations adopted by the General Assembly
within the framework of the “Uniting for Peace” resolu-
tion. However, under that resolution the General Assem-
by has certain rights otherwise reserved to the
Security Council. Thus, it can, under that resolution,
recommend collective measures. In this case, also, the
recommendation is not compulsory.

20. It seems, in this context, appropriate to distin-
guish between recommendations which implement a
Charter principle, which in itself is binding on Member
States, and recommendations which, although adopted
under the Charter, do not implement any such basic pro-
vision. A recommendation of the first kind would have
behind it the force of the Charter, to which collective
measures recommended by the General Assembly could
add emphasis, without, however, changing the legal
character of the recommendation. A decision on collective
measures referring to a recommendation of the second
kind, although likewise formally retaining its legal
character, would mean that the recommendation is recog-
nized by the General Assembly as being of such signifi-
cance to the efforts of the United Nations as to assimilate
it to a recommendation expressing an obligation estab-
lished by the Charter. If, in some case, collective measures

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under the "Uniting for Peace" resolution were to be considered, these and other important questions of principle would require attention; this may also be said of the effect of such steps which, while supporting efforts to achieve peaceful solutions, may perhaps, on the other hand, be introducing new elements of conflict.

III

21. In the situation now facing the United Nations the General Assembly, as a matter of priority, may wish to indicate how it desires the Secretary-General to proceed with further steps to carry out the relevant decisions of the General Assembly.

ANNEX I

Aide-mémoire dated 4 February 1957, transmitted to the Secretary-General by the Permanent Representative of Israel to the United Nations

The Government of Israel takes note of the adoption by the General Assembly of two inter-related resolutions (A/3517 (I) and A/3518 (II)).

Israel will co-operate with the United Nations effort designed to establish peace in the area, based on the principles of the United Nations Charter.

I am instructed urgently to request the Secretary-General to ask the Government of Egypt whether Egypt agrees to the mutual and full abstention from belligerent acts, by land, air and sea, on the withdrawal of Israeli troops. This matter is of central importance to all the questions at issue.

In considering the withdrawal schedule, I am instructed to refer to the Sharm el-Sheikh area, and the related question of measures designed to prevent hostile acts, such as interference with free navigation in the Straits of Tiran and in the Gulf of Aqaba. The General Assembly in its resolution II has recognized "that withdrawal by Israel must be followed by action which would assure progress towards the creation of peaceful conditions".

A renewal of interference with shipping bound to and from Elath would clearly lead to hostilities and thus prejudice the declared objective of United Nations resolutions. Accordingly, I am instructed to obtain clarification without delay, whether immediately on the withdrawal of Israeli forces from the Sharm el-Sheikh area, units of the United Nations Emergency Force will be stationed along the western shore of the Gulf of Aqaba in order to act as a restraint against hostile acts; and will remain so deployed until another effective means is agreed upon between the parties concerned for ensuring permanent freedom of navigation and the absence of belligerent acts in the Straits of Tiran and the Gulf of Aqaba.

A positive response to the above questions from all concerned would greatly facilitate the early fulfilment of United Nations objectives as set forth in the United Nations resolutions taken as a whole.

4 February 1957.

ANNEX II

Letter dated 5 February 1957 from the Permanent Representative of Israel to the United Nations, addressed to the Secretary-General

NEW YORK, 5 February 1957

I have been in touch with my Government on the subject of our conversation yesterday.

The Government of Israel attaches primary importance to the elucidation of the two questions which I presented to you in my aide-mémoire.

An affirmative response from Egypt to the first question, on belligerent acts, would affect my Government's policies on outstanding issues. A positive response to the second would greatly assist us to understand the potential role of UNEF in the creation and maintenance of peaceful conditions.

Accordingly, on the clarification of these basic matters, a position would be created in which the other questions which you raised at yesterday's meeting could be considered in a more practical way.

Abba Eban

ANNEX III

Letter dated 6 February 1957 from the Secretary-General, addressed to the Permanent Representative of Israel to the United Nations

NEW YORK, 6 February 1957

In our meeting of 4 February, as you will recall, I drew attention to two points on which you agreed to seek clarification from your Government "immediately". The two points were (1) whether with regard to Gaza it is understood by the Government of Israel that the withdrawal must cover elements of administration as well as military troops, forces and units; and (2) whether, as a question of principle, the Government of Israel agrees to the stationing of units of the UNEF on the Israel side of the Gaza Strip.

Although undertaking to seek clarification from your Government, you indicated in our discussion and in response to an inquiry on the same matter made of you by Dr. Bunche9 on 5 February, that the attitude of your Government on these two points is as set forth in your previous aide-mémoire (A/3511) and in your address to the General Assembly of 26 January. In these two documents, the answer to the first question concerning Gaza is that Israel does not intend to withdraw its civil administration from that territory, while there is no reference at all to the second question concerning stationing of UNEF on the Israel side of the line.

May I also point out that your communication to me of 5 February, although informing me that you have been in touch with your Government on the subject of our conversation on the previous days, has to say about the questions I raised only that if "affirmative" and "positive" responses to the questions put by Israel were first obtained, then "a position would be created" in which my questions "could be considered in a more practical way".

In the circumstances, I must assume, at least for the present, that the reply of your Government to my two questions is specifically negative in one instance and essentially so in the other.

Dag Hammarskjöld
Secretary-General

ANNEX IV

Letter dated 10 February 1957 from the Permanent Representative of Israel to the United Nations, addressed to the Secretary-General

NEW YORK, 10 February 1957

I refer to your letter of 6 February 1957.

My Government's position on the withdrawal of forces from the western part of the Gulf of Aqaba and from Gaza has been set out in my aide-mémoire of 4 February and in my letter to you of 5 February.

The latter communication refers to the request which you made to me on 4 February for the clarification of two points bearing on matters other than the withdrawal of armed forces from the Gulf of Aqaba and Gaza. On learning from the Egyptian Government whether or not it will exercise belligerency by land, sea and air after the withdrawal of Israeli forces my Government would formulate its position on all outstanding questions in the light of the Egyptian Government's response.

9 Ralph J. Bunche, U.N. Under-Secretary.
A Government which anticipates that its neighbors will claim and exercise belligerency against it must clearly adopt a different view of its security problems than it might take if it could confidently assume full and mutual abstention from all belligerent acts. If the proposed affirmation of abstention from belligerent acts were made, Egypt and Israel could move forward to the establishment of a relationship of peace in the Middle East and beyond. I cannot predict what arrangements they might or might not then concert with respect to the disposition of their forces on each side of their frontier. The fact that I have not obtained assistance in receiving an official expression of Egypt's intentions on belligerency deprives my Government of an essential element for the consideration of a great variety of dependent problems.

I have similarly informed my Government that I have not been able to obtain clarification whether, immediately on the withdrawal of Israel forces from the Sharm el-Sheikh area, units of the UNEF will be stationed along the western shore of the Gulf of Aqaba in order to act as a restraint against hostile acts, and will remain so deployed until another effective means is agreed upon between the parties concerned for ensuring permanent freedom of navigation and absence of belligerent acts in the Straits of Tiran and in the Gulf of Aqaba.

I have accordingly reported to Jerusalem that our conversations have thrown no light on the question whether, on the withdrawal of Israeli forces from the Sharm el-Sheikh area, there will be any effective guarantee for continued freedom of navigation in the waters of the Gulf of Aqaba. This freedom is a vital and legitimate national interest for Israel, and is also of international significance. The fact that we have not obtained a positive answer on this point has adversely affected the time-schedule for the withdrawal of forces.

I wish to explain why Israel attaches crucial importance to the questions set out in the aide-mémoire of 4 February.

In the light of past experience, and of recent Egyptian declarations, my Government must in all prudence hold the following assumptions unless evidence to the contrary becomes available:

First, that Egypt claims the withdrawal of Israeli troops from her territory, while herself reserving belligerent rights to remain in effect after such withdrawal;

Second, that Egypt has not agreed that free navigation in the Gulf of Aqaba will be assured after Israel's withdrawal, or that effective measures such as the stationing of units of UNEF should be instituted to ensure such continued freedom of navigation;

Third, that when the Suez Canal becomes physically opened for navigation Egypt will, as in the past, obstruct Israel's exercise of her rights in the Canal under the 1958 Convention;

Fourth, that the doctrine and practice of continuing belligerency will govern Egypt's relations towards Israel in such matters as frontier raids and the non-recognition of Israel's rights under the Charter.

These are sombre and disquieting assumptions. But nothing has yet happened to justify any contrary assumption on our part. I note, in particular, that you did not feel able to state today that Egypt's declaration of adherence to the 1949 Armistice Agreement includes the acceptance by her of an obligation to abstain from the claim and exercise of belligerent rights in the Suez Canal, the Gulf of Aqaba or elsewhere.

Against this background, it has become clear to the Government of Israel that the withdrawal of troops, without simultaneous action to prevent the renewal of hostility by land and sea, would in fact lead to the resumption of confrontations. It is of the utmost importance that in adopting resolutions calling respectively for the withdrawal of troops and for measures to ensure progress towards peaceful conditions, the General Assembly declined to separate its action under those two headings, it voted on the explicit assumption that action in one field without action in the other would jeopardize the prospects of peace.

In that spirit, my Government made an effort on 4 February to solve the deadlock by the clarification of the two points referred to in its aide-mémoire.

In the first place we sought a declaration by Egypt and Israel that such a belligerency would, of course, include the annulment of such practices as the restrictions on Israel's shipping in the waters of the Gulf of Aqaba, and of activities such as those of the Fedayeen which are incompatible with any policy of non-belligerency. On the basis of a mutual abstention from belligerent acts Egypt and Israel could construct a coherent system of security relationships. The implementation of a non-belligerent agreement would still require certain measures and guarantees, but the conditions for progress in all fields would be automatically and radically transformed.

My Government feels that it is not equitable to ask it to discuss its attitude on any concrete question affecting its security unless it knows whether its answer must be based on the implied assumption or, as the case may be, the assumption of progress to peace. Other Members States, in discussing this problem might reach more precise conclusions if they understood clearly whether or not Egypt, on securing the withdrawal of Israeli forces, would renew its policy of blockade and raids.

A similar situation prevails with respect to mutual security arrangements. I have enquired what arrangements for continued freedom of navigation on the Gulf of Aqaba and the Straits of Tiran would prevail on the withdrawal of Israel's forces from the Sharm el-Sheikh area. It is regrettable and puzzling that information so vital to our schedule for the withdrawal of troops should still be withheld from us. So long as this information is denied to us, my Government must apprehend that the withdrawal of its forces would be followed by an immediate or early resumption of the illicit restrictions which effectively denied Israel the free use of its southern port, and cut our country off from normal trading relations with a great part of the world, during a period when the Suez Canal, too, has been effectively closed to essential Israeli-bound convoy.

The priority of the Sharm el-Sheikh area in any discussion on the withdrawal of forces is justified by many considerations. The areas adjoining Sharm el-Sheikh have recently been evacuated. An important international interest is widely recognized in the adjoining waters of the Gulf of Aqaba and the Gulf of Suez. The maintenance of a neutral area in the region remains essential for the preservation of peace in the area.

My Government has felt justified in proposing that this problem be solved before others of greater complexity are breached. The solution which we seek is one that reconciles the withdrawal of forces with the maintenance of continued freedom of navigation.

My Government has studied your letter of 6 February and a published statement on that date. It does not agree that the solution of two other questions, not dealing directly with the withdrawal of forces, can justly be described as "prerequisite" to the solution of the two basic problems of belligerency and withdrawal from the remaining area of Sinai. We hold that the two basic problems raised in the aide-mémoire of 4 February are objectively and intrinsically the most urgent and substantial outstanding. My Government and therefore on this matter is silent in this letter, and it therefore does not agree that the formulation of the last paragraph of your letter of 6 February is an adequate description of its stand.
In the light of these considerations, and of my letter of 5 February, I am instructed to reiterate the request made through you in my aide-mémoire of 4 February for clarification by the Egyptian Government of its attitude to an affirmation of full and mutual abstention from belligerent acts; on the withdrawal of Israeli troops; and for clarification of the guarantees to be established for continued freedom of navigation on the withdrawal of Israeli forces from the Sharm el-Sheikh area.

My Government holds that it is one of the central functions of the high office of Secretary-General to serve as a means for the interchange of proposals and ideas between Member States, especially when normal methods of inter-State contact are not available. It hopes that in that spirit you will assist it to elucidate the two problems referred to in the 4 February aide-mémoire, in order that progress may be made in fulfilling the objectives of the General Assembly’s recent resolutions.

Abba Eran
Permanent Representative of Israel to the United Nations

Annex V

Letter dated 25 January 1957 from the Permanent Representative of Israel to the United Nations, addressed to the Secretary-General

New York, 25 January 1957

In your letter of 6 December 1956, you asked me to ascertain the position of the Israeli Government on the General Armistice Agreement between Israel and Egypt.

This question has also arisen on a number of occasions in our conversations and, as you are no doubt aware, has formed the subject of public statements by the Prime Minister, and by other official Israeli spokesmen.

Israel’s view as outlined in these statements is, briefly, that the General Armistice Agreement has been consistently violated by Egypt both in letter and in spirit ever since it was signed on 24 February 1949. Its central purpose of non-belligerency and its character as a transition to a peaceful settlement have been constantly repudiated by Egypt. Egypt has even held, most incongruously, that the Agreement could coexist with a “state of war” against Israel. This policy of Egypt and the actions flowing therefrom have brought the Agreement to nought, with the result that a new system of relationships must now be constructed.

On the other hand, Israel does not consider that the relations between Israel and Egypt are those of a state of war: our mutual obligations are still defined by the Charter of the United Nations which rules out any concept of a “state of war”. This was made clear by the Prime Minister of Israel in a speech in the Knesset on 23 January 1957. The relevant extract of this speech follows:

“As for the Armistice Agreement with Egypt, which was signed eight years ago (on 24 February 1949), as a transitional stage to permanent peace, the Egyptian dictator has violated its principles and purposes and by his repeated declarations that there is a state of war between Israel and Egypt, he has distorted the essence and the aims of the Agreement. He exploited it as a smoke screen to cover up his murderous attacks against the people of Israel and his implacable blockade of Israel on land, at sea and in the air.

“It was from the Gaza strip that fedayeen units were dispatched to Israel and bands of murderers and saboteurs were organized in other Arab countries as well. Thus the Agreement was transformed into harmful and dangerous fiction which only assisted the Egyptian ruling junta in its malevolent designs.

“Any return to this agreement means return to murder and sabotage. Israel does not claim that the absence of an armistice agreement means the existence of a state of war with Egypt even though Egypt insisted on the existence of a state of war even when the Agreement was in existence. Israel is prepared to confirm its position on this by signing immediately with Egypt an agreement of non-belligerency and mutual non-aggression, but the Armistice Agreement, violated and broken, is beyond repair.”

Abba Eran

United States Recognizes New Government of Haiti

Press release 81 dated February 21

The United States Embassy at Port-au-Prince, Haiti, on February 21 informed the Foreign Minister of Haiti, Evremont Carrie, that the U. S. Government has recognized the new Government of Haiti.
Secretary Dulles' News Conference of February 19

Press release 76 dated February 19

Secretary Dulles: I want first of all to express here my regret, which I know you all share, at the pending resignation of Mr. McCordle as Assistant Secretary of State. He has worked well and loyally with the President and me, and with you, over these past 4 years. He is now returning to private life at this time, which is an understandable wish on his part, but I want you all to know, as he knows, how greatly I shall miss him.

Now, if you have any questions, I would be glad to try to answer them.

Q. Mr. Secretary, will the United States Government be willing to send one of its own ships to the Gulf of Aqaba in order to maintain our view that this is an international waterway?

A. I prefer not to answer a hypothetical question. I don't think that occasion would arise.

Q. What did you mean in the memo that the United States will exercise its right of free and innocent passage in the Gulf of Aqaba? 1

A. Well, I think we meant what we said.

Q. Does that mean all ships?

A. It would mean we would expect that ships of U.S. registry would be able to pass into what we regard as an international waterway and which Egypt regards as a waterway through which we can have free and innocent passage. As we said in our aide memoire, we have no reason to assume anybody would contest that.

Q. Mr. Secretary, you don't think the occasion would arise where we would have to force our ships through the Gulf of Aqaba. On what do you base that? What assurance have you from Egypt that she will not fire on ships going through there?

A. We have no specific assurances on most of these international waterways. It is a matter of course.

Q. Mr. Secretary, in 1950, if I recall correctly, the Egyptian Government, in a note which you cited in the memo, declared it was occupying the two islands in the gulf to prevent damage, or something, but it did not mean to go back on its view that this was an international waterway. Well, after making that declaration they did proceed to bar Israeli ships. From that I wonder how much value could be placed on the 1950 assurance in view of their record?

A. Of course there have been, since the time you allude to, the reassertion by the parties to the Armistice Agreement of certain belligerent rights. But we are hopeful that there will be a cessation of those exercises of belligerent rights. In fact, the United Nations Security Council held, in 1951, 2 that under the Armistice Agreements belligerent rights are not to be exercised, and while that resolution wasn't fully carried out at the time, I believe that there is an increasing realization, on the part of the world community and the United Nations and its members, of the importance of a scrupulous observance of the armistice terms. That is embodied in our basic resolution of the second of November. 3

Meaning of "Innocent Passage"

Q. Mr. Secretary, to clear up one point, much of this hinges on the innocent passage. Would that mean ships of American registry would be subject to search? That search would not be considered search for contraband—would not be considered interference?

A. Well, I don't know. You are getting me now into intricacies of international law on which I have gotten rather rusty in recent years. But I would doubt that, unless there was some ground

1 See p. 332.


3 Ibid., Nov. 12, 1956, p. 754.
for suspicion, there would be a right of search of vessels which were, as far as could be known, going through there for innocent purposes.

Q. Mr. Secretary, has this Government received any assurances, formal or informal, from the Egyptian Government that it would respect innocent passage through the Straits of Tiran?

A. The United States has not been conducting any negotiations at all in these matters with the Egyptian Government. We believe that Secretary-General Hammarskjold is from time to time in contact with the Egyptian Government through the Foreign Minister, who is in New York, but the United States has not itself engaged in any talks which we think might cut across the authority and functions of the Secretary-General.

Q. Mr. Secretary, why do you use the term "innocent passage"? What is your purpose in using that if it has no real meaning? From your recent answer I could gather no concrete reason for using that phrase "innocent passage."

A. Well, "innocent passage" is a phrase which has a long and established meaning in terms of international law. It means, I believe—although I would have to get an opinion from the Legal Adviser on this—it means a passage which is not designed to do injury to anybody. It is a classic phrase which has a—I won't say a "well-defined meaning" because the writers of international law differ, I believe, in some respects as to precisely what it means. It was the phrase, I think, which was used by the Egyptians themselves, and, as I say, it is a conventional phrase of international law.

Q. How do the Egyptians use the phrase?

A. Well, I think I quoted it in the memo which we gave the Israeli Government. I think I have a copy of that in my pocket if you want me to read it.

Q. Could they stop a ship alleged to be carrying war materials on the grounds of "innocent passage"?

A. I don't think so unless there is some basis to suspect the passage was designed in some way to injure one of the other littoral states.

Q. Could they search to find out or to be sure?

A. Let me tell you—I cannot give you in any authoritative way all the implications of that phrase "innocent passage." As I say, it is a phrase which is a conventional phrase used in international law which has a meaning, although the authorities, I think, differ slightly as to the precise implications of it. I don't think it really is profitable to go into all the legal implications of that, and I would not be qualified to answer all those questions.

Q. Would you permit just one more question, please?

A. Certainly.

Q. Do you think there is any chance that the Egyptians by their interpretation of the words "innocent passage" might in effect restore their interpretation of belligerent ships going through Aqaba?

A. Well, if you ask me whether there is "any" chance, I would be reluctant to say that in this world of uncertainty there isn't a chance of almost anything happening. But I do not think it is probable—I would say that.

Q. Mr. Secretary, has the Israeli Government in any way modified its position on Aqaba and the Gaza Strip since you received the aide memoire from Ambassador Eban?

A. No, it has not modified its position. On the other hand, we do not feel that the discussions are definitively closed. We are still not without hope that Israel may come to the conclusion that the wisest course of action is to withdraw its forces and to rely upon the other assurances that are contained in the resolutions of the United Nations and in statements of national policy, such as that which the United States has given. We are not without hope still in that respect.

Q. Mr. Secretary, does the United States intend to lay any specific proposals before the United Nations at this time?

A. No, we have no plans formulated there. Of course, as you know, I am having this afternoon a conference with the President about this situation, and he is having a meeting—an important meeting—tomorrow morning with the congressional leaders. I hope that Ambassador Lodge will come down to be present at these meetings. We will go over the situation further. It may be that as a result of that we will go to the
United Nations with a program; it may be that we will be studying the programs that other countries may have to put up. I do not know yet whether we will take any initiative in the matter ourselves or any resolution.

**Question of Sanctions**

*Q.* Mr. Secretary, if Israel refuses to modify her position, is this Government prepared to support sanctions?

A. That is a matter which will be discussed tomorrow, and I wouldn’t want to anticipate the results of the exchange of views which will take place between the President and the congressional leaders. I would, however, just like to make one observation: The word “sanction” is sometimes used as though it had a precise meaning. Of course, there are all kinds of sanctions. There is a wide variety of action which can be called a sanction—moral sanctions, economic sanctions—as to which, again, there is a great variety—military sanctions. So, the word “sanction” just used in the abstract does not have any clearly defined content.

*Q.* Mr. Secretary, there have been expressions of hostility in both parties in Congress against sanctions on Israel. Is there any way that Congress could prevent the administration from imposing sanctions, or is that exclusively an executive function?

A. Well, again, it depends on what kinds of sanctions you are talking about. There are certain types of sanctions which would probably require congressional action; there are other types of sanction which can be done by the Executive without any participation by the Congress.

*Q.* Mr. Secretary, you once said that we would not shoot our way through the Suez Canal. Would we shoot our way through the Straits of Tiran?

A. I think I have already answered that question by saying that that is a contingency which we do not anticipate and as to which I do not want to make any forecasts.

*Q.* Mr. Secretary, you keep emphasizing a ship of American registry in this Aqaba matter. Isn’t it a contention of the Israelis that they want a ship of Israeli registry? If we do get an American ship through, what good does that do the Israelis?

A. Well, in the first place, it might do them quite a bit of good. In the second place, I do not think that the United States, in the absence at least of a treaty or congressional action, has authority to use force to defend the rights of ships of another registry. But I would also add that the United States, in acting on its own behalf and perhaps, as I have suggested, in concert with other maritime powers, would, I think, be able to impress upon that body of water an international character the benefits of which would inure to all maritime states.

*Q.* Mr. Secretary, does this declaration or position set forth in the aide memoire of Monday last differ in any way from the position declared in our behalf by Mr. Lodge in the Security Council in ’54?

A. Well, I don’t have clear in my mind just what the ’54 declaration is that you refer to.

*Q.* Well, it was this Suez blockade particularly, and Mr. Lodge declared the position of this Government in reference to that and to any other waters, or concluding with the phrase “to any waters outside the Canal,” and to the effect that neither party had the right to blockade that or to claim belligerent rights with respect to that, or waters outside the canal.

**Interconnection of Peace and Justice With International Law**

A. As I say, I don’t recall precisely what Ambassador Lodge said, so I prefer to have my statement stand on its own footing rather than to try to compare it with, or to see if it is in any way different from, what Ambassador Lodge said. But I would like to say this: I think that since the events of the last few months there has come about on the part of all of the nations and members of the United Nations a more lively realization of the interconnection of peace and justice and conformity with international law. I have been constantly emphasizing this myself over the last 6 months, and while I believe that the avoidance of the use of armed force is, you might say, a primary requirement, the exercise of self-restraint in that regard calls for the exercise of great vigilance and greater exertion than has been the case heretofore in trying to assure that other aspects of international law are complied with. I think

we are going through what may prove to be a very significant stage in the development of an international order. And if the world can get through this present stage by liquidating the armed attack, and then following that with a more vigilant effort by the United Nations and its members to preserve and secure the satisfaction of other rights under international law, I think we will have made one of the great forward steps in history in the development of an international order.

And to go back to your question as to whether what I say now corresponds with what Ambassador Lodge said before, I don’t know about that, but I do know this: that there is a far greater realization now than there was before 1954 of the importance of these two aspects—what I have often called the two sides of the coin—and that I believe that whereas, for example, the decision of the Security Council of 1951 that Israeli ships are entitled to go through the canal was allowed to be disregarded at that time, I think for the future there will be a greater effort to secure through the concerted influence of the nations of the world a compliance with such decisions embodying principles of right and justice than was the case heretofore.

Q. Sir, does that belief include Russia and its satellites, like Hungary, that they will abide by the United Nations decisions?

A. No, I’m afraid I have to say that there is no evidence, as yet, that the countries dominated by international communism show the regard and respect for international law which is felt by what we call the free world, that is, the nations not dominated by international communism.

Q. Mr. Secretary, in another area there has been some question of late that the United States has been trying to encourage tighter controls on trade with both the Communist bloc in Europe and especially the Chinese Communists. Would you tell us whether or not we have made such an effort internationally to tighten restrictions?

A. No, I can’t tell you any more than I think I said in my last press conference 2 weeks ago: that these matters are constantly a subject of consideration by the committees—the CoCom and the CHINCom Committees—which deal with these matters. I think, particularly since the events in Hungary, that there is a disposition to try to tighten up somewhat the provisions of the CoCom, which applied to the Soviet Union; the same may be true about the CHINCom. But it is only within the general area of policy which has already been agreed to.

Q. Mr. Secretary, have you been able to take some time off in the past weeks from the Middle Eastern crisis to look into the Milton Eisenhower Committee of Presidential Representatives of Latin America, the work they are doing there now?

A. Well, I have not been able to give it as much attention as I would have liked. I have met with that group, including Dr. Milton Eisenhower, about 10 days ago I think it was, and I have a good impression as to the work that is going on there. But I have not been able to follow it in detail.

Q. Mr. Secretary, can you tell us something about this new British proposal for reopening the Suez Canal? The British Foreign Ministry announced it this morning.

A. Well, there have been discussions going on in the United Nations under the guidance of Secretary-General Hammarskjold as to the conditions which might prevail upon the reopening of the canal, and he has sought, I believe, the views of Egypt and also the views of a number of the important users of the canal. The United States has responded to that inquiry on his part, and I believe certain other countries have. And I think what has been reported there is merely a reflection of the interim processes of the Secretary-General trying to work this out.

Q. Does this mean, sir, that the 18-nation Users Association idea now is on the shelf while this new proposal is looked into?

A. I do not know precisely what the recommendations—in fact, I don’t know at all—what the recommendations of the Secretary-General will finally be in this matter, whether or not they may involve the use of the Users Association. My impression is that, as far as the payment of tolls is concerned, it may involve another agency such as perhaps the World Bank or even the United Nations itself. But, as I say, that still is in the process of being worked out by the Secretary-General, and I wouldn’t want to preclude the possibility that the Users Association might play a role there.

March 11, 1957
Israel's Rights to Canal

Q. Mr. Secretary, in light of what you said before and in regard to this opening of the Suez Canal, you mentioned the fact that you had hoped that in the future such resolutions as the 1951 Security Council resolution would be more implemented. In the event the canal is opened, will that resolution be implemented now with regard to Israel's shipping? In other words, will there be an effort by the United Nations and by this country to secure Israel's rights to the canal?

A. Well, again, I cannot forecast with certainty what other countries may do, but we interpret the six principles which were adopted by the Security Council in October, \(^5\) unanimously, and agreed to by Egypt, as meaning what they say, namely, that there should be free and open transit through the canal without discrimination and that the canal shall be insulated from the politics of any nation. We have no reason to assume that those principles will not be applied.

Q. Mr. Secretary, is it not a fact that, when the Egyptians took physical control over the Straits of Tiran, they announced their intention of intercepting American ships 3 miles before they reach the straits? Will you describe their problem in detail? Does this not weaken our present declaration that the straits are an international waterway?

A. Perhaps we have used the phrase here "international waterway" a little bit loosely. It is at least more accurately expressed in the aide mémoire which we gave. The Gulf of Aqaba itself comprehends international waters. As such, the right of access to it cannot, we believe, in international law be denied as against the wishes of any one of the four littoral states. If the four littoral states which have boundaries upon the gulf should all agree that it should be closed, then it could be closed. Now, the entrance itself is less than 6 miles wide. However, it is a passage to a body which comprehends international waters and as such cannot properly be closed to innocent passage. But states which hold the banks of the straits do have certain rights which are greater than if the passage itself was sufficiently wide so that it could not be comprehended within the generally accepted 3-mile limit on each side.

Q. Mr. Secretary, to clarify one point, is it our view that, once Israeli troops are withdrawn from Aqaba, Egypt would have no right to stop Israeli ships that are going to Elath?

A. Yes, that is assuming they fall within the generally accepted definition of innocent passage.

Q. Mr. Secretary, I could not hear your answer.

A. My answer was that there is no right to prevent the passage of Israeli ships, assuming that they are engaged in what is comprehended in international law by the term of innocent passage.

Q. Mr. Secretary, how do you define the distinction that you make between this assurance that the United States Government has given its view and the guaranty for which Israel has asked of American support over the interests of Aqaba?

Well, a guaranty given to another nation would be something which could not occur without authority from the Congress or by a treaty. The President has inherent power to use the forces of the United States to protect American ships and their rights all over the world. But he has no power, in my opinion, to use the forces of the United States on behalf of the vessels of another flag unless he is given that authority by some congressional resolution or by a treaty.

U.S. Position on Recognition of Communist China

Q. Mr. Secretary, yesterday Senator Green suggested that the United States might well recognize Communist China. Would you give us your comment on his views?

A. Well, I think it is important that we shouldn't forget too fast. We sometimes tend to forget too fast. We shouldn't forget that the Chinese Communists have fought the United Nations, and the United States, in Korea and they are largely responsible for nearly 150,000 United States casualties; that that activity has only been suspended by an armistice and that the Chinese Communists have prevented the political settlement which was supposed to succeed the armistice after 6 months; that it has seized by force Tibet; that it has fomented, or did foment, the war in Indochina; that it today threatens to use force against Taiwan and the United States position there as a treaty partner of the Republic of China; that it holds in the vilest prison conditions 10

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American citizens, 6 of whom are missionaries; and that it conducts a vicious campaign against the United States, and against the principles of the United Nations, wherever it can. Now in my opinion it is premature, to say the least, to begin to be talking about U.S. recognition of a regime of that character. May I say, is it not the case that Senator Green modified or partially withdrew his first statement?

Q. Didn't he say "in time" or "eventually"?

A. I suppose that none of us are talking here in terms of eternity. (Laughter)

Q. Mr. Secretary, earlier you said that the United States has not been negotiating with the Egyptian Government on this matter of innocent passage. Have we been in contact with the Egyptian Government, in direct contact through our Ambassador in Cairo, so that we might know what they are thinking about on this subject?

A. There was a rather extended meeting which Ambassador Harr had with President Nasser, I think last week, but it merely involved an exchange of views, including matters which are of direct concern between Egypt and the United States. Of course, there are a number of matters in which we are two are directly concerned. There is the question of certain Egyptian funds here that are frozen, and things of that sort, and, while there was a general discussion, it did not in any sense represent an effort by the United States to negotiate with President Nasser on matters that are being dealt with by the Secretary-General.

Q. Mr. Secretary, can you tell us what, if any, action will be taken against William Worthy, the newspaper reporter who went to Communist China?

A. No, I am sorry I haven't yet the answer.

Q. You were asked what would happen if an American ship went through the Straits of Tiran and there was an attempt to stop it, and you said you could not envisage that contingency. Did you mean by this you did not expect it to be stopped, or that no American ship would be sent through the straits?

A. No, I expect that American ships will go through the straits, and I do not expect them to be stopped.

Q. Mr. Secretary, General Wheeler, who is in charge of the clearing of the Suez Canal, is complaining about delaying tactics of the Egyptian workers there, or the Egyptian Government. I was wondering whether you think that Egypt has the right to do this and whether anything will be done about it.

A. I do not think that Egypt ought to practice delaying tactics about the opening of the canal. You will recall that this resolution I spoke of, of November 2, which put down certain things that were called for, and in a sense established an order of urgency, said that immediately upon a cease-fire steps should be taken to reopen the canal. By and large that effort has gone forward and has substantially reached completion. The United States would deplore it very much if at this stage there was noncompliance by Egypt with that aspect of the November 2 resolution.

Q. Mr. Secretary, you talked to Mr. Ollenhauer, the German opposition leader, yesterday. Were you impressed by Mr. Ollenhauer's arguments?

A. I would say this, that Mr. Ollenhauer was gracious enough to seek my views on various questions rather than to try to impress me with his views, so that there did not occur this argumentation that you refer to.

Q. Mr. Secretary, to be more specific on sanctions, there is a notice in the paper today that Senator Johnson has written you a letter as well as two dozen others of his colleagues asking specifically that the United States oppose any attempt to give sanction to punish Israel with sanctions. Now I would like to be specific and ask you, would the United States in any way favor economic sanctions against Israel, which I think is what would be most damaging to her general welfare?

A. Well, I understand your desire that I be specific, but I am afraid I am not in a position to be specific today. We are having, as I say, this meeting with the congressional leaders tomorrow on this subject, and I think it would be quite improper for me to seem to crystallize a specific U.S. position on a matter which we are going to discuss in an openminded way with the congressional leaders tomorrow.

Q. Mr. Secretary, Congressman Porter and Senator Morse of Oregon have said some time back that the State Department was not energetic enough in pursuing the investigation of the disappearance of an American flyer, Gerald Murphy, in the Dominican Republic. The Department
made public yesterday some report of the Dominican Republic’s investigation on this case. I wonder if you are acquainted with the report and if you believe that this closes the matter or if we are pursuing our representations to the Dominicans?

A. Well, we are pursuing our inquiries. I have inquired within the last day or two about the state of the matter. We have received from the Dominican Government a very voluminous lot of documents. I am told one of them is 100 pages long in Spanish. We only got them, I think, about a week ago, and we are in the process of going through them. I may say also the Department of Justice is itself making inquiry into the aspects of this matter which may have a domestic situs.

Q. Domestic what?

A. Situs, s-i-t-u-s.

Q. Would you care to comment on the recent naming of former Ambassador Gromyko as your opposite number in the Russian Government?

A. We have been opposite each other for quite a while, not in this precise capacity, but in a capacity that approaches it, so that I know him pretty well and I guess he knows me pretty well.

Two-Way Streets Around the World

by Thorsten V. Kalijarvi
Acting Deputy Under Secretary for Economic Affairs

As the spotlight of crisis moves restlessly about on the globe, it illuminates first one and then another dangerous situation of world politics. And in the bright light it is usually plain to all the spectators that they are looking not only at a political situation but also at an economic situation. The affair of the Suez Canal, for example, reveals how oil and ocean routes and irrigation water can become mixed with considerations of national "grandeur" and personal prestige and national security and colonialism and ideology.

It is unfortunate that some people who can see very clearly the economic aspects of big upheavals and crises seem to have astigmatism when it comes to seeing the importance of day-to-day economic relations such as reciprocal trade and technical assistance.

Yet the solid foundation supplied by day-to-day economic cooperation, bringing beneficial change without the agony of destructive crisis, is indispensable to our security and our well-being in a world that rushes from change to change with breathtaking speed. In modern life an economic "Fortress America" is no more conducive to our national interest than any other kind of "Fortress America." This country cannot turn in upon itself either militarily, politically, or economically, for a new kind of world now exists.

Those of you who have read The Education of Henry Adams, the autobiography of the great-grandson of President John Adams, may remember that Henry Adams came to the conclusion that Western man, between the 12th century and 1900, moved from a unified society into multiplicity in an unbroken sequence and at a rapidly accelerating rate. Finishing his book in the first decade of the 20th century, Adams noted that the coal output of the world, in the form of utilized power, had approximately doubled every 10 years between 1840 and 1900. Chemical power, electric power, and other forces were likewise accelerating. Both physical force and mental complexity were extending themselves on immense horizons: Adams believed that "As Nature developed our hidden energies, they tended to be-

1 Address made before the National Conference on International Economic and Social Development at Washington, D.C., on Feb. 12 (press release 62).
come destructive,” and he wrote that man “helplessly groaned and shrieked and shuddered, but never for a single instant could stop.”

Adams was convinced that the difficulties of education had gone on doubling with the coal output. He said that the movement toward multiplicity, if prolonged one generation longer at the same rate of acceleration, “would require a new social mind.” And on top of all this, the discovery of radium led Adams to declare that an entirely new class of forces had appeared, plunging thought into “a new phase subject to new laws,” and that the mind, if it reacted successfully, “would need to jump.”

Those words which have such a modern sound were written 50 years ago. I must leave it to philosophers, and perhaps to theologians, to judge the validity of Henry Adams’ theory of history and to predict where the law of acceleration, if valid, will ultimately lead us. But at least we must acknowledge that the acceleration of force and complexity has continued in the 20th century and that they have added to the problems of world affairs. If Adams stood aghast before the changes that ran past him in the 19th century, what would he say of atomic, jet-propelled, electronic 1957?

I have mentioned Henry Adams to illustrate the dynamism of modern history. We will not serve the national interest by pretending to ourselves that life on this planet is the same as it was a hundred years ago, or even 10 years ago. Further, we know that change will continue into the future, and very likely at a rate even faster than at present.

We need to do more than accept the inevitability of change; we need to base our thinking on it. We certainly do not despair over it, for we have faith in man’s ability to influence the course of change. It is true that we do not have the same unquestioning faith in automatic and inevitable progress that most Americans possessed in the 19th century. Our serene and rosy view of the future has been shaken, and perhaps that is a good thing, so long as we have our courage, our energy, and our principles. We know, now, that man must earn his progress the hard way—and by progress I mean developing the mind of man to cope with the combination of physical and human forces that could engulf him. This is both the challenge and the hazard for the world of nations.

What is man’s best hope of coping with these forces? Though nobody has all the answers, I think we can say with certainty that it will not be done by nations going it alone. Maybe the mind of man has not yet “jumped,” but at least it has sensed the need for joining hands. And not the least encouraging aspect of world affairs today is that the strongest nation on earth has based its foreign policy on international cooperation.

When I talk about the changing world around us, I am sure this audience knows that I am not referring only to events in other continents, though such events are tremendous. The changing world is here, too, and you in this room helped make it change. Of all the historic global transformations of our era, one of the most significant is the explosive economic growth of the United States and the resulting rise of this country to a towering position in world affairs.

During the last two decades the American people have come to recognize their world power and their world responsibilities. And by and large they have understood that a nation with our strength and our tradition of respect for the individual must use its great influence with full recognition that the human individual is equally endowed with rights and worth and dignity whether he lives in the United States or anywhere else on earth. They have accepted the truth that without such recognition real cooperation is impossible and will be ineffective in solving the problems of humanity.

“Abrasive Specifics”

Most of us accept these big, solid, smooth generalizations, but the rub comes when we get down to the abrasive specifics. And unfortunately there are some among us whose thinking has moved only part way and who on occasion act as if cooperation were a one-way street.

For example, in international trade they want more exports but they balk at permitting more imports.

They realize the vital importance of expanded trade to our security and our well-being, but they stop short of supporting more efficient international machinery for trade cooperation.

They think that treaties of friendship, commerce and navigation are fine when they guarantee our citizens full rights and privileges abroad but not so good when they protect the goods of an-
other country against discrimination in our own markets.

They want other countries to improve the climate for American private investment abroad, but they support state legislation that would prevent a private foreign firm from building an industrial plant on our soil.

They have failed to grasp the principle that our mutual security program—including the economic parts of it—fosters our own security and prosperity as well as the independence and well-being of other nations, and therefore they think that if another country is not properly grateful the program is a failure and should be thrown out the window.

We all agree that free economic institutions offer greater promise of higher production and higher living standards than economies burdened by monopolies, restrictive business practices, and excessive governmental regulations. And, therefore, it is the policy of the United States to encourage free enterprise in the free world. But other countries have the right to determine their own forms of economic organization. What we want is for other peoples to have confidence in their innate capacities for economic progress through free institutions of their own. I emphasize "of their own," for there are some who have not perceived the distinction and who consider foreigners beyond redemption if they do not forthwith adopt our system in toto regardless of their own political and economic conditions.

A person may accept the realities of international cooperation in everything except the one small blind spot that appears in the vicinity of his own personal interest.

But all the blind spots added up together are equivalent to considerable pressures that weaken the effectiveness of foreign policy and reduce the influence of the United States in world affairs.

