

No. 18139

**UNITED STATES OF AMERICA
and
IRAN**

**Agreed minutes of the Fourth Session of the United States–
Iran Joint Commission (with annexes). Signed at Wash-
ington on 28 February 1978**

Authentic text: English.

Registered by the United States of America on 5 December 1979.

**ÉTATS-UNIS D'AMÉRIQUE
et
IRAN**

**Procès-verbal approuvé de la quatrième session de la Com-
mission mixte États-Unis-Iran (avec annexes). Signé à
Washington le 28 février 1978**

Texte authentique : anglais.

Enregistré par les États-Unis d'Amérique le 5 décembre 1979.

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

The Fourth Session of the United States-Iran Joint Commission for Economic Cooperation was held in Washington, D.C., on February 28, 1978.

The Delegation of the United States was headed by the Honorable Cyrus Vance, Secretary of State, and the Iranian Delegation was led by H. E. Mohammed Yeganeh, Minister of Economic Affairs and Finance.

The lists of the two delegations are given in annexes 1 and 2.

The Commission discussed the major economic issues facing the world community and agreed that, through closer cooperation, Iran and the U.S. will be able to contribute significantly towards the establishment of an efficient, just and equitable international economic order.

The two sides emphasized the importance of carrying out the recommendations of the Conference on International Economic Cooperation (CIEC) and agreed to pursue the positive dialogue in the United Nations overview mechanism established by United Nations General Assembly Resolution 32/174 of December 1977.²

Reviewing the world energy situation, the two parties agreed on the need to continue their efforts for conservation of energy utilization and development of alternative sources of energy through economic incentives and other measures, before the rapid depletion of petroleum resources in the world would bring about a serious situation for the world economy and deprive future generations of numerous useful products derived from petroleum.

The Iranian side expressed its deep concern with respect to the recent international monetary developments and the continuing world inflation, despite the commendable efforts made to curb it, and expressed the urgent need for measures to safeguard the interest of the affected countries.

The Commission reviewed trade and economic cooperation between the two countries since its Third Session and expressed satisfaction with the progress achieved. Noting that further opportunities exist in both countries for the rapid and extensive development of bilateral economic relations, the two parties reaffirmed their strong desire to utilize fully these opportunities.

The Commission examined the reports of its five committees and reached the following decisions and observations:

TRADE AND INDUSTRY

The Commission examined the performance of trade between the United States and Iran during the past year and was of the view that the level of trade did not fully reflect the existing potential of the respective economies. It was agreed that both sides should exert greater effort in order to reach the trade target

¹ Came into force on 28 February 1978 by signature.

² United Nations, *Official Records of the General Assembly, Thirty-second Session, Supplement No. 45 (A/32/45)*, p. 107.

envisaged during the last session of the Joint Commission. In this respect, the Iranian side expressed its deep concern regarding the low level of its non-oil exports to the United States, and felt that the continued exclusion of Iran from the U.S. Generalized Systems of Preferences constitutes an important barrier to the expansion and diversification of Iran's exports to that country and could consequently jeopardize long-term development of trade between the two countries. The United States side recognized these concerns and affirmed that they will be carefully weighed in the continuing review of this matter before the Congress. For its part, the U.S. side stated that in 1977, for the first time, trade in civilian goods, including oil, was in Iran's favor.

The Commission agreed that the American participation in joint ventures in Iran should be further encouraged, bearing in mind Iran's resource endowment and comparative advantages. The Commission, in particular, discussed cooperation of the two countries in the establishment of the chemical, petrochemical, pharmaceutical and medical supply, engineering, electronic, basic metals, and transportation equipment industries in Iran.

It was agreed that cooperation in these and other industries will be greatly facilitated if it involves capital participation as well as financing, transfer of technology, and export marketing.

The Commission reviewed the present cooperation between the two countries in the field of electronics and agreed to facilitate greater collaboration in this area. In this connection, the U.S. side agreed to give prompt and serious consideration to specific proposals which Iran will submit shortly.

The Commission further agreed that with a view to enable Iran to expand further its overseas markets for manufactured goods, contacts will be established between the appropriate agencies of the two countries to exchange views and consider cooperation in export promotion and export marketing techniques.

The Commission was pleased to note the active role of the U.S.-Iran Business Council in promoting trade and economic cooperation between Iran and the United States. The Commission noted that the Council's executive committee had, in the course of its recent meetings, discussed specific proposals regarding surety bonds, conciliation and arbitration procedures, expansion of Iranian exports, and U.S.-Iran social security and tax agreements. The Commission encouraged the Council to move in the direction of undertaking specific joint projects and, in particular, facilitating contacts between private sectors of the two countries in different areas of economic activity.

