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**UNITED STATES OF AMERICA
and
IRAN**

**Agreed Minutes of the second session of the United States–
Iran Joint Commission (with annexes). Signed at Wash-
ington on 4 March 1975**

Authentic text: English.

Registered by the United States of America on 19 May 1977.

**ÉTATS-UNIS D'AMÉRIQUE
et
IRAN**

**Procès-verbal approuvé de la deuxième session de la Com-
mission mixte États-Unis/Iran (avec annexes). Signé à
Washington le 4 mars 1975**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 19 mai 1977.

AGREED MINUTES¹ OF THE SECOND SESSION OF THE UNITED STATES-IRAN JOINT COMMISSION

The Second Session of the United States-Iran Joint Commission for Economic Cooperation was held in Washington on March 3 and 4, 1975.

The Delegation of the United States was headed by Dr. Henry A. Kissinger, the Secretary of State, and the Iranian Delegation was led by Mr. Hushang Ansary, Minister of Economic Affairs and Finance. The Lists of the two Delegations are given in Annexes 1 and 2.

The Commission discussed the world monetary and economic situation and agreed on the need for effective measures to cope with the problems of inflation-cum-recession with which the international community is faced. In this connection the two sides agreed to work closely together in their mutual desire to introduce a new order in their relations in the light of the new realities of the world economic situation.

The Commission reviewed the latest developments in United States-Iran economic relations, and concluded that the scope for cooperation between the two countries was almost unlimited. Noting with great satisfaction that the friendly relations between the two countries had reached an unprecedented height, the Commission reaffirmed its determination to make every effort to utilize the enormous potentials of both countries in a manner that would serve the best interests of the United States and Iran as well as of the world community.

The Commission reiterated its commitment to the strengthening of the economies of both countries by joint cooperation between the governments and businesses of the United States and Iran in a manner consistent with their national policies.

The Commission examined the recommendations of the five standing committees which met in January and February and reached the following decisions:

TRADE

The Commission reviewed trade relations between Iran and the United States and concluded that the enormous economic capabilities of the two countries provided considerable room for the expansion of these relations. The Commission, therefore, set a target of 15 billion dollars as the total volume of non-oil trade for the next five years.

It was agreed that the Committee on Economic Affairs and Finance shall meet in Washington within three months to decide on specific measures to realize this objective.

The Commission agreed that a joint business council could play a very useful role in broadening contact between the business sectors in both countries and in facilitating exchange of information on business opportunities and agreed that such a council should be established forthwith.

¹ Came into force on 4 March 1975 by signature.

ECONOMIC COOPERATION

The Commission identified the following sectors as particularly important fields for economic cooperation between Iran and the United States.

A. Nuclear energy

Both sides reaffirmed their determination actively to encourage the production and use of alternative sources of energy. With this in mind, they agreed to facilitate extensive cooperation between the two countries in the field of nuclear energy.

The Commission recognized that the success of such cooperation, which would entail heavy investments on both sides, could be assured only if a balanced arrangement is made to insure proper access of both sides to the relevant scientific, technical and commercial information, and, as a result, also a gradual transfer of appropriate technology.

Substantial progress was made on reaching an agreement on cooperation in the civil uses of atomic energy. The agreement will permit the transfer, during its period of effectiveness, of sufficient quantities of enriched uranium to Iran to fuel a number of nuclear power plants with a generating capacity of up to eight thousand electrical megawatts.

The Iranian side expressed the readiness, in principle, of the Atomic Energy Organization of Iran (AEOI) to place orders in the United States for dual-purpose nuclear power plants with a total capacity of up to 8,000 electrical megawatts for electricity generation and water desalination. The United States side welcomed this and agreed to cooperate actively in assisting Iran to secure assurances as to the equitable pricing and suitable quality of equipment to be supplied by United States firms. The representatives of AEOI and qualified United States firms shall meet in Tehran in order to discuss the details of this project.

The Commission took note of discussions between representatives of Iran and organizers of a private uranium enrichment enterprise regarding the interest of Iran in participating in the project. The United States side expressed its readiness to cooperate in arrangements to meet Iran's needs for enriched uranium for its nuclear power program.