Now, blind spots are not confined to this country. Elsewhere in the free world there are people whose minds have not jumped to the realities of two-way cooperation. There are those overseas who think their governments are doing the United States a favor pure and simple by allowing us to have bases on their soil—bases which protect them as well as us. There are those who gaze upon our great economic strength and refuse to see that we have our problems too. There are those who imagine a reversal of our entire trade policy in every change in a tariff rate; undiluted materialism in our prosperity; and callous disregard of their rights whenever we cannot grant them all the aid they may sincerely think they need. Let us frankly acknowledge here the existence of attitudes like these in other lands. But their existence is not a valid argument in support of one-way attitudes of our own.

We must follow steadfastly and patiently the two-way streets of cooperation in our own far-sighted national interest in a world of crisis and accelerating change.

**Exchanging Technical Information**

Happily, the wisdom and the rewards of patient economic cooperation have by no means gone unrecognized. This is perhaps nowhere more evident than in the technical-cooperation and exchange programs that gird the free areas of the world today. The United States, through the efforts of private enterprise, through bilateral arrangements with our free partners, and through participation in international cooperative bodies, is one of the prime advocates of exchanging information and know-how among nations.

In his second inaugural address, President Eisenhower said:

> ... the American story of material progress has helped excite the longing of all needy peoples for some satisfaction of their human wants. These hopes that we have helped to inspire we can help to fulfill.

The United States, in its own economic growth, relied on inventions and production techniques—yes, and capital—acquired from abroad. Money from France, then later the United Kingdom, the Netherlands, and other sources was used to help build the imposing structure that has become our economy today. Even in the 20th century, crops and livestock of foreign origin have been transplanted here. Old World thinkers and experimenters have contributed immeasurably to our general education and knowledge, not only in our common heritage but in generation after generation, to the present day. Our atomic energy plant, considered the most advanced on the face of the earth, was built by the combined efforts of American and foreign scientists. These facts are sometimes forgotten, but they never should be.

In the years since World War II, the United States, with its economy booming and its homeland physically undamaged, has been in a unique position to spread beneficent techniques across na-
tional boundaries. Quite apart from the grants and loans made to other countries, we have administered programs of technical cooperation desired by other governments. We did this in the knowledge that, although technical skills cannot be absorbed at an equal rate in all places, they are in urgent demand practically everywhere.

What techniques our people have shared with less developed countries, they have shared in a humanitarian spirit. But let it not be called charity, for the policy is based on a farsighted conviction that we and the recipients would both benefit.

Today I have neither the time nor the intention to make a comprehensive review of the worldwide technical-cooperation programs of the United States, much less a review of our foreign assistance programs as a whole, nor an adequate appreciation of the excellent work of some of our private organizations and foundations in this field.

In the remaining minutes of my talk, I wish to do two things.

One is to emphasize the fact that the United States has a basic, deep-seated, and continuing interest in the economic growth of other countries, completely aside from the vital political problem of resisting communism. It was almost 10 years ago that Henry L. Stimson wrote the following words:

I do not mean to belittle the communist challenge. I only mean that the essential question is one which we should have to answer if there were not a communist alive. Can we make freedom and prosperity real in the present world? If we can, communism is no threat. If not, with or without communism, our own civilization would ultimately fail.

That statement by Mr. Stimson is equally true today. We seek the improvement of human living conditions not just to oppose something but because it is a positive good.

It is a positive good for the people whose lives are directly enriched, and for us, too, and for humanity in general. It helps the so-called underdeveloped peoples and the industrial societies as well. It promotes peaceful trade; it provides sources of materials which we ourselves need; it fosters international intercourse and understanding in a world that must have them.

The old notion that was prevalent in earlier centuries that highly developed economies could not afford to help create other highly developed economies—supposedly competitive with their own—is about as serviceable today as the horse-drawn streetcar.

**Technical Assistance Through U.N.**

The other thing I wish to do this morning is to make a few comments on the participation of the United States in multilateral programs of sharing technical skills. I shall talk about the multilateral approach not with any idea of minimizing the solid importance of our bilateral programs of economic and technical cooperation but because the bilateral programs will be more fully discussed by others on your program. I also speak of the multilateral approach with full awareness that there are certain types of multilateral programs that are still under consideration in the United Nations, and I wish to confine myself here to a group activity with which we have had experience for several years now: multilateral technical assistance.

The United States has joined in the technical education process which the United Nations carries on through such specialized agencies as the Food and Agriculture Organization, the World Health Organization, the International Labor Office, and the Educational, Scientific and Cultural Organization. And we are also associated with other international bodies which devote a considerable part of their efforts to the advancement of economic development through technical cooperation. The World Bank and the International Monetary Fund, though specialized agencies of the U.N., carry on separate activities in this field. The Organization for European Economic Cooperation, the Organization of American States, and the Colombo Plan—all sponsor technical cooperation.

Never before have the resources of so many countries been mobilized for a worldwide cooperative enterprise as in the United Nations Expanded Program of Technical Assistance. During the first 6 years of the program, experts were recruited from 77 countries to help provide technical education in various forms.

I am sure that most of you are familiar with the striking achievements of this program throughout the world. Many of you have visited countries where the program is working and have yourselves seen the benefits it is bringing to the peoples.
The elimination of dread diseases; better educational facilities and advances in literacy; increased agricultural and industrial productivity; improved government administration; better road, rail, and air transportation—examples of such accomplishments can be cited on the basis of your own personal experiences.

Rather than eulogizing, unnecessarily, a program which is generally regarded as one of the most successful endeavors of the United Nations system, I should like to mention a few current aspects of our own participation in that program.

During the first 6 years of the Expanded Technical Assistance Program, the United States has exercised a position of leadership and has steadfastly supported the stability and continuity of the program. We have contributed over these years about 55 percent of the $143 million in voluntary contributions by which it is financed, and our proportion has been gradually reduced from 60 percent to 50 percent. Our pledge for the calendar year 1957 is $15.5 million, subject to certain matching provisos, and we expect that our proportion of the total in 1957 will be somewhat below 50 percent.

In the Mutual Security Appropriation Act of 1957, the Congress placed the proviso that the U.S. contribution to the 1958 program should not exceed 331/3 percent of the total amount. This whole matter of national contributions poses difficult problems. It was, of course, to be expected that the high percentage paid by the United States in the early years would be somewhat reduced and the share paid by other countries would be somewhat increased. The question is not that. The questions are: How fast can our percentage be reduced without bringing a setback for the program? What, ultimately, should our percentage be? And by what methods does one calculate the appropriate share of any country? We have not yet found final answers to these questions.

I am pleased to see that this afternoon you will take up the subject of "Economic Progress—A Forward Look," and hear the views of distinguished speakers on this matter. In a specific sense, and as it directly affects the U.N. Expanded Program, we too are giving thoughtful consideration to "A Forward Look." I refer to the title of the study made last May by the U.N.'s Technical Assistance Board, which was discussed last summer by the Economic and Social Council. The Secretary-General has requested all governments which participate in the Expanded Program to comment on this study, which could have far-reaching implications for the future of the program. We shall be interested in hearing the conclusions which you may reach on this broad subject.

Another aspect of the U.N. Expanded Program, which is and should be under more or less continuous consideration, is its structure and administration. We do not regard this as static, and if constructive changes seem desirable we will study them. However, we think that the system of voluntary contributions is presently the most practical and effective means of financing the program. The present method of programming—based on the recipient country, what it wants, and what it considers it needs for economic development—is apparently working to the general satisfaction of all participating countries and to that of the specialized agencies as well. While we probably have not reached the millennium—no more in this field than any other—we must give careful study to any proposed changes to be sure that they are constructive.

As between our multilateral and bilateral approaches to technical cooperation, it is not a question of "either-or." It is "both." The questions are "where," and "how," and "how much," and "how fast."

One way or another, the principle of sharing technical skills has taken its place firmly in the foreign policy of the United States.

We do not have the choice whether the world is going to change. The world is changing. Man's choice is whether or not, as the world changes, human beings will arrive at just one crisis too many, or whether they will learn to pave their globe with two-way streets everywhere.

In this, the mightiest construction project of all, let us never fail to do our part.

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United States Foreign Relations: A Search for Perspective

by William B. Macomber, Jr.
Special Assistant to the Secretary

In the field of foreign relations it is a very difficult thing indeed to keep one’s sense of perspective. It is difficult because the rush of daily events has a tendency to force our interest to developments and decisions of the moment. This is true even in relatively normal times. It is particularly true, I think you will agree, when we are confronted as we have been in recent months by a series of extraordinary and momentous events. Yet if we are properly to assess the constant developments in foreign relations we must—difficult as the task is—maintain a sense of perspective. Without it we are lost. We can neither fairly judge the impact of current developments nor plan successfully for the future.

It occurred to me, therefore, that it might be useful today to back off from the drama of recent events and consider instead the broad course of our foreign relations. For me, at least, in my own search for perspective, I have found this a helpful, even essential, thing to do from time to time. With your permission, then, I would like to examine where on that course it seems to me we stand today, where we started from, how we got here, and where we may hope to proceed.

As for the present, it can be rather succinctly put, I think. The essential fact is that the Soviet Communist world is showing stresses and strains. As a result we have entered an era which is so filled with promise and at the same time so fraught with peril that it must, by any standards, be considered one of the crucial periods of history.

To comprehend the significance of the present, however, we must first understand the past.

Growth of Soviet Power

At the close of World War II, the free world, on a more or less fragmented basis, faced a Soviet Union greatly enhanced in its power position and displaying expansionist and predatory intentions. Its power position had resulted partly from its striking industrial progress accomplished in the course of the preceding 25 years. Primarily, however, this position was the result of World War II and the aftermath. In the wake of its armed forces, over 100 million people had been subjugated and their countries from Poland to Bulgaria made into satellites. A few years later, when the Communists achieved control of China, Soviet power was still further augmented. As a result, the great central land mass from East Germany to the Pacific, and with it 800 million people, became Communist-controlled. The Soviet Union also had at its disposal fifth columns throughout the free world in the form of local (and supposedly national) Communist party organizations. In addition, Communist ideology had a substantial appeal to unwary peoples in certain economically depressed areas throughout the world.

As a result of all this, the Soviet military power base and potential for aggression was clearly enormous.

The expansionist tendencies of the Soviet Union stemmed from three principal sources: missionary zeal derived from Marx and Lenin; old-fashioned imperialism; and to some extent a genuine sense of insecurity. How far each of these elements contributed to Soviet motivation would be disputed by the experts. But, whatever their proportions, their result was an unmistakable drive to expand and to dominate other peoples.
In the face of this threat, what have the United States and the free world done?

To begin with we have drawn a lesson from history. This lesson teaches that wars generally begin as a result of miscalculation by the aggressors not only as to the reaction of the nation aggressed against but also as to the reaction of other nations whose positions may ultimately be affected by the aggression. If the Kaiser and Hitler, for example, could have known in advance that their aggressions would have brought against them the full force of the United States, it is quite possible that they might not have launched those aggressions.

**Political Warning System**

Hence the first task was to set up a political warning system designed to remove the possibility of Communist miscalculation. In Europe this work was begun on a major scale with the Nato alliance. The parties to this alliance, now 15 in number, represent an arc of free countries in Europe running from Norway and Denmark in the north to Greece and Turkey in the south and east—and also include the United States and Canada. They have served notice on the Soviet Union that each would consider an attack upon any one of their number as an attack on them all.

In Asia, the United States has also entered into mutual security treaties with Australia, New Zealand, the Philippines, Japan, the Republic of Korea, and the Republic of China on Taiwan. In addition, we are a member of SEATO, the eight-power Manila Pact designed to insure the security of Southeast Asia. The total of these Asian arrangements constitutes a mutual security system extending from the Aleutian Islands in the north to the South Pacific.

Other parts of the political warning system to the Soviet Union are the Balkan Alliance of Greece, Turkey, and Yugoslavia and the Baghdad Pact, which includes the “northern tier” countries of the Middle East—Turkey, Iraq, Iran, and Pakistan—as well as the United Kingdom.

The proposed Middle East resolution represents an effort to bolster the system in that part of the world. We are spelling out a clear warning that the United States will not tolerate Soviet aggression in this area—although I do not wish to imply that we are necessarily expecting any specific kind of military association with the nations there.

The political warning system that I have been describing is not complete, and it is not perfect. Except, however, for certain countries of South Asia who chose neutrality, the gaps in this structure surrounding the Communist world are becoming pretty well closed. What has been set up is a worldwide warning system along the periphery of the Soviet Communist world which precludes the miscalculation that Red armies can be used to conquer free nations one by one. This has been done, as you know, despite enormous difficulties. And it is a very great accomplishment indeed.

I should perhaps add here that the regional arrangements which I have been describing are not inconsistent with our obligations under the United Nations Charter. On the contrary, they are made pursuant to what the United Nations Charter calls the “inherent right of collective self-defense.”

**Building Military and Economic Strength**

However, a political warning system in itself is not enough. It must be backed up by military power. Of course, it is a simple thing to agree that the free world must be militarily strong. How to build that strength is a complicated and technical matter. What portions of that strength are to be in the air, on the sea, on the ground? What emphasis is to be on defensive strength, what on offensive? What is needed in the way of conventional armament, what in the field of nuclear weapons? What specific military responsibilities are to be borne by the United States? What are to be the responsibilities of the others in the free world?

We have had constantly to wrestle with such problems. But the general strategy which underlies the free world’s military strength by now is well established. We have sought to develop two kinds of defensive power.

First, we have had to possess an atomic and nuclear retaliatory capacity on a scale which is sufficient to deter aggression. We have had to have that capacity not in the expectation of having to use it but in the hope that, because we have this capacity, we will never have to use it.

We must also be prepared for local aggressions not involving the super weapons. The free world
must have conventional forces sufficient to deal with this type of aggression. In other words, the free world has sought to maintain a combined military strength sufficiently balanced, sufficiently flexible, and so deployed that it can deter or defeat both big and little aggressions.

The cost of such a system both to us and to our free-world partners has been very great. But it is a necessary premium on a peace insurance policy. Not to pay it would be suicide. And this premium payment, I think we all agree, is small in comparison to the costs of world war III.

The principle which lies behind our economic program is also clear. No ally in the struggle to halt Communist expansion can be a stable and effective ally if its economy is in a seriously weakened condition—whether it is a result of the demands of its current military establishment, the disruption of past wars, or the fact that its economy is still only in the earliest stages of modern development. Furthermore, the Communist aggression is accomplished not only by overt force from without but also by subversion from within. To some extent local conventional military forces can guard against this danger. But as subversion thrives on economic disorder, so in the long run the most effective means of stopping this threat is to take steps to eliminate such disorder.

A third step, closely connected with the first two I have been discussing, has been the United States economic aid program. This program has been designed to carry out three principal tasks: The first is to aid our allies, particularly those in areas of current hostile pressure who are unable through their own resources to build up and maintain their own military establishments to a strength which we and they think is necessary. Second, this program has been employed to restore the health of the economies of certain allies which were disrupted by the war and its aftermath. Third, this program seeks to develop economic health in some of the new nations of the world—neutral nations as well as those allied to us.

The United States has played a leading role in the development of much of the worldwide system which now confronts the Soviet Communist bloc. But one of the great strengths of this system is the fact that it is not our work alone. The principle upon which we have proceeded is that this must be the creation of free partners, worked out on the basis of mutual agreement and mutual benefit. And underlying all we have done has been a respect for the human right of dissent, which is another way of saying a respect for human dignity. Because this is so, the work has not always proceeded with the dispatch that we would wish. But what has been built is grounded on solid foundations.

The Soviet Union, as everyone here knows, has not proceeded by this method. On the contrary it has proceeded by domination, by denying and subverting the national interests and independence of its allies and by denying human dignity to the peoples of its orbit. The free world, therefore, has long had reason to believe that it had assets inside the Soviet bloc as well as those which have been created externally along its periphery. For history has shown that nationalism and the desire for freedom and human dignity are forces in the world which cannot be frustrated and ignored indefinitely.

Soviet “New Look”

In the process of developing a worldwide warning system to the Soviet bloc, not all—as you know—has gone smoothly. There have been many setbacks and discouragements, and on one occasion, before the political warning system was developed to its present degree, we had in Korea to meet force with force. But the system has been successful, and the first great testimony to this was the policy gradually unveiled by the Soviet leaders in late 1954 and early 1955 and soon known as the “new look.”

Now the Soviet leaders do not change a policy which is working. The simple fact is that in the face of the recently constructed free-world warning system, the long-time Soviet policy of force and threat of force was no longer producing results.

As a consequence, the Communist leaders decided that a new tactic must be attempted. That tactic consisted of seeking to win by guile, in a situation where they were no longer able to succeed by force.

If this new tactic was to succeed, the first task of the Soviet leaders was to bring an aura of respectability to the methods and intentions of their regime. Only by doing this could they hope to dispel the distrust of an aroused world. And only by dispelling this distrust could they lower the free world’s guard. Hence they denounced

March 11, 1957
the evils of Stalinism. They de-emphasized the use of violence and talked of peaceful coexistence. Instead of war, they offered economic aid. Tito, the hated symbol of national communism, was restored to grace. They made certain limited, but nonetheless marked, concessions to the individual, including a certain increased toleration of dissent.

The "new look" presented new challenges to the non-Communist world more subtle than those presented by the earlier policy and in some ways more difficult to deal with. There are, unfortunately, always people in the world who are willing to believe a threat is gone, not because it is gone but because they wish with all their hearts that it were. As a result, the "new look" carried with it the threat that the non-Communist world, lulled by a false sense of security, would in time replace unity and strength with disunity and weakness and thus become an easy prey for the Soviets—who, behind their façade of peaceful intentions, in fact retained both the desire and the military capacity for aggression.

However, the "new look" had in it from the start certain inherent advantages to the free world. To begin with, the immediate threat of a major war receded. Tension was reduced and with it the constant threat that some accidental incident would touch off the holocaust.

But an even more significant advantage in the long run was the fact that the "new look," in an apparent concession to outside opinion, entailed to some slight extent a relaxation of the curbs on the forces of individualism and nationalism within the Soviet bloc, forces which had hitherto been ruthlessly repressed. Once set in motion, such forces are difficult to arrest and perhaps impossible to eradicate. And as long as they exist, they carry with them a potential for enormous change in any police state or captive empire.

**Free-World System Not Perfect**

Before looking at the consequences of the "new look" let me say one more word about the free-world system which brought about this dramatic reversal in Soviet policy. As I have indicated, this structure is far from perfect. Even without Soviet stimulation, divisive forces in the form of disputes and conflicts of interest are constantly at work within it and must constantly be dealt with. The nature of some of these divisive forces is such that they will not erupt while the Soviet threat is immediate and apparent but only as the threat recedes or appears to recede. Other forces are such that they will operate even when the threat is apparent and immediate.

The difficulties in the Middle East are an example of the latter category. The strife and disunity here, even before the Suez landings, have been a constant danger in that they threaten to weaken the strength of the free world and divert our energies and attentions from the main peril.

The developments which have taken place since the unveiling of the "new look" are recent history and well known to you all. The new Soviet policy made a certain headway in the non-Communist world in that it stimulated the divisive tendencies to which I have alluded. Yet it has by no means destroyed the structure which was created. On the contrary that structure remains today a viable, going concern.

And the fact that we must not lose sight of is that whatever gains have been made by the Soviets outside their bloc as a result of their new policy have been more than offset by the adverse developments which have taken place within the bloc. The satellite unrest, the dramatic developments in Poland and Hungary, the rumored discontent within Russia itself have all served to weaken the military power of the Soviet bloc and its capacity for successful aggression.

Formerly it was assumed that the Soviet leaders could count on satellite troops as well as their own. It would seem that this is no longer a safe assumption for the Soviets to proceed upon. Furthermore, not only have their satellite military resources been reduced but, to the extent that their own troops must be diverted to watch the satellites and their armies (and perhaps to an increasing degree their own people as well), to that extent has Soviet military strength against the free world also been reduced.

In addition the Communist parties in the free world, as a result of de-Stalinization, of the reversal of policy toward Tito, of the developments in Poland and particularly in Hungary, have become demoralized and seriously weakened. At the same time the brutal tactics in Hungary have opened the eyes of many people in the depressed areas of the world to the point where they are far less susceptible to Communist ideology and propaganda than they once were. As a result the Soviet fifth-column weapon has also been greatly weakened.

Department of State Bulletin
Era of Peril and Promise

At the beginning of my remarks today I said that we were now in an era which carried with it the twin possibilities of great peril and great promise. Let me first discuss the peril.

The peril stems from this rather startling fact: The possibility of success in the struggle against Soviet power can, in its way, be almost as dangerous for the free world as the prospect of failure. In the years that have followed World War II, Soviet thinking has been in terms of one day dominating the free world. Because of the developments I have mentioned, for the first time the Soviets may be reaching a point where the problem presents itself in quite different terms. If the stresses and strains in their own world continue, if the unity and strength of the free world are maintained, the moment may come when the Soviets will consider that their relative power position is deteriorating, and irrevocably deteriorating, to the point where their very survival is jeopardized. This is a moment of supreme danger. For it is at such a moment that a desperate leadership, fearing that delay will only further weaken their position, may stake everything on the gamble of attack.

I do not say, of course, that the moment has come or that the Soviets are yet convinced that it is coming. They still have enormous military strength. They may think they can successfully suppress the unrest within their domain. They may believe that the recent dramatic division in the free world will continue.

But, because we believe that the defenses of the free world will not become weakened by disunity and that the forces of unrest within the Soviet bloc cannot be indefinitely repressed, we must also assume that the moment I have spoken of is approaching.

In the face of this, what course should we follow?

Clearly, two immediate tasks lie ahead. First, the free world must maintain and continually strengthen its warning system and the military and economic strength which lie behind it. The progress we have made is based on this system. To weaken it or abandon it at a moment when victory is possible would turn that possible victory into certain defeat.

But at the same time we must make it clear what we mean by “victory.” We do not mean the subjugation of Russia—any more than we seek the subjugation of any other nation. What we seek is a world where Russia and all other nations can live in peace with justice and security. In other words, we must make it absolutely clear to the Russian nation that we are not presenting them with a situation where, in the face of worldwide unity and strength, they must fight or perish. We seek a Russian leadership which renounces expansionist goals and which is responsive to the just aspirations of its people. We seek a world where Communist aggression is impossible. But at the same time we seek a world where the legitimate interests of the Russian nation are protected and secure.

In this connection both President Eisenhower and Secretary Dulles have already made it clear that, if the Soviets yield to the satellite desires for independence, we will not, in turn, attempt to draw these nations into alliance with ourselves. Speaking in Dallas recently, Secretary Dulles made the following declaration on this point: 3

Let me make this clear, beyond a possibility of doubt: The United States has no ulterior purpose in desiring the independence of the satellite countries. Our unadulterated wish is that these peoples . . . should have sovereignty restored to them and that they should have governments of their own free choosing. We do not look upon these nations as potential military allies. We see them as friends and as part of a new and friendly and no longer divided Europe.

What Secretary Dulles was saying, in effect, is that we do not seek the reestablishment of the old cordon sanitaire which was established following World War I along the immediate western borders of Russia and which would be offensive to any Russian government, Communist or otherwise.

But avoidance of this situation in the future is not dependent solely on the intentions of the free world. Time is running out for the Soviet leadership. If they do not adjust soon to the desires of the satellite peoples—if they precipitate more Hungarians—they will reap a legacy of hatred in those areas which will lead to a spontaneous cordon sanitaire following the time when freedom does come. It would be well for the Soviets to adjust now when, with the cooperation of the free world, this development of a cordon sanitaire could be prevented.

3 Ibid., Nov. 5, 1956, p. 695.
The Task Ahead

If we are to successfully carry out the twofold objectives I have described—maintaining our strength and making clear our objective—there are certain things, it seems to me, which as a people we must do.

To begin with, we must have an exact understanding of the free-world warning system and of the importance of its military and economic components. We must be prepared to make the sacrifices necessary to preserve and strengthen this overall system. These sacrifices are not small. They entail an unmistakable willingness to fight if the Communists send forces against any part of that system. And they involve continued financial burdens to preserve the military strength and economic health and development of the free world. This financial commitment must be wisely and carefully made so that our economic resources are not depleted—but it must be made. One thing is certain: Peace will never become assured if we are willing only in time of war to make our great sacrifices and greatest efforts.

Secondly, we must seek to preserve the moral position of the free world; for this, and not just fear, must be the cement which holds us together. Furthermore, in the long run this will constitute the best hope for all those behind the Iron Curtain to believe and accept our assurances. This means that we must never cease our efforts to protect human dignity. It also means that, while we will use force to oppose aggression, we and the free world must seek to renounce it as a means of accomplishing all other objectives either in relation to the Soviet Union or to the settling of differences which spring up within the free world itself.

Finally, we must be able to deal intelligently with the disputes and conflicting interests which tend to divide and weaken the free world. We must always understand that, if such divisive forces are not dealt with and reconciled, our strength may be dissipated and we will be in great peril. But we must not feel that we have to insert ourselves (as some would have us do) into every conflict which develops among our friends about the free world. We have neither the will nor the ability nor the mandate to do so. Neither should we be dismayed because these conflicts exist, for they are natural to a society of free nations. Many of them can be settled by the parties immediately involved. It is only when it becomes apparent that a problem will persist and carry with it a serious threat to free-world unity that we need concern ourselves directly with it.

We must also remember this. When such instances do arise, the problems involved are complicated and extremely difficult of solution. Often they have diverse and conflicting ramifications which extend, literally, around the globe. If this were not so, solutions would in most cases have been reached long ago and the problems would not have come to public notice. We must, therefore, resist the human desire to simplify these problems and seize on simple pat solutions. Instead, we must have the patience to seek out all the facts and the wisdom to understand the conflicting ramifications. Only then can we hope to reach balanced and constructive solutions.

Opportunity for a Just Peace

Now, if we can do all these things, what of the other opportunity of this era which is upon us? If we can avoid the peril, what is the promise which lies ahead?

It is no less than this: It is the opportunity to achieve what man has never yet achieved—a sustained and just peace in the world.

Why is this true? It is true because we have evolved a strategy and a strength which, if we have the perseverance to maintain and the wisdom properly to apply it, can lead to the liquidation without war of the threat posed by the Soviet bloc to the free world. That we shall do so is by no means a certainty, but as a possibility it exists to a greater degree than at any time since the threat arose. For the forces of transition are at work, and we are seeing, in their initial stages, developments which can one day transform the Communist world into countries with which we can live in security and in peace.

But let me make this point also. Even if we accomplish this great objective, our work will not have ended. We must not make the mistake we have so often made in the past in our quest for peace. We must not think in terms of one last effort—one last battle—to achieve our goal.

Human nature, and the nature of nations, will not change overnight. Many of the problems and conflicts in what is now the free world will loom larger because the common threat is gone. Some problems with the countries which now make up
the Soviet Communist bloc will remain. There is always the threat that a new predatory nation or group of nations will arise.

We will, however, have eliminated the most pressing and immediate threat to our peace and security. We will also have achieved a breathing spell in which to build a world where future problems may be resolved in peace, where aggression will be impractical and obsolete.

Here, too, the chances for success exist. The need for such a world is more apparent than it has ever been before. The fundamental ingredients for such a world are better understood than ever before.

The ingredients are these:

There must be an overwhelming repugnance of war and a rejection of it as a permissible instrument of national policy by the great majority of the nations.

A system must be established whereby the international conduct of nations and the settlement of their differences are subject to the rule of law.

This system must allow for peaceful change. Too often in the past, systems to preserve the peace have in fact been systems to preserve the status quo. Change is, and will always be, inherent in international life. Any system effectively designed to keep the peace must take this into account.

Some progress has been made toward the establishment of each of these ingredients. People now are infinitely more opposed to war than they were 100, or 50, or even 15 years ago. The development of the United Nations marks a definite forward step in the concept of the rule of law among nations. The peaceful emergence of a number of new sovereign nations since the close of World War II shows that even now some peaceful change is possible.

However, this is but a beginning. Much needs to be done before these ingredients are established to the point where they can serve as reliable guarantees to a peaceful world. In fact, the work will never end. For, once established, these ingredients must be forever strengthened and maintained.

The thoughts I have expressed have been of use to me in my own search for a useful perspective and frame of reference in which to think about the problems in foreign relations which constantly confront us. It is my hope that they will also be of some slight help to you, and it is in this spirit that they have been offered.

I would add only this. It is not by choice that we live in an era when the potentialities for peril and promise exist to a degree perhaps hitherto unparalleled in human experience. If we had that choice, we might have willed to other men in other times this awesome responsibility. But history has decreed this role to us. We cannot escape it. We must, therefore, summon in their highest degree our powers of understanding, restraint, sacrifice, and courage. For on how we perform our role in the days and years ahead will depend not only our own fate but the fate of generations to come.

Mr. Truman Declines Invitations to Ceremonies in Greece and Turkey

Press release 77 dated February 19

Following is an exchange of communications between former President Harry S. Truman and Secretary Dulles concerning the possibility of Mr. Truman's attending special ceremonies marking the tenth anniversary of the Truman Doctrine.

Secretary Dulles' Letter

February 12, 1957

Dear Mr. President: It was a pleasure to speak with you last night on the telephone.

President Eisenhower and I both hope that you will be able to accept invitations of the Greek and Turkish Governments to attend the special ceremonies marking the Tenth Anniversary of the Truman Doctrine which will be held in Athens and Ankara during the week of March 10. As you know, both Governments have advised us informally that they wish to extend you formal invitations to attend the ceremonies if you would be able to do so. If it is possible for you to accept these invitations, the President would wish to arrange suitable transportation for you and Mrs. Truman. In Athens and Ankara you would, of course, be state guests of the Greek and Turkish Governments.

I believe your attendance at the ceremonies would contribute significantly to their success and the further development of close relations among the United States, Greece, and Turkey. Your presence would also symbolize the importance this
country still attaches to the principles you enunciated ten years ago in initiating the Greek-Turkish aid program.

If your decision is favorable, I will immediately inform the Greek and Turkish Governments and also arrange for a State Department officer to get in touch with you or your representative to work out the details of the trip.

Sincerely yours,

JOHN FOSTER DULLES

The Honorable
HARRY S. TRUMAN,
Islamorada, Florida.

Mr. Truman’s Reply

ISLAMORADA, FLORIDA, February 16
Honorable JOHN FOSTER DULLES
Secretary of State

Dear Mr. Secretary: In reply to yours of the 12th instant I am very sorry to be compelled to refuse the invitations to visit Greece and Turkey. The information which you sent me arrived too late for me to arrange my affairs and other commitments so as to leave in time.

Respectfully yours,

HARRY S. TRUMAN

Eximbank Loan to Argentina for Transportation Equipment

The Export-Import Bank of Washington announced on February 15 the signing on that day of a loan agreement for $56,155,000 with the Republic of Argentina to assist in the purchase in the United States of transportation equipment for that country. The agreement was signed for the United States by Samuel C. Waugh, President of the Export-Import Bank, and for Argentina by Adolfo A. Vicchi, the Argentine Ambassador.

The loan will be drawn under the $100 million line of credit authorized to Argentina by the Export-Import Bank on September 18, 1956. Its purpose is to assist in procuring in the United States for export to Argentina machinery, equipment, supplies, and services required to meet emergency transportation needs of Argentina. These purchases will include 150 Diesel locomotives, freight cars, ballast cars, signal equipment, rails for rehabilitation of roadbeds, equipment for repair shops, tug-boats, and highway equipment.

Record Number of Visas Issued in Fiscal 1956

Press release 60 dated February 11

Immigrant visas issued in the fiscal year ended June 30 last totaled 332,499, a record since World War II, Scott McLeod, State Department Administrator for Security and Consular Affairs, announced on February 11. Mr. McLeod explained that most of the increase in visas for immigrants was caused by the Refugee Relief Act, which expired on December 31, 1956. Hungarian refugees totaling 6,200 who were granted visas are included in this total.

A record was also set for the total number of visas, including those for visitors, issued in fiscal 1956. In all, 828,586 immigrant and visitor visas were issued, as against 689,909 in fiscal 1955, which also set a record. The number of visas issued and revalidated for visitors to the United States, many of whom can use them for 4 years instead of the previous 2, increased 51,049 over fiscal 1955.

The number of quota immigrants was up over 5,000 from fiscal 1955.

Mr. McLeod noted that on June 30, 1955, the State Department extended from 2 to 4 years the maximum validity of nonimmigrant visas for aliens whose countries extend similar treatment to American citizens. More than 50 countries have now joined with the United States in extending reciprocal treatment to visitors under this program to facilitate travel.

Immigrant Visas Issued by Diplomatic and Consular Offices throughout the World

Fiscal Year 1956

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418 Department of State Bulletin
### Immigrant Visas Issued by Diplomatic and Consular Offices Throughout the World—Continued

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**March 11, 1957**
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</table>

**Continued**

<table>
<thead>
<tr>
<th>Country</th>
<th>Fiscal Year 1956</th>
<th>Immigrant visas issued</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Annual</td>
<td>Quota (^1)</td>
<td>Nonquota</td>
</tr>
<tr>
<td>Viet-Nam</td>
<td>100</td>
<td>24</td>
<td>4</td>
</tr>
<tr>
<td>Yemen</td>
<td>100</td>
<td>69</td>
<td>69</td>
</tr>
<tr>
<td>Yugoslavia</td>
<td>933</td>
<td>436</td>
<td>516</td>
</tr>
</tbody>
</table>

\(^1\) Figures represent quota visas issued and do not include quota numbers allotted or charged against the quota pursuant to Section 19 (c) of the Immigration Act of February 5, 1917, as amended, Section 4 of the Displaced Persons Act of 1948, as amended, Section 245 of the Immigration and Nationality Act, and Special Acts of Congress.

**BREAKDOWN AND TOTAL OF VISAS ISSUED BY DIPLOMATIC AND CONSULAR OFFICES THROUGHOUT THE WORLD**

<table>
<thead>
<tr>
<th>Year</th>
<th>Fiscal Years 1946 thru 1956</th>
<th>Immigrant Visas</th>
<th>Nonimmigrant Visas</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Quota (^1)</td>
<td>Nonquota</td>
<td>Total</td>
</tr>
<tr>
<td>1946</td>
<td>37,083</td>
<td>47,327</td>
<td>84,410</td>
</tr>
<tr>
<td>1947</td>
<td>78,873</td>
<td>60,844</td>
<td>139,717</td>
</tr>
<tr>
<td>1948</td>
<td>93,222</td>
<td>72,869</td>
<td>166,091</td>
</tr>
<tr>
<td>1949</td>
<td>133,539</td>
<td>70,096</td>
<td>203,635</td>
</tr>
<tr>
<td>1950</td>
<td>205,365</td>
<td>63,541</td>
<td>268,906</td>
</tr>
<tr>
<td>1951</td>
<td>170,166</td>
<td>61,137</td>
<td>231,303</td>
</tr>
<tr>
<td>1952</td>
<td>180,660</td>
<td>88,286</td>
<td>268,946</td>
</tr>
<tr>
<td>1953</td>
<td>87,211</td>
<td>94,306</td>
<td>181,517</td>
</tr>
<tr>
<td>1954</td>
<td>86,356</td>
<td>122,886</td>
<td>209,222</td>
</tr>
<tr>
<td>1955</td>
<td>81,027</td>
<td>163,844</td>
<td>244,871</td>
</tr>
<tr>
<td>1956</td>
<td>86,449</td>
<td>246,050</td>
<td>332,499</td>
</tr>
</tbody>
</table>

\(^1\) Does not include 19 (c) cases, special acts of Congress, adjustments, Section 245 and Section 4 cases.
\(^a\) Includes 55,039 quota visas issued pursuant to the Displaced Persons Act of 1948, as amended.
\(^b\) Includes 399 nonquota visas issued pursuant to the Displaced Persons Act of 1948, as amended.
\(^c\) Includes 131,901 quota visas issued pursuant to the Displaced Persons Act of 1948, as amended.
\(^d\) Includes 261 nonquota visas issued pursuant to the Displaced Persons Act of 1948, as amended.
\(^e\) Includes 104,571 quota visas issued pursuant to the Displaced Persons Act of 1948, as amended.
\(^f\) Includes 747 nonquota visas issued pursuant to the Displaced Persons Act of 1948, as amended.
\(^g\) Includes 106,497 quota visas issued pursuant to the Displaced Persons Act of 1948, as amended.
\(^h\) Includes 3,037 nonquota visas issued pursuant to the Displaced Persons Act of 1948, as amended.
\(^i\) Includes 5,722 cases of aliens who enjoyed a preference under Section 3 (c) of the Displaced Persons Act of 1948, as amended.
\(^j\) Includes 459 (shepherders) quota visas issued under Public Law 307 (83d Congress) and 5,089 cases of aliens who enjoyed a preference under Section 3 (c) of the Displaced Persons Act of 1948, as amended.
\(^k\) Includes 5,722 cases of aliens who enjoyed a preference under Section 3 (c) of the Displaced Persons Act of 1948, as amended.
\(^l\) Includes 500 nonquota visas issued to orphans under Public Law 162 (83d Congress) and 5,633 nonquota visas issued pursuant to the Refugee Relief Act of 1953, as amended.
\(^m\) Includes 553 nonquota visas issued pursuant to the Displaced Persons Act of 1953, as amended.
\(^n\) Includes 32 nonquota visas issued under Public Law 770 (shepherders) 83d Congress—2d Session and 32,009 nonquota visas issued pursuant to the Refugee Relief Act of 1953, as amended.
\(^o\) Includes 32 nonquota visas issued under Public Law 770 (shepherders) 83d Congress—2d Session and 32,009 nonquota visas issued under the Refugee Relief Act of 1953, as amended.

Source: Visa Office, Department of State—1/10/57
General Assembly Action on Algerian Question

The General Assembly's Committee I (Political and Security) on February 13 adopted a six-power resolution and a three-power resolution on the question of Algeria. Since neither resolution received the two-thirds majority which would have been required for adoption in plenary, the nine sponsors jointly introduced a new proposal, which the Assembly adopted unanimously on February 15. France did not participate in the voting in either the Committee or the plenary, in accordance with its stated position concerning the Assembly's competence in the matter.

Following are texts of statements made by U.S. Representative Henry Cabot Lodge, Jr., in Committee I and by U.S. Representative James J. Wadsworth in plenary, the two Committee I resolutions, and the proposal adopted by the plenary.

STATEMENT BY AMBASSADOR LODGE, FEBRUARY 6

U.S. delegation press release 2609

The United States welcomes France's decision to discuss with the members of this Assembly its intentions and plans with respect to Algeria. This discussion should lead to a greater understanding of this complicated problem and should contribute to a just and peaceful solution. We trust that it will do so.

We welcome particularly those statements of the French delegate [Foreign Minister Christian Pineau]—in a speech, I might say, which was noteworthy for its constructive and imaginative content—which affirmed France's willingness to conclude a cease-fire without prior conditions and without reprisals.

We welcome also France's intention to hold general elections by universal suffrage within 90 days of a cease-fire and then to work out with the elected representatives a new structure for Algeria. If the program outlined by the Foreign Minister of France can be put into effect promptly, a significant step forward will have been taken.

There are clearly differences of opinion here as to what would ultimately constitute a satisfactory settlement of the Algerian problem. There are, however, two immediate considerations which seem to be fundamental:

First, that violence and bloodshed in Algeria cease.

Second, that a situation be created permitting the inhabitants of Algeria to elect representatives to work out with the French Government a solution which would satisfy the aspirations of all the people of Algeria. It is clearly not easy to find such a solution, and no solution is possible without the utmost good faith and exercise of restraint and statesmanship by all concerned.

The United States is opposed to any action which seems unlikely to make a contribution to a solution of the Algerian problem and which might in fact be harmful to the prospects of a peaceful settlement. For this reason, Mr. Chairman, the United States opposes the adoption of the 18-power resolution before us [U.N. doc. A/C.1/L.165].

We are also opposed to proposals which we believe constitute intervention in matters essentially within the domestic jurisdiction of France. Proposals which constitute intervention in domestic affairs could, if applied indiscriminately in this organization, destroy the United Nations. The application of such proposals to ourselves as sovereign nations is something which we can all ponder both as regards our reactions as sovereign nations and as regards the effect of such application on the United Nations.