HEALTH

The Commission noted with satisfaction the cooperation of the two countries in the establishment of the Food and Drug Administration (FDA) of Iran. It further noted that the respective agencies of Iran and the U.S. have agreed on:

- A. The exchange of information regarding drug safety, including potential for abuse, efficacy, and quality;
- B. Training in the U.S. and Iran of personnel at all levels in the areas of:
 1. Drug registration,
 2. Inspection of drug manufacturing plants,
 3. Sampling and analysis of drug products both imported and domestic,

4. Laboratory management,
 5. Specific analytic techniques;
- C. Technical Cooperation in control of laboratory design and equipment.

Both sides also agreed to explore further the possibility of direct exchange of information on food safety control and coordination of standards in food processing and mutual acceptance of certification.

As the construction of a number of regional hospitals was to start in Iran, the U.S. side stated that the interested American builders shall be kept informed of this matter and will be encouraged to cooperate with Iran's Ministry of Health and Welfare.

The U.S. side indicated that the U.S. has recently passed legislation authorizing the President to enter into Social Security agreements with other governments in order to co-ordinate Social Security coverage and benefits for workers who spend part of their careers in more than one country. The Iranian side stated that since its present legislation provided for bilateral agreements on Social Security, it is in a position to establish a reciprocal relationship on this matter with the United States. Therefore, the two sides agreed to designate experts to exchange information and embark on consultation to prepare the text of an agreement between the United States and Iran.

The Commission also agreed that the two sides shall consider the exchange of experts on various aspects of the planning and administration of Social Security programs as well as the training of manpower for this purpose.

The Commission discussed cooperation with respect to the training of medical and paramedical personnel and agreed that direct cooperation of American and Iranian universities, such as plans for training of hospital administrators between the Ministry of Health of Iran and the University of Minnesota and the education program for medical specialists with the University of Pittsburgh, should be encouraged.

The Commission was informed of Iran's comprehensive program for the establishment of the Imperial Medical Center for the provision of health and medical care, education and training of high calibre manpower for various health fields, as well as basic and applied medical research, in fields relevant to the needs of the region. Noting the considerable benefits which would ensue to the region from the establishment of the Center, the Commission agreed that there was a vast scope for cooperation between the two countries in the implementation of this project.

With this in view, a high-level working group shall be convened at a mutually convenient time, possibly in July 1978, with the participation of representatives of the Imperial Medical Center and appropriate officials of United States health agencies. The Iranian side will propose an agenda for this meeting.

TRANSPORTATION

The Commission expressed satisfaction at the conclusion in June 1977 of a technical service agreement between the U.S. Federal Aviation Administration and the Iranian Civil Aviation Organization to upgrade the air traffic control system of Iran. It was noted that a small team of advisors is already in Iran, and

is expected to be expanded to 15 persons by April 1978. It was noted that co-operation in this area was proceeding smoothly.

The U.S. party expressed satisfaction at the contracts recently concluded between Iran and U.S. firms concerning transportation and expressed interest in the continuation of such cooperation.

The U.S. side stated that the Coast Guard Academy of the U.S. was prepared to provide further training facilities for Iranian cadets.

The Iranian side stated that among its road building projects it had completed studies for 4,500 kilometers, and invited U.S. concerns to participate in the implementation of these projects, some of them in the form of toll roads. The U.S. side undertook to encourage respective American contractors to participate in such construction efforts.

The two sides agreed that arrangements would be made for visits to the United States by the experts and authorities of Iran's Ministry of Roads and Transportation and its affiliated organizations to become familiar with the technology, management, and operational procedures of American railways, ports, airports, freeways, and toll roads. Experts from the Iranian Ministry of Economic Affairs and Finance will also participate in visits related to toll roads organization and operations.

HOUSING

The Commission noted the priority which the Government of Iran was attaching to the development of middle and low income housing, and agreed that this made possible carrying out a number of joint activities by the Iranian and the U.S. Governments and by the private sectors of both countries. In this connection, the Commission agreed that the two countries should cooperate in the development of a mechanism for coordinating the financing of middle and low income housing and of a mortgage market in Iran.

The two sides agreed to adopt procedures to facilitate the regular flow of information on cost-saving measures and new developments in housing.

In view of Iran's programs to foster residential solar energy applications, the Commission agreed that the two countries shall cooperate in the establishment of appropriate criteria, standards, and conditions for the successful implementation of these schemes in Iran. The Commission noted that the United States will be sponsoring an exhibition of Solar Energy Systems at the U.S. Trade Center in Tehran in April 1978.

The U.S. side supplied to the Iranian side documentation concerning U.S. Government mortgage financing programs and development of solar energy standards and agreed to cooperate fully on the exchange of such information in the future.