The Commission underlined the importance of cooperation between the two countries in nuclear research. In this connection it was agreed that it would be beneficial to establish a sister laboratory relationship between the facilities of the AEOI and the Energy Research and Development Administration of the United States (ERDA).

To discuss the arrangements for this cooperation, the AEOI shall send a team to the United States within three months to be followed with a visit to the Iranian Research Centers by United States specialists.

B. Petrochemicals

The Commission recognized the importance of special cooperation between the two countries in the field of petrochemicals. It took note of major projects under study for joint ventures between Iran and major companies in the United States. These projects would produce petrochemical intermediates and finished products in the fields of plastics, synthetic fibers, synthetic rubber, and industrial alcohols for internal use in Iran and for exports.

The United States side expressed its willingness to facilitate the participation of United States firms in the further development of the petrochemical industry in Iran.

C. *Export refinery*

The Commission took note of the current negotiations between the National Iranian Oil Company and United States concerns in connection with the establishment in Iran of a large-scale export refinery to supply refined petroleum products to the United States market.

The two sides regarded the satisfactory conclusion of these negotiations as beneficial to cooperation in the field of energy between the two countries. The United States side expressed its readiness to encourage and support the United States concerns in their efforts to finalize this project.

D. *Electronics*

The Commission took note of the progress already made for cooperation between the two countries in the establishment of a domestic, fully integrated, advanced-technology electronics industry in Iran. The two sides agreed to continue their joint efforts for the development of this project to meet the internal needs of Iran and other markets.

E. *Housing*

The Iranian side stated its readiness to place orders in the United States for 20 factories to manufacture prefabricated housing elements, as well as for their ancillary plants. Each plant shall have the capacity to produce 1,000 housing units per annum.

The United States side welcomed this and expressed readiness to facilitate participation by the United States private sector in the construction, in Iran, of 100,000 apartments and housing units over a period of five years.

The Commission noted the discussion which took place in Tehran between the officials of the Iranian Ministry of Housing and Urban Development and the experts of the United States Department of Housing and Urban Development. These discussions will be actively pursued at the official level and with qualified United States firms, with a view to finalizing details of the projects.

F. *Hospital construction*

The two sides agreed to facilitate the cooperation of the private sector in the construction in Iran of five fully-integrated hospitals with a total of 3,000 beds. The project includes the required facilities and equipment as well as management, doctors, nurses and other personnel. It was agreed that the negotiations between the Iranian Ministry of Health and a team of United States experts will continue with a view to completing the appropriate agreements as soon as possible.

G. *Infrastructure projects*

The United States side expressed its interest to have the United States private sector actively participate in the implementation of Iran's development plan with special emphasis on infrastructure projects such as urban transportation, highways, airports, railroads and ports.

The Iranian side welcomed the United States interest and invited bids on competitive terms for the above projects.

H. *Private investment agreements*

The Commission also noted that concurrent with its meeting, agreements in principle were signed between Iranian and United States private interests for the production of graphite electrodes, sanitary wares and trailers and the establishment of a hotel chain in Iran.

I. *Future meetings*

It was agreed that the Committee on Economic Affairs and Finance, which is to meet within three months in Washington, shall also decide on specific industrial cooperation measures to be recommended in order to make possible the realization of the foregoing objectives.

INVESTMENT AND FINANCE

The Commission agreed that long-term investment from each country in the economy of the other should be on terms and conditions assuring mutual benefits. Such investments should take place within the framework of the rules and regulations prevailing in each country. The Commission further agreed on the importance of public awareness of the nature and objectives of the investment policies of the two countries.

To this end, the two parties agreed to revise the existing agreement on the Promotion and Reciprocal Protection of Investment between the two countries¹ in a manner that would conform to the present economic realities in the two countries.

The Commission agreed that representatives of the Organization for Investment and Foreign Assistance of Iran and the Overseas Private Investment Corporation of the United States should meet as soon as possible to discuss the means of improving the present procedures for investment insurance by United States firms in Iran.