We should, Mr. Chairman, above all, avoid action which might hamper the achievement of the

1 In the voting on Feb. 13, both operative paragraphs of the 18-power draft were rejected by a 1-vote margin and the proposal as a whole therefore did not come to a vote. The rejected paragraphs would have requested France "to respond to the desire of the people of Algeria to exercise their fundamental right of self-determination" and would have invited France and the people of Algeria "to enter into immediate negotiations with a view to the cessation of hostilities and the peaceful settlement of their differences in accordance with the Charter of the United Nations."
cease-fire and the carrying out of a program which appears to offer a reasonable prospect of advancing an Algerian settlement.

There must surely be no external interference in Algerian affairs from any quarter. Such actions are bound to lead to an increase in tension and violence there. Peace and progress in the area require the positive cooperation of us all, and that means abstention from any acts which can affect adversely the security and stability of the peoples and nations of that part of the world.

To conclude, Mr. Chairman, it seems to us that the French program for a cease-fire, for elections, and for consultation with the elected representatives marks a significant and a hopeful forward step. It holds out to the world the prospect of peaceful evolution which should be helpful to all. We must, at the very least, do nothing here at the United Nations which will interfere with that evolution. We believe that true progress can only be made on the spot and that if there is no outside interference such progress will take place, and with great advantage to all humanity.

STATEMENT BY AMBASSADOR LODGE, FEBRUARY 12

U.S. delegation press release 2611

I have been asked questions by a number of members concerning the United States position on the resolution introduced by Japan, the Philippines, and Thailand. Accordingly, I wish to make this statement:

While acknowledging the good and helpful motives which actuated the authors of this resolution, the United States, for the same reasons given earlier with respect to the 18-power resolution, opposes its adoption.

The United States will vote in favor of the resolution submitted by Argentina, Brazil, Cuba, the Dominican Republic, Italy, and Peru. It seems logical to us to conclude the Committee's discussion with the adoption of this resolution.

The United States attaches the greatest importance to the cessation of bloodshed and the achievement of a just and peaceful settlement as soon as possible in Algeria.

We think it is important—and of considerable significance—that France, in spite of the fact that it does not recognize the Assembly's competence, has seen fit not only to participate in this discussion but to explain in detail its proposals with respect to Algeria. We believe that we should avoid any action here which would complicate or make more difficult the task of achieving a solution in Algeria which is just, reasonable, and which is of good promise for the future.

The United States believes that France, in the circumstances, should be given the opportunity to work out the future status of Algeria with the duly elected Algerian representatives, as M. Mollet has indicated the French Government desires to do.

Having taken this decision, we believe that it logically follows that we should conclude this discussion by means of the resolution sponsored by Argentina, Brazil, Cuba, Dominican Republic, Italy, and Peru.

We are convinced that any attempt to go beyond this resolution would only make more difficult the achievement of a just and peaceful settlement in Algeria.

PLENARY STATEMENT BY AMBASSADOR WADSWORTH, FEBRUARY 15

U.S. delegation press release 2618

By the unanimous passage of the resolution this morning the members of this Assembly have once again demonstrated their capacity for responsible and sober action. The delegation of the United States wishes to express its appreciation and its congratulations to all concerned whose spirit of cooperation has made it possible to conclude this item on a positive note.

We are also glad to express once again our confidence in the ability of France to work out a peaceful, democratic, and just solution in Algeria.

COMMITTEE I RESOLUTIONS

Six-Power Proposal 2

U.N. doc. A/C.1/L.167

The General Assembly,
Having heard the statements of the French and other delegations and discussed the question of Algeria,
Expresses the hope that a peaceful and democratic solution of this question will be found.

2 Sponsored by Argentina, Brazil, Cuba, Dominican Republic, Italy, and Peru (U.N. doc. A/C.1/L.167); adopted on Feb. 13 by a vote of 41 (U.S.) to 33, with 3 abstentions.
Three-Power Proposal

U.N. doc. A/C.1/787

The General Assembly,
Having regard to the situation of unrest in Algeria which is causing much human suffering and loss of lives,
Believing that the unsatisfactory situation now prevailing in Algeria may be normalized by the joint efforts of France and the Algerian people to find an equitable solution in conformity with the principles of the Charter of the United Nations,
Expresses the hope that France and the Algerian people will endeavour, through appropriate negotiations, to bring about the end of bloodshed and the peaceful settlement of the present difficulties.

RESOLUTION ADOPTED IN PLENARY

U.N. doc. A/Res/463

The General Assembly,
Having heard the statements made by various delegations and discussed the question of Algeria,
Having regard to the situation in Algeria which is causing much suffering and loss of human lives,
Expresses the hope that, in a spirit of co-operation, a peaceful, democratic and just solution will be found, through appropriate means, in conformity with the principles of the Charter of the United Nations.

General Assembly Adopts Disarmament Resolution

Statement by Henry Cabot Lodge, Jr.
U.S. Representative to the General Assembly

The United States welcomes the unanimous adoption by the First Committee of the resolution now before us for plenary consideration. Although this resolution is procedural and essentially noncontroversial, the fact that it resulted from a cooperative effort among all the member states is some cause for encouragement.

We hope that it will set the stage for fruitful negotiations in the Disarmament Commission and in the Subcommittee. The United States looks forward to early resumption of these negotiations and is prepared to make a renewed effort to reach sound agreements for safeguarded reduction of armaments and armed forces.

We believe that the debate which took place in the First Committee will be helpful to the members of the Disarmament Commission and in the Subcommittee. Most of this debate was moderate and constructive and was characterized by a general sense of realism. The need for practical first steps which can break the present deadlock was repeatedly emphasized. The representative of Yugoslavia expressed this view clearly when he said, "All that my delegation desires is that the possibilities of initial steps in the field of disarmament be fully explored and utilized and it considers that the method of partial agreements is at this stage a practical and realistic one." That same point about partial agreements was made repeatedly by participants in the debate.

Now, the United States agrees with that point of view. At the opening of the disarmament debate we presented in broad outline a realistic course of action which would meet the various points of view so frequently expressed. The course of action proposed by us would stop the present trend of increasing nuclear armaments and would begin the reduction of existing stockpiles through the process of transfers from past production over to internationally supervised national or international nonweapons use of such material.

The United States has also presented a proposal for a beginning in control and limitation in the area of outer-space objects. Our purpose in raising this matter is to take the problem in hand now before future developments complicate the problem of control in this field. We hope that by joining our efforts in cooperative action we can prevent the materialization of this specter. At the same time we would enhance scientific progress in the area of outer space.

Mr. President, we continue to believe that early agreement on the Eisenhower aerial inspection plan and the Bulganin ground control plan—which was so emphatically endorsed and specifically endorsed by the General Assembly last year—would greatly serve the cause of peace and international security. The resolution before you

March 11, 1957
asks the Disarmament Commission to give continued consideration to these plans—and the aerial inspection plan, let me say, would free the world from the worry of massive surprise attack.

Before concluding, let me emphasize that the United States proposals are not conditional upon reaching the solution of any political problem. Some speakers in the Committee session did not correctly characterize the position of the United States in this regard. Let me stress that the United States is willing today to bring about under effective inspection a cessation of the arms race in both the conventional and nuclear fields and to take important steps today to provide protection against surprise attack. The United States is prepared today to start reduction in the conventional field. We are ready, once we have brought a halt to the nuclear arms race, to begin the transfer of fissionable materials from past production to international nonweapons purposes. We are prepared to do all this prior to the settlement of political problems. We believe we can, as I said to the Political Committee, thus help to ease tensions and facilitate the settlement of difficult political issues which must be solved if we are to attain a just and lasting peace. Our only condition is that there be effective control to verify compliance with the agreements which are reached.

Mr. President, the United States pledges before this Assembly a redoubling of its efforts to achieve agreement on the crucial question of control of armaments in the forthcoming sessions of the Disarmament Commission and the Subcommittee. We share the sense of urgency which has been repeatedly expressed in this Assembly. We will press for early agreement on feasible measures of safeguarded arms control that will permit us to begin a redirection of human effort from the making of arms to the arts of peace.4

U.S. Delegations to International Conferences

UNESCO Meeting on Primary Education in Latin America

The Department of State announced on February 14 (press release 67) the U.S. delegation to a meeting that will be convened at Habana, Cuba, February 18–20 by the United Nations Educational, Scientific and Cultural Organization (UNESCO). This will be the first meeting of the Intergovernmental Advisory Committee for the Major Project on the Extension of Primary Education in Latin America.

The U.S. Government will be represented by the following delegation:

United States delegate

Edward Berman, Chief, Latin American Branch, Education Division, International Cooperation Administration

Adviser

John McAfee, Education Officer, UNESCO Relations Staff, Department of State

The Intergovernmental Advisory Committee for the Major Project on the Extension of Primary Education in Latin America was set up by resolution of the Ninth General Conference of UNESCO, held at New Delhi in November 1956, to advise the Director General of UNESCO on any questions concerning the preparation and execution of the major project which may be referred to it. The 10-year project will deal with the extension of primary education, chiefly in rural areas, in Latin America. This will be approached through (1) improving primary-school teacher training; (2) training staff for training colleges; (3) university training of education specialists; and (4) convening seminars for educational leaders.

Agenda items for the first session of the Advisory Committee include election of officers, consideration of the work plan of the project, consideration of the methods of execution of the project, and suggestions concerning the future development of the project.

The Advisory Committee is composed of representatives of the following 12 American States: Argentina, Bolivia, Brazil, Chile, Colombia, Guatemala, Haiti, Mexico, Nicaragua, Peru, the United States, and Venezuela. Its term of office will expire on December 31, 1958, subject to possible prolongation.

ECE Working Party on Gas Problems

The Department of State announced on February 21 (press release 82) that Linn B. Bowman, vice president of the Rochester Gas and Electric Co., Inc., Rochester, N. Y., has been designated the U. S. delegate to the second session of the

The Ad Hoc Working Party on Gas Problems was set up by the Economic Commission for Europe at its eleventh session in April 1956 for the purpose of working with Europe's natural gas problems. The first session of this ad hoc group was devoted largely to outlining the Working Party's program of work for 1956-57. The second session will be concerned with such substantive matters as: (1) status of the natural gas industry in Europe; (2) the leveling out of gas demands; (3) international gas pipelines; (4) improvement and dissemination of statistics on the gas economy of Europe; and (5) exchange of technical information.

At its first session (August 1956), representatives attended from Austria, Belgium, Czechoslovakia, the Federal Republic of Germany, France, Hungary, Italy, the Netherlands, Poland, Romania, Sweden, Switzerland, Turkey, the Ukrainian S.S.R., the U.S.S.R., the Eastern Zone of Germany, the United Kingdom, the United States, and Yugoslavia. The International Gas Union and the Comité d'Études Economiques de l'Industrie du Gaz were also represented.

TREATY INFORMATION

Educational Exchange Agreement With Iceland

Press release 84 dated February 23

The Governments of Iceland and the United States on February 23 signed an agreement putting into operation a program of educational exchanges authorized by the Fulbright Act. The signing took place at Reykjavik with Gudmundur I. Gudmundsson, Foreign Minister of Iceland, representing his Government and John J. Muccio, U.S. Ambassador to Iceland, representing the United States.

The agreement provides for the annual expenditure of approximately $25,000 in Icelandic currency over a period of 4 years to finance exchanges of persons between Iceland and the United States for purposes of study, research, teaching, and other educational activities. The program will be financed from certain funds made available by the U.S. Government resulting from the sale of surplus property to the Government of Iceland following the end of World War II. Its purpose is to further the mutual understanding between the peoples of the two countries through a wider exchange of knowledge and professional talents by means of these educational activities.

Under the terms of the agreement a commission to be known as the United States Educational Commission in Iceland will be established to facilitate the administration of the program. The Commission's board of directors will consist of six members with equal representation as to Icelandic and United States citizens in addition to the U.S. Ambassador, who will serve as honorary chairman. All recipients of awards under the program authorized by the Fulbright Act are selected by the Board of Foreign Scholarships, whose members are appointed by the President of the United States. The Board maintains a secretariat in the Department of State.

With the signing of this agreement, Iceland becomes the 35th country to participate in the educational exchange program initiated a little over 10 years ago under authority of the Fulbright Act. Educational exchanges between Iceland and the United States previously have been carried out under the United States Information and Educational Exchange Act of 1948 (the Smith-Mundt Act) on a very limited scale. The new agreement will augment the present number of exchanges.

After the members of the Commission in Iceland have been appointed and a program has been formulated, information about specific opportunities to participate in the exchange activities will be released.

Current Actions

MULTILATERAL

Postal Services


Agreement relative to parcel post, final protocol, and regulations of execution of the Postal Union of the Americas and Spain. Signed at Bogotá November 9, 1955. Entered into force March 1, 1956. TIAS 3554.

Agreement relative to money orders and final protocol of the Postal Union of the Americas and Spain. Signed at Bogotá November 9, 1955. Entered into force March 1, 1956. TIAS 3555.

BILATERAL

Denmark
Entered into force: February 14, 1957 (date on which each Government received from the other written notification that it has complied with statutory and constitutional requirements).

Ecuador

Germany
Entered into force: February 18, 1957 (date on which each Government received from the other written notification that it has complied with statutory and constitutional requirements).

Honduras
Proclaimed by the President: February 13, 1957.

Iran

Norway


Turkey

Venezuela

DEPARTMENT AND FOREIGN SERVICE

Confirmations
The Senate on February 21 confirmed Christian A. Herter to be Under Secretary of State. (For biographic details, see press release 83 dated February 21.)

Designations
Hugh S. Cuming, Jr., as Special Assistant to the Secretary for Intelligence, effective about May 1. (For biographic details, see press release 75 dated February 18.)
John W. Hanes, Jr., as Deputy Assistant Secretary for International Organization Affairs. (For biographic details, see press release 78 dated February 20.)

Appointments
Richard D. Drain as Special Assistant to the Secretary. (For biographic details, see press release 80 dated February 21.)
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76 2/19 Dulles: news conference.
77 2/19 Dulles-Truman correspondence.
*78 2/20 Hanes designation (biographic details).
*79 2/20 Foreign journalists guests of U.S. newspapers.
80 2/21 Drain appointment (biographic details).
*83 2/21 Herter sworn in (biographic details).
84 2/23 Educational exchange agreement with Iceland.
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TREATIES IN FORCE . . .

A List of Treaties and Other International Agreements of the United States

The 1956 edition of Treaties in Force: A List of Treaties and Other International Agreements of the United States was recently released. The publication lists treaties and other international agreements which according to the Department's records were in force between the United States and other countries on October 31, 1956.

The list includes bilateral treaties and other agreements, arranged by country or other political entity, multilateral treaties, and other agreements, arranged by subject with names of countries which have become parties. Date of signature, date of entry into force for the United States, and citations to texts are furnished for each agreement.

Documents affecting international copyright relations of the United States are listed in the appendix.

Information on current treaty actions, supplementing the information contained in Treaties in Force, is published weekly in the Department of State Bulletin.


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Statement by Henry Cabot Lodge
U.S. Representative to the General Assembly

During the long weeks in which the General Assembly has been occupied with the grave situation in the Near East, the United States has sought a solution which would be based on justice and which would take account of the legitimate interests of all the parties. The United States position was manifested from the very beginning in its resolution before the Security Council which called upon Israel to withdraw and which called for the withholding of assistance to Israel if it did not withdraw. The United States views in this respect have been steadfast. They were most recently and most authoritatively set forth by President Eisenhower in his public address of February 20. In this endeavor we have recognized that it is incompatible with the principles of the charter and with the obligations of membership in the United Nations for any member to seek political gains through the use of force or to use as a bargaining point a gain achieved by means of force.

It now appears that the General Assembly’s efforts to restore peaceful conditions in the area following the hostilities of 4 months ago are about to come to fruition. In its most recent efforts to find a solution, the Assembly, on February 2, adopted two resolutions. The first of these reit-

1 Made in plenary session on Mar. 1 (U.S. delegation press release 2835) following an announcement by Israeli Foreign Minister Golda Meir that Israel would withdraw its forces from Egyptian territory.
2 Bulletin of Nov. 12, 1956, p. 750.
3 Ibid., Mar. 11, 1957, p. 387.

Future of Gaza Strip

Regarding the United Nations measures contemplated for the Gaza Strip, the United States has taken note of the statement by the Secretary-General on February 22. He stated then:

It is the desire of the Government of Egypt that the take-over of Gaza from military and civilian control of Israel—which, as has been the case, in the first instance would be exclusively by UNEF—will be orderly and safe, as it has been elsewhere. It may be added with equal confidence that the Government of Egypt, recognizing the present special problems and complexities of the Gaza area and the long-standing major responsibility of the United Nations there for the assistance of the Arab refugees, and having in mind also the objectives and obligations of the Armistice Agreement, has the willingness and readiness to make special and helpful arrangements with the United Nations and some of its auxiliary bodies, such as UNRWA and UNEF. For example, the arrangement for the use of UNEF in the area should ensure its deployment on the Armistice line at the Gaza Strip and the effective interposition of the Force between the armed forces of Egypt and Israel. Similarly, the assistance of the United Nations and its appropriate auxiliary bodies would be enrolled toward putting a definite end to all incursions and raids across the border from either side. Furthermore, with reference to the period of transition, such other arrangements with the United Nations may be made as will contribute towards safeguarding life and property in the area by providing efficient and effective police protection; as will guarantee good civilian administration; as will assure maximum assistance to the U.N. refugee programme; and as will protect and foster the economic development of the territory and its people.

It is the view of the United States that from a juridical standpoint the future of the Gaza Strip must, as the Secretary-General said, be worked out within the framework of the Armistice Agreement.

Obviously these matters are not for the United States alone to decide, but the United States can, I think, properly entertain the hope that such a useful role for the United Nations and its appropriate subsidiary bodies as the Secretary-General has described could usefully continue until there is a definitive settlement respecting the Gaza Strip or some final general agreement between the parties.

Gulf of Aqaba and Straits of Tiran

With respect to the situation in the area along the Gulf of Aqaba and the Straits of Tiran, I stated on January 28, and again on February 2, that:

It is essential that units of the United Nations Emergency Force be stationed at the Straits of Tiran in order to achieve there the separation of Egyptian and Israeli land and sea forces. This separation is essential until it is clear that the nonexercise of any claimed belligerent rights has established in practice the peaceful conditions which must govern navigation in waters having such an international interest. All of this would, of course, be without prejudice to any ultimate determination which may be made of any legal questions concerning the Gulf of Aqaba.

It is appropriate at this time to recall the position of the United States on navigation through the Straits of Tiran and the Gulf of Aqaba. In a memorandum of February 11, 1957, made public on February 17, the United States Government stated:

The United States believes that the Gulf comprehends international waters and that no nation has the right to prevent free and innocent passage in the Gulf and through the Straits giving access thereto. We have in mind not only commercial usage, but the passage of pilgrims on religious missions, which should be fully respected.

The United States recalls that on January 23, 1950, the Egyptian Ministry of Foreign Affairs informed the United States that the Egyptian occupation of the two islands of Tiran and Senafir at the entrance of the Gulf of Aqaba was only to protect the islands themselves against possible damage or violation and that “this occupation being in no way conceived in a spirit of obstructing in any way innocent passage through the stretch of water separating these two islands from the Egyptian coast of Sinai, it follows that this passage, the only practicable one, will remain free as in the past, in conformity with international practices and recognized principles of the law of nations.”

In the absence of some overriding decision to the contrary, as by the International Court of Justice, the United States, on behalf of vessels of United States registry, is prepared to exercise the right of free and innocent passage and to join with others to secure general recognition of this right.

These views are to be understood in the sense of the relevant portions of the report of the United Nations International Law Commission on the law of the sea, covering the Commission’s work at its eighth session, from April 23 to July 4, 1956.

In connection with the duration of the deployment of the United Nations Emergency Force in this area, the question has been raised whether the Secretary-General would give notice to the General Assembly before the Emergency Force would be withdrawn. We have noted the Secretary-General’s statement in his memorandum of February 26 that “an indicated procedure would be for the Secretary-General to inform the Advisory Committee on the United Nations Emergency Force, which would determine whether the matter should be brought to the attention of the Assembly.”

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Importance of Strict Compliance

I should like to emphasize at this time the vital necessity of full and strict compliance by Israel and Egypt with their international obligations, including the Armistice Agreement. Governed by their obligations under the charter, Israel and Egypt should base their relations on full observance of the armistice. The General Assembly in its various resolutions dealing with the present problem has recognized this necessity. Indeed, the Assembly in its first resolution dated November 2, 1956, noted that disregard on many occasions of the terms of the Armistice Agreements by the parties thereto was a forerunner of the hostilities which broke out in late October.

Once Israel has completed its withdrawal in accordance with the resolutions of the General Assembly, and in view of the measures taken by the United Nations to deal with the situation, there is no basis for either party to the Armistice Agreement to assert or exercise any belligerent rights.

The United States has from the beginning made clear its belief that, after the withdrawal of British, French, and Israeli forces, there should be established conditions different from those which had previously prevailed. As Secretary Dulles stated before the Assembly on November 1, 1956: 10

There needs to be something better than the uneasy armistices which have existed now for these 8 years between Israel and the Arab neighbors.

The United States would like to see as rapidly as is practical a definitive settlement of the Palestine problem—such a peace as is contemplated by the Armistice Agreements. Realistically we must accept the fact that this cannot be attained at the present. Therefore, one of our principal tasks is to create peaceful conditions and tranquillity through the prevention of aggression. We believe that even if formal peace with definitive settlements may not now be obtained, we should vigorously seek to bring about the conditions of security and tranquillity which may, as rapidly as possible hereafter, make a peace settlement practicable, and that in the meantime there should be a strict compliance by both Israel and Egypt with their international obligations.

If, following the Israeli withdrawal, there

President Commends Israel on Decision To Withdraw

Following is the text of a letter from President Eisenhower to Israeli Prime Minister David Ben-Gurion (White House press release dated March 2).

MARCH 2, 1957

MY DEAR MR. PRIME MINISTER: I was deeply gratified at the decision of your Government to withdraw promptly and fully behind the Armistice lines as set out by your Foreign Minister in her address of yesterday to the General Assembly. I venture to express the hope that the carrying out of these withdrawals will go forward with the utmost speed.

I know that this decision was not an easy one. I believe, however, that Israel will have no cause to regret having thus conformed to the strong sentiment of the world community as expressed in the various United Nations Resolutions relating to withdrawal.

It has always been the view of this Government that after the withdrawal there should be a united effort by all of the nations to bring about conditions in the area more stable, more tranquil, and more conducive to the general welfare than those which existed heretofore. Already the United Nations General Assembly has adopted Resolutions which presage such a better future. Hopes and expectations based thereon were voiced by your Foreign Minister and others. I believe that it is reasonable to entertain such hopes and expectations and I want you to know that the United States, as a friend of all of the countries of the area and as a loyal member of the United Nations, will seek that such hopes prove not to be vain.

I am, my dear Mr. Prime Minister,

Sincerely,

Dwight D. Eisenhower

should be any recurrence of hostilities or any violation by either party of its international obligations, including those of the Armistice Agreement, then this would create a situation for United Nations consideration. The United States would consult with other members of the United Nations to consider appropriate action which they or the United Nations might take, with the object of restoring peace and harmonious relations in conformity with the principles of justice and international law.

In these difficult matters, the United Nations has a basic obligation set out in our charter to suppress acts of aggression or other breaches of the peace and to bring about by peaceful means, and

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in conformity with the principles of justice and international law, adjustment or settlement of international disputes or situations which might lead to a breach of the peace. We also recall that article 2 of the charter provides that members, in order to get the rights and benefits resulting from membership, shall themselves fulfill in good faith their obligations under the charter, and that among such obligations is that of settling their international disputes by peaceful means and refraining from the use of force against the territorial integrity of any state.

We have reached a turning point in the long efforts of the United Nations to bring order and stability to this troubled area in the Near East. We have just heard Israel's announcement that it will respond to the call of the General Assembly for withdrawal. It is now incumbent upon all members of the United Nations, and particularly those directly concerned, to give their full cooperation in carrying out the measures proposed by the Secretary-General in his report of January 24 and endorsed by the General Assembly on February 2.

Let me also say that Egypt during these trying weeks has acted with commendable forbearance on the issues which we confront today. We are confident that Egypt will continue to act in this spirit.

The United States also expresses its deep appreciation for the untiring efforts of the Secretary-General and his immediate associates to achieve the objectives of the General Assembly resolutions. This organization is fortunate in having at its helm a statesman and diplomat whose great energies and intellect have been devoted to peace through long days and, I might say, long nights. There are even more formidable tasks ahead for Mr. Hammarskjold. We are confident that his wisdom and patience will help us in the future.

With good will and a determination to serve the purposes of the charter, we can, I believe, make significant progress toward a more settled, prosperous, and happy world.

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**Secretary Dulles Meets With Representatives of Arab States**

Press release 105 dated March 1

Secretary of State Dulles met on March 1 with the representatives of the following Arab States: Egypt, Iraq, Jordan, Lebanon, Libya, Saudi Arabia, Sudan, Syria, and Yemen.

He reported to them that the Government of Israel had indicated its intention to withdraw wholly and promptly from the Sharm el-Sheikh area and from the Gaza Strip in accordance with the U.N. resolution of February 2, a resolution which had been unanimously supported by all the Arab States.

Secretary Dulles stated that this Israeli withdrawal would involve no promises or concessions whatsoever to Israel by the United States but would be predicated wholly upon the prior decisions of the U.N. General Assembly and the reports of the Secretary-General and the public position of the United States, notably the position expounded by President Eisenhower in his address of February 20.

For its part, the United States in its discussions with the Israeli Government had been endeavoring to achieve implementation of the U.N. resolution in the interest of peace and stability in the area. The Secretary welcomed the indicated action by the Israeli Government to withdraw.

Secretary Dulles said that he was aware of the fact that Communist propaganda was spreading the story in the Arab world that there was some secret understanding between the United States and Israel. He deplored this effort to misrepresent what in fact was a great achievement for the principles and efforts of the United Nations, namely, the full and unconditional withdrawal of Israel as had been sought.

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Working for a World of Peace and Justice

Address by President Eisenhower

For 15 years now the Voice of America has been bringing to people everywhere the facts about world events and about America’s policy in relation to these events. This, then, is a fitting occasion to review some aspects of United States foreign policy. Its guiding thought is this: We believe that we can permanently prosper and enjoy peace only as all peoples prosper and enjoy peace.

In speaking of this subject, rather than talk in abstractions, I would like to draw a picture. It is a picture, in essence, of the kind of world which we would like to see for ourselves and for our children, and which we think most people would like to see for themselves and their children.

There are two parts to the picture. The first part relates to the building up of individual countries and their peoples.

One of the vital facts of this century is that dozens of new nations have come into being. These nations, along with the older nations, are struggling, each in its own way, to improve the lot of their people through a better standard of living, more diversified industry and more efficient farming, increasing political stability, and fresh realization of cultural and religious traditions that are sometimes thousands of years old.

The first task of this new age is to insure that this magnificent surge toward a better life, both personal and national, goes forward in all these countries as rapidly and as safely as possible.

The United States has been working at the side of most of these nations while they have been making great strides in education, farming methods, control of diseases, construction of hospitals and roads and schools and factories and dams and irrigation projects, and improvement of political machinery, legislation, and labor-management relations.

U.N. a Source of World Order

There is a second part to this picture. Suppose we achieved a world of healthy, free, sovereign nations. We would still have the question: How are they to settle their differences of interest among themselves? For there will always be differences of interest. And there must be some source of international order.

A principal source of order in the world, and one that can provide an overall pattern, is the United Nations. And so, just as we support the vigorous independence of today’s many separate nations, so too we support just as vigorously the practice of settling the inevitable disputes between these nations under the principles and procedures of the United Nations.

The history of the United States is that of a struggle for the right of self-determination and human dignity. Our story begins with a ringing declaration which has inspired millions of free people everywhere, that “all men... are endowed by their Creator with certain unalienable rights, that among these are Life, Liberty and the pursuit of Happiness.” But this same declaration also states that, along with this self-determination, we must show “a decent respect to the opinions of mankind.”

In world affairs this nation has striven to con-

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1 Broadcast over the Voice of America on Feb. 25 in observance of VOA’s 15th anniversary (White House press release).
firm and give meaning to these noble words. Through the years we have helped new countries achieve political and economic strength. And the way we dealt with the Suez crisis and its after-effects in the U.N. was also an action demonstrating our conviction that international harmony begins with "a decent respect to the opinions of mankind."

Recently I set forth before our Congress proposals about the Middle East designed to help bring stability to that troubled area.² I would like to show you how these proposals fit in with what I have just described as our purposes.

I believe that the well-being of the people of the Middle East requires the nations of that region to build up and strengthen their economies and institutions. We want to see that kind of progress. My proposals fit right in with this purpose, for they suggested two things: First, in order that this constructive work may go on within these countries, they must be free of the menace of international communism, which could smash all their hard-won accomplishments overnight. And so we give these countries the assurance that, if such a danger develops, and if the United Nations machinery cannot deal with the danger, and a threatened country asks for our help, it can count on our help. So, behind the protective arm of this assurance, the real creative work of progress can go on, and, to speed this creative work, an extra measure of economic assistance for the area is included in my proposals.

Communist Tyranny

We must face the fact that, while we are trying to help build a world of freedom and justice among sovereign people, the masters of international communism are working constantly to tear down this kind of world.

Communism, according to all its own leaders, must be a system of international control and conformity. Thus, at its very heart, it is the complete opposite and enemy of any kind of nationalism. Its avowed program is to destroy totally the religion, governments, institutions, and traditions of the Christian world, the Buddhist world, the Islamic world, the Judaic world, and the world of every religion and culture. The Communist rulers then propose to substitute a whole new sys-


tem of thought and control dictated from Communist Party headquarters. They think that a few theorists and rulers know what is best for everyone, and they are determined to drive everyone toward that kind of world.

One small country after another has been swallowed up by international communism. Their freedom is lost. Their national pride is crushed. Their religion is trampled on. Their economies are mere feeders for that of Russia. And if they attempt to assert their tradition of freedom, their people are shot down by the thousands. Witness: Hungary.

I should like to direct a special word to those people now living under the tyranny of international communism:

We want your friendship. We cherish the ties that have linked us in the past. And we wish you well in your aspirations toward freedom. For we know that, whatever the designs of power-hungry rulers may be, there dwells deep in the heart of every person this same God-given desire to realize freely his own destiny.

And to all people, everywhere, this final pledge: With you we look forward to and shall never cease to work for a world of peace, based on justice. May the God of us all keep you—and hasten that glorious day.

Vice President Nixon Leaves for Africa

Following is the text of remarks made by Vice President Nixon on his departure for Africa on February 28.

Press release 07 dated February 28

In just a few moments we will be taking off on a 17,000-mile journey. This trip will take us to seven countries in Africa and also to Italy before I return to the United States on March 21.

Around me are the members of the official delegation appointed by the President to represent the United States on the occasion of the independence of the new nation of Ghana, more popularly known as the Gold Coast of Africa.¹ This country, which is newly acquiring its independence, will be a member of the British Commonwealth

¹ For names of members of U.S. delegation, see Bulletin of Mar. 4, 1957, p. 348.
of Nations. The United States by sending this
delegation to the ceremonies is indicating its sup-
port and its friendship for this new nation as it
enters into the activities in which it will engage
in the years ahead as an independent member of
the British Commonwealth.

We shall also be visiting on this trip Morocco,
Tunisia, Libya in northern Africa, the Sudan,
Ethiopia, Uganda, and Liberia, and also a visit to
Italy. It will be noted that among the countries
we are visiting we find a number that are newly
independent—in addition to Ethiopia, which is one
of the oldest empires in the world, and Liberia,
which has been independent since 1847. But a
significant feature which characterizes this trip,
with regard to the African portion of it, is that
it shows the interest of the United States, our
Government and our people, in this continent, a
continent of 200 million people with tremendous
natural resources, a continent in which new nations
are being born, a continent which will have tre-
mendous effect on the future of the world. We
believe that we are most fortunate that Ghana,
the nation which is attaining its independence on
the occasion of our visit there, will be on the side
of the free nations when it acquires that status, and
this we believe is an indication of the trend for
Africa in the future. This we can see will be tre-
mendously important because Africa’s coming on
the side of the free nations can be decisive in the
conflict in the world going on between slavery and
freedom today.

The fact that Ghana will be a free nation, with
the great parliamentary traditions which we know
in the United States and which the nations of
the British Commonwealth and many other na-
tions all over the world know, is tremendously
significant. This, we believe, indicates a trend
that will continue as new nations emerge in Africa.

As Africa goes on the side of freedom, this can
be decisive in the struggle which is taking place
in the world today between the forces of freedom
and the forces of slavery.

I would finally say that Mrs. Nixon and I are
looking forward to meeting with government
leaders in these countries, but as on our previous
trips, we are going to do our best to meet people in

all walks of life—by our actions and by our words
to convey the deep sense of affection and friend-
ship that the people of the United States have for
the people of these lands so far away.

U.S. and U.K. Adjourn Air Talks
Pending Further Study

Press release 99 dated February 28

Delegations representing the aeronautical au-
thorities of the United Kingdom and the United
States have now completed discussions which be-
egan on February 18, 1957 at the Mid Ocean Club,
Bermuda. The delegations have made a very
comprehensive study of the U.S.-U.K. Air Ser-
vices Agreement, which was signed at Bermuda 11
years ago. The Conference reaffirmed the belief
of both Governments in the soundness of the basic
Bermuda principles.

Although, since the conclusion of the Bermuda
Agreement in 1946, it has been the practice of the
two countries to meet at regular intervals to dis-
cuss matters of common interest, the present Con-
ference has provided an opportunity for a more
general review of the Agreement as a whole than
has been possible on previous occasions. The dis-
cussions have also covered proposed route changes.
Each side has made known its needs and the pro-
posed route changes are now ready for domestic
study by both parties. The matters considered
are of great complexity and do not lend themselves
to conclusion on individual points in isolation.
For this reason both sides feel that further time
is required to study, in consultation with their
authorities at home, the views that have been
exchanged.

The Conference is well satisfied with the work
that has been done and considers that matters can-
not be taken further without unduly prolonging
the present meeting. It has, therefore, been
agreed that the Conference shall adjourn and that
a future meeting will be arranged as soon as each
country has completed its study of all the new
points which have emerged.

1 60 Stat. 1499; Treaties and Other International Acts
Premier Mollet of France Visits the United States

Guy Mollet, President of the Council of Ministers of the Republic of France, made an official visit to Washington from February 25 to 28. Following are the texts of the joint statement issued by Premier Mollet and President Eisenhower at the close of the visit, greetings exchanged between the Premier and Vice President Nixon at the National Airport, and the remarks by the Premier and Secretary Dulles on Mr. Mollet’s departure, together with the names of members of the Premier’s official party.

TEXT OF JOINT STATEMENT

White House press release dated February 28

Premier Guy Mollet today completed his official visit to Washington where he has been the guest of the United States Government. The purpose of the visit was to permit discussions on a wide range of subjects with President Eisenhower and Secretary of State Dulles. The broad agenda provided a welcome opportunity for the French Prime Minister, French Minister of Foreign Affairs Pineau, the President, and the Secretary of State to engage in a friendly exchange of views in an atmosphere which reflected the long-standing and friendly ties between the two countries.

Premier Mollet explained to President Eisenhower the marked progress which has taken place in the course of the last few months toward creation of a European atomic community—EURATOM—and toward a common European market which will group together 165 million consumers in six European nations.1 He also informed the President of the French Government’s interest in the coming negotiations on a European free-trade area in which Great Britain would participate.

President Eisenhower expressed his personal interest in the success of these treaties on European integration, whose entry into effect will represent an important date for all the free world. The President of the United States and the French Premier noted that the creation of a united Europe would contribute to the strengthening of relations between the United States and Europe and would enhance active association to the mutual benefit of the European and American peoples.

With reference to the Middle East, they stated their common conviction that solutions to the problems of the area can be achieved by peaceful means, in conformity with the principles of justice and international law. With regard to the question of the future status of the Suez Canal, they recalled that the 1888 Treaty contemplated a definitive system to guarantee, at all times and to all the powers, the free use of the Canal. In this connection they reaffirmed their adherence to the six requirements unanimously adopted by the United Nations Security Council and accepted by Egypt last October, which called, among other things, for free and open transit through the Canal without discrimination, and the insulation of the operation of the Canal from the politics of any country.

The President and the Premier exchanged views on the political and economic evolution in African territories.

In this regard, Premier Mollet stressed the historic importance of the decision taken by the six European Chiefs of Government to associate the overseas territories with the European Common Market, a decision which bears witness to the desire of Europe to place its industrial potential at the service of the economic development and social

1 For background on EURATOM, see Bulletin of Feb. 25, 1957, p. 306. For a Department announcement on U.S. views regarding the European common market, see ibid., Feb. 4, 1957, p. 182.
progress of Africa and to reinforce the interdependence of the two continents.

In addition, the Premier informed the President of the profound changes which France has brought about in the political structure of her overseas territories with a view to preparing them for the democratic conduct of their own affairs. He reviewed, furthermore, the French program for Algeria.

The President and the Prime Minister were in full accord in their views that such objectives are in conformity with the desire of both Governments to improve living conditions of mankind and to assure them, along with a better standard of living, the benefits of essential democratic liberties.

The President and the Prime Minister took occasion to reaffirm the vital importance of the North Atlantic Pact as a basic element of free world defense. They noted that free world security requires the maintenance on the continent of Europe of forces with conventional armaments and modern weapons at such levels and in such balance as to discourage any aggression against the territories of all Nato countries. They reaffirmed the importance of continuing to support the early reunification of Germany by means of free elections. They were similarly agreed that a common approach must be taken with regard to the threat of Communist imperialism in Europe and in other parts of the world.

In closing, the Premier and the President agreed on the value of these frank and direct talks and expressed their pleasure, as old friends, at meeting again.

**EXCHANGE OF GREETINGS AT AIRPORT**

Press release 92 dated February 25

**Remarks by Vice President Nixon**

Your Excellency, Premier Mollet, I am honored on behalf of President Eisenhower and the people and Government of the United States to welcome you and the members of your party on the occasion of your visit to Washington.

This is a very significant year for you to visit the United States because, as you know, it is the bicentennial of the birth of Lafayette, who is the father of French-American friendship. Our two countries have been friends and allies for 2 centuries. For you to come here at this time, to meet with President Eisenhower and other officials in our Government, we think is a good omen for the future and for the even closer relations which our two nations will have in the years ahead. We know that you are here for only a short time, but I can assure you that I speak for all of the American people when I say that we trust your visit is a pleasant one and that when you return to France you will do so with only the best memories with regard to the associations you have had here and with regard to the meetings you have had with our President and our other officials.

**Response by Premier Mollet**

Thank you, Mr. Vice President, for these moving words of welcome. I am glad to take this opportunity to express publicly my heartfelt gratitude to the President of the United States and to yourself for the kind invitation which has been extended to me. I look forward to meeting President Eisenhower again. As a European and as a Frenchman, I cannot but remember V-Day and General Eisenhower's tremendous achievements as Supreme Commander. We know, too, what outstanding part he played in securing, through Nato, Europe's defense and America's presence in Europe. We gratefully remember his decision and stern determination to keep our forces serving together for the sake of the Western World.

To you, Mr. Vice President, and to Madame Nixon, I wish to convey my personal wishes as well as my country's. I witness with admiration the task you are performing and the good will you are spreading all over the world for America and for freedom.

I have just told the newspapermen at Idlewild how pleased I was to be again in your country. I feel even more so after this smooth trip on the very comfortable Presidential plane that gave me a foretaste of America's hospitality.

It is with great expectation that I am arriving here. I shall have a long private talk with the President. Since I saw him last in Denver, as a private citizen, many of our worries have become headaches, but many of our hopes, realities. Among those hopes which turned into achievements I would like to insist upon the unity of Europe: it is now a fact. A few days ago we jumped over the last hurdles that were in its way, and now an even broader unity is being born: "Eurafrica," a close association in which we will

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work together to promote progress, happiness, and democracy in Africa.

There are, of course, many other problems I would like to discuss with President Eisenhower. We are going to put our hearts, our minds, and our full strength to achieving the peaceful and just purposes that are common to our two republics.

DEPARTURE FROM WASHINGTON

Press release 96 dated February 28
Remarks by Secretary Dulles

Your Excellency, the visit here of yourself and Foreign Minister Pineau has been a source of great satisfaction to President Eisenhower, to the Government of the United States, and to all of the American people.

In its official aspect, your visit has enabled us to review a wide variety of topics of mutual interest to our two countries and to increase the area of understanding and of agreement. In its unofficial aspects, the visit has, I trust, enabled you to sense the abiding friendship of all of the American people for France, a sentiment which I hope you will be able to take back with you and convey to the people of France.