MANPOWER AND TECHNICAL COOPERATION

The Commission reviewed cooperation between the two countries in the field of manpower and technical cooperation and noted with satisfaction the completion of the following joint activities:

- A. Delivery to Iran of 18 mobile vocational training centers which are being fully utilized.

- B. Submission of a report concerning mobile vocational training centers by an American expert to the Ministry of Labor and Social Affairs of Iran.
- C. The training of Iranian officials of the Ministry of Labor and Social Affairs in the fields of manpower statistics, audio-visual techniques, on-the-job training, and expatriate employment.

The Commission discussed and identified the following projects for future cooperation:

- A. The Iranian side will submit to appropriate U.S. firms' specifications for 15 mobile vocational training centers for Iran.
- B. American experts will visit Iran to survey existing plans and programs and submit recommendations concerning cooperation in the following areas:
 - 1. Establishment of a National Productivity Center. The report concerning this project will include a program for visits of Iranian experts to the National Center for Productivity and the Quality of Working Life, and other United States productivity centers. Also, arrangements will be envisaged to acquaint Iranian experts with American methods of productivity improvement.
 - 2. Establishment of ten specialized vocational training centers.

The Commission agreed that the two sides shall cooperate in the establishment of a Manpower Data Processing Center in Iran. A United States team, consisting of a job bank expert and an employment statistics expert, will cooperate with Iranian job classification experts and systems design experts in developing a report outlining ways and means for cooperation in establishing a Manpower Data Processing Center in Iran.

All the above-mentioned United States experts will visit Iran after June 1, 1978, for a period of four weeks.

The U.S. side agreed to cooperate in the selection of an institution of technical and vocational education to collaborate with Iran in the following areas:

- A. Send an expert for a period of four weeks within three months of the signing of these Minutes in order:
 - To conduct a feasibility study for the establishment of a Center for Technical and Vocational Education,
 - To undertake a survey on technical teachers training in Iran and submit recommendations for its expansion and improvement,
 - To make recommendations for the improvement and expansion of a Technical High School in Iran.
- B. Establish on-going contacts with the respective Iranian agency for the implementation of above-mentioned programs subsequent to their approval by the Iranian side.

ENERGY

Nuclear Energy

The Commission reviewed cooperation between the two countries in different areas of energy and noted with satisfaction that according to a contract signed between the Atomic Energy Organization of Iran and the Energy Research and

Development Administration (ERDA), Oak Ridge Associated Universities will arrange courses for Iranian engineers in nuclear energy subjects and that the first group of such engineers will be selected shortly.

The Commission was pleased to note that the positions of the two sides concerning the bilateral agreement for cooperation on the peaceful application of nuclear energy have become closer and expressed confidence that final agreement will be reached in the very near future, paving the way under a most-favored nation basis, in accordance with International Atomic Energy Agency safeguards and the objectives of the Non-Proliferation Treaty,¹ for the participation of the United States in the Iranian nuclear power program.

The Commission noted that a cooperation agreement in the safety of nuclear power plants was signed last year between the Atomic Energy Organization of Iran (AEOI) and the Nuclear Regulatory Commission and cooperation was being carried out accordingly.

The Commission agreed that representatives of the AEOI and the U.S. Department of Energy should meet whenever necessary to consider cooperation in the field of uranium exploration in Iran. In this context, the Department of Energy will, to the extent possible, provide advice on various technical aspects of this program. It will also arrange on-the-job training for a number of Iranian uranium experts.

Oil and Gas

The U.S. side stated that the U.S. Department of Energy was prepared to arrange training for Iranian personnel in the areas of advanced oil and gas technology. Recognizing that both Parties have a mutual interest in techniques for the enhanced recovery of oil, the U.S. side will supply Iran with information regarding its ongoing research and development activities and related facilities in this field. The U.S. will also provide information to the respective Iranian agencies on appropriate methodologies for assessing energy reserves particularly in the field of oil and gas.

Both sides agreed to continue to exchange views on proposals for a joint export refinery in Iran and marketing of petroleum products in the U.S.

The U.S. side observed that its liquefied natural gas import policy was under review, and presented to the Iranian party the text of a recent finding by the Economic Regulatory Administration on the proposed liquefied natural gas imports from Indonesia.

Solar Energy

The Commission noted that a delegation of U.S. experts visited Iran in the fall of 1977 to prepare specific proposals for cooperation in research and development projects of mutual interest in the field of solar energy and to study other applications of solar energy in both countries.