The two parties discussed practices which may affect the operation of free market forces in determining capital flows and the allocation of capital resources between the two countries. They agreed that the representatives of the Ministry of Economic Affairs and Finance of Iran and the United States Department of the Treasury and other appropriate agencies will meet in Washington within two months in order to conduct a detailed review of investment policies and practices.

The two sides agreed to cooperate actively in the development of the Iranian capital market and in the establishment of Iran as a financial center for the region. With this in mind it was agreed to recommend to the Iran-United States Joint Business Council that, when formed, it organize a financial conference in Tehran before the end of the current year, to which would be invited high officials of the two governments as well as leaders of banking, insurance and other financial institutions.

¹ The agreement on the promotion and reciprocal protection of investment was never concluded. (Information supplied by the Government of the United States.)

AGRICULTURE

The Commission discussed the world-wide food situation and the urgent need to embark on a comprehensive program designed to increase agricultural production. With this in mind, the two sides agreed to cooperate to attain greater food production as well as storage in Iran to meet Iran's and, where possible, regional requirements.

Such cooperation shall include:

- (a) the development in Iran of a center for agricultural technology to serve Iran and other countries in the region;
- (b) formulation of extensive programs for the production in Iran of fertilizers, pesticides, as well as agricultural machinery to meet regional requirements;
- (c) selection of an agricultural region in Iran for the purpose of increasing productivity through the application of United States technical know-how and expertise; it is intended that this program will be carried out by an Iran-United States private body or by an Iranian public body to be established for this purpose;
- (d) construction of port facilities for disembarkation of feed and agricultural commodities;
- (e) establishment of a complex comprising feed mill and oil extraction units, cold storage facilities and other related agro-industries;
- (f) the establishment of an agricultural complex in an arid region of Iran;
- (g) construction of storage and distribution facilities;
- (h) soil and water conservation, management and irrigation;
- (i) forest and range management and development;
- (j) animal disease eradication and pest control.

The governments of the two countries will exchange on a regular basis economic information, including forward estimates of supply, demand and trade for major agricultural commodities in order to insure harmonious development of trade in agricultural products. In order to promote stability in commodity markets, and to assure Iran's access to food and feed supplies and agricultural inputs from the United States, the United States side agreed to encourage the conclusion of long-term purchasing agreements between the concerned Iranian agencies and private United States exporters, and to take appropriate steps to facilitate reasonable access to United States agricultural supplies. A joint working group on agricultural trade will meet once a year.

Iran agrees, in principle, to invest in the field of agriculture in the United States, especially in on-going and operational United States agricultural firms and enterprises.

The Commission agreed to undertake cooperative arrangements to provide Iran data and information from satellites and processing facilities in the following specific areas:

- (a) data gathering systems;
- (b) data transmission and communication;
- (c) data processing and training.

The two sides agreed on extensive cooperation in agricultural research. Such cooperation should include exchange of research information between the research centers of the countries, the improvement of the technical aspects of research programs in Iran, and the development of an information center in Iran for agricultural research.

The two sides further agreed on extensive cooperation in a program of manpower training to meet Iran's requirements in such areas as livestock, crops, agronomy, irrigation and drainage, forestry, food technology and marketing.

SCIENCE, TECHNOLOGY AND EDUCATION

The Commission recognized the importance of enhancing cooperation between institutions in Iran and the United States, with particular emphasis on promoting sister-institution relationships and the establishment and improvement of research centers in Iran. The Commission further recognized the utility of exchanges and the sharing of experience through visits and information exchanges as an initial means to intensify cooperation.

In the areas discussed, the Commission decided the following:

1. *Oceanography*

Recognizing the increasing importance of the oceans, their resources and environmental health, in all aspects of human endeavor and well-being, oceanography was identified as an area of cooperation under the auspices of the Joint Commission, with the formation of one or more centers of ocean study and education in Iran as an ultimate goal.

As a first step, an Iranian team will visit the United States for several months of orientation and study, with the purpose of determining the nature and scope of problems which are being addressed in the United States. Subsequently, a joint working group of experts will be organized for the following purposes:

- 1) to examine those specific elements of oceanography of major interest to Iran; and
- 2) to propose specific projects on agreed elements for the purpose of augmenting the scientific capabilities available in Iran for application to these elements.