We hope, Your Excellency, that the remainder of your visit here will be agreeable, that you will have a safe return, and you can, I think, return knowing that, although the visit itself has been short, the results—the values of the visit—will be permanent.

Response by Premier Mollet

Mr. Secretary, thank you very much for your words—so kind to my country and to me. I wish I had more time to spend here. The President, the Vice President, and yourself have been wonderful hosts.

I enjoyed my talks with the President. They were frank, fruitful, and extremely friendly. From our conversations and from the ones we had in the State Department, peace will emerge much stronger, and this is our greatest common aim.

What do we want—we, the free nations? We want a just, democratic peace based on liberty and equality. Our friendship, our alliance, cannot but enhance our chances of keeping the peace of the world. Strength, based on such warm and true feelings as I experienced here while addressing the Senate and the American press, will help build the future. Everywhere I went I found the warmth and the charm of the American people. I only wish I could have told them how much we appreciate their affection, their friendship, how much we want to keep these stronger than ever. I am sorry to leave you so soon, but it’s only an au revoir.

MEMBERS OF OFFICIAL PARTY

The Department of State announced on February 25 (press release 86) the members of the official party accompanying Premier Mollet on his visit to Washington. They are as follows:

Christian Pineau, Minister of Foreign Affairs of the French Republic
Louis Joze, Ambassador, Secretary General of the Ministry of Foreign Affairs
Georges Briand, Director of the Prime Minister’s Cabinet
Jean Daridan, Director General of Political Affairs of the Ministry of Foreign Affairs
Philippe Huet, Director of Cabinet of the Ministry of Finance
Pierre Baraduc, Director of Press and Information Service, Ministry of Foreign Affairs
Emile Noel, Chief of the Prime Minister’s Cabinet
Paul Parpaix, Special Assistant, Prime Minister’s Staff
Jean Bellard, Deputy Director of Press and Information Service, Ministry of Foreign Affairs

Polish Economic Talks

Press release 91 dated February 25

Economic discussions between the United States and Poland will begin on February 26 at the Department of State when financial and trade officials of the Polish Government meet with representatives of the State Department, International Cooperation Administration, and the Departments of Agriculture and Commerce.¹

The U.S. delegation will be led by Thorsten V. Kalijarvi, Acting Deputy Under Secretary for Economic Affairs. The delegation includes Harold C. McClellan, Assistant Secretary of Commerce; Earl L. Butz, Assistant Secretary of Agriculture; and Stuart H. Van Dyke, director of the

¹For an earlier announcement, see BULLETIN of Feb. 25, 1957, p. 299.
Regional Office for Europe and Africa, International Cooperation Administration.

Henryk Kotlicki, Director General in the Polish Ministry of Finance, is chairman of the Polish delegation. Other members of the delegation include Stanislaw Raczkowski, adviser to the president of the National Bank of Poland; Zygmunt Karpinski, adviser of the president of the National Bank of Poland; Edward Iwazkiewicz, member of the Planning Commission of the Council of Ministers; and Marian Adamski, departmental director in the Polish Ministry of Foreign Trade.

Return of Minister Wailes From Budapest

Press release 92 dated February 27

On February 22, 1957, the Hungarian Foreign Ministry in a note to the American Legation in Budapest demanded that the American Minister, Edward Thompson Wailes, either present his credentials to the Government or leave Hungary.

Mr. Wailes was designated American Minister to Hungary with the agrément of the Hungarian Government in July 1956. Following his appointment, he returned to Washington from his previous post in South Africa. He was held in Washington for several months by important duties in the Department in connection with the Foreign Service Selection Boards but was ordered to proceed urgently to Hungary late in October because of the crisis which had developed there.

Mr. Wailes arrived in Budapest on November 2, 1956, under instructions to present his credentials to the Hungarian Government promptly. It will be recalled that at this time Imre Nagy was Hungarian Prime Minister and Soviet troops for the most part had been withdrawn from Budapest. Before Mr. Wailes was able to present his credentials, however, the Soviet Union on November 4 intervened in force in Hungary. In this situation Minister Wailes, acting under instructions from the Department, refrained from presenting his credentials. There have been no subsequent developments in Hungary warranting the presentation of credentials. In this connection, it may be noted that the United Nations General Assembly has taken no action to accept the credentials of the Hungarian delegation.

Minister Wailes left Budapest on February 27 and is expected to return to Washington in the near future. The American Legation in Budapest will continue to function under a chargé d'affaires ad interim.

The United States desires to reaffirm on this occasion its continuing friendship for the Hungarian people and its support of their just aspirations for liberty and national independence.

Mr. Wailes is returning to the United States on consultation and is not performing duties as United States Minister to Hungary.

The text of the Hungarian note of February 22 is as follows:

On July 10, 1956, the Department of State of the United States of America requested an agrément for Mr. Edward Thompson Wailes, whom the President of the United States wished to appoint Envoy Extraordinary and Minister Plenipotentiary to head the U. S. Legation in Budapest. On July 13, 1956, the Presidential Council of the Hungarian People's Republic granted this agrément for Mr. Wailes, who arrived in Budapest during the first days of November 1956.

In spite of the fact that nearly four months have elapsed since his arrival, Mr. Wailes has not yet presented his letter of credence, and in fact he has not even paid an official visit to the Minister of Foreign Affairs. The Legation of the United States of America in Budapest has given various replies to inquiries by the Ministry, and then has referred to the fact that the Minister has not yet received instructions from Washington to present his letter of credence. In the opinion of the Ministry, the thought presents itself that Mr. Wailes deliberately has been postponing the presentation of his letter of credence. This delay is untenable even from the point of view of international law, since there has been no change in the state structure of the Hungarian People's Republic. In fact the same body and person which granted the agrément for Mr. Wailes is still empowered to deal with affairs such as these.

At the same time it has come to the knowledge of the Ministry that Mr. Wailes has been carrying on official activities to which, according to the provisions of international law, only heads of Foreign Missions who have presented letters of credence are entitled.

In view of the foregoing, the Hungarian Ministry of Foreign Affairs is compelled to state that the activities of Mr. Wailes in their present form are irreconcilable with international practice. Therefore, the Hungarian Government requests the Government of the United States of America to remove Mr. Wailes from the territory of Hungary if he further does not wish to present his letter of credence.

The Hungarian Government, wishing to improve its relations with the United States and render them more cordial, sincerely hopes that the American Government, led by the same intentions, will put an end to a situation
which undoubtedly disturbs the relations between the two countries.

On February 27 the Legation in Budapest delivered a reply to the Hungarian note stating that (a) Mr. Wailes is no longer in Hungary; and (b) the United States rejects the charges contained in the Hungarian note concerning Mr. Wailes’ activities while in Budapest.

Mr. Voorhees Completes Special Assignment on Hungarian Relief

Tracy S. Voorhees has completed the task of coordinating Hungarian refugee relief and resettlement activities of U.S. Government and voluntary agencies. He will continue to serve as chairman of the President’s Committee for Hungarian Refugee Relief. For an exchange of correspondence between President Eisenhower and Mr. Voorhees, see White House press release dated February 28.

Prime Minister of Thailand Expresses Thanks for U.S. Aid

Following is an exchange of letters between President Eisenhower and Prime Minister Pibulsonggram of Thailand on the occasion of the arrival in the United States of the 1,000th Thai participant in the technical training program conducted by the International Cooperation Administration (White House press release dated February 25).¹

The President’s Letter

FEBRUARY 7, 1957

DEAR MR. PRIME MINISTER: It was most gratifying to read your letter of January nineteenth reaffirming that United States economic aid and technical assistance programs have helped to strengthen Thailand’s economy and have facilitated the training of technicians needed in meeting your country’s economic objectives.

I was also glad to hear of the arrival in the United States of the 1000th participant from Thailand in the technical training program conducted

¹ For an ICA announcement concerning U.S. economic and technical cooperation programs in Thailand, see Bulletin of Mar. 5, 1956, p. 381.

by our International Cooperation Administration.

The American people are happy to share their technical skills with the friendly people of Thailand. It gives us great satisfaction to know that a sizeable body of technicians who have benefited from training in the United States are now available to Thailand and are serving to advance the prosperity of their country and the well-being and happiness of their countrymen. We Americans in turn have learned much and profited very considerably from working with the people of Thailand, both in the United States and in your country. We have come to know better the deep and ancient culture of Thailand and to understand your national aspirations. I have every hope that the friendly cooperation which exists between our two countries and brings so many mutual benefits will be long continued.

Sincerely,

Dwight D. Eisenhower

The Prime Minister’s Letter

JANUARY 19, 1957

YOUR EXCELLENCY: On the occasion of the arrival of the 1000th participant from Thailand in the United States under the ICA program, I have the greatest honor and pleasure to convey to Your Excellency the warmest feeling of thanks and gratitude of myself, my colleagues and the Thai people for the most valuable aid that the American nation has given to Thailand both in the military and the economic fields; confining myself only to the economic and technical assistance, it is hardly necessary for me to emphasize the importance of the various projects jointly agreed upon and executed so far in the fields of agriculture, communications, education, public health, etc. They all help greatly to strengthen the economy of this land.

But, whatever impact such projects may have on our economic position, the technical assistance program consisting mainly of the sending of Thai officials for further academic and notably practical training in the United States has probably the most far reaching and permanent effects. Without such cooperation from Your Excellency’s government and the people of the United States, it would doubtless take my government much longer time to achieve this success and no similar facilities for placements in the different educational institutions would have been available. It

Department of State Bulletin
Letters of Credence

Afghanistan

The newly appointed Ambassador of Afghanistan, Najib-Ullah, presented his credentials to President Eisenhower on March 1. For the text of the Ambassador’s remarks and the text of the President’s reply, see Department of State press release 100.

Pan American Day and Pan American Week, 1957

A PROCLAMATION

WHEREAS on April 14, 1890, the American Republics founded a bureau for inter-American cooperation which now, as the Pan American Union, is an organ and the general secretariat of the Organization of American States; and

WHEREAS the twenty-one Republics of the Western Hemisphere will celebrate April 14, 1957, the sixty-seventh anniversary of that historic action, as Pan American Day, at the end of a week of commemorative ceremonies; and

WHEREAS the American Republics continue to work together harmoniously in furtherance of their mutual objective of making the Organization of American States an increasingly effective instrument of Hemispheric solidarity; and

WHEREAS they also continue steadfast in their common determination to maintain their freedom and safeguard their peace through active participation in this Organization, which embodies our inter-American system of cooperation:

NOW, THEREFORE, I, DWIGHT D. EISENHOWER, President of the United States of America, do hereby proclaim Sunday, April 14, 1957, as Pan American Day, and the period from April 8 to April 14, 1957, as Pan American Week; and I invite the Governors of the States, Territories, and possessions of the United States of America and the Governor of the Commonwealth of Puerto Rico to issue similar proclamations.

I also urge all our citizens and all interested organizations to join in appropriate observance of Pan American Day and Pan American Week, in testimony of the steadfast friendship which unites the people of the United States with the people of the other American Republics.

IN WITNESS WHEREOF, I have hereunto set my hand and caused the Seal of the United States of America to be affixed.

DONE at the City of Washington this twenty-first day of February in the year of our Lord nineteen hundred and fifty-seven, and of the Independence of the United States of America the one hundred and eighty-first.

By the President:
JOHN FOSTER DULLES
Secretary of State

U.S. Makes Annual Payment to Government of Panama

Press release 94 dated February 26

The Department of State announced on February 26 that it has transmitted to the Government of Panama the annuity payment of $1,930,000 for the year 1957. The payment of this amount each year is called for under the terms of treaties between the two countries in compensation for the rights, powers, and privileges granted to the United States in connection with the Panama Canal Zone. Under the provisions of the Treaty of Mutual Understanding and Cooperation of 1955, the amount of the annual payment was increased from $430,000 to $1,930,000.1

1 For text of treaty and accompanying memorandum, together with an announcement of the signing, see BULLETIN of Feb. 7, 1955, p. 237; for a statement by Henry F. Holland, see ibid., Aug. 1, 1955, p. 185.
Progress Achieved Under the London Agreement of 1953
Regarding Prewar German External Debts

by Lewis P. Fickett, Jr.

On February 27, 1953, the London Agreement on German External Debts was signed by the Federal Republic of Germany, the United States, France, Great Britain, and 15 other creditor nations. Substantial progress has been achieved in implementing the provisions of this program for the settlement of Germany’s prewar external debts.

When World War II ended in Europe in May 1945, Germany’s financial structure was in a chaotic condition. Many securities had either been lost or destroyed during the conflict. In addition, huge quantities which had been acquired for amortization purposes were looted by the Soviet armed forces after the capture of Berlin.

It was first necessary therefore to formulate a procedure to protect the holders of those securities which were legitimately outstanding at the close of the war. This was accomplished by establishing a Validation Board for German Dollar Bonds, pursuant to the agreements between the United States and the Federal Republic of Germany of February 27, 1953, and April 1, 1953. As a result of the operations of the Validation Board, examining agencies and courts in the Federal Republic of Germany, and the collective validation procedure, a total of $231,307,000 in German dollar securities has been validated. Settlements have now been achieved for more than 80 percent of this amount—$187,122,200.

The London Debt Agreement encompassed four principal categories of German prewar external debts: (1) public debts, dealt with under annex I to the agreement, (2) debts of private German corporations, provided for under annex II to the agreement, (3) the standstill debts (various short-term banking credits extended to Germany prior to September 17, 1951), covered by annex III to the agreement, and (4) miscellaneous debts arising principally out of “Goods and Services Transactions” and “Capital Transactions” dealt with under annex IV to the agreement.

Public Debts

With respect to the first category, German public debts, the Foreign Bondholder’s Protective Council, Inc., of New York City, was designated as the negotiating representative of American creditors. The Bondholder’s Council has informed the Department of State that as of February 20, 1957, 30 of the 36 dollar-bond loans within the scope of its responsibility have been settled. These include various loans issued or guaranteed by the German Government or those political subdivisions of the German Government located in what is now the Federal Republic of Germany. Of

1. Treaties and Other International Acts Series 2792.
3. All figures regarding bonds refer to face value.
4. For an article on the role of the Validation Board, see Bulletin of Oct. 20, 1952, p. 608. For the first annual report of the Board, see ibid., Jan. 24, 1955, p. 139. For excerpts from the third annual report, covering the period from Sept. 1, 1955, to Aug. 31, 1956, and completing the 3-year period during which registrations for validation were possible without the necessity for the bond registrant to offer evidence that “the failure to register earlier was not due to his own gross negligence,” see p. 447.

Department of State Bulletin
TABLE 1
GERMAN PUBLIC DEBTS FALLING UNDER ANNEX I
OF THE LONDON DEBT AGREEMENT OF 1953
(as of February 20, 1957)

NUMBER OF ISSUES 36

TOTAL VALUE $152,811,200

SETTLEMENTS UNDER NEGOTIATION 6

CASH

COMBINATION (CASH/EXCHANGE)

$11,771,000

$518,000

$4,452,500

SETTLED 30

CASH

EXCHANGE

136,069,700

$141,040,200
<table>
<thead>
<tr>
<th>TABLE 2</th>
<th>GERMAN PRIVATE CORPORATE DEBTS FALLING UNDER ANNEX II</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>OF THE LONDON DEBT AGREEMENT OF 1953</td>
</tr>
<tr>
<td>(as of February 21, 1957)</td>
<td></td>
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</table>

<table>
<thead>
<tr>
<th></th>
<th>NUMBER OF ISSUES</th>
<th>62</th>
<th>TOTAL VALUE</th>
<th>$78,355,300</th>
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<tbody>
<tr>
<td>TO BE SETTLED</td>
<td></td>
<td>17*</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>SETTLEMENTS UNDER LONG-TERM NEGOTIATION</td>
<td>6</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>SETTLEMENTS IMMINENT</td>
<td>28</td>
<td></td>
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<tr>
<td></td>
<td>RESUMED PAYMENT OF INTEREST</td>
<td>9</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td>CASH</td>
<td>23</td>
<td></td>
<td></td>
</tr>
<tr>
<td>SETTLED</td>
<td></td>
<td>45**</td>
<td></td>
<td></td>
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<tr>
<td></td>
<td>EXCHANGE</td>
<td>18</td>
<td></td>
<td></td>
</tr>
<tr>
<td></td>
<td></td>
<td>3**</td>
<td></td>
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<td></td>
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<td></td>
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<tr>
<td></td>
<td></td>
<td></td>
<td>$32,372,006</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$418,800</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>$46,082,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td>$8,365,006</td>
<td></td>
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<td></td>
<td></td>
<td></td>
<td>24,007,000</td>
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<td></td>
<td></td>
<td></td>
<td></td>
<td>14,315,000</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td>31,249,500</td>
</tr>
</tbody>
</table>

* Validation not required for two of these issues.
** Validation not required for three of the issues settled, so exact estimate valuation not available.
Debts of Private Corporations

The negotiation of settlements for the second category of debts under the London Agreement—debts of private German corporations—was entrusted to the United States Committee for German Corporate Dollar Bonds, Inc., also of New York City. This committee has informed the Department of State that as of February 21, 1957, of the 62 issues for which it is responsible, 45 have been settled. Of these 45 settlements, 18 issues with a value of $31,249,500 were refinanced, offers having been extended to exchange new bonds for the original issues; 23 were cash offers valued at $14,315,000; and one issue worth $418,800 merely resumed the payment of interest. The total value of these settlements, again expressed in terms of the amount reported as validated by the Validation Board, is $16,082,000. Of the remaining 17 issues, totaling $32,372,006, settlements are imminent for 9 issues with a value of $21,007,000, while 6 others valued at $8,365,006 are under long-term negotiation. Since 2 of the remaining unsettled issues are not included on the validation list, an exact valuation estimate for these is unavailable.

Standstill Debts

As for the so-called “standstill debts” provided for under annex III of the London Agreement, the American Committee for Standstill Creditors of Germany has reported that satisfactory arrangements have been made with respect to all debts held by American creditors, except for short-term credits to German bank debtors with clients ordinarily resident outside the Federal Republic.

Miscellaneous Debts

With respect to the miscellaneous debts covered by annex IV to the agreement, it was estimated, at the time the London Agreement was negotiated, that the claims of American creditors amounted to $98,400,000, including accrued interest. As these debts consisted of various types of private claims, they are handled individually by direct negotiations between the creditors and the debtors rather than through any centralized agency. As far as the Department of State is aware, settlement of the debts falling in this category has proceeded in a satisfactory manner.

Report of the Validation Board for German Dollar Bonds
September 1, 1955–August 31, 1956

Following is the substantive portion of a report on the activities of the Validation Board for German Dollar Bonds, covering the period from September 1, 1955, through August 31, 1956, which was transmitted to Secretary Dulles by Douglas W. Hartman, U.S. member of the Board.

FOREWORD

This Annual Report marks the end of three full years of regular registration of German dollar bonds with the Validation Board. During this period the Board has validated $138,647,800 face amount of German dollar bonds or 97.3% of the principal value of all bonds registered with the Board.

Over 40,000 registrations have been processed by the Board and its small staff which all together was never in excess of 19 persons. The significance of the task will be fully appreciated when one realizes that a serious dilution of the interests of the legitimate holders of the bonds, most of whom are nationals of the United States, has been averted and the illegal holders have been denied any benefits from the approximate $350,000,000
principal amount of dollar bonds looted mainly from the bank vaults in Berlin in 1945 after that city was occupied by the Soviet Army. Furthermore, an orderly market for the free and open trading in the validated securities has been re-established in the United States.

The looted bonds, if validated, would represent a value of more than half a billion dollars. But for the London Debt Agreement and the validation procedure the German issuers might have had to pay for such looted bonds. The very existence of the Board and its widely publicized efforts have obviously deterred registration of these bonds. With the expiration of the regular registration period on August 31, 1956, the future registration of looted bonds will be more difficult and, therefore, less likely.

The American and German elements of the Board have cooperated harmoniously and effectively in day-after-day association for a period of over three years, dedicated to the common purpose that no legitimate holder should be denied validation and no looted bond validated. The Board believes its experience speaks well for the practicability of mixed agencies in working out difficult international problems.

Validation Board for German Dollar Bonds

DOUGLAS W. HARTMAN  DR. WALTHER SKAUPY
United States Member  German Member

August 31, 1956

Third Annual Report of the Validation Board for German Dollar Bonds
(September 1, 1955 to August 31, 1956)

INTRODUCTION

The Board's first report as of August 31, 1954 with several of its exhibits was printed in the Bulletin of the Department of State, Volume XXXII, No. 813 of January 24, 1955, pages 139-149. That report discussed the formation and legal basis for the Board's existence, and such information will not be repeated here. For comprehensive information further reference may be made to the message of the President of the United States to the United States Senate of April 10, 1953, Senate Document, Executives D, E, F and G, 83rd Congress. . . .

For a brief summary of the reasons why German dollar bonds must be validated, the Board's Explanatory Pamphlet issued in 1953 will probably suffice. The text of this pamphlet is included as Exhibit No. 1.

At the expiration of the period for regular registration (August 31, 1956), a total of 40,620 registrations had been received representing an aggregate nominal value of $142,459,600. Thus the average registration for the three years of regular registration represents a nominal value of $3,507 per registration.

The registration period which ended originally on August 31, 1954, was extended three times by agreements of the two governments; first to August 31, 1955; second to February 29, 1956; and third to August 31, 1956.

The Board will continue to receive registrations after August 31, 1956, until August 31, 1958, "if the registrant shows that the failure to register the bond earlier was not due to his own gross negligence". (Paragraph (1) of Article 21 of the Validation Law.)

At August 31, 1956, the Board had validated $138,647,800 principal amount of the $142,459,600 principal amount registered with it. It has, therefore, approved 97.3% of the face amount of all securities presented to it for validation.

The $3,811,800 principal amount pending, represent cases very recently registered; some cases where registrants have failed to respond to Board requests for additional information; and, of course, the challenged registrations. About 1/3 of these bonds fall within the challenged classification.

It is, therefore, interesting to note that less than 1% of the bonds registered with the Board have been challenged.

The Board finds great reassurance in the fact that it has not received a single complaint from the German issuers that any looted bond has been validated. This is particularly significant in view of the constant improvement in reconstructing German banking and company records during the past three years.

The location and reconstruction of banking and company records within Germany since the war has produced very satisfactory results. Estimates of the volume of German dollar bonds in legitimate circulation, revised as of August 31, 1956,
now indicate a total of $266,710,300. Heretofore, American authorities had estimated this total at $250,000,000.

Taking the figure shown in "Global Registrations", at $226,627,400 and adding thereto $13,500,-
000, being roughly 1/2 of the volume registered with German courts for declaratory decrees, it may be said that a total of about $240,000,000 face amount of the bonds has been accounted for or identified. . . .

Global

The following tables show registrations and validations of German dollar bonds with the Board in New York, with Examining Agencies and Courts in Germany and collective validations:

**GLOBAL REGISTRATIONS**

Registered with the Board in New York as of August 31, 1956 $142,459,600

*Registered with Examining Agencies, as pieces legitimately held within Germany, as of August 31, 1956 17,219,000

**Collective validation 71,801,900

*Correction for duplicate registrations with the Board and for collective validation 4,853,100

$231,480,500

*Registration with and validation by Examining Agencies and German Chambers was authorized with respect to foreign currency securities held within Germany on January 1, 1945 under the Validation Law and Agreements.

**Collective validation—Pursuant to general authority within the Law and the Agreements, and by exchange of specific notes between the governments of the Federal Republic of Germany and the United States, an amount not to exceed $72,148,000 principal amount of the bonds was authorized for collective validation. Most of these bonds were certified by certain banks in Great Britain, Switzerland, Belgium, Luxembourg, Sweden, and the Netherlands, as having been within their custody on January 1, 1945. The Federal Minister of Finance in concurrence with the Federal Minister of Justice accepted these certificates as sufficient and validated $71,801,900 principal amount of the bonds.

**GLOBAL VALIDATIONS**

Validated by the Board in New York as of August 31, 1956 $138,647,800

Validated by Examining Agencies and Chambers for the Settlement of Securities in Germany as of August 31, 1956 11,947,100

Collective validation 71,801,900

$222,396,600

Correction for duplicate validations, by the Board, and under collective validation $4,853,100

$227,543,700

The amounts actually accepted for collective validation by country were as follows:

<table>
<thead>
<tr>
<th>Country</th>
<th>Validated</th>
</tr>
</thead>
<tbody>
<tr>
<td>Belgium</td>
<td>$174,700</td>
</tr>
<tr>
<td>Germany</td>
<td>3,688,900</td>
</tr>
<tr>
<td>Great Britain</td>
<td>21,966,500</td>
</tr>
<tr>
<td>Luxembourg</td>
<td>7,000</td>
</tr>
<tr>
<td>Netherlands</td>
<td>7,371,400</td>
</tr>
<tr>
<td>Sweden</td>
<td>17,088,500</td>
</tr>
<tr>
<td>Switzerland</td>
<td>20,344,400</td>
</tr>
<tr>
<td><strong>Consolidated Hydro-Electric Works of Upper Wurttemburg</strong></td>
<td>1,160,500</td>
</tr>
<tr>
<td></td>
<td><strong>$71,801,900</strong></td>
</tr>
</tbody>
</table>

*In addition to the bonds certified by banks, $1,160,500 principal amount of the Consolidated Hydro-Electric Works of Upper Wurttemburg 7% First Mortgage 30-Year Sinking Fund Gold Bonds (Oberschwäbische Elektrizitäts Werke) were accepted for collective validation.

Since trading in German dollar bonds without validation, and without a validation certificate affixed by the Board, was prohibited in the United States under the terms of SEC Rule X15C-2 of January 12, 1954, special provision has been made with the Board's General and Special Depositaries to affix the Board's certificates of validation to such collectively validated bonds upon certification to these depositaries by the Board, of the lists of such validated bonds as published in the Bundesanzeiger (the equivalent of the American Federal Register).

Declaratory Decrees

A discussion of global registrations and validations of German dollar bonds is incomplete without covering the subject of declaratory decrees. Article 4 of the Validation Law was designed to protect owners of lost or destroyed bonds and provides that "there shall be granted . . . a declaratory decree in respect of any foreign currency bond which has been destroyed or for some other reason cannot be submitted for validation by any person entitled to register it, . . . ."

Under this provision, the Examining Agencies have had registered with them as of August 31, 1956 a total principal value of $26,415,300, and the
German Chambers have issued decrees to registrants in the principal value of $14,230,000.

The figures cannot properly be added to the previously stated global figures of registrations and validations for the reason that they include a very substantial percentage of duplications. There have been a substantial number of recoveries of bonds assumed lost, and recovered after declaratory decrees were issued. For example, dollar bonds shipped abroad from New York just before the war broke out between the United States and Germany were not delivered because they were seized by British authorities. After the German Chambers had issued declaratory decrees therefor, the bonds were returned by the British to the former American holder and, upon his registration, were validated by the Board.

The registration figures for declaratory decrees also include many bonds seized under the United States Trading with the Enemy Act as alien property which have been registered with the Board by the Attorney General. Duplicate decisions do not, however, occur in this group of bonds and, accordingly, there is no overlapping of validations and declaratory decrees here. The duplication is found here only in registrations.

The recovery under a declaratory decree gives no immediate satisfaction to the former bondholder, for a law must yet be enacted by the Federal Republic determining what recovery holders of the decrees may receive. Under the Validation Law the declaratory decree gives only the right to compensation, and no such compensation will be paid until the period within which such bond may be registered has run out, specifically August 31, 1958. . . .

**GEOGRAPHICAL LOCATION**

The pattern of registrations geographically has not changed materially during the past year. Among domestic registrations, the 10 States having the largest volume of registrations for the full three years are as follows:

- New York $36,931,100
- Pennsylvania 6,847,300
- Illinois 6,375,800
- California 5,945,400
- Ohio 5,648,900
- New Jersey 4,183,800
- Missouri 4,130,400
- District of Columbia 2,544,100
- Massachusetts $2,200,000
- Wisconsin 2,088,600

Among foreign registrations Switzerland ranks first by an enormous margin. A total of $28,334,700 principal amount of the bonds was registered almost exclusively by Swiss banks with the Board in New York. In addition, Swiss banks registered $20,500,000 principal amount for collective validation. The Swiss accordingly registered a total of $48,834,700 principal amount of the bonds. There is in the figure a certain volume of duplications for a number of Swiss banks registered bonds with the Board in New York which had also been listed for collective validation. This occurred during the second year of registration due to some uncertainty as to the ultimate agreement of the United States Government to the Federal Republic's proposal for collective validation. In many of these cases the bonds were validated by the Board in New York and also under the collective validation procedure in Germany. The reconciliation could only be made by the Office for Security Settlements within Germany, by the laborious process of checking bond serial numbers. Since the totals representing the combination of all validation procedures will be furnished by that Office, there is probably no real necessity for such reconciliation.

The bonds registered with the Board, except for those held in Switzerland prior to January 1, 1945, most of which were collectively validated, represent bonds which flowed into Switzerland mainly from American and British owners between the years 1945 and 1953.

Trading in German dollar bonds in the United States was contrary to Securities and Exchange Commission requests. Some American holders learning that there was a Swiss market for the bonds sold their holdings to the Swiss during this period.

The only other foreign countries which figure importantly in registrations with the Board are:

- France $2,857,500
- Great Britain and Ireland 2,827,300
- Netherlands 3,246,900

Total United States and other registrations for the full three-year period with the Board in New York are as follows:

- United States $96,655,200
- Other 45,804,400


DETACHED COUPONS

Following an exchange of notes between the governments of the United States and the Federal Republic of Germany, the Twelfth Implementing Ordinance to the Validation Law of August 25, 1952 was promulgated by the Government of the Federal Republic on August 14, 1956. (See Bundesgesetzblatt 1956, Part I, page 742.)

This ordinance provided for the establishment of a procedure for the validation of individual interest coupons detached from German dollar bonds described in the schedule attached to the Validation Law which were not themselves validated.

The problem arose by reason of the fact that when certain dollar bonds were repurchased for retirement purposes during the 1930s many coupons had already matured and were not required in delivery. The sellers of these bonds, therefore, clipped such matured coupons and continued to hold them in their possession.

A number of brokerage houses in New York had accumulated considerable quantities of such coupons and since they were clearly held outside of Germany on January 1, 1945, they constituted a proper claim against their issuers. Many, if not most of the bonds (primary instruments), from which these coupons were clipped, had either been regularly retired and cremated, or had been on deposit in Berlin banks when the vaults of these banks were looted after the Soviet Army entered and occupied that city.

Coupons detached from regularly validated bonds presented no problem, for under the terms of Article 5, Paragraph (1) of the Validation Law validation of the bond also constituted validation of the coupons (secondary instruments).

The procedure adopted is closely similar to that of the procedure for validating bonds. The Board will not, however, as a rule, require the physical deposit of the coupons with it or its depositaries as in the case of bonds, but each individual coupon must be separately described on the form which the Board has provided.

The public has been appropriately notified by newspaper publication, as in case of the bonds, that registration of coupons will begin on September 1, 1956. Forms and instructions for registering such detached coupons may be obtained from the Validation Board at 30 Broad Street, New York 4, N. Y.

THE CHALLENGED REGISTRATIONS

General

Of the total of $142,459,600 principal amount of German dollar bonds registered with the Board under 40,620 separate registrations, 54 registrations have been challenged. These challenged cases represent bonds having a principal value of $1,319,000. In all of these cases objections have been filed with the Board by the issuers and Examining Agencies. Such objections are accompanied by evidence tending to show that the bonds were, in fact, within Germany on January 1, 1945, and that they were unlawfully removed from the vaults in which they were deposited.

In six of these cases representing a total principal value of $274,000, the Board has rendered formal decisions denying validation.

In twelve of these cases involving bonds totalling $329,000 principal value, the registrants, after receiving the Board's letter outlining the facts and evidence against the validation, have withdrawn their registrations.

There are still pending before the Board 36 cases involving $716,000 principal value. The registrants in these cases have been or will be notified that objections to validation have been filed with the Board by the issuers and Examining Agencies and invited to rebut the objections and to supplement the evidence submitted with their registrations in support of their claims that the bonds were, in fact, outside of Germany on January 1, 1945.

In 11 of these cases the Board has given formal notice of its intention to deny validation, informing the registrant that unless further evidence supporting the registrant's case is received within 90 days, the Board would proceed to render its decision denying validation.

Although a public hearing has been held in only one of the challenged cases, the Board has been ready at all times to meet and discuss evidence with any of its registrants or their representatives, either privately or in public hearing. Every possible assistance has been offered to its registrants in suggesting sources of documentary evidence or granting additional time within which to find evidence.

The Board's Opinions

Prior to August 31, 1956, the Board has rendered six decisions denying validation to bonds in

March 18, 1957
the total principal value of $274,000. A brief summary of each of these opinions follows:

The bond involved in Decision No. 1 was registered with the Board under a claim that it was located in Switzerland on January 1, 1945.

In Decision No. 2 the January 1, 1945 location of the bond was described by the registrant as Rome, Italy.

In Decision No. 3 the registrant claimed the bond was located in Brazil on January 1, 1945.

In each of these three decisions the bonds involved had been redeemed and perforated by the issuer. The perforations had been so skillfully repaired that they passed initial inspection.

The Board’s decisions denying validation in these three cases were dated March 21, 1956.

In Decision No. 4 the registrant claimed to have acquired his 245 United Steel Works Debentures, Series A, due July 1, 1947, in Warsaw, Poland, in June 1940; to have brought them into the United States when he entered at San Francisco in November 1940 under a Honduran diplomatic passport; to have held them in safety deposit in a New York bank until September 1942, when he placed them in custody of the Consul General for Honduras in New York City where they remained until reclaimed by him in 1950.

The registrant changed his status within the United States very soon after his arrival from that of a person “in transit” to that of a visitor. In acquiring “visitor” status he executed the form required by the Bureau of Immigration and Naturalization declaring that he owned no foreign securities.

The safety deposit box in which he claimed to have deposited the bonds when he arrived in New York in November 1940 was blocked by the United States Treasury in 1941. On October 24, 1941 and when the box was given up on January 21, 1942, the only times the registrant had access to the box, no securities of any description were withdrawn therefrom. On Form TR-300, dated December 16, 1941, filed with the United States Treasury, the registrant denied specifically under oath that he as a foreign national owned any foreign securities. On investigation the Board discovered that this safety deposit box was too small to contain the registered securities.

The issuer reported to the Board that the bonds had, in fact, been reacquired by it in 1934 and comprised part of redemption payment covering a 1933 redemption period; that the bonds were, in fact, transferred within the Reichsbank in Berlin from the commercial account of the Conversion Office for German Foreign Debts into a redemption account where they remained until May 1945, and that the transfer had been reported to the trustee of the issue, the Irving Trust Company in New York, by a letter dated March 20, 1941. The Irving Trust Company produced this letter with its accompanying list of 600 serial numbers, certifying that it had been received by that bank in New York City on April 29, 1941. All of the serial numbers of the 245 debentures covered by the registration in question were included in that list.

This registrant asked for and was accorded an opportunity to appear before the Board. A public hearing in the matter was held in the offices

<table>
<thead>
<tr>
<th>Decision No.</th>
<th>Registrant</th>
<th>Securities</th>
<th>Nominal Value</th>
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<tr>
<td>1</td>
<td>Mrs. Jean Gruter, Basel, Switzerland</td>
<td>Siemens &amp; Halske, 6½% Debenture, due 1951</td>
<td>$1,000</td>
</tr>
<tr>
<td>2</td>
<td>Credito Italiano, Rome, Italy</td>
<td>Siemens &amp; Halske, 6½% Debenture, due 1951</td>
<td>1,000</td>
</tr>
<tr>
<td>3</td>
<td>Mr. Paul Loeb, Rio de Janeiro, Brazil</td>
<td>Siemens &amp; Halske, 6½% Debenture, due 1951</td>
<td>1,000</td>
</tr>
<tr>
<td>4</td>
<td>Mr. Richard Abrey, New York, N. Y.</td>
<td>United Steel Works, Series A Debentures, due 1947</td>
<td>245,000</td>
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<tr>
<td>5</td>
<td>Perera Company, Inc, New York, N. Y.</td>
<td>United Steel Works, Series A Debenture, due 1947</td>
<td>1,000</td>
</tr>
<tr>
<td>6</td>
<td>Mr. Stefan Schenker, New York, N. Y.</td>
<td>United Steel Works, 7 Series A Debentures, due 1947, 18 Series C Bonds</td>
<td>25,000</td>
</tr>
</tbody>
</table>

The Board's decision denying validation was issued on March 26, 1956.

An appeal to the United States District Court for the Southern District of New York has been filed in this case. The registrant is represented by Curtis, Mallet-Prevost, Colt & Mosle. The issuer is represented by Shearman & Sterling & Wright and the Board has retained Davis Polk Wardwell Sunderland & Kiendl as its counsel.

In Decision No. 5 the registrant, Perera Company, Inc., stated that its $1,000 United Steel Works Debentures, Series A, had been in Mexico on January 1, 1945, and that it was received in 1952 and held as collateral on a debt owed to it by one Mr. Herman Brann. This debenture likewise appears upon the same list referred to in Decision No. 4 of 600 serial numbers submitted by the Conversion Office in Berlin to the Irving Trust Company with its letter of March 20, 1941. The Board rendered its decision denying validation on July 25, 1956.

In Decision No. 6 the registrant, Mr. Stefan Schenker, acting for his brother Norbert, submitted two separate registration statements, one covering 18 $1,000 United Steel Works Bonds, Series C, due June 1, 1951, and one covering 7 $1,000 United Steel Works Debentures, Series A, due July 1, 1947. The registrant claimed that the bonds and debentures were in custody of a Polish consular official in Rio de Janeiro on January 1, 1945. Evidence against validation covering the 7 Series A debentures is that the serial numbers of these debentures also appear upon the list of 600 serial numbers transmitted by the Conversion Office to the Irving Trust Company in New York with its letter of March 20, 1941.

In case of the Series C bonds the issuer has presented banking records showing the reacquisition and the transfer of these securities from the Commerz- und Privatbank in Berlin and deposit within the Reichsbank in Conversion Office redemption accounts. As in Decisions Nos. 4 and 5, the Conversion Office in Berlin reported the transfer for amortization purposes to the redemption account of 324 of these Series C bonds to the American trustee in New York, in this case The First National City Bank of New York. That bank has furnished a certified photocopy of the letter dated March 20, 1941 with its accompanying list of 324 serial numbers. All 18 of the serial numbers of the bonds registered by Mr. Schenker appear on this list.

The Board rendered its decision denying validation on August 10, 1956.

The Withdrawn Registrations

Case No. 1—This registration involved 91 United Steel Works Corporation 61/2% 20-Year Sinking Fund Debentures, Series A, due July 1, 1947. It was filed by a Swiss bank on behalf of a United States national, resident in France, under a claim that the debentures on January 1, 1945, were in custody of an individual described as a banker in Paris.

The Board found all of the serial numbers included on the list of 600 amortized bonds of the same issue transmitted by the Conversion Office in Berlin to the Irving Trust Company in New York with its letter dated March 20, 1941. This is the same list as that mentioned heretofore in the Board's decisions denying validation in the Abrey, Schenker, and Perera Cases. Prior to the receipt of this registration, the Board was advised that a Swiss institution had offered these same debentures by serial number list to a New York broker, the representation then being that the debentures had been smuggled out of Germany by a Brussels, Belgium, security dealer into Switzerland where they were located on January 1, 1945.

When the registrant was informed of these contradictory assertions, the registration was withdrawn.

Case No. 2—This registration involved 32 Siemens & Halske Stock Corporation 61/2% 25-Year Sinking Fund Gold Debentures, due September 1, 1951. The registrant claimed the debentures were in New York City on January 1, 1945, and that he had purchased them privately from the director of a casino in Italy in 1939.

Upon inspection the debentures were discovered to have been perforated with the perforations so skillfully repaired that they escaped notice upon initial examination. The Siemens & Halske Corporation had perforated all debentures reacquired for amortization purposes.

When the registrant was informed of these facts, the registration was withdrawn.

Case No. 3—This registration involved three
Good Hope Steel and Iron Works 7% 20-Year Sinking Fund Gold Bonds, due October 15, 1945. It was filed by a Swiss bank on behalf of a Canadian resident, who claimed the bonds were in Canada on January 1, 1945.

The German Examining Agency objected to the validation of these bonds on the ground that the bonds had been reacquired for amortization purposes and that the issuer’s records include a letter from the Conversion Office dated May 12, 1941, reporting the deposit of these bonds with others into its redemption account in the Reichsbank.