2. *Seismic studies, geological and mineral surveys*

(a) A team of Iranian geophysical research experts shall visit the National Center for Earthquake Research at Menlo Park, California and selected universities for the purpose of establishing detailed arrangements for joint research and the training of Iranian scientists.

(b) A visit to Iran will be made by one or more experts in exploration geophysics to identify fields of activity of particular interest to the Government of Iran, and to evaluate facilities, personnel, and equipment.

Educational institutions in the United States that provide specialized training in geophysical techniques of interest to the Government of Iran will be identified by the United States side.

United States experts in selected fields of geophysics should provide instruction in techniques in Iran.

(c) In the field of geological and mineral surveys, a close cooperation between the governments of Iran and the United States, or between their appropriate governmental agencies, will be established in a broad range of geological surveying and evaluation of mineral resources, including utilization of information obtained from satellites as well as training programs both in Iran and the United States.

3. *Remote sensing applications*

The Iranian side agreed to submit a set of specific proposals to the United States side for the exchange of information and training in this field and to designate an agency as the coordinating body for inter-governmental cooperation in utilizing remote sensing data. The Commission agreed that representatives of the two sides shall subsequently meet in order to discuss the extent and details of cooperation in this respect.

4. *Radio astronomy*

The two sides agreed to cooperate in the establishment of a center in Iran to attract highly qualified international scientists for joint research by the two countries in the field of radio astronomy.

5. *Education*

(a) The United States Government agreed to undertake a special study of ways to facilitate the establishment of relations between Iranian and United States institutions of higher learning. This study will include a careful assessment of areas of possible cooperation and a review of both existing and anticipated institutional relationships.

(b) The two sides agreed to pursue the expansion of educational exchanges at the graduate student, research scholar, and professorial levels. To this end, the bi-national program conducted under the Iranian-United States educational agreement of October 24, 1963,¹ will be enlarged and modified to include cost-sharing arrangements. The United States will give special attention to the establishment of a faculty development program for Iranian institutions of higher education. The academic disciplines and the individuals to be included in this program will be proposed by the Iranian side in due course.

(c) The two sides agreed to cooperate in the counseling and orientation of, and the establishment of special language courses for Iranian students wishing to enter United States Universities and for United States students wishing to enroll in Iranian Universities.

(d) Both parties will share their experiences in regard to advances recently made in the methods of teaching courses in applied and natural sciences. Details of this cooperation are to be worked out with a team of Iranian educational experts to be sent to the United States.

(e) Public and private efforts to improve and enlarge Iranian and United States language and area study programs will be encouraged further. In this connection the Commission noted that an important regional conference on American Studies will be held in Tehran in the fall of 1975.

¹ See "Agreement between the Government of the United States of America and the Imperial Government of Iran for financing certain educational exchange programs, signed at Tehran on 24 October 1963" in United Nations, *Treaty Series*, vol. 489, p. 303.

(f) It was agreed that the appropriate agencies of the two governments will also examine possibilities of augmenting the two-way flow of students between Iran and the United States at both the pre-university and university levels.

(g) The United States will organize teams of experts in areas to be jointly defined which would consult with and advise authorities in the field of educational technology. This activity will include but will not be limited to a study of Iranian plans to utilize communication satellites for the television transmission of educational programs. Once specific areas are agreed upon, the United States should proceed expeditiously to establish appropriate advisory groups.

(h) Cooperation in the field of education shall also include programs to train teachers of teachers. The areas of special needs will be identified by the Iranian side and will form the basis for a program of action.

MANPOWER AND TECHNICAL COOPERATION

The Commission agreed that the two countries shall cooperate in the establishment of the following institutions in Iran, on a turn-key basis, with the cooperation of the United States private sector:

- (a) 150 mobile vocational training centers for training 30,000 workers annually;
- (b) ten specialized vocational training centers to train 10,000 skilled workers annually for various industries and a center for the development and production of vocational training curriculum materials;
- (c) ten technical high schools for training of technicians and a center for the development and production of technical education curriculum materials; and
- (d) a center for training instructors for technical and vocational schools and centers.