Upon notification of these facts to the registrant, the registration was withdrawn.

Cases Nos. 4–8—These cases involved five separate registrations covering 117 United Steel Works Corporation 6½% 20-Year Sinking Fund Debentures, Series A, due July 1, 1947. Three of the registrations were filed by a Swiss bank and two by the registrant, all, however, by or on behalf of an attorney in Mexico City. These registrations were received at intervals over a three-month period and were supported by a declaration of a Mexican bank that the debentures had been in deposit with that bank on January 1, 1945.

The Board found the serial numbers of all of the debentures submitted under these five registrations on the list of serial numbers which had been transmitted by the Conversion Office in Berlin with its letter of March 20, 1941 to the Irving Trust Company in New York. The evidence opposing validation is here again the same list of serial numbers mentioned heretofore in the Abrey, Schenker and Perera Decisions.

The Board’s representatives called upon the president of the bank in Mexico presenting photostatic copies of the declarations and asking to see the bank’s records supporting them. An admission that there were no records in the bank to support the declarations was obtained and the bank asked that its declarations be withdrawn. Thereafter the registrants withdrew their registrations.

Case No. 9—This case involved 15 United Steel Works Corporation 6½% 20-Year Sinking Fund Debentures, Series A, due July 1, 1947. The registrant, a resident of New York, claimed the debentures were in Switzerland on January 1, 1945. He stated that he inherited them from his father who passed on in Switzerland in 1947. He submitted in support of his claim that the debentures were outside of Germany on January 1, 1945 a letter from a Paris bank dated July 11, 1939, which stated that under separate cover the bank was delivering $15,000 in face amount of United Steel Works debentures to his father in Switzerland. The letter described the debentures by serial number.

The German Examining Agency advised the Board that all of the debentures had been purchased for redemption and were included on the list of 600 amortized bonds submitted by the Conversion Office to the Irving Trust Company under its letter dated March 20, 1941. This is again the same list referred to in the Abrey, Schenker, and Perera Opinions.

Moreover, in this case the Board submitted the letter dated July 11, 1939, from the Paris bank for laboratory inspection. The laboratory report stated that the typewriter used was Underwood distinctive pica type first put in use by the company in March 1946.

Upon informing the registrant of these facts, this registration was withdrawn.

Case No. 10—This case involved one North German Lloyd 6% 20-Year Sinking Fund Gold Bond due November 1, 1947. The registrant claimed that the bond was in Canada on January 1, 1945.

The bond itself contained evidence of the fact that it was acquired by the North German Lloyd Company in the course of an exchange operation that took place in 1933, being stamped to that effect. The issuer also presented evidence that the bond was held by the company in its own vaults in Bremen until the Spring of 1945 when Bremen was occupied by the Allied forces. During this period of occupation the bond disappeared.

Upon informing the registrant of these facts, the registration was withdrawn.

Case No. 11—This registration involved 69 United Steel Works 6½% 20-Year Sinking Fund Debentures, Series A, due July 1, 1947. The registrant claimed the debentures were in Mexico on January 1, 1945 and promised to produce probate records proving he had inherited the debentures from his grandmother who died in October 1945. No such records were produced.

The Examining Agency in Germany called attention to the appearance of all 69 serial numbers on the list sent by the Conversion Office to the Irving Trust Company with its letter dated March 20, 1941. This is again the same list referred to heretofore.
When the registrant was notified of the facts and evidence opposing validation, the registration was withdrawn.

Case No. 12—This registration involved one North German Lloyd 6% 20-Year Sinking Fund Gold Bond, due November 1, 1947. The registrant claimed the bond was in Canada on January 1, 1945. The bond in this case also bore evidence upon itself that it was acquired by the North German Lloyd Company in the course of an exchange operation that took place in 1933, being stamped to that effect. The issuer presented evidence that the bond was thereafter held by it in its own vaults in Bremen until the Spring of 1945 when Bremen was occupied by the Allied forces. During this period of occupation the company's vaults were broken into and the bond disappeared.

Upon informing the registrant of these facts, the registration was withdrawn.

The Pending Cases

The Board has 36 cases before it, in each of which it has evidence tending to show that the bonds were actually within Germany on January 1, 1945, and unlawfully removed from the vaults of German banks in which they were deposited on that date, contrary to the claim of the registrant.

These cases are in various stages of progress. Some are recent registrations. In 14 of these cases the Board has already sent its 90-day letter advising the registrant of all facts and evidence opposing validation. In these cases the registrant has 90 days after receipt of the letter to supply rebutting evidence. If no rebuttal is offered and the case is not withdrawn within this 90-day period, the Board proceeds to the preparation of its decision and opinion.

In other cases the Board is awaiting the presentation of additional evidence either from the registrant or the issuer.

Miscellaneous Cases

1. Registrations of Bonds Seized by British Authorities During the War

Certain bonds which were repurchased for the account of several German agencies prior to December 1941 and while en route to other countries in American aircraft were seized by British authorities. Some of these bonds have been purchased at sales held by the British Admiralty Marshal and were, thereafter, registered with the Board mainly by Swiss banks. Determination of these complex cases is still pending.

2. Registration of Valid Bonds Allegedly Lost or Stolen

A considerable amount of the Board's time during the past two years has been given to cases where bonds were registered as held outside of Germany on January 1, 1945 and applications were made to the competent German agencies by other persons for declaratory decrees alleging that the same bonds were stolen or disappeared in Germany in 1944 or 1945. In these cases the alleged thefts or losses did not involve bonds which were repurchased for redemption.

After much correspondence and numerous personal interviews many of these registrations were withdrawn when it began to appear that the bonds were probably not outside of Germany on January 1, 1945. Quite a number of these cases are still pending.

FACT FINDING ACTIVITY OF THE BOARD

The Board is authorized under Article 24, Paragraph 3 of the Validation Law "to make such investigations as it considers necessary to ascertain the facts."

The Board has largely confined its activities under this authority to broad studies of the structure of the banking system within Germany during the period from 1930–1945. During his first trip to Germany in 1954 the American Member began a study of the functions and inter-relationships of the Reichsbank in Berlin with the Golddiskontbank and the Conversion Office. He was also concerned on this trip with problems of coordinating the administrative functioning of the German Federal Debt Administration, the Office for Validation of Securities, and the Examining Agencies within Germany with those of the Board in New York.

The inquiry concerning the functions and inter-relationships of the Reichsbank, Golddiskontbank and Conversion Office was continued in April and May 1955 when both German and American members of the Board traveled to Germany and interviewed many former employees of the Reichsbank, the Golddiskontbank and the Conversion Office. Minutes were made of these meetings which were read back to the witnesses and then signed by them.

March 18, 1957
Both German and American members were gratified by the cooperation afforded by government and banking officials in their effort to locate key personnel who could tell of the procedures observed within the banks, particularly within the Securities Department of the Reichsbank where the redemption accounts of the Conversion Office were maintained.

In 1955 the Board learned that important leads as to distribution of some of the bonds looted from the vaults of Berlin banks could be obtained in Europe and North Africa. Accordingly, in April of this year Mr. Hartman traveled to these areas to develop such information. . . .

IN APPRECIATION

. . . The Board desires also to express its gratitude to all those officials of the German Ministry of Finance, the United States Department of State, the German Federal Debt Administration and the German Office for Security Validation, the Office of International Finance of the United States Treasury and the Securities and Exchange Commission, the Bank deutscher Laender, and the United States Federal Reserve Board, whose continued interest and cooperation have contributed much to the results the Board is able to show in this report.

For the continued cooperation of The First National City Bank of New York, its General Depositary, and J. P. Morgan & Co., Incorporated, its Special Depositary, for the helpful counsel of Doremus & Co., its advertising agents, and the American Bank Note Company, engraver of its validation certificates, the Board is likewise grateful.

Deep appreciation must also be expressed for the frequent assistance of the Foreign Bondholders Protective Council, Inc., the United States Committee for German Corporate Dollar Bonds, the National Association of Securities Dealers, the New York Stock Exchange, and the Swiss Bankers' Association.

The cooperation of the German banks who act as Examining Agencies for the bonds subject to validation has been especially important to the Board and it has appreciated the general promptness with which these agencies have furnished their reports to the Board.

This report would be incomplete without an acknowledgment of the excellent cooperation the Board has had from its registrants generally. Their patience in responding to the Board's requests for better evidence, and the cooperation of banks, brokers and dealers in assisting them to document their claims so as to establish a record upon which the Board could validate has been praiseworthy indeed.

For a truly magnificent demonstration of cooperation by the public and the press generally, and banks and security dealers in particular, with its task of undoing the mischief and confusion started by the looting of the bonds after the occupation of Berlin, the Board says to all, Thank You.

IN CONCLUSION

In the coming year, the Board's principal tasks will include the determination of cases involving bonds, the validity of which has been challenged. The Board has been named defendant in a lawsuit by a registrant whose 245 bonds have been denied validation. The character of its work is, therefore, being altered from a matter of dealing with a great mass of detail to the more difficult task of reaching decisions on complex cases. The new tasks of the Board will involve decisions whether new registrants were grossly negligent in failing to register their bonds before August 31, 1956 and the independent validation of detached interest coupons.
Security Council President Requested To Discuss Kashmir Dispute With India and Pakistan

Having voted on January 24 to continue its consideration of the Kashmir dispute, the U.N. Security Council on February 15 began debate on a four-power proposal authorizing the President of the Council, Gunnar V. Jarring of Sweden, to visit India and Pakistan in order to discuss with the two Governments measures which might contribute to a settlement. In the voting on February 20, the U.S.S.R. vetoed the proposal. The United States immediately introduced a second proposal, cosponsored by Australia and the United Kingdom, which was adopted on February 21; the U.S.S.R. abstained from voting.

Following are texts of statements made in the Council by U.S. Representative Henry Cabot Lodge, Jr., and Deputy U.S. Representative James W. Barco, together with the two proposals.

STATEMENT BY AMBASSADOR LODGE, FEBRUARY 15

U.S./U.N. press release 2017

In its resolution of January 24, 1957, the Security Council reminded the governments and authorities concerned of the principle contained in previous resolutions of the Security Council that the final disposition of the State of Jammu and Kashmir be made in accordance with the will of the people expressed through the democratic method of a free and impartial plebiscite conducted under the auspices of the United Nations. The Security Council also reaffirmed that action by the Kashmir Constituent Assembly to determine the affiliation of the state would not constitute disposition of it in accordance with this principle.

The Council did not at that time consider what further action might be desirable from the point of view of facilitating a settlement of this dispute between India and Pakistan.

In closing my remarks in the Council on January 24, I observed that the United States considered that “in the absence of a direct, mutually acceptable agreement between the parties, the Council has an obligation to continue its efforts, as it has in the past, to seek and to support any fruitful suggestion in this difficult case.” At the suggestion of the United Nations Representative for India and Pakistan, Dr. Frank Graham, who, let me say, has served the United Nations with distinction and skill in more than one difficult problem in addition to having a record of distinguished service in his own country, the parties to the dispute undertook direct negotiations in 1953. Those negotiations were not successful. Thus the Council again has a positive duty to assist the parties in finding a just and equitable solution.

The Security Council’s overriding endeavor in connection with Kashmir has always been to secure an amicable settlement acceptable to both parties. In doing this it has sought to build upon the gains which have been made in the past and upon agreements which have been reached by the parties. As the Secretary of State said on February 5:

... We continue to believe that, unless the parties are able to agree upon some other solution, the solution which was recommended by the Security Council should prevail, which is that there should be a plebiscite.

We listened attentively to the forthright presentations of the representatives of India and Pakistan [V. K. Krishna Menon and Malik Firoz

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1 For text of the resolution and of Ambassador Lodge’s Jan. 24 statement, see Bulletin of Feb. 11, 1957, p. 231.

2 For background on Dr. Graham’s mission and a map of Kashmir, see Ibid., Oct. 27, 1952, pp. 661-667.

Khan Noon] with this in mind. We were pleased to find that a common basis of agreement still exists upon which the Security Council can build in its efforts to assist the parties in finding a pacific solution.

One basis for agreement is the continued recognition by the parties of their international obligations under the resolutions of the United Nations Commission for India and Pakistan dated 13 August 1948 and 5 January 1949. Affirmations of this adherence were made by the representative of Pakistan at the 766th meeting [January 30] and by the representative of India at the 767th [February 8]. The representative of Pakistan stated:

The only international obligations which the Governments of India and Pakistan have undertaken in regard to the Kashmir dispute are embodied in the two United Nations Commission for India and Pakistan resolutions dated 13 August 1948 and 5 January 1949.

The representative of India stated:

These are the engagements. If they were of a formal character they might be treaties, but they are the engagements that we have entered into—the resolutions of 13 August 1948 and 5 January 1949.

What do these resolutions call for? The resolution of 13 August 1948 set out, in successive stages, a cease-fire, a truce agreement, and a determination of the future status of the State of Jammu and Kashmir in accordance with the will of the people. The resolution of 5 January 1949 states that the question of the accession of the State of Jammu and Kashmir to India or Pakistan will be decided through the democratic method of a free and impartial plebiscite. It also specified methods through which this plebiscite should be organized. This then is the first solid basis of agreement from which the Security Council can proceed.

Another important fact on which the Council can build is the realization by both parties that one of the chief barriers to the full carrying out of these resolutions is the failure to achieve demilitarization. This is the central problem involved in the “truce” section of the resolution of 13 August 1948 and has been recognized in the statements of both parties as a crucial problem in carrying out the resolutions.

In this sense the question appears before the Council fundamentally in the same light as it did when we were previously called upon to discuss the matter. The long and energetic efforts of Dr. Frank Graham, the United Nations Representative for India and Pakistan, removed many obstacles to the achievement of demilitarization. However, it has not been possible for him so far to achieve final agreement nor did it prove possible for the parties, at the last time they undertook direct negotiations, to come to final conclusions. It is therefore on demilitarization that the discussions of the representatives of Pakistan and India have largely turned and to which the Council needs largely to address itself.

We welcome the assurances of both representatives of their continued respect for and adherence to these international engagements. We are hopeful that both Governments will do their utmost to consult in good faith to implement the obligations which they have assumed and in which the Security Council has played such an important role. We recognize that the opinions of the representatives of India and Pakistan differ considerably and it is therefore on demilitarization and on the elements which would bring it about in an equitable fashion. However, the Security Council has previously expressed its views on many of these points.

The resolution which has been introduced by the Governments of Australia, Cuba, the United Kingdom, and the United States builds upon these points of agreement. It thus lays considerable stress on the importance of achieving demilitarization. Four of the preambular paragraphs refer to this problem. The task which we are suggesting that the Security Council assign to its President also emphasizes efforts to achieve demilitarization.

In this connection a proposal has already been put forward as a suggestion by which the present deadlock might be broken. This was the proposal of the representative of Pakistan at the 761st meeting [January 16], reiterated at the 766th meeting, to the following effect:

The functions of protecting the state and insuring internal security should be entrusted by the Council to a United Nations force which should be introduced into the area at once.

We have thought it desirable to note this proposal of the representative of Pakistan for the use of a temporary United Nations force in connection with demilitarization. We have not attempted to express a final judgment on this proposal but have
stated the belief that the use of such force would deserve consideration insofar as it might contribute to the achievement of demilitarization as envisaged in the resolutions of the United Nations Commission for India and Pakistan and toward the pacific settlement of the dispute.

We would hope that the President of the Security Council could explore this proposal further with the Governments of India and Pakistan with a view to examining its utility and determining the extent to which it might be employed. If the United Nations force would be of value in assisting in the demilitarization or basic settlement of the dispute, I am sure all of us would agree it would deserve consideration.

We have therefore listed a temporary United Nations force as one of the elements which need to be borne in mind in making a new attempt to achieve a settlement. Considering the complexity of the Kashmir issue and the length of time since the Council last dealt with it, however, we have suggested that the primary action of the Security Council at this time be to request the President of the Council to examine with the two Governments proposals which he thinks are likely to contribute to demilitarization or to establishing other conditions for settling the dispute. This gives the President sufficient flexibility to produce positive results in bringing the parties together.

As I indicated earlier, the United States believes we must build upon the gains which have been made before. The President in undertaking this mission is accordingly to do so having regard to the resolutions which have been adopted on Kashmir by the Security Council and the United Nations Commission for India and Pakistan. He is also to bear in mind the statements of the parties and specifically the proposal for a United Nations force. As the President of the Council he will also no doubt bear in mind the statements of the members of the Council.

The resolution authorizes his travel to the subcontinent and requests him to report back as soon as possible but not later than April 15.

By sending one of its highest ranking representatives, the United Nations will show its serious concern over the continued deadlock in the achievement of demilitarization and a plebiscite and provide an opportunity for full and detailed consideration of means through which progress might be made. The words “achievement” and “progress” are important elements of the operative paragraph, inasmuch as they express the hope of the sponsors that he will be able to report new progress when he has completed his assignment.

We are particularly fortunate to have as President of the Security Council the eminent Representative of Sweden, Gunnar Jarring. We urge him to accept this great responsibility. Ambassador Jarring is unusually well qualified for this assignment, having been his country’s representative both to India and to Pakistan. He thus will carry with him not only his experience as President of the Security Council and Representative of Sweden in the United Nations, but also a firsthand knowledge of India and Pakistan and a friendship with the leaders of both countries.

We appeal to the Governments of both India and Pakistan to receive him cordially and in accordance with their traditions of international cooperation. We believe that both parties, by virtue of their expressed attitude toward the United Nations Commission for India and Pakistan resolutions, should discuss with the President of the Security Council detailed proposals and plans for achieving demilitarization and the establishment of conditions for progress toward the settlement of the dispute.

Finally, the draft resolution requests the Secretary-General and the United Nations Representative for India and Pakistan to render the President of the Council such assistance as he may request in connection with this special assignment.

The United Nations Representative for India and Pakistan has played a significant role in narrowing the differences between the two Governments on practical measures for bringing about the truce and demilitarization stages preparatory to a plebiscite. I am sure the President of the Security Council would want to draw heavily upon the reports which he has made to the Council, to obtain his advice and counsel before undertaking exploration with the parties. We hope that Mr. Graham, who has served the United Nations self-effacingly and effectively for many years in seeking a pacific settlement of this dispute, will be able to put himself at the disposal of the President of the Security Council for such assistance as he may need in the coming weeks.

In summary, the United States believes that the present draft resolution offers the most promising and judicious course for the Security Council to follow at this time. We hope that the other members of the Council will support it.
STATEMENT BY MR. BARCO, FEBRUARY 20

U.S./U.N. press release 2623

The Security Council began its renewed consideration of the Kashmir problem on January 16. Since then we have met 11 times and we have had a very thorough airing of this complicated problem.

The United States has listened with great attention to the statements of the representatives of India and Pakistan. The Council, as a whole, has shown an enlightened and constructive attitude toward the solution of the problem in the proper spirit of conciliation.

The Soviet Union, however, apparently does not look at this problem in the same way as the other members of the Council. While it has been our hope that the United Nations, through the resolution tabled by Australia, Cuba, the United Kingdom, and the United States, could assist the parties in taking a forward step, the position of the Soviet Representative [Arkady A. Sobolev] has been essentially negative.

Let me examine the amendments he has put forward.4

First, under the Soviet amendments, all mention of previous resolutions, either of the Security Council or of Uncir, is eliminated. The Council would therefore be asked to ignore the obligations to which both India and Pakistan are committed in the Uncir resolutions as well as a large number of Security Council resolutions which are still valid.

Second, under the Soviet Union's amendments, all mention of the importance of achieving de-militarization is eliminated. The cease-fire is in effect; but it is the failure to reach agreement on the terms of a truce that has prevented further progress toward a plebiscite. The elimination of emphasis on demilitarization would ignore the fact that this is the key point at which progress has been blocked.

Third, under the Soviet amendments, all mention of the proposal for a United Nations force is deleted. Now, we continue to believe with other members of the Council that this idea deserves consideration and that it should be one of the elements borne in mind by the President of the Security Council in his discussions with the parties, in accordance with the terms of the draft resolu-


tion. While the President would have sufficient scope to take this proposal into consideration on the basis of the statement of the representative of Pakistan, we believe a clear reference to it in the resolution is desirable.

Fourth, the Soviet amendments imply that, while the Security Council has "heard" the statements of the representatives of India and Pakistan, it has not "considered" them. This is an odd reflection on the work of the Council. The United States and, I believe, the other members have "considered" the statements of the parties, and the draft resolution reflects conclusions based on their "consideration."

Fifth, under the Soviet amendments the word "dispute" is changed into the word "situation." While the Security Council used the word "situation" in its earliest resolutions, it has subsequently used the word "dispute" consistently. This was the word used in the resolution of January 24, 1957, and in our opinion reflects the facts.

Finally, under the Soviet amendments the terminal date for the mission of the President is deleted. We have no strong views on the exact date, but we do think we must move forward expeditiously. We would not think that the President should be asked to take on this difficult assignment without a definite terminal date, and we consider April 15 to be a reasonable date on which to ask for his report.

Mr. President, the resolution which has been presented by Australia, Cuba, the United Kingdom, and the United States is a carefully balanced whole. The Soviet amendments would destroy that balance. The explanation of the amendments made by the Representative of the Soviet Union on February 18 revealed that his objectives are contrary to those of other members of the Council.

The Representative of the Soviet Union does not want to have a plebiscite held under United Nations auspices, nor does he want even to consider the possibility of a United Nations force helping the parties to achieve demilitarization. This is something apparently alien to the instincts of the Soviet Union. He has told us that the serious problem with which the Security Council is faced is—to use his words—an "artificial hullabaloo." And he premises his willingness to have the President of the Security Council examine the "existing situation," as he put it, in Kashmir by characterizing that situation as one which has already been settled. In the light of
these considerations and his own comments that he wants to interrupt the Council’s consideration of the problem for some time, we cannot consider his amendments as a serious attempt to further the work of the Council and we cannot accept them.

With respect to the amendments introduced by the Representative of Colombia [Francisco Urrutia], I would like to reiterate simply that we conceive the resolution as an integrated whole. We appreciate the constructive approach which, as always, the Representative of Colombia has shown here. However, we have doubts about the desirability of the changes embodied in his amendments and we think that the terminology in the four-power resolution is more likely to lead to constructive results.

Now, Mr. President, the four-power resolution is designed to assist India and Pakistan to carry out the obligations they have assumed and which they have reaffirmed before this Council.

The United States, and I know the Security Council as a whole, wants to be helpful in resolving this dispute. The United States values its friendship with India and Pakistan. Reference has been made here to our relationship with Pakistan. The United States is glad to be associated with Pakistan in collective security arrangements and to be assisting it in a cooperative defense effort. We have always attempted to approach the Kashmir problem on its merits, and we do not believe that our collaboration with Pakistan in area defense affects the merits of this case. We seek to assist both India and Pakistan—and I say this with great sincerity—in finding a just and equitable solution of the Kashmir problem. We continue to hope that a settlement can be achieved in a manner satisfactory to both. We again urge them to cooperate to that end. We believe that the four-power resolution will assist them, and we urge its adoption.

SECOND STATEMENT BY MR. BARCO, FEBRUARY 20

U.S./U.N. press release 2024

The Representative of the Soviet Union has again, as we feared, abused the veto power to prevent the Council from helping resolve an inter-
national dispute in which the U.S.S.R. has—presumably—no direct interest. The Soviet Representative’s implication that the Security Council would be violating the charter by authorizing its President to bear in mind the proposal by one of the parties for a United Nations force to assist in demilitarization cannot be substantiated by anything that has been said or done here. The action of the Soviet Union can have only one purpose—to perpetuate international conflict and dissen-
sion between two of Asia’s great countries. The Soviet Union takes a weighty responsibility upon itself. It has blocked measures by the United Nations to help assure pacific conditions in the area and friendly relations between the two states.

The Security Council has considered the Kashmir problem on many occasions since 1947. Many members of the United Nations have served on the Council when this issue was before it. In every instance and regardless of the membership of the Council, it has overwhelmingly approved measures to bring about a free expression of the will of the Kashmiri people through an impartial plebiscite. That opinion and those resolutions remain valid and represent the continued sense of the Council. The Council’s resolution of January 24 and the nine votes which our resolution has just received make this clear.

In spite of the Soviet veto, the United States hopes for progress in resolving the dispute. We believe that the parties will themselves not wish to end these discussions on the negative vote of the Soviet veto. We urge them to refrain from any measures which might have the effect of increasing tension in the area.

We believe that the Council should consider immediate action to repair the damage caused by the Soviet veto of the four-power resolution. Such action would accord with its continuing responsibility to assist the parties to move toward a solution of this serious problem. The United States, together with the delegations of Australia and the United Kingdom, therefore submits a new resolution which we believe provides for helpful action in the present circumstances. This resolution has just been handed to you, sir, and I should like to read it.

[At this point Mr. Barco read the three-power proposal (U.N. doc. S/3792 and Corr. 1).]

Mr. President, this resolution bases itself solidly upon the long and virtually unanimous attitude
of the Security Council as expressed in its resolutions and upon the obligations accepted by the parties in the UNR resolutions. It authorizes the President of the Council to discuss with India and Pakistan any proposals which have been or may be put forward and which he thinks could help resolve the dispute, having regard to these resolutions. In his examination of means to solve the dispute, the President would necessarily devote considerable attention to demilitarization, which is the point at which progress toward a plebiscite has broken down.

The resolution vetoed by the Soviet Union in our opinion offered the best opportunity for progress. We hope, however, that this new resolution will still permit the Council to take constructive action, and we urge the Council to adopt it quickly.

STATEMENT BY AMBASSADOR LODGE, FEBRUARY 21

U.S./U.N. press release 2627

Mr. President, the United States appreciates your willingness to accept the assignment which the Security Council has asked you to undertake. We hope that your understanding of the peoples of India and Pakistan and your experience in the United Nations will enable you to make some real progress toward solving this dispute.

We think that the resolution which has just been adopted will give you enough scope and enough guidance. The consensus of the Council on the major problems involved was expressed in the resolution which failed yesterday only because of the Soviet veto. It would have been more satisfactory if the specific ideas embodied in the four-power resolution could have been kept. But the resolution which the Council has now approved does not retreat from those ideas, nor are the facts changed by the Soviet veto. You are authorized to consider any proposals which might help solve the problem, having regard to the pertinent resolutions.

We trust that your mission will be of great help to India and Pakistan as well as to the Council. The fact that you will be able to draw upon the extensive experience and the ability of Dr. Frank Graham—who, may I say, has just made a noteworthy statement—should make it possible for you to function effectively in a short period. He will be able to make a contribution which it seems to us no one else could make. The Council is lucky that he is available to help, and we appreciate his offer of cooperation.

TEXT OF VETOED PROPOSAL ON KASHMIR

U.N. doc. S/3787

The Security Council,

Recalling its resolution of 24 January 1957, its previous resolutions and the resolutions of the United Nations Commission for India and Pakistan on the India-Pakistan question;

Having taken into consideration the statements of the representatives of the Governments of India and Pakistan;

Concerned at the lack of progress in settling the dispute;

Considering the importance which it has attached to the demilitarization of the State of Jammu and Kashmir as a step towards the settlement of the dispute;

Noting that demilitarization preparatory to the holding of a free and impartial plebiscite under United Nations auspices has not been achieved in accordance with the resolutions of the United Nations Commission for India and Pakistan;

Noting the proposal of the representative of Pakistan for the use of a temporary United Nations force in connexion with demilitarization;

Believing that, insofar as it might contribute towards the achievement of demilitarization as envisaged in the resolutions of the United Nations Commission for India and Pakistan and towards the peaceful settlement of the dispute, the use of such a force would deserve consideration;

1. Requests the President of the Security Council, the representative of Sweden, to examine with the Governments of India and Pakistan proposals which, in his opinion, are likely to contribute to the achievement of demilitarization or to the establishment of other conditions for progress towards the settlement of the dispute, having regard to the previous resolutions of the Security Council and of the United Nations Commission for India and Pakistan, and bearing in mind the statements of the representatives of the Governments of India and Pakistan and the proposal for the use of a temporary United Nations force;

2. Authorizes him to visit the sub-continent for this purpose;

3. Requests him to report to the Security Council as soon as possible but not later than 15 April 1957;

4. Invites the Governments of India and Pakistan to co-operate with him in the performance of these functions;

5. Requests the Secretary-General and the United Nations Representative for India and Pakistan to render such assistance to him as he may request.

*Submitted by Australia, Cuba, U.K., and U.S. The vote on Feb. 20 was 9-1 (U.S.S.R.), with Sweden abstaining.

Department of State Bulletin
TEXT OF RESOLUTION ADOPTED BY THE SECURITY COUNCIL

U.N. doc. S/3793

The Security Council,

Recalling its resolution of 24 January 1957, its previous resolutions and the resolutions of the United Nations Commission for India and Pakistan on the India-Pakistan question;

1. Requests the President of the Security Council, the representative of Sweden, to examine with the Governments of India and Pakistan any proposals which, in his opinion, are likely to contribute towards the settlement of the dispute, having regard to the previous resolutions of the Security Council and of the United Nations Commission for India and Pakistan; to visit the sub-continent for this purpose; and to report to the Security Council not later than 15 April 1957;

2. Invites the Governments of India and Pakistan to cooperate with him in the performance of these functions; and

3. Requests the Secretary-General and the United Nations Representative for India and Pakistan to render such assistance as he may request.

Soviet Complaint Concerning Alleged U.S. Intervention in Eastern Europe

Statement by Senator Knowland

At this time I will confine myself to general observations about the item that is now before the Committee. I reserve the right of the representative of my Government to comment later on portions of the speech of the Soviet delegate [Vasily V. Kuznetsov] and on the resolution he has introduced.

The torrent of abuse against my country which the Soviet Union has launched in recent months is nothing new. It is a disagreeable old story brought up to date.

We Americans naturally dislike hearing our country attacked from any quarter. But we know that what the Soviet representative says, like many accusations he has made here in the past, will be recognized as false by this General Assembly and by the whole free world.

Most of these charges by the Soviet Union are familiar in the United Nations. The Soviet representative himself has noted that fact. As he said, his country put forward many of them in the General Assembly in 1951. And they were rejected by the Assembly—he forgot to mention this—on January 10, 1952, by a vote of 42 to 5. The wide variety of other false and sensational accusations which his delegation has brought against my country here nearly every year for the past 10 years has likewise been rejected, and by overwhelming majorities. In this process the very term "Soviet item" has become a synonym to United Nations delegations for a propaganda offensive against the United States.

By reviving these charges the Soviet Union is merely trying to divert world attention from its own year-in and year-out program of using foreign Communist parties to subvert and to undermine the governments of free countries all over the world. Also, no doubt, the Soviet Union would like to obscure the truth revealed in recent discussions by the Assembly on the situation in Hungary, and for that purpose produces its own myth of United States intervention in Eastern Europe. Once again we call upon the Soviet Union to permit free access to Eastern Europe, and thus to the facts.

It is well to remember that a story does not become true merely by being detailed. Often, here in the General Assembly, the Soviet delegation has produced reams of material to support charges they thought it expedient to make, but always the charges have been discredited and rejected.

We regret that the Assembly's time must be taken up by these well-known charges, particularly now when new grave international problems need to be discussed, but the United States appreciates this opportunity to clarify matters once again. When we are falsely accused, we cannot and will not remain silent.

Naturally, we would like to see improved and different conditions in Eastern Europe. We shall never cease to hope that the now captive peoples will be permitted to enjoy those fundamental rights and freedoms recognized in the United Nations Charter. If we can say or do something here that can help to reassure our Soviet colleagues that our motives and policies in no way menace Soviet security and, indeed, that they reflect an objective on which we all must agree—to preserve and maintain international peace—this discussion will have served a useful purpose.
Text of Soviet Draft Resolution

U.N. doc. A/SPC/L.14

The General Assembly,

Noting with anxiety the recent aggravation of the international situation and the deterioration of relations between States;

Noting that one of the causes of this situation is the subversive activity carried on by the United States of America and its intervention in the domestic affairs of the People's Democracies;

Considering that the States Members of the United Nations are bound under the Charter "to practice tolerance and live together in peace with one another as good neighbours";

Recalling that in its resolution 110 (II) of 3 November 1947 the General Assembly condemned all forms of propaganda, in whatsoever country conducted, which is either designed or likely to provoke or encourage any threat to the peace;

Considering also that General Assembly resolution 841 (IX) of 17 December 1954 recommended to Member States the International Convention on the Use of Broadcasting in the Interests of Peace of 1936, in which the contracting parties "mutually undertake to prohibit and, if necessary, to bring to an immediate stop in their respective territories any transmission which could, to the detriment of proper international understanding, instigate the inhabitants of any territory to acts contrary to the internal order or security of the territory of one of the High Contracting Parties";

1. Condemns the subversive activities of the United States of America against other States as contrary to the United Nations Charter and incompatible with the principles on which relations between States should be based;

2. Calls upon the Government of the United States to cease its subversive activities and its intervention in the domestic affairs of other States, whatever their pretext, and to conduct its relations with such States in accordance with the Principles of the United Nations Charter.

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United States Aims Toward Eastern Europe

Mr. Chairman, it is necessary at the outset to put the record straight about United States policy. As the Soviet Government knows, the chief spokesmen of United States foreign policy are the President of the United States and the Secretary of State. They are the sources to whom I shall refer in this discussion.

In Moscow's picture of United States policies regarding Eastern Europe there are two chief distortions. One of these is the idea that the United States wants to impose its own political and economic ideas on Eastern Europe. That is untrue. In a speech at Dallas, Texas, on October 27, 1956, Secretary Dulles said:

The captive peoples should never have reason to doubt that they have in us a sincere and dedicated friend who shares their aspirations. They must know that they can draw upon our abundance to tide themselves over the period of economic adjustment which is inevitable as they rededicate their productive efforts to the service of their own people, rather than of exploiting masters. Nor do we condition economic ties between us upon the adoption by these countries of any particular form of society.

The second Moscow distortion, even graver in its import, is that we want to turn the Eastern European countries into military allies or even military bases from which to attack the Soviet Union. In the same address at Dallas Secretary Dulles said:

And let me make this clear, beyond a possibility of doubt: The United States has no ulterior purpose in desiring the independence of the satellite countries. Our unadulterated wish is that these peoples, from whom so much of our own national life derives, should have sovereignty restored to them and that they should have governments of their own free choosing. We do not look upon these nations as potential military allies. We see them as friends and as part of a new and friendly and no longer divided Europe.

Further on this point, President Eisenhower in his television report to the Nation last October 31st said:

We have also, with respect to the Soviet Union, sought clearly to remove any false fears that we would look upon new governments in these Eastern European countries as potential military allies. We have no such ulterior purpose. We see these peoples as friends, and we wish simply that they be friends who are free.

Again on December 18th in his press conference in Washington, Secretary Dulles reemphasized that we have no wish to turn those countries into our allies. He continued:

... The United States is very openminded to any suggestions that might be made as to the status—whether neutralization or otherwise—of satellite countries which would take away any fear, I would hope, by the Soviet Union that it would be physically or militarily endangered if it facilitated this evolution to independence.

Mr. Chairman, once again the Soviet Union seems determined to misrepresent the United
States as a power bent on conquest by producing its familiar file of press clippings which prove nothing. But if the Soviet leaders honestly seek to know what the true purposes of the United States are toward Eastern Europe and the entire world, I suggest they study without prejudice the statements I have just quoted. I suggest also that they study with equal seriousness the inaugural address of President Eisenhower a month ago, in which he said:

We honor the aspirations of those nations which, now captive, long for freedom. We seek neither their military alliance nor any artificial imitation of our society. And they can know the warmth of the welcome that awaits them when, as must be, they join again the ranks of freedom.

We honor, no less in this divided world than in a less tormented time, the people of Russia. We do not dread—rather do we welcome—their progress in education and industry. We wish them success in their demands for more intellectual freedom, greater security before their own laws, fuller enjoyment of the rewards of their own toil. For as such things may come to pass, the more certain will be the coming of that day when our peoples may freely meet in friendship.

True Sources of Tension in Eastern Europe

Mr. Chairman, what I have said makes it clear enough that there is nothing in United States policy in which the Soviet Union can find cause for alarm. Obviously we must look elsewhere to find the true causes of tension and unrest in Eastern Europe. Recent tragic events in Hungary illustrate conclusively the root of the problem—the complete and total suppression of every expression of independence which the Soviets, in their psychopathic concern for security, regard as a threat to their control of the area.

Now how did this state of affairs come to pass in Eastern Europe? It came about as a result of the aggressive policies and the repressive actions of the Soviet Union for nearly two decades.

The Soviet Union has denied the legitimate aspirations of the peoples of Eastern Europe for national independence.

The Soviet Union has denied to these peoples basic human freedoms recognized in the charter of the United Nations.

The Soviet Union has imposed puppet governments on the states of Eastern Europe and has used its armed forces, its military might, to keep these governments in power.

The Soviet Union has plundered the economies of these countries for the benefit of the Soviet state.

The Soviet Union converted the three Baltic Republics of Estonia, Latvia, and Lithuania into Soviet provinces in violation of their 1939 solemn treaties of friendship and of nonaggression.

The Soviet Union has built up large satellite armies staffed by Soviet officers.

The Soviet Union has cut off the captive peoples from contact with the free world by monopolizing all channels of communication.

The Soviet Union has filled the newspapers and schoolbooks of Eastern Europe with "Hate America" slogans.

The Soviet Union has persecuted the churches and intimidated and harassed those who worship God.

The Soviet Union has erected physical barriers against escape, including barbed wire, minefields, and lookout towers.

The peoples of this area unceasingly seek ways and means of piercing this iron curtain which separates them from contact with the rest of the world. Clearly it is the Soviet Union which has intervened directly in the internal affairs of the countries of Eastern Europe.

These, Mr. Chairman, are some of the major sources of tension in Eastern Europe. All of them arise from the actions and the policies of the Soviet Union itself. Were it to change these actions and policies, the Soviet Union would find its own security enhanced and the cause of international peace would be immeasurably advanced.

The Truth About Hungary

Mr. Chairman, no event of our times has more clearly illustrated the nature of these tensions than the uprising of the Hungarian people against their Soviet masters.

There is no need to recite here the history of Hungary, which is still fresh in the minds of all of us. The Special United Nations Committee on the Problem of Hungary has made an excellent beginning on its assignment in the report which it issued on February 20, which I commend to the attention of the members of this Committee. It is enough for me to mention such highlights of the Hungarian story as have a bearing on the absurd

\[ ^{1} \text{Ibid., Feb. 11, 1957, p. 211.} \]

\[ ^{2} \text{U.N. doc. A/3546.} \]
Soviet charge that the United States instigated these tragic events.

I quote from a letter presented on February 4 to the Secretary-General from Mr. Peter Mod, who signed himself Permanent Representative of Hungary to the United Nations. This letter was circulated as document A/3521, February 5, and here is what it says about the calling in of Soviet forces to crush a patriotic outburst of Hungarian national feeling:

...the Hungarian Government exercised its sovereign right and called for the assistance of Soviet troops stationed in Hungary under the Warsaw Defence Pact so as to avoid further bloodshed and disorder and to defend the democratic order and people's power.

Mr. Chairman, I have three comments on this version of the story.

First, if the Hungarian Government had to call for troops, it is strange that it did not call for the Hungarian Army, a sizable military force. It is clear that throughout the years of Soviet rule over Hungary the regime was unable to arm Hungarians to handle an anti-Soviet fight in Budapest.

Secondly, the allegation that Soviet troops intervened "to avoid further bloodshed" cannot be passed over without comment. In fact, the massive intervention by Soviet tanks "to avoid further bloodshed" brought death to an estimated 25,000 on the Hungarian side, as well as several thousand Russians.

Thirdly, it is all very well for Mr. Mod on February 5 to tell us about the calling in of Soviet troops, but there is an earlier message to the United Nations before the Hungarian patriots were crushed by the U.S.S.R. which will not soon be forgotten in the halls, and I wish to quote at this point. It was a cablegram addressed on November 1 to the Secretary-General and signed by Imre Nagy, President of the Council of Ministers of the Hungarian People's Republic, designated Minister for Foreign Affairs. This telegram to the United Nations was as follows:

Reliable reports have reached the Government of the Hungarian People's Republic that further Soviet units are entering into Hungary. The President of the Council of Ministers in his capacity of Minister for Foreign Affairs summoned M. Andropov, Ambassador Extraordinary and Plenipotentiary of the Soviet Union to Hungary, and expressed his strongest protest against the entry of further Soviet troops into Hungary. He demanded the instant and immediate withdrawal of these Soviet forces.

He informed the Soviet Ambassador that the Hungarian Government immediately repudiates the Warsaw Treaty and at the same time declares Hungary's neutrality, turns to the United Nations and requests the help of the four Great Powers in defending the country's neutrality. The Government of the Hungarian People's Republic made the declaration of neutrality on 1 November 1956. Therefore I request Your Excellency promptly to put on the agenda of the forthcoming General Assembly of the United Nations the question of Hungary's neutrality and the defence of this neutrality by the four Great Powers.

I come again to the Soviet charge that this revolution was instigated by the United States. Mr. Mod's letter appears to be the only attempt at a systematic summary of these specific charges that we have seen to date. Under the heading of "facts that have come to light," it names five Hungarians as spies and counter-revolutionaries, and it alleges that one of these had sent 20 others into Hungary; it quotes two broadcasts by Radio Free Europe advising the Freedom Fighters not to trust Imre Nagy; and it says that a two-way radio and various small arms of German, Belgian, and American manufacture were captured in one of the Freedom Fighters' strongholds.

Examine that letter as you will, Mr. Chairman, those are the only concrete details it contains to support the Soviet charge that the United States instigated the Hungarian revolution. We are being asked to believe that a foreign plot, resting on the work of some two dozen émigré agents, caused the population of Budapest to rise en masse and that the resulting insurrection had to be crushed at the cost of 25,000 Hungarian lives. Clearly, we must look for the real origin of the events not outside Hungary but inside—in years of brutal misrule by the servants of Moscow.

It is not necessary to go to so-called "capitalist" sources to find support for this statement. Here is part of an editorial from the Budapest newspaper Szabad Nep, dated October 29, 1956:

The latest issue of Pravda carries a dispatch from its own correspondent about the events in Hungary entitled "Collapse of the Antipopular Adventure in Hungary." This is an error. What happened in Budapest was neither anti-popular nor an adventure. What is more, it did not collapse. For five days this city, torn by fate, shed blood and suffered. But through hundreds of deaths, the ideals of true patriotism and democracy were burning in the fires.

The slogans of socialist democracy were the loudest to be heard and not those of the reaction and counter-revolution. The revolutionary people of Buda and Pest want a people's freedom without tyranny, terror, and fear.

7 Bulletin of Nov. 12, 1956, p. 761.
They want more bread and national independence. Is this then an anti-popular adventure? What collapsed could indeed be called anti-popular. It was the reign of the Rakosi-Gero clique.

The Pravda article further states that manifestations of the people of Pest and the revolt were instigated by the subversive work of the British and American imperialists. We can safely say that all 1.5 million inhabitants of Budapest are deeply hurt and insulted by this assertion. In body or in spirit, a large portion of the population of Budapest was present at the demonstrations on Tuesday, October 23. They sympathized or agreed with the basic patriotic and democratic aims of the great popular uprising.

The bloody, tragic, but at the same time ennobling fight, lasting five days, was not instigated by some sort of subversive work. It was caused, alas, by our own faults and crimes. The greatest of our faults and crimes was our failure to protect the sacred flame which our ancestors had bequeathed to us—our national independence.

And not only Budapest, Mr. Chairman, but Moscow also began to admit the same truth, however reluctantly. On October 30 the Soviet Government issued a remarkable statement.⁸

The Soviet Government and all the Soviet people deeply regret that the development of events in Hungary has led to bloodshed. On the request of the Hungarian People's Government the Soviet Government consented to the entry into Budapest of the Soviet Army units to assist the Hungarian People's Army and the Hungarian authorities to establish order in the town. Believing that the further presence of Soviet Army units in Hungary can serve as a cause for even greater deterioration of the situation, the Soviet Government has given instructions to its military command to withdraw the Soviet Army units from Budapest as soon as this is recognized as necessary by the Hungarian Government.

Mr. Chairman, despite all the phrases in the Soviet Government statement, two things are noteworthy:

1. Not one word in the whole statement—which is much longer than the part just quoted—alleges outside instigation, by the United States or any other country. That line began to be played vigorously only after the Soviet Union had proceeded, through an act of classic perfidy, to crush the revolution and disperse the Nagy government.

2. On October 30, Moscow admitted in effect that its army was fighting against a genuine patriotic outburst. That is the only possible meaning of its admission that "the further presence of Soviet army units in Hungary can serve as a cause for even greater deterioration of the situation."

The Soviet leaders can never unsay that admission.

On October 30 was the high tide of Soviet candor. On November 2, after the Nagy government repudiated the Warsaw Pact and declared neutrality for Hungary, hundreds of Soviet tanks descended on Budapest. Then Moscow began to tell a different story—that the United States had planned the mass uprising of the Hungarian people.

Mr. Chairman, to most of us here this Soviet argument is a mockery of the facts. We wonder how any man can present it with a straight face. We must remember, however, that the Soviet measure of truth consists solely of whatever advances the interests of the Party and of the Soviet regime.

Conclusion

There is much we could propose in the way of Assembly action on this subject, and we would willingly make proposals if we thought that new and constructive resolutions at this time were likely to be of beneficial influence on Soviet policy. However, there is little reason to hope that that would be the case.

The General Assembly has adopted many resolutions pertinent to the problems here, most recently with regard to Hungary. These resolutions, in sharp contrast to the tendentious draft just presented by the U.S.S.R., place responsibility where it belongs. The Soviet Union has always failed to observe them. The United States feels that this is not the time for the General Assembly to add new resolutions to what has already been so well expressed about Soviet violations of the charter. As in so many cases, the need is for Soviet compliance.

Yet we do not despair. We look for the time when the Soviet Government will see fit to restore to the peoples of Eastern Europe their national freedom; to open their borders to the fresh air of genuinely free interchange with all nations; and to concentrate on promoting the genuine safety and welfare and creative power of their own remarkable people, the people of Russia. No event within the power of the governments could be of greater benefit to world peace. Some day the Soviet Union must recognize that freedom in Eastern Europe is not incompatible with Soviet security.

If progress is to be made along this road, Mr.

March 18, 1957

⁸Ibid., Nov. 12, 1956, p. 745.
Chairman, it is the Soviet Union which must help itself. Today its leaders remain committed to a grim totalitarian philosophy of conflict which leads to suppression of human liberty, to battling all ideas differing from their own.

Mr. Chairman, I close with this word of hope. Long after the Soviet slanders we have heard today are forgotten, this General Assembly will be remembered for the devoted efforts made here in favor of a just peace. The settlements for which we strive are based on the idea that disagreements between nations, no matter how stubborn, can be solved without resort to war. The United States believes that the political warfare which Soviet communism feels obligated to wage against the free world need not be an exception to that rule. It is of human origin, it is limited, and it will end. May the Soviet Union understand this fact, so that, with its prompt and indispensable help, we can begin to end the conflict peacefully and in the justice and the friendship for which humanity longs.

U.S. Delegations to International Conferences

Governing Body of the International Labor Office

The Department of State announced on February 26 (press release 93) that the U.S. Government will be represented at the 134th session of the Governing Body of the International Labor Office, which is scheduled to meet at Geneva, Switzerland, from March 5 to 8, 1957, by the following delegation:

Representative
J. Ernest Wilkins, Assistant Secretary of Labor

Substitute Representative
Arnold L. Zempel, Executive Director, Office of International Labor Affairs, Department of Labor

Advisers
Thomas D. Bowie, Office of International Economic and Social Affairs, Department of State
David H. Popper, Consul, American Consulate General, Geneva
A. Henry Thurston, Business and Defense Services Administration, Department of Commerce
George Tobias, Labor Attaché, American Consulate General, Geneva

The full session will be preceded and followed by meetings of various committees of the Governing Body, beginning on February 25.

The Governing Body, composed of 20 government representatives, 10 representatives of management, and 10 representatives of labor, is the executive council of the International Labor Organization (ILO). It usually meets three times a year to receive reports on activities of the International Labor Office, outline future work of the office, examine and recommend the annual budget and prepare agenda for the annual sessions of the International Labor Conference.

In addition to a progress report by the Director General of the ILO, the item of principal interest on the agenda of the 134th session will be the budget proposals for 1958.

Fourth Conference of NATO Information Officers

The Department of State announced on March 1 (press release 105) that the United States will be represented by the following delegation at the Fourth Conference of National Information Officers of the North Atlantic Treaty Organization, to be held at Paris from March 6 to 8:

Burke Wilkinson, Deputy Assistant Secretary of State for Public Affairs
John F. Meagher, Chief, Public Services Division, Department of State
John A. Hamilton, Regional Public Affairs Officer, U.S. Information Agency
Constance Roach, Political Officer, U.S. Mission to the North Atlantic Treaty Organization
Richard Straus, Public Affairs Adviser, Office of European Regional Affairs, Department of State

The conference will bring together information officials from the 15 NATO countries. It will provide for a discussion and exchange of views on measures for implementing the recommendations in chapter 5 of the report of the Committee of Three on Non-Military Cooperation in NATO and on other matters of common interest.

Current U.N. Documents: A Selected Bibliography

Security Council

Letter Dated 26 January 1957 from the Representative of Portugal Addressed to the President of the Security Council. 8/3751, February 1, 1957, 1 p. mimeo.
Letter Dated 4 February 1957 from the Representative of France Addressed to the President of the Security Council (transmitting a memorandum on "military assistance rendered by the Egyptian Government to the rebels..."
General Assembly


Question of the Frontier Between the Trust Territory of Somaliland Under Italian Administration and Ethiopia. Memorandum transmitted by the Ethiopian Government to the United Nations relative to the negotiations which took place in Addis Ababa from 6 March to 13 October 1956 concerning the frontier between Ethiopia and the Trust Territory of Somaliland. A/3562/Corr.1, January 24, 1957. 1 p. mimeo, and map.


March 18, 1957

TREATY INFORMATION

Norway and United States Sign Nuclear Power Agreement

On February 25 the U.S. Atomic Energy Commission and the Department of State (press release 87) announced that representatives of Norway and the United States on that day signed an agreement for cooperation in the peaceful uses of atomic energy. The agreement covers an exchange of unclassified information on research and power reactors and authorizes the sale by the United States to Norway of uranium for reactor fuel.

The agreement was signed by Wilhelm Morgenstierne, the Norwegian Ambassador to the United States, Lewis Strauss, Chairman of the U.S. Atomic Energy Commission, and C. Burke Elbrick, Assistant Secretary of State for European Affairs.

The agreement will facilitate further the cooperation between the two countries in the expansion of civil uses of nuclear energy in accord with the atoms-for-peace program of President Eisenhower. The terms of the agreement permit the exchange of unclassified information on the development, design, construction, operation, and use of various types of research, experimental power, and power reactors and will be the first power accord to be completed since the tripartite declassification of a large volume of power reactor data by the United States, United Kingdom, and Canada in December 1956.

The terms also permit the sale to Norway, subject to the usual safeguards, of up to 500 kilograms of contained U-235 in uranium enriched up to a maximum of 20 percent of U-235. Norway has indicated that it will use this fuel for a 20-megawatt heat power demonstration reactor under construction at Halden, where nuclear steam production and nuclear ship propulsion will be studied, and for two prototype power reactors. Under the agreement the U.S. Atomic Energy Commission may sell up to six kilograms of U-235 enriched up to 90 percent for use in a materials-
testing reactor. Norway may also obtain gram quantities of plutonium and U-233 for experimental projects.

Current Actions

MULTILATERAL

Cultural Property
Convention for protection of cultural property in event of armed conflict, and regulations of execution. Done at The Hague May 14, 1954. Entered into force August 7, 1956.1


Customs Tariffs
Convention creating the international union for the publication of customs tariffs, regulations of execution, and final declarations. Signed at Brussels July 5, 1890. Entered into force April 1, 1891. 26 Stat. 1518.


Protocol amending the convention signed at Brussels July 5, 1890 (26 Stat. 1518), creating an international union for the publication of customs tariffs. Done at Brussels December 16, 1949. Entered into force May 5, 1950.1


International Court of Justice


Sugar


Trade and Commerce
Protocol amending part I and articles XXIX and XXX of the General Agreement on Tariffs and Trade. Done at Geneva March 10, 1955.2

Notification deposited (recognizing signature as binding): Austria, February 11, 1957.

Protocol amending preamble and parts II and III of the General Agreement on Tariffs and Trade. Done at Geneva March 10, 1955.2

Notification deposited (recognizing signature as binding): Austria, February 11, 1957.

Protocol of organizational amendments to the General Agreement on Tariffs and Trade. Done at Geneva March 10, 1955.2

Notification deposited (recognizing signature as binding): Austria, February 11, 1957.

Proces verbal of rectification concerning the protocol amending part I and articles XXIX and XXX of the General Agreement on Tariffs and Trade, the protocol amending the preamble and parts II and III of the general agreement, and the protocol of organizational amendments to the general agreement. Done at Geneva December 3, 1955.

Accepted: Austria, February 11, 1957.

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

BILATERAL

Norway
Agreement for cooperation concerning civil uses of atomic energy. Signed at Washington February 25, 1957. Enters into force on the day on which each Government receives from the other Government written notification that it has complied with statutory and constitutional requirements.

DEPARTMENT AND FOREIGN SERVICE

Confirmations
The Senate on February 21 confirmed John M. Allison to be Ambassador to the Republic of Indonesia.

Check List of Department of State Press Releases: February 25–March 3

Releases may be obtained from the News Division, Department of State, Washington 25, D.C.

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†Held for a later issue of the Bulletin.
The American Ambassador . . .

This 22-page pamphlet discusses the role of America’s highest ranking diplomatic official, the Ambassador Extraordinary and Plenipotentiary. The pamphlet corrects prevalent misconceptions about the operations of American posts abroad and presents a brief historical discussion of American diplomacy from the earliest days of the Nation to the present time. Other sections deal with the American woman in diplomacy and the requirements for the ideal ambassador in today’s world.

Publication 6420 10 cents

The American Agricultural Attaché . . .

In an expanding world community, American agriculture needs information on agricultural developments in other countries, assurance that the foreign market for American agricultural products will be maintained and promoted, and representation at the international level. All three functions are performed by the 85 agricultural attachés in 54 countries throughout the world. This 23-page pamphlet contains an account of the development of the agricultural attaché service and a discussion of each of the functions of the attaché. A final section covers the requirements, salaries, and assignment periods for the career service of the agricultural attaché.

Publication 6422 15 cents

Both of these pamphlets are available from the Superintendent of Documents, U.S. Government Printing Office, Washington 25, D.C.

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Please send me ... copies of The American Ambassador and ... copies of The American Agricultural Attaché.
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The Department of State Bulletin, a weekly publication issued by the Public Services Division, provides the public and interested agencies of the Government with information on developments in the field of foreign relations and on the work of the Department of State and the Foreign Service. The BULLETIN includes selected press releases on foreign policy, issued by the White House and the Department, and statements and addresses made by the President and by the Secretary of State and other officers of the Department, as well as special articles on various phases of international affairs and the functions of the Department. Information is included concerning treaties and international agreements to which the United States is or may become a party and treaties of general international interest.

Publications of the Department, United Nations documents, and legislative material in the field of international relations are listed currently.
Interlocking Elements in Our National Security

by Deputy Under Secretary Murphy

The subject I should like to discuss is the interlocking role of the various elements going into our national security. In essence these boil down to four elements—political, military, economic, and psychological. These elements have been graphically described as deals, force, goods, and ideas. Each must be considered in relation to the others. And it is only in recent years, the years starting with the outbreak of World War II, that our Government has become fully aware of the significance of these elements in our national security and has sought to coordinate all our national resources to achieve a balanced national security policy. The soldier and the diplomat must work together, and they must work with the other groups representing segments of our national strength.

The making of foreign policy is the responsibility of the President. He relies in particular on the Secretary of State for advice and guidance. The basic objective of our foreign policy is the promotion of the welfare and security of the American people. That is the point of departure in everything we undertake, and of course in it is reflected the spiritual, moral, and material posture of this country, which rests upon established principles asserted and defended throughout our national history. Both our people and the Government are dedicated to the dignity, equality, and freedom of the individual. These ideas and our institutions which maintain them provide the bulwark of our free society. From these things our national will is derived and the policies which express it.

To translate our national will into specific policies and actions is one of the major endeavors of the Government. A number of agencies take part in this operation, in particular the Department of State, the Department of Defense, the Office of Defense Mobilization, the United States Information Agency, the International Cooperation Administration, and the Central Intelligence Agency. Other departments like Treasury, Justice, Commerce, Agriculture, and Labor, as well as the Atomic Energy Commission, have a keen interest in many of our foreign-relations problems and have an important role in working these out.

In general the State Department is the channel through which the other agencies deal with foreign countries. Today it has over 12,000 American employees. About half of these are stationed abroad. Even so, the State Department is one of the smallest Cabinet-level agencies, only the Labor Department being smaller.

Under State Department administration the United States has 270 posts overseas in 105 countries. Seventy-seven of these posts are embassies, the latest just having been established 3 days ago at Accra in the new state of Ghana. Our budget this year for the conduct of foreign affairs is $155 million.

I cite these figures to give you some idea of the size of the State Department. In terms of personnel and money spent it is a relatively small operation. But in terms of responsibility for coordinating the formulation and execution of foreign policy it has a major role, which is of course carried out in cooperation with many other agencies.

Formulating Strategic Policy

The gravest questions of all in our foreign policy, the broadest matters affecting war and peace,
fall under the consideration of the National Security Council. This Council, strengthened and enlarged under President Eisenhower, is charged under law with coordination of political, military, and industrial policies to advance the security of the United States. It consists of the President, Vice President, Secretary of State, Secretary of Defense, and the Director of the Office of Defense Mobilization, who are permanent statutory members. The Joint Chiefs of Staff are the principal military advisers to the Council. The Central Intelligence Agency is under the National Security Council and is its intelligence adviser. High officials of the other departments may be appointed to the Council from time to time as circumstances require.

To make sure that the national security policies approved by the President are carried out effectively, the Operations Coordinating Board was set up in 1953. The OcB has somewhat broader representation than the Nsc and is at present under the chairmanship of the Under Secretary of State, Mr. Christian Herter. It too is a very busy group with a broad complex of operational problems to tackle.

The basic purpose of these planning efforts is to formulate strategic policy. In war you have found that often the best defense is an offense and that no offense is likely to prosper unless the defensive terrain has been prepared. The situation is much the same in the conduct of foreign policy.

Our strategic policy is defensive as it seeks to deter or defeat the expansion of communism. It is offensive as it seeks to widen the area of freedom in the world and to create conditions which in time may cause the Communists to alter their methods and revise their goals.

The overshadowing threat to our security today is found in the hostility and strength of international communism. Our basic endeavor is to meet that threat without destroying fundamental American values and institutions or damaging our own economy.

We are a moral people. We reject the concept of preventive war. So our policies are designed to affect the attitudes and policies of international communism and, over time, to reduce as best we can expansionist and aggressive policies on their part.

Strength of Communist Bloc

The Communist bloc has built up a huge military machine. As Admiral Radford recently put it: “From the military viewpoint, the really spectacular aspect of Communist strength is its combination of a vast land area, a huge supply of people, and very large armed forces.”

The Communist bloc today has at least six and one-half million men in its ground forces. The Soviets claim to have cut their ground forces recently by over one million men; but if they have done so, they are probably adding any money saved to weapons development. The Soviets have a large air force with modern planes. They are building up-to-date, long-range submarines. They are hard at work on guided missiles. We must assume that they have a considerable stockpile of nuclear weapons. The Chinese Communists are busily developing their military strength and efficiency, particularly in border areas and the area facing Taiwan.

This formidable military strength in the hands of the Communists raises some very basic questions. How great is the threat of a surprise atomic attack by the Communists? Is the threat of a nuclear war reduced by the Communists’ knowledge that their aggressive use of armed force would bring down upon them quick and devastating retaliation? Is the danger of local aggression or so-called “brush warfare” greater than in the past? Do modern weapons reduce the need for large standing armies and conventional forces? Are foreign bases less essential in this day of guided missiles and long-range bombers?

There are no simple answers to these questions. They are the kind of politico-military problem with which we must wrestle. The American people must also seek to understand the basic elements of these problems. I am sure that General Pate and General LeMay gave you some very illuminating views on them when they spoke here at the Greater Issues Course.

Estimates of the military strength and intentions of the Communist nations are an essential part of the process of making national security policy. Only in this way can we devise realistic policies for the defense of our nation and the free-world coalition.
We must also examine the forces at work inside the Soviet Union, for these forces will affect the military capability and intentions of the Communist bloc. There is little reason to conclude that the basic features of the Soviet system are being changed. It remains a dictatorship based on an ideology hostile to the United States and to democratic methods. It has shown no intention of abandoning methods of force and subversion to attain its ends, even though it has in the 4 years since Stalin’s death shown new flexibility and range in its methods and areas of operation. It continues to press for the development of heavy industry, for economic power rather than popular welfare.

The Soviet Dilemma

Nevertheless the Soviet rulers face a dilemma—they are still beset by the problem of how to operate the Soviet system without Stalin. This dilemma was made clear just a little over a year ago when Khrushchev last February made his famous secret speech to the Party congress in Moscow attacking Stalin.

Khrushchev and his fellow dictators had, upon the death of Stalin, initiated a policy designed to reduce tensions. Their motive was almost certainly their assessment that Stalin’s methods at home and abroad had become too costly, too counterproductive, and if relentlessly pursued might entail unnecessary risks. They sought to lessen repression at home and in their foreign policies to put a big glove around the mailed fist. The denunciation of Stalin was a part of this process.

But once they lessened the atmosphere of fear at home and in the satellite countries, they found that the process was going too fast and was in danger of getting out of hand. Trends toward individual freedom and tolerance are not easily reversed. They face more ferment among intellectuals and students within the Soviet Union today than perhaps at any time in the postwar period. But that does not mean that the walls of the Kremlin are tumbling down.

In Poland rumbles which became audible at Poznán in June have settled at least temporarily for the nationally minded Gomulka regime, which has demonstrated surprising independence in some of its actions. In Hungary popular pressures erupted last October into the fierce national revolt that exposed the shallowness of Communist roots and smashed Moscow’s myth of the irresistible attraction of the ideas of communism.

There can be no question that the Soviet rulers by their own actions have caused setbacks to their policies and precipitated new problems whose final dimensions are unpredictable. The Soviet system is undergoing new and marked strains. Its economic levels are well below what had been planned. It may be comforting to read these strains as symptomatic of communism’s basic unworkability. Yet it would be dangerously misleading to see in the present troubles of the Communist bloc any major paralysis of Soviet power or any immediate lessening of the Soviet threat.

The Soviets have sought to cut their losses in Europe by stepping up their efforts to penetrate the Middle East and South Asia. They are willing practically to give away arms. Their technicians have moved into several countries. They have extended on easy terms almost one billion dollars of credits for economic purposes. The Soviets have found some countries receptive to their overtures.

President Eisenhower, in his special address to the Congress 2 months ago, set out certain broad elements of American policy toward the Middle East.2 He asked the Congress to provide an American assurance that the Middle East would be protected against the threat of aggressive action by the Soviet Union and the international Communist movement. And he proposed that Congress make available the means for cooperative action between the United States and the Middle Eastern states to develop and strengthen in peace and freedom. Former Representative James Richards, another distinguished citizen of South Carolina and one who has just turned diplomat, will leave next week on a mission to various African and Asian countries as the President’s special representative, to see how the legislation enacted by Congress can best be put into effect.

Our action will, we hope, provide an umbrella shielding the Middle Eastern countries from unfriendly interference from abroad. One of the basic forces for instability and danger will thus be neutralized.

Patient and careful diplomacy has already achieved important results in bringing about the

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withdrawal of Israeli troops from the Sinai Peninsula and the Gaza Strip. This step is a good omen for the future.

The Threat in the Far East

In the Far East the shape of the Communist threat is all too clear. Red China continues to gather its strength under Peiping's leadership, and its power has been firmly committed to the support of Moscow's efforts in repressing domestic and satellite disobedience, in launching new programs to disrupt free-world harmony, and in dealing with such problems as those in the Middle East.

Chinese Communist support of the Soviet Union, as the leader of the Communist camp, has been made unmistakable. In a series of statements and a joint declaration signed on January 18 the two major Communist powers have sought to define relations within the bloc. Primary emphasis has been placed on the importance of bloc solidarity.

Every Soviet move and threat has its Chinese counterpart. Chou En-lai toured Asia to mobilize support for the Soviet Union's disruptive policies in the Middle East and to encourage intransigent elements which might frustrate constructive resolutions of problems in that area. In foreign affairs every Soviet proposal and action finds Chinese endorsement.

Enjoying Soviet backing, Peiping continues to pursue its objectives in Asia. While its military power is felt in Korea, Viet-Nam, Taiwan, and along the Burma border, it has turned increasingly to a flexible use of political, economic, and cultural inducements to extend its influence among its neighbors. Because they often appear disarming, these methods are sometimes harder to deal with than the overt use of force. There is no slackening of the Communist threat on the Asian boundaries of the Sino-Soviet orbit.

Collective Security

It is a supreme irony of our history that, at the time when we are stronger than ever before, we are also more vulnerable. We are faced by a hostile and increasingly powerful Soviet bloc. Our historic bulwarks of time and space have been breached. No longer can we rely on time to mobilize our strength after war has begun some place else. And no longer are we secure in continental space behind ocean moats.

To meet the threat of international communism, one of the major factors in our thinking has been the close cooperation and association with other governments in the free world for the establishment of a great and complicated system of collective security. The United States today has security arrangements with 42 countries. In the North Atlantic the United States, Canada, and the United Kingdom, and Iceland are joined with 11 European countries from Norway in the north to Greece and Turkey in the south—partners in the great North Atlantic Treaty Organization. On this continent the United States and 20 Latin American Republics are banded together under the Rio Pact. And in the Pacific the United States, the United Kingdom, France, Australia, and New Zealand have joined with the Philippines, Pakistan, and Thailand to create SEATO; Secretary Dulles is now on his way to attend a SEATO Council meeting. In addition, we have security treaties with the Philippines, Japan, the Republic of Korea, and the Republic of China. In the Middle East we have a close interest in the Baghdad Pact, consisting of Turkey, Iran, Iraq, Pakistan, and the United Kingdom.

Inherent in this collective security system is the need for economic and military cooperation. Thus our foreign aid program has become a pillar of our foreign policy which may continue for the foreseeable future. This is of course supplemented by an important information and cultural program designed to spread understanding of our country and its policies. These resources—economic, military, and spiritual—are essential components of our total national strength. They give to our diplomatic efforts substance and meaning.

It is a time for wise leadership and steady nerves, for clarity of purpose and economy of means, for unswerving determination and flexibility in procedures. The enormity of modern weapons makes the thought of war repugnant, but a refusal to run any risk would amount to giving the Soviets a blank check. We can resolve our dilemma only by creating other alternatives both in our diplomacy and in our military policy. Such measures require stern resolution. They also require a full knowledge of the world situation and a finely balanced use of the resources at our command.

There is another thing that should be said about foreign policy, and that is that in the world of
today it isn’t always possible for any one nation always to have its own way. As is the case in many domestic problems, compromise is frequently necessary. It is not always possible to have a perfect solution. Sometimes the perfect is the enemy of the good. Thus when we work in an organization like the United Nations, which includes a membership of 80 nations and where conflict of interest is frequently the rule, a solution of a given problem which seems perhaps logical and theoretically right may be practically impossible. The application of the principle of equal justice for all nations, large as well as small, is easy in the saying but more difficult in the achievement. We do not live in a world of fiat, but one where the resolution of conflicts of interest requires ingenuity and tolerance.

I would like to appeal to the group of cadets making up the student body of this great institution to take an active interest in the foreign policy of this country. I know that the demands made by your essential daily activities on your time and energies are great; but wherever it may be possible for you to devote some thought to foreign policy matters, it will be rewarding to you in your careers and it is important from the national-security point of view. I am sure that the Greater Issues Course is helping you understand these problems better.

Representatives of American Presidents Prepare for Final Meeting

Press release 108 dated March 4

The four subcommittees of the Inter-American Committee of Presidential Representatives (IACPR) on March 4 commenced holding meetings in preparation of the final meeting of the Committee, which is scheduled to convene on April 29, 1957. The secretariat of the Committee is located in the Department of State.

The purpose of the subcommittees is to make a preliminary review of projects which may be submitted by the various representatives up to March 15 under items included on the agenda approved by the IACPR on January 29. The recommendations of the subcommittees will be considered by the full Committee in drafting its final report. Meetings of the subcommittees are informal and not open to the public.

The Inter-American Committee of Presidential Representatives was formed as a result of the proposal of President Eisenhower at the Panama Meeting of American Presidents in July 1956. The Committee has held two previous meetings in Washington, the first on September 17–19, 1956, and the second on January 28–29, 1957. The IACPR is composed of personal representatives of each of the 21 Presidents of the American Republics, and it was created for the purpose of drawing up recommendations for strengthening the Organization of American States through increased activities in the economic, social, financial, technical, and atomic energy fields. The representative of the President of the United States is Milton S. Eisenhower, president of The Johns Hopkins University.

At its meeting in January 1957, the IACPR established an interim committee and four subcommittees to study the various proposals which will be considered at the next meeting of the Committee. The four subcommittees and the items assigned to them are as follows:

Subcommittee I—Foreign Trade, Private Investment, and Public Financing. Chairman: Ambassador Manuel Tello, representative of the President of Mexico.

Subcommittee II—Nuclear Energy. Chairman: Ambassador Guillermo Sevilla-Sucasa, representative of the President of Nicaragua.


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2 For text of communique issued following the first session, see ibid., Oct. 1, 1956, p. 513.
Congress Passes Joint Resolution on Middle East

Following is the text of a statement made by President Eisenhower on March 9 on the occasion of his signing of House Joint Resolution 117, as amended, together with a statement made by Secretary Dulles at the time the resolution was passed by the Senate and an announcement of plans for a trip to the Middle East by James P. Richards, Special Assistant to the President.

STATEMENT BY PRESIDENT EISENHOWER, MARCH 9

White House press release dated March 9

This occasion marks an important forward step in the development of friendly relations between the United States and the Middle East area. The joint resolution of the Congress which I have just signed expresses the determination of the legislative and executive branches of the Government to assist the nations in the general area of the Middle East to maintain their independence. It is a further demonstration of the will of the American people to preserve peace and freedom in the world.

The provisions of the resolution and, even more, the unity of national purpose which it reflects will increase the administration's capabilities to contribute to reducing the Communist danger in the Middle East and to strengthening the general stability of the area.

In my message to the Congress proposing the joint resolution now adopted I said that I would send a special mission to the Middle East to explain the purposes of the resolution to the Middle Eastern countries, and to report to me on the most effective ways of carrying out these purposes. As

1 Bulletin of Jan. 21, 1957, p. 83. For a statement by Secretary Dulles and the text of the proposed resolution, see ibid., Jan. 28, 1957, p. 126.

was announced on January 7, 1957, the Honorable James P. Richards, former chairman of the House Foreign Affairs Committee, has agreed to undertake this mission. Ambassador Richards will depart for the Middle East on March 12th.

I regard Ambassador Richards' mission as an essential and important first step in carrying out the policies set forth in the joint resolution. As those policies are based on the concept of cooperation, and as the assistance contemplated by the resolution will be extended only in response to requests from Middle Eastern governments, we must achieve the greatest possible measure of understanding and recognition of common interests with the area governments and their peoples. Ambassador Richards' mission is to advance this understanding and recognition of common interests. I know that he will bring to this task the integrity, ability, and sound judgment that have marked his long and distinguished career in public life.

STATEMENT BY SECRETARY DULLES, MARCH 5

Press release 115 dated March 5

I am delighted that the Senate has now joined the House in passing the Middle East resolution by an overwhelming bipartisan vote. While further action will be necessary because of variations between the language of the House resolution and that adopted by the Senate, the substance is the same. It is now clear that the Congress of the United States has, by an impressive, nonpartisan majority, joined with the President to assure the peoples of the free nations in the Middle East that the United States stands ready to join with them to build up their strength and, if need be,

2 Ibid., Jan. 28, 1957, p. 130.

Department of State Bulletin
Joint Resolution To Promote Peace and Stability in the Middle East

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That the President be and hereby is authorized to cooperate with and assist any nation or group of nations in the general area of the Middle East desiring such assistance in the development of economic strength dedicated to the maintenance of national independence.

Sec. 2. The President is authorized to undertake, in the general area of the Middle East, military assistance programs with any nation or group of nations of that area desiring such assistance. Furthermore, the United States regards as vital to the national interest and world peace the preservation of the independence and integrity of the nations of the Middle East. To this end, if the President determines the necessity thereof, the United States is prepared to use armed forces to assist any such nation or group of such nations requesting assistance against armed aggression from any country controlled by international communism: Provided, That such employment shall be consonant with the treaty obligations of the United States and with the Constitution of the United States.

Sec. 3. The President is hereby authorized to use during the balance of fiscal year 1957 for economic and military assistance under this joint resolution not to exceed $200,000,000 from any appropriation now available for carrying out the provisions of the Mutual Security Act of 1954, as amended, in accord with the provisions of such Act: Provided, That, whenever the President determines it to be important to the security of the United States, such use may be under the authority of section 401 (a) of the Mutual Security Act of 1954, as amended (except that the provisions of section 105 (a) thereof shall not be waived), and without regard to the provisions of section 105 of the Mutual Security Appropriation Act, 1957: Provided further, That obligations incurred in carrying out the purposes of the first sentence of section 2 of this joint resolution shall be paid only out of appropriations for military assistance, and obligations incurred in carrying out the purposes of the first section of this joint resolution shall be paid only of appropriations other than those for military assistance. This authorization is in addition to other existing authorizations with respect to the use of such appropriations. None of the additional authorization contained in this section shall be used until fifteen days after the Committee on Foreign Relations of the Senate, the Committee on Foreign Affairs of the House of Representatives, the Committees on Appropriations of the Senate and the House of Representatives and, when military assistance is involved, the Committees on Armed Services of the Senate and the House of Representatives have been furnished a report showing the object of the proposed use, the country for the benefit of which such use is intended, and the particular appropriation or appropriations for carrying out the provisions of the Mutual Security Act of 1954, as amended, from which the funds are proposed to be derived: Provided, That funds available under this section during the balance of fiscal year 1957 shall, in the case of any such report submitted during the last fifteen days of the fiscal year, remain available for use under this section for the purposes stated in such report for a period of twenty days following the date of submission of such report. Nothing contained in this joint resolution shall be construed as itself authorizing the appropriation of additional funds for the purpose of carrying out the provisions of the first section or of the first sentence of section 2 of this joint resolution.

Sec. 4. The President should continue to furnish facilities and military assistance, within the provisions of applicable law and established policies, to the United Nations Emergency Force in the Middle East, with a view to maintaining the truce in that region.

Sec. 5. The President shall within the months of January and July of each year report to the Congress his action hereunder.

Sec. 6. This joint resolution shall expire when the President shall determine that the peace and security of the nations in the general area of the Middle East are reasonably assured by international conditions created by action of the United Nations or otherwise except that it may be terminated earlier by a concurrent resolution of the two Houses of Congress.

Help them to defend their national integrity and independence against Communist armed aggression.

This is a major step and should contribute greatly to peace and security in the area. It opens the way to building up the strength of the area through providing security and strength for the independence of nations. It leaves no possibility of miscalculation by potential armed aggressors.

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ANNOUNCEMENT OF AMBASSADOR RICHARDS’ DEPARTURE

Press release 126 dated March 9

The President on March 9 signed House Joint Resolution 117, thus completing the enactment into law of his proposal for closer cooperation between the United States and those countries of the Middle East desiring such cooperation.

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In consequence, Ambassador James P. Richards, whom the President appointed on January 7 as his Special Assistant to advise and assist him and the Secretary of State on problems of the Middle East area, plans to depart on March 12 for visits to Middle Eastern countries. He looks forward to discussions concerning the President’s program with those governments which have indicated an interest.

Other members of Ambassador Richards’ party are as follows:

**Department of State**

John D. Jernegan, Counselor of Embassy (with personal rank of Minister), Rome, and former Deputy Assistant Secretary for Near Eastern, South Asian, and African Affairs

William C. Burdett, Special Assistant to the Assistant Secretary for Near Eastern, South Asian, and African Affairs

Vernon Merrill, Escort Officer

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**International Cooperation Administration**

Cedric Seager, Regional Director for the Near East and South Asia

**Department of Defense**

Capt. Ray M. Pitts, USN, Department of Defense Representative and Special Assistant to the Chairman, Joint Chiefs of Staff

**U.S. Information Agency**

William B. King, Area Policy Officer

Mrs. Donna Jakobsson, Secretary

Maxine Wtorek, Secretary

The Ambassador and his party will travel in a special plane provided by the Department of Defense. They plan to proceed first to Beirut, Lebanon, and then to Tripoli and Tobruk, Libya, and to Ankara, Turkey. The remainder of the itinerary is being kept flexible to permit changes in timing and route if it develops during the trip that such changes are required. However, the party intends to visit all of the countries of the Middle East desiring such a visit.

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**Press release 111 dated March 5**

**Secretary Dulles:** I have a brief statement, copies of which will be available to you as you leave the auditorium.

It is a matter of great gratification to the United States that the Government of Israel has decided to complete its withdrawal behind the armistice line in compliance with the United Nations resolution of February 2 and that a schedule for effectuating such withdrawal has been worked out with General Burns, the Commander of the United Nations Emergency Force.

Once again it has been demonstrated that the free-world nations have a decent respect for the opinions of mankind, as reflected in the General Assembly of the United Nations.

As President Eisenhower said in his letter to Prime Minister Ben-Gurion of March 2, 1957, the Israeli decision was not an easy one. We believe, however, that the decision will prove to have been a wise one from the standpoint not only of Israel but of all the nations concerned. It should, as President Eisenhower said, make it possible to bring about conditions in the area more stable, more tranquil, and more conducive to the general welfare than those which existed heretofore.

Now I am ready for questions.

**Q. Mr. Secretary, there has been a general feeling, I think, that the truce withdrawal issue has been a sort of a bar to the solution of a lot of problems in the Middle East. Now that the decision to withdraw has been made, how quickly do you think it might be possible to make a start getting at least an interim solution in the Suez Canal problem?**

**A. Why, I should hope that that would move forward very rapidly, as quickly as Egypt is satisfied that the withdrawal is actually going to take place, and I think that the evidence of that**
be very quickly forthcoming. There has been, I think, a tendency on the part of Egypt to drag its feet on these matters, and I hope that that tendency will disappear. The canal ought to be opened very quickly now, and there ought to be an understanding as to how the tolls will be paid and for carrying out such principles as were laid down by the Security Council last October to govern the future operations in accordance with the treaty of 1888.

Q. Mr. Secretary, has the United States done anything to ask Egypt to relieve this foot dragging that you are talking about?

A. We have always shown an interest in that, of course, but the primary responsibility for action in this matter is with the Secretary-General.

Q. Mr. Secretary, what response have you had to the Western interim plan which was sent to the Secretary-General some time ago?

A. So far as we are aware, there has been no response. Whether the Secretary-General has any Egyptian views or not, I do not know. But, if so, he has not communicated them to the United States.

Q. There have been none from Egypt, as far as you know?

A. That is right.

Public Documents Setting Forth U.S. Position

Q. Mr. Secretary, there seems to be some question there about what commitments, if any, the United States has given Israel previous to this withdrawal. Could you expand on that for us, please?

A. Yes. The position of the United States with reference to these matters has been fully and totally set forth in the public documents in the case. Those are primarily the aide memoire of February 11, the President's speech of February 20, the statement of Ambassador Lodge on March 1, and the letter of the President to Prime Minister Ben-Gurion, that I referred to, of March 2. There are no private assurances to anyone which go beyond or which are different from what is set forth in those public documents.

Q. Mr. Secretary, there were reports that several members of the SEATO [Southeast Asia Treaty Organization] will ask the United States to supply guided missiles for this area. Have you been given any indications that such a request will be forthcoming?

A. No. I am not aware of that. I have not as yet had a chance to study the agenda for the SEATO conference. I am leaving for that tomorrow, as perhaps you know, and my documentation is going to be on the plane. I am not yet quite fully versed as to what may come up there.