It was agreed that the Ministry of Labor and Social Affairs of Iran and the United States Department of Labor shall cooperate in the expansion of the network of employment offices, the extension and diversification of labor statistics, and the establishment of unemployment insurance in Iran. With the participation of the United States private sector, the two sides shall also cooperate in the establishment of 200 mobile employment offices in Iran.

The United States side expressed its readiness to arrange opportunities for reimbursable training at job sites of 2,000 Iranians in public and private sectors in the United States, particularly in the fields of petrochemicals, electronics, agriculture, public health and mining.

The two sides agreed to cooperate in the establishment in Iran of a research and educational center for occupational safety and health.

The Commission decided that experts of the two sides shall meet in Tehran within four months to discuss the details of cooperation in the areas of manpower and technical cooperation.

The Commission expressed the hope that the Agreement on Technical Cooperation,¹ signed with these Agreed Minutes, would facilitate and expand collaboration between the two countries. The Agreement will regulate the terms under which bilateral technical cooperation will be carried out between the two sides.

¹ See p. 285 of this volume.

NEXT SESSION

It was agreed to hold the Third Session of the Joint Commission in Tehran in 1975 on a date to be agreed upon in due course.

DONE in Washington on the 4th of March, 1975 in duplicate copies in English, both being equally authentic.

Leader of the United States Delegation,

[*Signed*]

HENRY A. KISSINGER

Secretary of State

Leader of the Iranian Delegation,

[*Signed*]

HUSHANG ANSARY

Minister of Economic Affairs and Finance

A N N E X 1

IRAN-UNITED STATES JOINT COMMISSION

Washington, March 3-4, 1975

Iranian Delegation

His Excellency Hushang Ansary
Minister of Economic Affairs and Finance

His Excellency Akbar Etemad
Assistant to the Prime Minister and
Head of the Atomic Energy Organization

His Excellency Hassan Ali Mehran
Senior Deputy Minister
Ministry of Economic Affairs and Finance

His Excellency Bagher Mostofi
Managing Director
National Iranian Petrochemical Company

His Excellency Parviz Mina
Member of the Board
National Iranian Oil Company

His Excellency Hossein Sepehri
Deputy Minister
Ministry of Agriculture and Natural Resources

His Excellency Bahman Parsa
Deputy Minister
Ministry of Science and Higher Education

His Excellency Fereydoun Nasseri
Deputy Minister
Ministry of Labor and Social Affairs

His Excellency Parviz Hekmat
Deputy Manager for Technical Affairs
Plan and Budget Organization

Vice Admiral Abolfath Ardalan

Managing Director

Iran Electronic Industries

Mr. Alireza Arouzi

Advisor to the Minister of Commerce

Miss Afsar Afsari

Deputy Director General for International Affairs and Chief of Protocol

Ministry of Economic Affairs and Finance

Mr. Massoud Moussavi

Deputy Director General

Office of Economic Cooperation

Ministry of Economic Affairs and Finance

A N N E X 2

IRAN-UNITED STATES JOINT COMMISSION

Washington, March 3-4, 1975

United States Delegation

Dr. Henry A. Kissinger

Secretary of State

Robert S. Ingersoll

Deputy Secretary of State

Charles W. Robinson

Under Secretary of State for Economic Affairs

Dr. Robert C. Seamans, Jr.

Administrator, Energy Research and Development Administration

John K. Tabor

Under Secretary of Commerce

Richard K. Schubert

Under Secretary of Labor

Alfred L. Atherton, Jr.

Assistant Secretary of State for Near Eastern and South Asian Affairs

Dr. Dixy Lee Ray

Assistant Secretary of State for Oceans and International Environmental and Scientific Affairs

Gerald L. Parsky

Assistant Secretary of the Treasury for Trade, Energy and Financial Resources Policy Coordination

Robert Binder

Assistant Secretary of Transportation

Dr. Quentin M. West

Administrator, Economic Research Service

Department of Agriculture

Jack C. Miklos

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