Q. Has "guided democracy" in Indonesia become a matter of concern to the SEATO nations, in your opinion, sir?

A. Well, Indonesia of course is a very important part of the Southeast Asia area. It is not in the treaty or covered by the treaty. It is not a part of the treaty area, but it is of course geographically in the Southeast Asia area. It lies between Indochina, which is covered in the treaty, and some of the other treaty areas, such as Australia and New Zealand, and what happens there is naturally of interest and concern to the members. The developments there are so far primarily of an internal character, apparently relating to the form of government and to the degree of autonomy of different parts of that rather farflung archipelago, and these developments are still in process of evolution; so, while it is a matter of interest and of concern, I don’t think the concern is one which is tinged by any fear that the area will fall under Communist domination.

Q. Mr. Secretary, this past Friday Israel's Foreign Minister announced that her country would withdraw from Gaza and Ajaba under certain assumptions, such as that the withdrawal from Gaza would be made under the assumption that the U.N. troops exclusively would occupy that area. Is the United States sympathetic to the assumptions made by Mrs. Meir?

A. The statements were not quite as you put them. The statement about the takeover being exclusively by the United Nations Emergency Force related to the initial takeover and was stated by Mrs. Meir in precisely the language which was used by the Secretary-General in his report, and the balance of what Mrs. Meir said was stated primarily in terms of expectations and not necessarily of assumptions. The United States stated its

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position on these matters, I think, quite fully and carefully in the statement which was made by Ambassador Lodge.

Q. Mr. Secretary, did you and have you and Foreign Minister von Brentano given any attention to the four-power working groups that are to begin on German unity here tomorrow, and, if not, what do you think that these four-power groups would be able to accomplish during their talks here?

A. Well, we have not in our talks gotten around to that yet. I expect that those matters will come up in our discussion this afternoon.

Q. Will you tell us, please, sir, how your talks with Von Brentano are going so far?

A. I think that they are going very well indeed. We seem to have a unity of viewpoint which is quite complete with respect to the matters which we have discussed so far.

Q. Mr. Secretary, some time ago the State Department asked Justice to take legal action against State laws which discriminate against Japanese textiles, that is, posting laws. Is such a suit going to be filed?

A. I am sorry I don’t know the answer to that question. I wrote a letter to the Department of Justice requesting that action be taken, and I have not myself had any contact with the Department of Justice since then; so I just don’t know whether or not they are proceeding in that direction. I assume that they are, but that is purely an assumption on my part.

Q. Mr. Secretary, there seems to be some concern in Hawaii about the possibility of damage or injury there from the British nuclear tests at Christmas Island. I have been asked to inquire whether the U.S. Government is satisfied itself that there is no such danger.

A. We are satisfied that there is no such danger. The character of the tests will be such and the explosion will take place at a height such that there is no danger of any fallout affecting Hawaii.

Q. Mr. Secretary, is it the U.S. position that UNEF should stay in Gaza until there is some definitive agreement on that area and that Egyptian authorities should not revert there? Is that not a correct statement of the U.S. position?

A. I am going to have to ask you to read Ambassador Lodge’s speech, which expressed our position on that point. And if I should attempt to restate it by memory, I might inadvertently put it slightly differently. What I want to do is to stick just exactly to what Ambassador Lodge said, because that was a very carefully considered statement.

Q. Mr. Secretary, you mentioned Mr. Lodge’s speech and some other documents as expressing the U.S. position on this question of Sinai troop withdrawals, and then you say that there are no private understandings. Would you say that these public documents represent promises or assurances or guarantees, or how would you describe them?

A. Well, for the most part, they are statements of what we believe the international law of the case is, and certainly, as regards the entrance to the Gulf of Aqaba, what we state there is a view which we have always held with respect to that being a passage to an international body of water, and it is, indeed, the same view which was expressed by the Egyptian Government in answer to an inquiry by the United States back—I think it was in 1950. And it is a restatement of our position, what we consider to be the international law of the case.

As regards the Gaza Strip, we stated in Ambassador Lodge’s speech—we repeated in substance, and indeed verbatim—what the Secretary-General had previously said, which was covered by the second resolution of February 2 calling for the implementation of the Secretary-General’s report.

Q. Mr. Secretary, in the President’s letter to Ben-Gurion the President says he hopes that the expectations raised by the Israeli Prime Minister will not be proven in vain—more or less like that. Would you say that this includes that part of Mrs. Meir’s speech where she expressed the hope that the Egyptian troops would not return to Gaza?

A. I do not think that the President’s letter should be read as endorsing every detail of everything that was said. The President’s letter referred to the fact that statements were made by the Foreign Minister of Israel and by others with relation to their hopes and expectations. The others included, of course, the statement made by

7 See also U.S. aide memoire of Feb. 11.
Ambassador Lodge as well as the statement by Mrs. Meir, and there were other statements made there. The President's letter, I think, referred generally to the hopes and expectations for a better future for the area and should not be interpreted as necessarily an endorsement of every detail of everything that everybody said, because, indeed, some of those statements were in conflict with each other.

Q. Mr. Secretary, are you confident that the UNEF has adequate forces for even the immediate future?

A. Yes, I believe it has.

Q. Mr. Secretary, in the Franco-American communiqué of last week, there is a reference to the common approach of the two Governments regarding the world problem. Can you elaborate on that? Does this mean that from now on the two Governments will have a more united, concerted diplomatic action with regard to the Middle Eastern problems?

A. Well, we certainly hope so. We don't like it when our views differ, and we hope that in the future we will be more in accord than we were, at one time at least, in the past. I don't think there is very much to add to that.

Question of Newsmen Going to Communist China

Q. Mr. Secretary, have you and Mr. Eisenhower discussed in the last month the question of American newsmen going to Red China? I believe the President said at his conference on February 5 that he would talk it over with you.

A. Yes, we have discussed it again.

Q. Is the administration's position now the same as it was a month ago, namely, a flat opposition to letting these people go to Red China?

A. Well, we have not altered the position which we then took. We are continuing to study and explore the matter to see whether any ways could be found to satisfy better the demand for news coverage without seeming to drop the barriers down generally and to permit of what the Chinese Communists call "cultural exchange." So far, we have not found any solution, but, undoubtedly, we will keep on studying the matter.

Q. Mr. Secretary, on that point is there any reason why the administration is unwilling to test in the courts of the United States its policy of denying the passports, the right of the Executive to deny passports?

A. Well, I suppose any citizen is entitled to take his case to court. We don't oppose that.

Q. What is the position of the State Department about those men who have gone in without passports? Do you intend to bring suit in that case in the courts or to take any action against those men?

A. Well, I don't think there is any plan to take legal action against them. A question could come up about the renewal of their passports.

Q. Mr. Secretary, on that point I believe that Mr. Worthy's expired yesterday and that he has applied for renewal. What will be done in his case?

A. I can't tell you. I didn't know that he had applied for renewal.

Q. Yes, he did.

Resumption of U.S. Aid in Middle East

Q. Mr. Secretary, as soon as the withdrawal has been completed, does the United States intend to resume aid as well as other forms of assistance to both Israel and Egypt, and the other countries in the Middle East area?

A. Well, I would say there that, as soon as the conditions which led to the suspension have been altered and the situation is back again where it was, then we would go back again presumably to where we were.

Q. Does not that withdrawal—doesn't that fulfill the conditions? I presume now you are referring to the reopening of the Suez Canal as being the other condition?

A. That has a bearing on it also.

Q. If those two conditions are fulfilled, would those complete the conditions, or are there still others?

A. You have got a whole series of questions: the reopening of the canal, the conditions under which it is reopened, the future status of the canal,

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the treatment of American business people in the area—there are a number of problems which still remain to be resolved.

Q. In other words, you don't expect this resumption to take place in the immediate future?
A. Well, are you referring to the whole area or—

Q. The resumption of aid specifically to Israel, as well as the unfreezing of funds, and perhaps the resumption of aid to Egypt.
A. Well, there will be nothing automatic about any of those matters, and probably each country will be dealt with on a country-by-country basis.

Q. Mr. Secretary, could I restate that question, because I am a little confused on the answer?
A. Yes.

Q. Aid personnel was withdrawn from four countries, as I remember. Taking that as a problem by itself, is there a prospect now with the lessening of the danger of hostilities, which was the reason for withdrawal—the prospect now of the early return of the aid personnel to these four countries?
A. Well, I don't think that you can deal with all of the countries as a bloc. Each country has to be dealt with on its own basis. We would not withhold a resumption of technical aid, for example, to one country because the conditions in a third country were such that we felt it was either contrary to policy or contrary to security considerations to have the people go back.

Reopening of Suez Canal
Q. Mr. Secretary, on the issue of reopening the canal, since the Egyptians have indicated, indirectly at least, that they intend not to let the British and French ships go through until there is some settlement of their claims over the war, has this country yet got a policy to stand with Britain and France on our shipping going through or not going through the canal until the British and the French and all other nations are allowed to go through?
A. I understand your question is whether we would hold our ships back unless it is open to all ships.
Q. Yes.
A. We have no such policy, no. I would like to supplement that by saying that the United States has no reason to believe that there will be the discrimination against British and French shipping which your question presupposes.

Q. Mr. Secretary, recently the Prime Minister of Japan resigned because of illness and was replaced by Prime Minister Kishi. Do you have any comment about the replacement of the Prime Minister with Mr. Kishi? And do you expect the new Prime Minister to come to the United States?
A. That visit is being considered. There has been no formal invitation as yet.

Q. And I wonder whether you have any idea how soon the canal may be opened.
A. Well, I believe that it could be opened probably if the work goes forward vigorously, in about 10 days.

Q. Mr. Secretary, on the question of the return of the 199 foreign-aid technicians from that particular area of hostilities, they were withdrawn because, as I remember, the bombs were falling. Now that that situation has been done away with, will those people be going back into their Middle East posts?
A. The answer to that question I think is given in the reply which I previously made, which is that we do not deal just with the area as a whole; we deal with it on a country-by-country basis. And if the reasons for the withdrawal seem to have disappeared, then they will go back.

Q. Mr. Secretary, would you say that this is the case of Israel?
A. Well, I would believe that after the troops and the other forces are withdrawn behind the armistice lines, and if it then seems that there will be a period of tranquillity and that the danger of military outbreaks has subsided, then the situation would go back to what it was before.

International Character of Straits of Tiran
Q. Mr. Secretary, our policy and the British and French policy regarding the international character of the Straits of Tiran are in conflict with the statements of India and several Arab nations and now the later statement from Egypt that they consider them national waters—we are at variance on that. What is the step? How do you settle this?
A. Well, I wouldn't quickly jump to the conclusion that our views are indeed at variance. This is a highly complicated question of international law, and the use of words has to be very precise. It is true in one sense of the word that the Straits of Tiran are territorial, because the straits are less than 6 miles wide and the generally accepted zone of territorial control is 3 miles. So in that sense they are territorial waters. But it is also a principle of international law that, even though waters are territorial, if they give access to a body of water which comprehends international waterways, there is a right of free and innocent passage. And some of the statements which have been made unofficially by Egypt, from Egyptian sources at least, contain statements which we would entirely agree with in the sense that the straits, as I say, are less than 6 miles wide and therefore comprehended within the 3-mile limit, measuring it from both sides. That doesn't determine the question as to whether or not there is the right to passage. Now, you asked a further question—how it would be resolved. In our aide memoire we stated that we would abide by any decision by the International Court of Justice.

Q. Mr. Secretary, is your statement that you just made then not open to the inference that there are two ways of looking at this, and that the Egyptians would be entirely justified in blocking the passage and submitting the thing to the Court and keeping it closed until the Court settled it some years later?

A. Well, the United States view is that the passage should be opened unless there is a contrary decision by the International Court of Justice. That was the viewpoint expressed in our aide memoire of February 11. I might also add that that is the point of view which is reflected in the Secretary-General's report, in which he says that in view of the history of this matter, and the prior positions, that it is not a situation where it is believed that Egypt should exercise belligerent rights.

Q. In short, it would take a decision, in your view, of the Court to close it, rather than a decision of the Court to open it?

A. That's right.

Q. You said in the memorandum that the United States Government expected to exercise its right of free and innocent passage through this strait into the Gulf of Aqaba. Have you taken any steps or do you contemplate taking any step to establish this exercise of right on the part of the United States—in other words, should a ship or ships normally begin to move through there now? Have they already moved?

A. Well, there is no prearranged exercise in that respect. It would be normal that a ship of United States registry would be going through there. You see, it is only quite recently that the port of Elath has been developed so that it is a port which attracts shipping. Now there has been a development of the port of Elath to a point where there will probably be considerable shipping going there, and in the normal course of events that would include a vessel of United States registry.

Q. But you don't know of any particular ship?

A. No, I haven't looked into that. Of course, that is a matter which is primarily under private direction. The shipping companies send their ships where they will. We assume that one will be going there, but that is not based upon any checkup with the companies.

Q. I wondered, sir, whether it would be normal procedure for the United States Government to send notice to the shipping companies that the strait is considered to be open, or whether everybody is supposed to know it?

A. Well, I think that everybody is supposed to have read the newspapers in that respect, particularly if they are in the shipping business.

Q. What are the prospects, Mr. Secretary, on resumption of our negotiations with the Philippines on military bases? They broke down 3 months ago, I believe.

A. I believe that some consideration is being given to a possible resumption. But that matter is primarily at the moment in the hands of the Defense Department.

U.N. Emergency Force

Q. Mr. Secretary, on Friday [March 1], India said in the United Nations that it would have to dissociate itself from the idea that UNEF could go into Gaza and take over the civil administration, and both the Yugoslavs and the Indians have

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indicated that, if Egypt objected, they would withdraw from the Force. How long do you think that they can keep the United Nations Force in Gaza without another United Nations resolution?

A. Well, I believe the matter is adequately covered by the second resolution of the 2d of February. I don’t think another resolution is required. Of course, the United Nations cannot require countries to keep their commitments in the UNEF. And I suppose to some extent UNEF could be disrupted by withdrawals. But I do not anticipate that will take place.

Q. Mr. Secretary, you said a few minutes ago that we assume that British and French shipping will go through the canal without discrimination. Do we have any similar assumption connected with Israeli ships?

A. I think it was indicated in one of the statements I referred to—I think it was the President’s speech of February 20—that we should not assume that there will be a discrimination against Israeli ships.

Q. Mr. Secretary, after the last Israeli soldier leaves Egypt, will we recognize Egypt’s right to reassert the state of belligerency on which she has blocked Israel, or will we consider her then in violation of the treaty of 1888 and the Security Council and act accordingly?

A. Well, we are not indulging in any assumptions or speculations that there will be a violation of the 1888 treaty, if that is what your question assumed.

Q. No, my question assumes that Egypt has insisted on a state of belligerency between itself and the State of Israel. Well, if this insistence continues, how will we regard that?

A. I prefer not to answer that question.

Q. Mr. Secretary, when do you expect the last Israeli troops to be out of Egypt?

A. I think the information on that respect is regarded as classified, and I don’t think I can answer it. I’m informed as to the prospective schedule, but I’m not at liberty to make it public. I think it is a reasonably expeditious schedule.

Q. Mr. Secretary, on the question of newspapermen going to Red China, you said the President and you are still discussing the problem of dropping the news barriers. Did you mean ordinary barriers to travel to Red China? Is that what you had in mind?

A. One of the problems we face here is the fact that there is a general drive by Communist China to reestablish what it calls cultural intercourse with other countries, and it is particularly pressing that on countries which are neighbors, the free countries, and where such relationship could not, I think, be reestablished without danger to those countries. And one of our problems is not to set an example which would be bearable by us but which, if it was extended generally, would have perhaps dangerous repercussions in other areas.

Q. Well, there have been recommendations that the State Department announce that any reporters going to Red China do so at their own risk and that they would thereby be permitted to go. Has any thought been given to this possibility of solving the problem?

A. Yes, I think we have given thought to all possibilities. Let me say this, it is a general principle of international law that no individual can waive the responsibility of a government to look out for its own citizens. There is also a problem as to whether or not it is possible to allow certain persons to go and other persons not to go. There are people who feel that their mission to go into all the world is just as commanding as that which impels the newspaper people. It’s an extremely complicated subject.

Q. Mr. Secretary, news reports from Cairo say that President Nasser has stated he feels that Egypt is no longer bound by the six-point United Nations agreement because of the actions of France, Israel, and England. And that agreement says that the Suez would be open to ships of all nations. Would you care to comment on that?

A. Well, I think our comment on it is found in the communiqué which was issued here jointly with the French Prime Minister a few days ago, where we reaffirmed our belief in the six principles.

Q. Mr. Secretary, did you discuss with King Saud who was going to occupy the islands of the straits when the Israelis move out?

\[11 \text{Ibid., Oct. 22, 1956, p. 616.}\]
A. No. The occupancy was arranged between Saudi Arabia and Egypt back in 1950, when Saudi Arabia consented to their occupation by Egypt, and we have no reason to believe that that arrangement will be altered. We did not discuss it with King Saud.

Q. Mr. Secretary, did the question of Poland play a large part in your discussions yesterday with Von Brentano?

A. Well, we discussed the question of the satellites, Poland and Hungary and East Germany and so forth.

Q. Mr. Secretary, would you be able to amplify your early comment that Egypt seemed to be dragging its feet on making arrangements about the Suez Canal—what form this takes?

A. There have been grounds to suggest that Egypt did not want to make progress, in relation to the Suez Canal matter, until there was assurance that the Israeli troops would be withdrawn. That has not been an officially expressed position, but reading between the lines we could gather that that was perhaps the actual position. There have been still two sunken ships, as you know, which still block the Suez Canal, which supposedly contain explosives which the Egyptian Government says it wants to take the responsibility of removing but which it has not yet removed. Various things of that sort lead us to believe that the Egyptians have not wanted to hurry on the matter of the canal until they are quite sure the Israelis would get out. We hope that that situation will now change.

Q. Mr. Secretary, Harold Connolly, the United States Olympic hammer-throw champion, is reported that way about a Czech lady discus thrower. (Laughter) And he has appealed to the Czech Government for permission to get her out and marry her—bring her to this country. Is the United States Government making any appeals to back up his appeal?

A. Well, we believe in romance. (Laughter)

Q. Are you doing anything to implement this case?

A. I can's answer for that particular case, but our basic principle is as I stated it.

New State of Ghana

ANNOUNCEMENT OF U.S. RECOGNITION

Press release 113 dated March 5

The U.S. Government has officially recognized the new state of Ghana, which becomes independent and a member of the British Commonwealth on March 6.

With the permission of the Government of Ghana, the American consulate general at Accra will be raised to the status of an embassy at 1 minute past midnight on March 6. At that time, Donald W. Lamm, consul general, will be named chargé d'affaires pending the appointment of an ambassador to Ghana.

The U.S. Government has also informed the Government of Prime Minister Kwame Nkrumah that it would welcome the establishment of a Ghanaian embassy at Washington as soon as practicable.

MESSAGE FROM PRESIDENT EISENHOWER TO THE GOVERNMENT AND PEOPLE OF GHANA

White House press release dated March 6

On behalf of the people of the United States of America, I wish to extend to the Government and people of Ghana, congratulations on the occasion of your joining the family of independent nations. We have watched with particular admiration the manner in which you have attained your independence, for it shows the good fruit of statesmanlike cooperative effort between the Government and people of Ghana and the Government and people of the United Kingdom. I am sure that this same spirit will characterize Ghana’s relationship with the Free World, including the great and voluntary association of nations, the British Commonwealth.

In extending these good wishes, I speak for a people that cherishes independence, which we deeply believe is the right of all peoples who are able to discharge its responsibilities. It is with special pleasure, therefore, that we witness the establishment of your new nation and the assumption of its sovereign place in the Free World.

In sending you these greetings, I am conscious of the many years of friendship which have characterized the relations between our two countries.
We are proud that some of your distinguished leaders have been educated in the United States. We are also proud that many of our most accomplished citizens had their ancestry in your country. We are pleased that trade between our two countries has developed to the benefit of both countries. But most importantly, we revere in common with you the great and eternal principles which characterize the free democratic way of life. I am confident that our two countries will stand as one in safeguarding this greatest of all bonds between us.

Ghana Becomes 81st Member of United Nations

Statement by Ambassador Henry Cabot Lodge U.S. Representative to the General Assembly

The United States will vote here in the General Assembly for the admission of Ghana to the United Nations as we did in the Security Council. We look forward to friendly relations at the United Nations with the representatives of Ghana.

The United States sees in Ghana a peace-loving state which accepts the obligations of the charter and is able and willing to carry them out. We were happy that this opinion was shared unanimously in the Security Council yesterday. Today's vote, I am sure, will confirm overwhelmingly the Security Council's judgment.

In the Security Council yesterday I had the pleasure of paying tribute to the wise policy of the United Kingdom which has led to Ghana's independence and to the happy relationship which exists today between the United Kingdom and Ghana. Let me again pay tribute to this example of British statesmanship.

Ghana's independence is also of special interest to Americans: The ancestors of many of our fellow Americans came from there; many Americans, of whom I was one, visited Accra during the war; Prime Minister Nkrumah studied here in the United States; and the Vice President of the United States, Mr. Nixon, headed a delegation of distinguished Americans to be present at Ghana's independence day.

Ghana joins the United Nations at a momentous time in the history of this organization. The responsibilities which this new state assumes by its membership are heavy. But the weight of responsibility is overshadowed by the opportunities which United Nations membership offers for constructive efforts to prevent war, to harmonize international relations, and to cooperate in solving problems of an economic, social, cultural, and humanitarian character.

The United States welcomes the opportunity to cooperate fully with Ghana in these United Nations efforts. We extend to the people and Government of Ghana—and to Ghana's associates in the Commonwealth—our sincere congratulations and best wishes.

German Foreign Minister Visits United States

Following is the text of a joint communiqué issued at the close of a meeting between Secretary Dulles and Heinrich von Brentano, Foreign Minister of the Federal Republic of Germany, at Washington on March 5. The German Foreign Minister made an official visit to Washington from March 3 to 7.

Press release 114 dated March 5

Foreign Minister Heinrich von Brentano of the Federal Republic of Germany and Secretary of State Dulles today concluded the official talks which they have held during the Foreign Minister's current visit to Washington.

These talks covered a broad range of current world problems of mutual concern to both governments and afforded an opportunity for a full and frank exchange of views. Particular attention was devoted to an assessment of the general political situation in the light of recent developments in Eastern Europe and the Middle East. The talks have served to emphasize and reinforce the community of interest and the harmony of views which exist between the two governments with regard to the problems confronting them.

The Foreign Minister and the Secretary of State reaffirmed that the reunification of Germany

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1 Made in plenary session on Mar. 8 (U.S. delegation press release 2033).

2 On Mar. 8 the General Assembly unanimously approved the application of Ghana for membership in the United Nations.
in freedom remains a fundamental objective of the policies of their governments. They were in agreement that recent developments in Eastern Europe have served to emphasize the urgent necessity for a solution of the problem of German reunification in the absence of which there can be no permanent settlement in Europe or any lasting stability. They expressed the hope that the Soviet Union would come to realize that it is in its own interest that there be a just solution of this problem. They noted that a study of the problem of German reunification and its relationship to European security is being undertaken in Washington by experts of the United States, Great Britain, France, and the Federal Republic. This study should provide a common basis for dealing with any new developments which might have a bearing on these questions.

The Foreign Minister and the Secretary of State were also in complete agreement that recent developments in the Soviet Union and Eastern Europe have afforded no basis to the West for lowering its guard.

They shared the view that the maintenance of the strength of NATO remains as important as ever. Foreign Minister von Brentano stressed in this regard the determination of the Federal German Government to proceed as rapidly as possible with building up its own military strength in order to be able to make its agreed contribution to the Western collective defense system.

The Foreign Minister informed the Secretary of the progress being made towards the signing of treaties for the creation of a European Common Market and the establishment of a European organization with common authority and responsibility in the field of atomic energy (EURATOM).\(^1\) The Foreign Minister and the Secretary were in agreement that early approval and implementation of these treaties would contribute materially to enhancing the close association between Europe and the United States.

The Foreign Minister and the Secretary of State reviewed current problems in the Middle East. They were in agreement as to the urgent need for a peaceful solution of these problems in conformity with the principles of justice and internat

\(^1\) For background on the European common market and EURATOM, see BULLETIN of Feb. 4, 1957, p. 182, and Feb. 25, 1957, p. 306.

Working Group on Germany and European Security

Press release 115 dated March 6

The first meeting of a Four-Power Working Group was held at Washington on March 6.

The group is reviewing the problem of the reunification of Germany in relation to European security on the basis of the proposals made at the Geneva meeting of Foreign Ministers of 1955 and in the light of subsequent developments. This review is being initially undertaken by a working party established by the Federal Republic and the three Western powers in view of the special responsibility of the latter with regard to questions relating to Germany as a whole. Upon the conclusion of its study, the report of the group will be submitted to the four Governments. Subsequently the matter will be considered in the North Atlantic Council.

The chief representatives on the working group are Jean Leonard Lalo, Director of the European Section of the French Foreign Office; Wilhelm Grewe, Director of the Political Division of the German Foreign Office; Patrick Francis Hancock, Director of the Western Division of the British Foreign Office; and Jacob Beam, Deputy Assistant Secretary of State for European Affairs.

Eximbank Credit to Austria

The Export-Import Bank of Washington announced on March 5 an $8 million credit to finance export purchases of cotton in the United States by three Austrian banks. The loan is repayable 18 months from the date of drafts, and the credit will be available for a period of 1 year. Austrian spinners are expected to buy, through the borrowing banks, supplies of long-staple, high-grade U.S. cotton.
U.S. and U.K. Agree To Amend Financial Agreement of 1945

H. Doc. 111, 85th Congress, 1st Session

PRESIDENT'S MESSAGE OF TRANSMITTAL

To the Congress of the United States:

I send you herewith an amendment to the Anglo-American Financial Agreement of 19451 signed for the United States by the Secretary of the Treasury and for the United Kingdom by the British Ambassador. Your approval is recommended and requested.

Under the terms of the 1945 agreement, the United Kingdom is entitled to waiver, that is, cancellation, of interest payments under certain rather elaborately defined conditions. Over the years, and with changing circumstances, it has become practically impossible to apply this important feature of the agreement.

This last December, the British claimed a waiver of the interest for 1956 and set the sum involved aside pending consultation. Up to that time, they had made in full every payment of principal and interest called for by the agreement.

The amendment gives the United Kingdom a right to postpone not more than seven annual installments of principal and interest when it finds such action necessary in view of present and prospective conditions of international exchange and the level of the United Kingdom's gold and foreign exchange reserves. In addition, the 1956 installment of interest would be postponed. In exchange for this, the United Kingdom forgoes any right to claim a waiver or cancellation of interest payments and agrees to pay interest annually on the full amount of all postponed installments.

The amendment to the agreement is a commonsense solution which attempts to carry out the spirit of the agreement in a way that is practical and fair to both parties.

I recommend that the Congress enact legislation approving the action of the Secretary of the Treasury in signing the amendatory agreement on behalf of the United States.

Dwight D. Eisenhower

The White House,
March 6, 1957.

TEXT OF AMENDMENT

AGREEMENT TO AMEND THE FINANCIAL AGREEMENT OF DECEMBER 6, 1945, BETWEEN THE GOVERNMENTS OF THE UNITED STATES AND THE UNITED KINGDOM

Subject to the provisions of paragraph 3 hereof, it is hereby agreed between the Government of the United States and the Government of the United Kingdom of Great Britain and Northern Ireland as follows with regard to the Financial Agreement executed by them on December 6, 1945:

1. Section 5 is amended to read:

2. Section 6 is amended to read:

3. This Agreement shall become effective when the Government of the United States has notified the Government of the United Kingdom that the Agreement has been approved by the Congress and the Government of the United Kingdom has notified the Government of the United

States that the appropriate Parliamentary action has been taken.

Signed in duplicate this 6th day of March, 1957.
For the Government of the United States of America:

G. M. HUMPHREY
Secretary of the Treasury of the United States of America

For the Government of the United Kingdom of Great Britain and Northern Ireland:

HAROLD CACCIA
Her Majesty's Ambassador Extraordinary and Plenipotentiary at Washington

U.S. Delegation Leaves To Attend Third Meeting of SEATO Council

DEPARTMENT ANNOUNCEMENT

Press release 102 dated March 1

Secretary Dulles will attend the third meeting of the Council of Ministers of the Southeast Asia Treaty Organization to be held at Canberra March 11-13. This is the annual meeting of the Foreign Ministers of member countries at which the accomplishments of the year are reviewed and plans approved for future activities and development of the organization. Secretary Dulles participated in the two previous meetings held at Bangkok and Karachi, as well as in the negotiation of the treaty at Manila which brought SEATO into being. The Secretary will return directly to the United States immediately following the meeting in order to accompany the President to Bermuda.

Just prior to the Council meeting, on March 8 and 9, the SEATO Military Advisers will meet at Canberra. The U.S. representative at this meeting will be Adm. Felix B. Stump, USN, Commander in Chief, Pacific and U.S. Pacific Fleet, who is the U.S. military adviser for SEATO.

The complete U.S. delegation to the SEATO Council of Ministers meeting at Canberra is as follows:

U.S. Representative
John Foster Dulles, Secretary of State

Special Assistant
John W. Hanes, Jr.

U.S. Delegation

G. Frederick Reinhardt, Department of State

Deputy Coordinator
George M. Abbott, Special Assistant for SEATO Affairs, Department of State.

Senior Advisers
Walter S. Robertson, Assistant Secretary of State
Adm. Felix B. Stump, USN, Commander in Chief, Pacific and U.S. Pacific Fleet
Avery F. Peterson, Chargé d’Affaires, Canberra, Australia
Max W. Bishop, U.S. Council Representative and Ambassador to Thailand
Andrew H. Bolling, Assistant Secretary of State for Public Affairs (Designate)
Raymond T. Moyer, Regional Director for Far East, International Cooperation Administration
Charles A. Sullivan, Director, Office of Special International Affairs, Department of Defense

Advisers
John C. Ausland
John S. Farrington
John L. Hart
Robert A. Hewitt, Brigadier General, USA
John C. Hill
Robert E. Hoey
Marsellis C. Parsons, Jr.
Lemuel M. Stevens, Captain, USN
William V. Turnage
C. Dudley Withers
Robert W. Zimmermann

Secretariat
Joseph N. Greene, Jr.
Robert L. Burns

Special Assistant to Coordinator
J. Stewart Cottman

Secretary
Bruce Grainger

SECRETARY DULLES’ DEPARTURE STATEMENT, MARCH 6

Press release 117 dated March 6

I go to Australia to take part in the meeting of the Council of the Southeast Asia Treaty Organization (SEATO).

Though SEATO is little more than 2 years old, this will be my fourth visit to the Far East in connection with its creation and development. There was first the negotiation of the treaty in Manila. Then there came the first and second meetings of the SEATO Council held in Thailand and in Pakistan.

March 25, 1957
In this 2½ years SEATO has become firmly established and has made a positive contribution to peace and stability in Asia. The Organization is an outstanding example of successful cooperation among eight nations, both eastern and western. It brings security in the face of Communist threats. By so doing, it encourages constructive achievements in political, economic, and cultural fields. SEATO will be further developed at this third Council meeting. The United States is deeply interested in this, for we are a Pacific power as well as an Atlantic power.

I welcome the opportunity to visit Australia once again. I have had long and cordial relations with its leaders. Also I had an earlier enjoyable and useful visit there in 1951 when I negotiated the tripartite security agreement between Australia, New Zealand, and the United States—the organization known as ANZUS.

ANZUS and SEATO reinforce each other in many ways. Both are defensive pacts; both have played an important part in bringing to the Pacific and Southeast Asian areas the comparative peace and security they now enjoy; both have been established within the framework of the United Nations. These pacts are necessary to make clear to aggressive nations the united and determined will of the member nations to preserve their independence and security against any assaults.

As soon as the SEATO meeting is over, I must return to the United States to take part in President Eisenhower’s meeting with Prime Minister Macmillan at Bermuda. I regret that, on this account, I shall not be able to make visits to friendly nations in the area as I have done in connection with the previous SEATO Council meetings.

Secretary Dulles’ Arrival Statement, Canberra, March 10

Press release 124 dated March 8

I am grateful for this opportunity to bring the greetings of President Eisenhower and the people of the United States to the people of Australia. I wish that the crowded schedule of the Southeast Asia Treaty Organization meeting would permit me to meet with you more directly while I am in your vigorous, forward-looking country. Fortunately, my stay is all too brief because of pressing events elsewhere. I can only regret that it could not have coincided with the spectacular Olympic games that helped to make Australian hospitality, efficiency, and sportsmanship a byword among all nations.

I know that all Americans would want me to express their appreciation to the people of Australia for the comradeship and understanding you have displayed in the years in which we have shared so many common problems in the Pacific. Already our two countries have gone through much together. We have shared at times security and at times danger. We have shared prosperity and economic strain. We have rejoiced in common victories at arms. We have worked together in the hard task of seeking peace and preserving it.

It is demonstrable that our destinies are inextricably linked. The United States is not only an Atlantic power, but also, like you, we are a Pacific power. There are plenty of grave problems and major tasks that confront the Atlantic Community. But those problems do not monopolize our concern or make us indifferent to the problems of the Pacific and of Asia.

You can, I believe, feel confident that you will never stand alone in the Pacific.

There have been times in the past, and there may be times again, when we may disagree as to how best to pursue our common goal of security in a just and lasting peace. You may have taken a somewhat different view from that which we took in regard to the stormy events of last fall in the Suez area.

I can well understand why many of you felt as you did.

I hope that you will understand that the United States reacted as it did because we believe that our present worldwide responsibilities make it especially incumbent upon us to seek to uphold the United Nations principle that force shall not be used against a country as a means of settling international disputes. But we equally believe that the United Nations must not only seek that international disputes be settled peacefully but that they be settled in conformity with the principles of justice and international law. There lie ahead many heavy tasks in this respect. In these I know we shall be working side by side.

One of the most cherished values we hold in common, indeed one of the reasons for the strong

SECRETARY DULLES’ ARRIVAL STATEMENT, CANBERRA, MARCH 10

Press release 124 dated March 8

I am grateful for this opportunity to bring the greetings of President Eisenhower and the people of the United States to the people of Australia. I wish that the crowded schedule of the Southeast Asia Treaty Organization meeting would permit me to meet with you more directly while I am in your vigorous, forward-looking country. Un-

1 Breakfast over facilities of the Australian Broadcast-

Department of State Bulletin
attraction between us, is the belief in government of laws—our conviction that governments must give expression to the moral convictions of their people. So long as we both follow the course that moral principle dictates, we will inevitably walk close together along the road.

The fact that Australia and the United States share so many beliefs is one of the free world's strong guaranties for security. We both believe, for example, that many of the difficulties facing the free nations can be resolved, particularly if each nation will do its utmost to establish justice even when its own interests are not directly involved. Much can be done through cooperation and resourcefulness. Much can be done through patience and peaceful determination. The blessings of peace and freedom are well worth the price.

The United Nations, despite its present imperfections, is a power and force for world peace with justice. I believe the United Nations has gained greatly in prestige and influence. Our belief is strengthened that it will eventually realize the potential for peace envisaged by its founders.

The very mission which brings me to Australia is evidence of our mutual faith in the principles of the United Nations Charter. That charter made wise provision for collective security arrangements as a deterrent to aggression. It was a similar mission that brought me here in 1951. You may recall that I then discussed with your Prime Minister and the Minister for External Affairs the first multilateral regional security pact which the United States was to enter in this part of the world. This was the tripartite security pact between Australia, New Zealand, and the United States which we have come to know as the ANZUS Treaty. I am proud to have been able to take a part in its formulation and to be one of the signers of that treaty on which we, as you do, place great value.

Now the United States and Australia and New Zealand have become partners and allies in another organization—the Southeast Asia Treaty Organization. Both ANZUS and SEATO were established within the framework of the United Nations Charter for the primary purpose of insuring a just peace in the Pacific and Southeast Asia. The United States is proud to hold membership in both. Neither is a substitute for the other.

Australia and the United States, both bordering on the Pacific Ocean, have legitimate and fundamental interests in preserving the peace of the area. Good sense and prudence dictate that we form collective defense associations between ourselves and with other freedom-loving nations of the area to demonstrate that we are determined to resist aggression. That today, in practical terms, means Communist aggression and, in this area, means primarily Chinese Communist aggression.

Chinese communism still remains formidable. But we are convinced that it is increasingly evident that it does not represent in this part of the world the "wave of the future."

There was a time when Western Europe was dominated by the fear that Soviet communism might represent the "wave of the future." Now no one thinks that, not even the Communist parties in western European countries, which used to be so boastful. We have seen, notably in Hungary and in Poland, that, even though Soviet communism has had many years' rule in which to seek by every means to inculcate its doctrine, it is nevertheless rejected by the people. It does not and cannot satisfy their aspirations. Even within Russia itself, where communism has ruled for 40 years, there is growing restlessness and resistance to the conformity which communism seeks to impose.

Inevitably the same defects of communism will make themselves manifest in Asia. The free peoples of Asia need not look upon Chinese communism as the "wave of the future" in Asia and the western Pacific. It, too, will stumble over its own inherent defects.

However, we cannot be complacent.

At the most recent North Atlantic Council meeting in Paris, it was the consensus that the threat of Communist aggression had not diminished despite the facade of smiles of Communist rulers. The cruel repression in Hungary revealed the sharp teeth behind the smiles. I feel likewise that in the area covered by the Southeast Asia Treaty the threat remains. It can be met only by our unity in strength.

It is my conviction that, so long as we remain resolute, the measures that we have taken and are taking will carry us safely through the present critical period. The fact of United States—Australian solidarity as an integral part of free-world
security enables me to make this statement with greater confidence.

May I once more express my great pleasure at being in Australia again and at being closely associated once more with your Prime Minister, Mr. Menzies, and your Minister for External Affairs, Mr. Casey, for both of whom I have the highest and most cordial regard.

Second Annual Report of the South-East Asia Treaty Organization

FOREWORD

This is the second annual report of the South-East Asia Treaty Organisation. It is published by the SEATO Council Representatives in preparation for the meeting of the Council of Ministers at Canberra in March, 1957. It records the progress made during 1956 and sets out SEATO's plans and hopes for the future.

The South-East Asia Collective Defence Treaty was signed at Manila on September 8, 1954, and came into force on February 19, 1955, when it had been ratified by the eight signatory countries—Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the United Kingdom and the United States.

The work of SEATO has been greatly assisted by the Royal Thai Government, which provided a building in Bangkok for the Headquarters of the Organisation. This building was opened by the Prime Minister H. E. Field Marshal Pibulsonggram on June 24, 1956, the Thai National Day.

INTRODUCTION

The past year has been on the whole one of quiet and steady development in the SEATO member countries. Achievements in many fields were made possible by the relative stability of the Treaty Area—a situation which the existence of SEATO has helped to create. SEATO is a bulwark against aggression in all its forms and enables the peoples of the Area which it serves to live their daily life in an atmosphere of freedom from fear. Indeed the very existence of such a collective security system, by giving confidence to our countries, has enabled them to devote to economic, social and cultural development a greater portion of their resources than would have been possible had each of them provided separately for its own defence. This in itself is ample justification for the existence of SEATO and visible evidence of its value to our countries.

When SEATO was established the principal threat to the Treaty Area was that of armed aggression. It has, however, been clear for some time that the Communists have for the moment at least changed their tactics, although we cannot overlook the continuing growth of Communist military strength, particularly in Communist China and North Vietnam. Subversion, which has always been a major problem, is the main threat we now face. To the identification of this threat, and its exposure, and to the development of counter-measures, SEATO has devoted much of its effort in 1956.

SEATO as an Organisation, and the member countries individually, have also sought to give expression to those aspects of the Treaty relating to economic, social and cultural progress and to devise schemes of cooperation and mutual help suited to the particular needs of the countries of the Area. Such willing cooperation has fostered the spirit of partnership which has become a feature of all aspects of SEATO's work.

SEATO's members have not, however, been lulled into complacency by the progress so far made. The threat to the whole area still remains serious and they are all aware that vigilance is as necessary as ever; but they face the future with faith in one another and confidence in their organisation for collective defence.

3 Ibid., July 2, 1956, p. 10.
THE COMMUNIST THREAT

We have kept under close and continuous review the developments affecting the security of the Treaty Area, and during the past year our expert advisers carried on their studies on various aspects of the Communist threat. While it is not appropriate for us to publish detailed information of this nature, we have set out below a general description of current Communist tactics.

The relative stability which prevailed in the Treaty Area should not obscure the fact that the Communist threat has assumed a more insidious, but equally dangerous, form. While retaining and extending their capacity to commit armed aggression, the Communists are for the present relying on a wide range of more subtle tactics, both political and economic, to achieve their ends. As a result the danger of overt aggression is less apparent, but we cannot assume that the Communists have finally renounced force. The brutal Soviet repression of the Hungarian uprising is eloquent testimony to that fact. Nor must it be forgotten that the Chinese Communist Government has given the Soviet Union wholehearted and unqualified support in its use of force in Hungary to maintain its central domination of the policies of the countries of the Communist bloc.

Despite statements stressing the feasibility of peaceful co-existence between Communist and non-Communist nations, Communist official pronouncements, including the declarations of recent Party Congresses, make it clear that the ultimate objective in the Treaty Area continues to be the establishment of disciplined Communist regimes.

The Communists have also sought to exploit "neutralism". They have attempted to identify the widespread desire of peoples for national independence and integrity with the policy of neutralism. They have also supported neutralist claims that membership with other free nations in regional collective defence organisations is incompatible with national independence. In so doing, the Communists hope, by keeping up the outmoded cries of "imperialism" and "colonialism", to weaken the present friendly ties between Asian and other free countries and among Asian nations themselves, and so to increase their own influence and to mask the enlargement of their own empire.

Critics of collective defence arrangements disregard the fact that every country has the inherent right of individual and collective self-defence and that this right is expressly recognised by the Charter of the United Nations.

We have observed that the main effort of the Communists to subvert the peoples of countries in the Treaty Area consists in the infiltration of political, youth and cultural movements and trade unions. At the same time the Communists have directed their political activity towards two objectives. Where the Communist party is illegal, they have aimed at legalisation of the party so that they may re-enter national political life. In those countries where the party is legal, they have tried to promote the formation of coalition or inter-party alliances of united front elements with a view to gaining control of Governments.

They continue also to make use of "front" organisations, which mask their Communist character and aims behind a facade of ostensibly respectable organisational names and purposes. Every effort is made to entice well known non-Communists into membership of these groups to lend an air of respectability to such groups. During the past year international fronts such as the World Federation of Democratic Youth (WFDY), International Union of Students (IUS), and World Federation of Trade Unions (WFTU) intensified their efforts to influence Asian groups in support of Communist objectives. Asian Solidarity Committees formed in some countries were representative of other new "front" vehicles for Communist exploitation. United front activities were also exemplified by the new offers advanced by those Asian Communists still carrying forward the "armed struggle", to abandon violence if the established governments would legalise Communist Party activities.

The Communists have also tried to stimulate "front" organisations on a regional basis or, where regional organisations already exist, to infiltrate and exploit them. To this end they have attempted to form or to penetrate Asian-African Trade Union movements and such other activities as Asian Writers Conferences, Asian-African Economic Conferences, and Asian-African Students Conferences. For example, there is ample evidence to indicate that Communists tried to gain control of the recent Asian-African Students' Conference in Bandung in order to influence its deliberations and declarations for political purposes.

March 25, 1957
Other important targets of Communist subversive efforts during the past year were the minority groups in the countries of the Area, in particular the Overseas Chinese communities in these countries. The vast majority of those people of Chinese ancestry are, of course, peaceful, law-abiding and respectable members of the societies in which they live. But the Communists have attempted to recruit possible subversive agents from amongst them and to extort financial support by various forms of coercion, often directed at relatives on the Chinese mainland. Efforts have also been made to induce Chinese youth to return to the Chinese mainland for education. In many cases, this education has amounted to little more than indoctrination.

During the past year Communist countries have continued and intensified their "economic offensive" in Asia, with Communist China now entering the field of economic aid with the support of the USSR. While SEATO members do not question the right of any country to seek new markets for its exports or to expand the volume and change the pattern of its trade, there is strong evidence indicating that the Communist countries have adopted trade and aid policies largely for political ends. In pursuit of these ends, they have publicised their economic aid out of proportion to its actual volume, which is far less than that afforded Asian nations by SEATO's members alone.

Far from attempting to contribute to the policy of a general expansion of international trade, Communist economic tactics show a desire to disrupt normal trading patterns and to divert trade into a Communist dominated economic bloc. Frequently, these tactics are both economically unsound and inconsistent with a professed desire to foster friendly international relations.

Aid agreements with the Communist countries have the added danger that they often permit the entry into the country accepting aid of "experts" whose presence opens up new channels for espionage and subversion. Some trade agreements have had the effect of tying down substantial percentages of national productive capacities with consequent loss of normal trade opportunities and increased dependence on Communist countries. There is thus a danger that dependence on Communist production and technical capacity may become permanent, giving the Communists a much desired political lever.

Such then is the nature of the Communist threat in South-East Asia—an integrated subversive attack in all fields of national life to undermine the stability of free nations and thus prepare them for Communist domination. Behind this campaign of subversion stand Communist armed forces, which have been steadily increased and which are so disposed as to be ready for use at a moment's notice should armed aggression once again better suit Communist aims.

**THE YEAR'S WORK**

SEATO is concerned with the protection of the nations of the Area against both subversion and overt aggression. To this end, cooperative efforts are required to identify and expose Communist subversive tactics, and to assist Member Governments in the necessary counter-measures. In addition, adequate defensive strength must be created and maintained to deter any would-be aggressor.

At the same time, under the protection provided by their collective security arrangements, Member Governments have a responsibility to their peoples to press forward with their programmes of economic, social and cultural advancement. In all these fields, SEATO has also been active during the year under review.

**Action To Counter Subversion**

Responsibility for dealing with subversion in SEATO countries rests with the national authorities. We are able to report that the member countries have taken vigorous measures to counter subversive activities. In those areas where Communist terrorists and armed bands exist, governments have made good progress with their campaigns to reduce the threat presented by these groups. National authorities also dealt successfully with Communist-inspired rioting and other demonstrations. The effectiveness of these measures is shown by the fact that Communism has made no substantial progress in member countries during the year under review, although the situation in the Treaty Area as a whole is less satisfactory.

In carrying out these counter-measures, Member Governments have been assisted firstly by working arrangements with other member countries in respect of training assistance, border control, and exchange of information; and secondly by the
work done at Seato Headquarters in analysing the nature and extent of subversion and the methods employed by the Communists.

In the field of mutual cooperation, a notable feature has been the close collaboration among the police forces of the Treaty Area. A particular example is the work of the police forces of Thailand and Malaya in cooperating to put down armed Communist terrorism along the Thai-Malay border. Member countries are also collaborating in the provision of police and special branch training. The Philippines has assisted some of the countries covered by the Treaty in training personnel in counter-subversion work. Regular exchanges of information on Communist subversive activities and on counter-measures have also made national efforts more effective.

During the past year, we have undertaken in a number of ways to assist Member Governments in countering Communist tactics. We have established a Research Service Centre within the Permanent Organisation to conduct research on current Communist aims and tactics. We have also directed the Seato expert committees to make studies of various aspects of the Communist threat, such as the penetration of youth movements and other selected groups, and the dangers arising from Communist economic activities in the area. The results of these studies, accompanied by appropriate recommendations, have been made available to Seato Member Governments. In addition, our regular meetings and periodic exchanges of views on the Communist threat to the area have provided a very useful forum for exchanges of information on topics related to counter-subversion.

Action To Increase Defensive Strength

Although the present emphasis in Communist tactics remains on subversion, Seato cannot afford to relax its efforts to plan resistance to overt aggression. It must ensure that no aggressor can rely upon lack of cohesion in the military planning of member nations. Responsibility for this task falls primarily on the Military Advisers who have in the past year made significant progress towards the attainment of this objective. The following meetings were held during the year:—

Military Advisers' Meeting, Melbourne, January, 1956.


Staff Planners' Meeting, Singapore, June, 1956.

Military Advisers' Meeting, Baguio, September, 1956.

Finance Meeting, Bangkok, October, 1956.

Intelligence Meeting, Singapore, December, 1956.

Communications Meeting, Pearl Harbour, January, 1957.

Preliminary planning has reached an advanced stage, and accordingly a Permanent Military Planning Staff is now being set up at Seato Headquarters in Bangkok. This will enable detailed planning for collective defence of the Area to be expedited and to proceed on a continuing basis. This staff will be headed by Brigadier General Alfredo M. Santos of the Philippines, and will consist of an equal number of military planners from the armed services of all Member Nations. The Military Secretariat will be combined with this Planning Staff.

Another important part of the Military Advisers' work is to ensure that the armed forces of the member countries learn to work together. With this in mind, two major joint training exercises were held in 1956, as well as a number of smaller bilateral exercises. Exercise FIRM-LINK, in which naval, ground and air forces took part, was held in and around Bangkok in February. It included demonstrations of the landing of troops from helicopters, dropping of parachutists, supplies and equipment and attacks by aircraft against ground targets. The exercise ended with a march past in Bangkok of representative contingents. A Seato maritime training exercise, ALBATOSS, took place in September and October, ranging through the South China Sea to Bangkok and Manila. It involved a series of progressively more advanced exercises to develop teamwork and operational procedures. In October, a landing exercise, TEAMWORK, involving Thai and United States forces, took place at Hard Chao Samran in Thailand. Finally operation RIDHEE, a joint air-ground staff exercise was held at Don Muang Air Port, Thailand, in January, 1957. The Military Advisers have provided continuity in this type of training by means of annual schedules of combined training exercises.

In addition, member countries have pressed ahead with their own training programmes to
improve the efficiency of all branches of their forces. In this they have also received considerable assistance from other members. Training missions and advisory groups have been exchanged and facilities have been provided in the training schools of member nations for students from the others. This is resulting in the building up of a pool of well-trained specialists which will not only benefit the armed forces of the member countries now, but also the economy of those countries at a later stage when the men return to civil life.

Apart from this assistance in training, extensive programmes for the provision of equipment and technical assistance on a bilateral basis are being implemented.

The lesson of this cooperation between free nations within a collective defence system is clear. By mutual assistance in training and provision of equipment it is possible for member countries to build up far more effective forces than they would individually have been able to do.

Economic Progress and Cooperation

During the past year the Asian members of SEATO—Pakistan, the Philippines and Thailand—made significant progress in the economic, social and cultural fields. So did the countries covered by the Protocol to the Treaty four.*

These advances indicate the effectiveness of the combination of self-help and mutual aid among SEATO members. A major part of this achievement resulted from the efforts of member countries themselves. All three Asian members have reported that there was significant expansion of their economies during 1956. Pakistan, for example, allocated for development projects during the year nearly three times the total amounts spent in previous years. In the Philippines, activity was concentrated on the expansion of mining, construction, manufacturing, transportation, farm production, and electric power. The major emphasis in Thailand was on projects designed to improve basic services such as highways, irrigation, civil aviation, and seed improvement. These countries have also played their part in assisting in the economic development of the area as a whole. Thailand provided transit, training and other facilities to Laos, while the Philippines sent technical experts to Vietnam for economic and social development programmes.

This economic progress has been greatly assisted by the expanded volume of economic assistance extended to the countries served by the Treaty by other SEATO members. Some $620 million was made available during the past year to help carry out such basic economic development projects as road building, the installation of irrigation equipment, the purchase of agricultural machinery, the improvement of livestock and the establishment of new industries. This brings to well over $1,000 million the total of economic and technical assistance allocated, mainly under bilateral arrangements, to countries covered by the Treaty in the two years since SEATO was established.

Australia, for example, provided the Asian member countries and those covered by the Protocol to the Treaty with capital aid for development projects. The value of the equipment provided in 1956 was $2 million and commitments have been made to provide a considerable volume of additional aid in coming years. France made available some $18.5 million to assist countries covered by the Treaty. New Zealand allocated $1 million in the form of capital aid to Asian countries covered by the Treaty during the year. In addition to substantial financial and technical assistance to its own territories, the United Kingdom furnished a total of $9.4 million to member countries in the Area.

The United States, as in previous years, extended, under bilateral agreements, large amounts of economic aid to countries covered by the Treaty. This assistance, in various forms, totalled $584 million in the United States fiscal year ending June 30, 1956. Moreover, in the two fiscal years since the Treaty came into being, United States defence support and technical assistance to the Asian member states has increased considerably as compared with the two fiscal years immediately preceding the beginning of SEATO.

The increase in economic aid during the year was matched by a corresponding increase in the level of technical and other forms of assistance. For example, 124 trainees went to Australia from member countries and the other countries covered by the Treaty. France made available to the countries covered by the Treaty the service of 108 experts, and provided some 275 scholarships to those

* Laos, Cambodia and the Republic of Vietnam. [Footnote in the original.]
countries for study and training in France. Other scholarships in various fields such as administration, telecommunications, transport, public health and social welfare, have also been offered to the Asian members of SEATO under French programmes of assistance designed to give concrete help in the implementation of SEATO aims. New Zealand provided training courses for 50 students from the three Asian member countries and the United Kingdom allocated £50,000 for technical assistance to States covered by the Protocol to the Treaty. The United States continued its extensive technical cooperation programmes in all the countries concerned; on June 30 there were more than 400 trainees in the United States from the Treaty Area.

As in past years, SEATO members and the States covered by the Treaty also benefited from assistance provided through the United Nations and its Specialised Agencies.

Within the Organisation, valuable basic studies have been made by the SEATO Committee of Economic Experts on the problems facing member nations in improving their defence capacity without prejudice to the rate of their economic development. During the past year these studies were further developed by SEATO’s expert advisers with the assistance of the SEATO Economic Officer. For example, a Joint Civil/Military Study Group met to examine the problems of improving maintenance and rebuild capacities in sectors of defence industries where deficiencies exist. Another study group is considering measures required to remedy in Asian member countries the shortage of skilled labour existing in their military and civil production and resulting from their defence efforts. Moreover, consideration has also been given to the problems existing in areas and social groups which are economically weak and particularly susceptible to Communist subversive activities.

A particularly noteworthy development during the year was the Australian Government’s offer of $4.5 million for a programme of economic aid for SEATO defence. This is the first substantial aid programme initiated specifically under a SEATO label and its purpose is to strengthen the defence capacities of member countries, and so of SEATO as a whole, by helping to fill the needs of their defence services with equipment and services from Australian resources. Requests for such defence support aid within the $2.24 million allocated for bilateral aid were invited from the Governments of Pakistan, the Philippines and Thailand and these are now being processed.

Social and Cultural Progress

Progress was likewise registered in the cultural, educational, labour and information fields. While the achievements recorded were for the most part due to the individual effort of the member countries, there was a growing awareness of the need for more effective joint action in these fields.

Cultural exchanges among SEATO nations improved mutual understanding and provided additional opportunities for education and training. In Australia, for example, foreign-student clubs have promoted goodwill between Australia and the respective SEATO countries. The Alliance Francaise has provided libraries in various countries, while the French Government has facilitated travel by professors and experts in the cultural field in the Treaty Area. Both Thailand and the Philippines have participated in various international cultural activities and have received numerous goodwill visits from member countries in the Treaty Area. The United Kingdom has sponsored training, study, and observation visits to Singapore and Malaya from almost all countries of South-East Asia as well as providing training in Britain for post-graduate students from the Area. The United States has announced a special programme of SEATO grants, and has continued to provide in its extensive cultural programme in the Treaty Area for numerous exchanges of scholars, teachers and students with member nations and the countries protected by the Treaty.

In the information field also member countries continued to make available to one another a considerable amount of technical assistance, communications equipment and training facilities. Australia supplied Pakistan with telecommunications equipment and will furnish films and projectors. France has continued to assist some States in the Area with the provision of technicians in the radio field and has also provided courses in France for specialists in radio and motion pictures. New Zealand has offered to accept candidates from member countries for training in film production. Groups of journalists, technicians and administrators from Thailand, Cambodia, Laos and South Vietnam visited Sing-

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Singapore and Malaya. The United States continued its programme of providing technical assistance in the information field and training in technical and information skills.

By their own efforts, supplemented by aid extended under bilateral projects, the member countries in the Area also strengthened their educational programmes.

In all our countries progress was made in fostering the growth of free trade unions and in other ways promoting the welfare of workers. In Thailand there was an outstanding development. This was the enactment of a new Labour Law setting forth basic standards of working conditions, union activity and industrial relations. The Philippines is planning revision of its 1933 Labour Law and is continuing its programme of labour education. In New Caledonia emphasis has been placed on measures leading to better social well-being. France and the United Kingdom have continued to provide assistance to other member countries in the labour field, and exchanges of labour specialists were intensified in the Treaty Area.

A valuable role in the co-ordination and guidance of the developing activities of member countries in the information, cultural, educational and labour fields is being played by the appropriate SEATO committee of experts and the Organisation's Public Relations and Cultural Relations Offices. The Committee on Information, Cultural, Education and Labour Activities continued its studies of the requirements of member countries for assistance in these fields and of the extent to which other members could give aid of this kind. A substantial information programme was drawn up for implementation by the Organisation and by Member Governments and preliminary study has been made of a cultural programme to be undertaken under SEATO auspices.

THE CIVIL ORGANISATION

The overall controlling body for SEATO is the Council, consisting of ministerial representatives from member countries who meet at least once a year to make policy decisions for the Organisation, to state general objectives, and to assess progress toward those objectives.

The Council Representatives, consisting of the heads of diplomatic missions of member countries, meet at SEATO Headquarters in Bangkok to maintain continuing consultation on matters relating to the Treaty and to supervise the work of the Organisation.

The growing scope and usefulness of the civil side of the Organisation was reflected in the increase during the past year in our activities as well as in those of the SEATO bodies working under our direction. We had twenty-four regular meetings, as well as periodic exchanges of views on the general security situation in the Treaty Area.

The Permanent Working Group, which was established in mid-1956 as a result of a Council decision at its Karachi meeting, has been of invaluable assistance to us. Meeting almost daily, it is composed of members from the staff of each Council Representative and performs the essential task of sifting and giving preliminary consideration to proposals brought forward in the Organisation. During the year, the Group made a study of the overall implications of current international Communist tactics in South-East Asia.

The substantive work of the offices and expert committees of the Organisation during the past year is for the most part covered in previous sections of the Report. The following description of the activities of these bodies is intended to provide a simple outline of the present SEATO Civil Organisation.

The three expert committees, which are composed of qualified delegations from each member nation, did valuable work during the year.

The Committee of Economic Experts has completed a number of valuable studies and has prepared recommendations for the consideration of member countries.

The Committee of Security Experts, an expert group dealing with certain problems of Communist subversion directed from without the Treaty Area, held two meetings during the year and played a key role in the counter-subversion effort of SEATO.

The Committee on Information, Cultural, Education and Labour Activities which has also met twice since the Council meeting at Karachi last year, again provided a useful forum for expert consideration of various problems confronting Member Governments in these fields.

To meet our growing requirements, and to carry out the SEATO programmes we have developed, a Permanent Organisation was established in SEATO's Bangkok Headquarters last June, and now
comprises a total of 16 international officers and 45 other employees. It includes:

The Executive Secretariat, headed by Nai Vadhana Isarabhakdi of Thailand, which provides the civil side of the Organisation with general administrative and budgetary support, including the servicing of SEATO Headquarters, provides a conference secretariat for meetings, and ensures that all SEATO bodies and delegations are kept informed of activities relevant to their work.

The Public Relations Office, headed by Mr. Narciso G. Reyes of the Philippines, which is responsible for the Organisation’s press relations and for the SEATO Information Programme.

The Cultural Relations Office, headed by Mr. Louis-Jacques Rollet-Andriane of France, which is responsible for carrying out the cultural programme.

The Economic Office, headed by Mr. Abul Fazl Atwar Husain of Pakistan, which assists the Organisation with economic matters affecting the implementation of the Treaty.

The Research Service Centre, directed by Mr. Hadi Hussain of Pakistan, which produces reports on current developments in Communist activities for the use of Member Governments and of the various SEATO bodies.

THE TASK AHEAD

SEATO’s main task, as set out in the Treaty, is “to strengthen the fabric of peace and freedom and to uphold the principles of democracy, individual liberty and the rule of law, and to promote the economic well-being and development of all peoples in the Treaty Area” in accordance with the principles of the Charter of the United Nations.

The fact that substantial progress has been made toward these ends is a source of satisfaction to the SEATO nations. They are, however, aware that powerful forces, controlled by Communist dictatorships in close military alliance, are still seeking domination of the free world. In Asia the armies employed not long ago for aggressive ends in Vietnam and Korea remain in being.

These forces, now held in check by the defensive strength of the free nations, retain their capacity to commit aggression, and are a standing reminder of the continuing need for vigilance in the Treaty Area.

In the meantime an all-out campaign of subversion is being waged in the Treaty Area and every device is being used to weaken the free nations therein so that the eventual Communist domination of South and South-East Asia may be secured.

The challenge to SEATO is accordingly a continuing one. It is a challenge that can only be met by full use of SEATO’s capabilities as an instrument of defence and collective security and by progress towards a better life for all peoples protected by the Treaty.

U.S. Begins Cultural Exchanges Under SEATO Pact

Press release 112 dated March 5

The U.S. Government has inaugurated a program of cultural exchanges in direct support of the Southeast Asia Treaty Organization. While basically a collective security pact, the treaty also provides for cooperation in the economic, social, and cultural fields. The program now being implemented is designed to strengthen the alliance through the fostering of closer cultural and intellectual ties between the peoples of the United States and the other member states. It is similar to one which has been carried out with Nato nations for the past 5 years.

The announcement that the United States intended to implement this special program was made by Secretary Dulles at the second meeting of the SEATO Council of Ministers held at Karachi last year. The treaty itself was signed at Manila in September 1954. The organization’s member states are Australia, France, New Zealand, Pakistan, the Philippines, Thailand, the United Kingdom, and the United States.

Col. Taquid Deen Ahmad, Surgeon General of the Government of East Pakistan, is the first exchangee. He arrived at Washington on February 14 and will spend 2 months in the United States. During this time, he will consult with colleagues in the medical profession and visit hospitals and research centers in various parts of the country.

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1 For text of communiqué issued at the close of the Karachi meeting of the SEATO Council, together with statements by Secretary Dulles, see BULLETIN of Mar. 19, 1956, p. 447. For text of second annual report of SEATO, see p. 496.
Other participants in the special program who have just arrived in Washington are J. C. Lyne of New Zealand, senior reporter for the Auckland Star, and Mrs. Luisa H. Linsangan of the Philippines, editor of a weekly women's magazine. They will be followed by another Pakistani leader who is expected to arrive within the next few days, Kaz-e-man Ahmad Naqi, news editor of Radio Pakistan. All will spend 2 to 3 months here. Their time will be devoted to exchanges of views with Americans in various parts of the United States and general observations on this country's life and institutions, as well as consultations with their professional colleagues.

In addition to these visits by individuals, a group project will be initiated under the special Seato program in June. At that time, five journalists representing Australia, New Zealand, Pakistan, the Philippines, and Thailand will visit this country in a group.

The Seato cultural exchange program is being carried out as a part of the Department's International Educational Exchange Program.

Travel to Far East Reaches Peak in 1956

Expenditures by American travelers in the Far East reached an all-time high in 1956, the Office of Business Economics, U.S. Department of Commerce, reported on February 24. Expenditures made in the Far East, Southeast Asia, and Oceania by traveling residents of the United States during the first half of 1956 were estimated at an annual rate of $45 million, 35 percent above 1955. Spending in this area represented about 6 percent of total expenditures of U.S. travelers in all overseas areas.

The rise in 1956 resulted mainly from an increase in the number of travelers from the 1955 figure. Some increase also occurred in per capita outlays by travelers. Expenditures as recorded exclude payments for transportation between the United States and the countries visited.

Over half of the travel expenditures in the area were made in Japan, showing the effect of heavy travel by American residents of Japanese ancestry. Hong Kong ranked second, with travel expenditures there including large amounts spent on goods imported duty-free from other countries to this British colony.

Three-fourths of U.S. travelers to the Far East during the first 6 months of 1956 went by air, as against 70 percent in 1955. Of these, one-third traveled in groups of two or more persons, the rest traveling alone. On the other hand, half of the sea travelers went in groups.

Pleasure travelers accounted for two-fifths of total travelers. More than twice as many pleasure travelers used planes as used ships. Business travelers, comprising a little more than one-quarter of all travelers, used planes in nearly all cases. Travelers on visits to relatives—28 percent of all travelers—preferred to go by ship.

President Transfers O. C. B. to National Security Council

WHITE HOUSE ANNOUNCEMENT

White House press release dated February 25

The President on February 25 issued an Executive order placing the Operations Coordinating Board within the structure of the National Security Council. The order will become effective when appropriations of the National Security Council for the next fiscal year become available for the support of the Board.

The Operations Coordinating Board was originally established by Executive order of the President on September 2, 1953, to improve interagency coordination in carrying out national security policies, and as a separate interagency group reporting to the National Security Council. Under the Executive order of February 25, the President, while continuing the present functions of the Board, has formally placed the Board within the structure of the National Security Council; this is done with the objective of providing a closer relation between the formulation and carrying out of security policies.

The offices of the Operations Coordinating Board have been moved to space adjacent to the offices of the National Security Council in the Executive Office Building. Staff of the Board will be transferred with the Board to the National Security Council.

The Executive order also designates for the first time the Director of the International Coopera-

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tion Administration as a member of the Operations Coordinating Board. Currently, the Director participates actively in the work of the Board without the status of a member of the Board.

The President has previously announced that he will designate Christian A. Herter as Chairman of the Board and Robert Cutler as Vice Chairman of the Board when the new order becomes effective. They are both currently serving in these positions.

The other members of the Board are Reuben B. Robertson, Jr., Deputy Secretary of Defense; Allen Dulles, Director of Central Intelligence; and Arthur Larson, Director of the U.S. Information Agency.

EXECUTIVE ORDER 10700 2

By virtue of the authority vested in me by the Constitution and statutes, and as President of the United States, it is hereby ordered as follows:

Section 1. (a) In order to assist in the effective coordination among certain agencies of certain functions relating to the national security and to provide for the integrated implementation of national security policies by the said agencies, there is hereby established within the structure of the National Security Council the Operations Coordinating Board, hereinafter referred to as the Board, which shall report to the National Security Council.

(b) The Board shall have as members the following: (1) the Under Secretary of State, who shall represent the Secretary of State, (2) the Deputy Secretary of Defense, who shall represent the Secretary of Defense, (3) the Director of Central Intelligence, (4) the Director of the United States Information Agency, (5) the Director of the International Cooperation Administration, and (6) one or more representatives of the President to be designated by the President. The Board shall have a chairman and a vice chairman, each of whom shall be designated by the President from among its members. Each head of agency referred to in items 1 to 5, inclusive, in this subsection may provide for an alternate member who shall serve as a member of the Board in lieu of the regular member representing the agency concerned whenever such regular member is, for reasons beyond his control, unable to attend any meeting of the Board.

(c) The head of any agency (other than any agency represented under section 1(b) hereof) to which the President from time to time assigns responsibilities for the implementation of national security policies shall assign a representative to serve on the Board when the Board is dealing with subjects bearing directly upon the responsibilities of such head. Each such representative shall be an Under Secretary or corresponding official.

Each such head may provide for an alternate representative of his agency who shall attend any meeting of the Board, requiring representation of such agency, in lieu of the representative when the latter is, for reasons beyond his control, unable to attend.

(d) Any alternate member of the Board serving under section 1(b) of this order, and any representative or alternate representative serving under section 1(c) of this order, shall, while so serving, have in all respects the same status on the Board as the members of the Board provided for in section 1(b) hereof.

Section 2. The President having approved any national security policy after receiving the advice of the National Security Council thereon, the Board shall (1) whenever the President shall hereafter do direct, advise with the agencies concerned as to (a) their detailed operational planning responsibilities respecting such policy, (b) the coordination of the interdepartmental aspects of the detailed operational plans developed by the agencies to carry out such policy, (c) the timely and coordinated execution of such policy and plans, and (d) the execution of each security action or project so that it shall make its full contribution to the attainment of national security objectives and to the particular climate of opinion the United States is seeking to achieve in the world, and (2) initiate new proposals for action within the framework of national security policies in response to opportunity and changes in the situation. The Board shall perform such other advisory functions as the President may assign to it and shall from time to time make reports to the National Security Council with respect to the carrying out of this order.

Section 3. Subject to the provisions of section 101(c) of the National Security Act of 1947, as amended (50 U.S.C. 402(c)):

(a) (1) The Board shall have, within the staff of the National Security Council, such staff as may be necessary to assist the Board in the performance of its functions, (2) the said staff of the Board shall be headed by an Executive Officer of the Board, and (3) employees of agencies may, consonant with law, be detailed to the aforesaid staff of the Board.

(b) Members of the staff of the Operations Coordinating Board provided for in Executive Order No. 10483, as amended, who are immediately prior to the taking effect of this order receiving compensation directly out of funds available to the said Board shall be transferred to the staff of the Board referred to in paragraph (a) of this section as of the effective date of this order. The said transfers shall be accomplished in consonance with applicable law, including the last proviso of section 12 of the Veterans Preference Act of 1944, as amended (5 U.S.C. 861).

(c) Appropriate arrangements may be made for the detail to the staff of the Board referred to in paragraph (a) of this section of employees of agencies who are immediately prior to the taking effect of the provisions of this order detailed to the staff of the Operations Coordinating Board provided for in Executive Order No. 10483, as amended.


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Section 4. As used herein, the word “agency” may be construed to mean any instrumentality of the executive branch of the Government, including any executive department.

Section 5. Nothing in this order shall be construed to mean any instrumentality of the executive branch of the Government, including any executive department.

Section 6. This order supersedes Executive Order No. 10483 of September 2, 1953, and provisions amendatory thereof contained in other Executive orders (including, to the extent that it relates to the Operations Coordinating Board provided for in Executive Order No. 10483, the proviso of section 303 (b) of Executive Order No. 10610 of May 9, 1955). Subject to the provisions of this order (including the limitations imposed by section 3 hereof), the Board may be deemed to be a continuation of the Operations Coordinating Board provided for in Executive Order No. 10483, as amended.

Section 7. The foregoing provisions of this order shall become effective on July 1, 1957, except that if funds appropriated for the National Security Council shall not have become available on that date for the support of the Board in consonance with this order, the said provisions shall become effective on such later date as funds so appropriated become available.

The White House,
February 25, 1957.

Congressional Documents Relating to Foreign Policy

84th Congress, 1st and 2d Sessions

Investigation Into the Activities of Foreign Freight Forwarders and Brokers. Supplement to the hearings before the Special Subcommittee on Foreign Freight Forwarders and Brokers of the House Committee on Merchant Marine and Fisheries. 53 pp.

84th Congress, 2d Session

Control and Reduction of Armaments. Hearing before a subcommittee of the Senate Committee on Foreign Relations pursuant to S. Res. 93, S. Res. 155, and S. Res. 286. Part 10, December 12, 1956, St. Louis, Mo. 192 pp.

Tariff Treatment of Wool and Mica. Hearings before a subcommittee of the House Committee on Ways and Means on H. R. 6299, a bill to amend the Tariff Act of 1930 as it relates to unmanufactured mica and mica films and splittings; H. R. 12227, a bill to amend certain provisions of the Tariff Act of 1930 relative to import duties on wool. December 15 and 17, 1956. 121 pp.

85th Congress, 1st Session


Foreign Service Retirement and Disability Fund. Letter from the Secretary of State transmitting a report showing the condition of the Foreign Service Retirement and Disability Fund for the fiscal years ended June 30, 1955 and 1956, pursuant to Public Law 724, 79th Congress. H. Doc. 78, January 23, 1957. 3 pp.


Protocol With Canada With Respect to the Sockeye Salmon Fisheries in Fraser River System. Message from the President transmitting the protocol between the Government of the United States and the Government of Canada to the convention for the protection, preservation, and extension of the sockeye salmon fisheries in the Fraser River System, signed at Washington on the 28th day of May 1930, which protocol was signed at Ottawa on December 28, 1956. S. Exec. C, February 11, 1957. 6 pp.


Protocol to the International Convention for the Regulation of Whaling. Message from the President transmitting the protocol to the international convention for the regulation of whaling, signed at Washington under date of December 2, 1946, which protocol was signed at Washington under date of November 19, 1956, for the United States of America and 16 other governments. S. Exec. E, February 14, 1957. 6 pp.

Protocol to the International Convention for the Northwest Atlantic Fisheries. Message from the President transmitting the protocol to the international convention for the Northwest Atlantic fisheries, signed at Washington under date of February 8, 1949, which protocol was signed at Washington under date of June 25, 1953, for the United States of America and nine other governments. S. Exec. F, February 18, 1957. 4 pp.
United Nations Expresses Hope for Resumed Negotiations on Cyprus

Statement by James J. Wadsworth
U.S. Representative to the General Assembly

More than 2 years have passed since the question of Cyprus was first discussed in the United Nations. Painfully little progress has been made toward the solution of the problem which so deeply involves the people of that troubled island. Three of our closest friends are concerned.

Last year the United States emphasized its belief that “quiet diplomacy” was the most constructive approach in this case. We still hold that view.

The United States pledged last year to take an active interest in the question of Cyprus. We fulfilled that pledge. During the past year we have taken advantage of every opportunity to facilitate negotiations among those concerned. Nevertheless, the problem continues to agitate relations among them. This does not change our conviction that the possibility of successful settlement depends upon the willingness of those involved to reach an understanding through negotiations undertaken on their own initiative.

As in most international problems, there is no dearth of practical solutions. As the charter explicitly recognizes, however, it is incumbent upon the parties to any dispute to seek first to achieve agreement on a solution through direct negotiations. The United States believes that those concerned in this case should explore still further processes of negotiation outside the United Nations, since they cannot have eliminated all prospective solutions. Under these circumstances, Mr. Chairman, we cannot seriously contend that there is any virtue in our trying in these circumstances to endorse one or another solution as the one most likely to succeed.

All of us here have reason to appreciate that there is no one, simple, clear-cut solution in problems of this character. This is an issue which has involved deep emotion and created tension. The need obviously is for patient consideration and thoughtful study in a spirit of mutual cooperation.

The prospect for success of negotiation, in this or any other case, depends in large part on the atmosphere in which they are undertaken. The United States strongly hopes that moderation and forbearance will be exercised by those most directly concerned in the months ahead.

Equally important in maintaining an atmosphere conducive to successful negotiation are stability and tranquillity in the area directly involved. Violence or any external interference will only heighten tension and lead to more violence. We hope that all those concerned recognize the necessity of maintaining the kind of atmosphere in which negotiation can be pursued and will make every effort to this end.

We believe also that a settlement in Cyprus should be designed to win the wholehearted cooperation of the people of the island. In this connection we refer to the joint declaration of June 1954 made by President Eisenhower and Sir Winston Churchill, then the Prime Minister of the United Kingdom.

The criterion which we shall apply to any proposals submitted to the Committee is the extent to which they will enable us to conclude our discussion without further aggravating the situation and rendering more difficult an eventual settlement. The important thing is to find the proper method of approach to the problem which will be a constructive step forward, and finding this method of approach, we believe, is up to those concerned. In this regard the United States Government is prepared to assist the governments and peoples concerned, with all of whom we have the closest friendship.

We now have before us three draft resolutions. The United States does not believe that any of these resolutions would contribute to a so-

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3 For text, see ibid., July 12, 1954, p. 49.  
Resolution on Cyprus ¹

The General Assembly,
Having considered the question of Cyprus,
Recognizing that the solution of this problem requires an atmosphere of peace and freedom of expression,
Expresses the earnest desire that a peaceful, democratic and just solution will be found in accord with the purposes and principles of the Charter of the United Nations, and the hope that negotiations will be resumed and continued to this end.


olution of the Cyprus problem. We believe on the contrary that the adoption of these resolutions—any of them—irrespective of their possible merits, would exacerbate the situation. We very much hope that the sponsors will not press them to a vote. If the sponsors heed this appeal with respect to the resolutions now before us, it may be possible for us to complete our discussions without further aggravating the situation and rendering more difficult an eventual settlement.⁵

U.S. Delegations to International Conferences

ECAFE Committee on Industry and Trade

The Department of State announced on March 7 (press release 120) that the United States will be represented by the following delegation at the ninth session of the Committee on Industry and Trade of the U.N. Economic Commission for Asia and the Far East (ECAFE), which will convene at Bangkok, Thailand, March 7 to 15:

Chairman

Walter M. Kotschning, Director, Office of International Economic Affairs, Department of State, and Deputy U.S. Representative on the U.N. Economic and Social Council

Vice Chairman

Eugene M. Braderman, Director, Far Eastern Division, Office of International Trade, Department of Commerce

Advisers

David A. Andrews, Minerals Adviser, U.S. Operations Mission, Djakarta, Indonesia
William Diehl, Chief, Far Eastern Division, Office of International Finance, Department of the Treasury
George R. Jacobs, First Secretary of Embassy, Bangkok, Thailand
Eaton L. Nelson, Office of the Deputy Director, Bureau of Employment Security, Department of Labor
John R. O'Brien, Policy Adviser, Office of Assistant Director for Far East, U.S. Information Agency
William C. Ockey, Deputy Director, Office of North Asian Affairs, Department of State
Rufus Barr Smith, Officer-in-Charge, Economic Affairs Office of South Asian Affairs, Department of State
Stokes M. Tolbert, Economic Analyst, U.S. Operations Mission, Bangkok, Thailand

At its forthcoming session, the Committee will consider a number of important topics upon which it will make recommendations to the Commission, which is scheduled to hold its 15th session at Bangkok from March 18 to 28.

The question of increased industrialization will be reflected in the reports of the subcommittees on electric power and mineral resources development, both of which will point up the demand for raw materials and increased availability of power for their conversion and processing. Other elements in the problems created by industrialization-trained labor and housing for workers—will be brought out in reports of working parties on specific aspects of these general subjects.

In connection with a report of the study tour of electric power experts to Europe and North America, a group of 11 technicians from the region engaged in a 12-week study tour of Russia, Sweden, Germany, Czechoslovakia, Switzerland, France, the United Kingdom, and the United States. During the United States phase of the tour in the fall of 1956, the study group was escorted by representatives of the International Cooperation Administration and the Detroit Edison Company to important electric power installations in the United States.

The Committee will also consider the report of the second session of the subcommittee on trade, which met at Tokyo in the fall of 1956, at which the United States was represented by a delegation headed by E. E. Schnellbacher, director of the
Office of Trade Promotion, Bureau of Foreign Commerce, Department of Commerce.

The Committee on Industry and Trade is composed of the 22 member states and 3 associate members of the Economic Commission for Asia and the Far East.

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**A Selected Bibliography**

**Trusteeship Council**
Provisional Agenda of the Nineteenth Session of the Trusteeship Council to be convened at United Nations Headquarters, New York, on Thursday, 14 March 1957, at 11 a.m. T/1207, February 5, 1957. 59 pp. mimeo.

**Economic and Social Council**
Development of International Travel, Its Present Increasing Volume and Future Prospects. Addendum to the note by the Secretary-General. E/2933/Add.1, December 20, 1956. 8 pp. mimeo.
Economic Commission for Asia and the Far East. Inland Transport Committee. Assistance Provided by the United Nations Technical Assistance Administra-

**TREATY INFORMATION**

**Current Actions**

**MULTILATERAL**

**International Court of Justice**
*Notice of withdrawal of recognition of compulsory jurisdiction deposited:* India, February 8, 1957.

**Weights and Measures**

**BILATERAL**

**Canada**
Agreement amending the agreement for cooperation concerning civil uses of atomic energy of June 15, 1955 (TIAS 3304). Signed at Washington June 26, 1956. *Entered into force:* March 4, 1957 (date on which each Government received from the other notification that it has complied with statutory and constitutional requirements).

**Iran**
Agreement for cooperation concerning civil uses of atomic energy. Signed at Washington March 5, 1957. Enters into force on the day on which each Government receives from the other written notification that it has

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complied with statutory and constitutional requirements.

Nicaragua

Venezuela

DEPARTMENT AND FOREIGN SERVICE

Confirmations
The Senate on January 25 confirmed Ellsworth Bunker to be Ambassador to India. (For biographic details, see press release 611 dated December 7, 1956.)

Designations
Harry F. Stimpson, Jr., as Special Assistant to the Under Secretary, effective January 23.
John Wesley Jones as Deputy Assistant Secretary for European Affairs, effective February 14.
William R. Tyler as Director, Office of Western European Affairs, effective February 14.
George L. West, Jr., as Deputy Director, Office of Western European Affairs, effective February 14.
John M. Raymond as Deputy Legal Adviser, effective March 1. (For biographic details, see press release 109 dated March 4.)

Joseph C. Satterthwaite as Director General of the Foreign Service. (For biographic details, see press release 106 dated March 2.)

Check List of Department of State Press Releases: March 4-10

Releases may be obtained from the News Division, Department of State, Washington 25, D.C.
Press release issued prior to March 4 which appears in this issue of the Bulletin is No. 102 of March 1.

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