The U.S. side declared its readiness to provide training for a number of Iranian solar technicians at U.S. facilities, including the Sandia Laboratory. The Commission was informed that a Solar Energy Systems Exhibition and Technical Workshop will be held April 30th to May 4th at the U.S. Trade Center in Tehran. The exhibit will demonstrate the range of solar energy technology available from U.S. firms. The Workshop, which is to be chaired by a Department of Energy

¹ United Nations, *Treaty Series*, vol. 729, p. 161.

expert, will address the application of such technology to conditions in Iran, taking into account Iran's R and D in this field.

Energy Models

The two sides agreed to exchange information on specific results of world-wide supply-demand energy models.

SCIENCE, TECHNOLOGY, AND EDUCATION

The Commission noted the progress achieved in cooperation between the two countries since its last meeting, particularly in the fields of education, meteorology, remote sensing applications, environment and oceanography.

It was observed that the program of student counseling and guidance has been particularly successful and was being extended to the provincial cities of Iran. The U.S. side declared its readiness to cooperate with the new Counseling and Guidance Center of Iran.

The Commission was pleased to note the conclusion of an agreement between the two countries to cooperate in the implementation of the first phase of a program to modernize the weather forecasting system of Iran and agreed to encourage this joint effort.

The Commission noted that the two countries were planning to hold a workshop in Tehran in the summer of 1978 to train 60 Iranian specialists in applications of remote sensing, and agreed to encourage further cooperation in this field.

The Commission was informed that a program in the field of environment, including reciprocal visits of experts and joint work on motor vehicle emissions, effluent guidelines, and monitoring and management controls, was under implementation between the respective agencies of the two countries.

Noting the importance attached to educational technology by the Iranian side, it was agreed that the two sides shall cooperate in this area through information exchange and provision of experts for the training of instructors.

The U.S. side agreed to facilitate the training of Iranian personnel and the exchange of information in oceanography, subject to administrative arrangements to be worked out between the two parties in this area.

The two sides indicated their willingness to continue their cooperative research in geology and, particularly, the wind erosion studies in the Lut Desert. They also stated their readiness to consider cooperation in (1) paleomagnetism, and (2) tectonics and seismotectonics.

The Commission noted that the two countries have scheduled a workshop on arid land sciences for late fall 1978 in Iran. Plans will be elaborated in more detail when an American team visits Iran in March 1978.

The U.S. side proposed cooperation in research in the mitigation of earthquake effects and in industrial standards. The Iranian side agreed to consider these proposals and convey its views in due course.

Noting the interest of the Iranian side in establishing links between research laboratories and industry, and in promoting technological innovations, the U.S. side undertook to provide Iran with available materials and experience in this area, particularly in the establishment of technology centers in developing countries.

The Commission reviewed the cooperation established between the Ministry of Education of Iran and certain American educational institutions. In this connection the U.S. side agreed to facilitate the visit of respective Iranian officials to various educational institutions of the United States in order to become further acquainted with the educational systems and new methods of education in the United States.

AGRICULTURE

The Commission reviewed the existing programs as well as new areas of cooperation between the two countries in agriculture and agreed as follows:

A. *Private Sector Cooperation*

The U.S. party shall facilitate the establishment of joint ventures relating to agriculture and agricultural development in Iran.

The U.S. party stated that both the U.S. Department of Agriculture (USDA) and the U.S. Department of Interior (USDI) are in the position to work closely with private firms and the Ministry of Agriculture and Rural Development (MARD) in land development and consolidation in Iran. It was further envisaged that appropriate U.S. agencies would cooperate with the private sector of Iran in conducting feasibility studies of specific projects in Iran.

B. *Animal Health*

The training program in animal health will be continued and one group of experts each year for three years will receive required training in the U.S. (for a duration of 1 to 9 months each).

In addition, it was noted that an Activity Implementation Plan (AIP) for Animal Health was currently being reviewed in Tehran by the Iranian Veterinary Organization and a senior technical representative of the USDA. The AIP provides for a poultry health scientist to function as the AIP team leader. The AIP also envisages the provision of services of a large-animal clinician and other U.S. animal health scientists to be mutually agreed upon. A full-time Iranian counterpart shall work with each U.S. scientist.

Activation of the Animal Health Program awaits signature of the AIP and the covering project agreement between MARD and USDA.

C. *Extension*

The USDA will provide training for Iranian experts as well as U.S. expertise in the field of extension. USDA will also train two groups of ten persons each in the following areas:

1. Four persons in the field of extension methods,
2. One person for training rural youth, and
3. Five persons in the operation of farm machinery.

D. *Soya and Cotton Production*

The ongoing training program in the production of soya and cotton shall continue. It was also agreed that USDA will coordinate this activity presently undertaken at the University of Illinois.

E. *Forestry*

The USDA will provide training for a group of Iranians in the field of fire management. This group will consist of six trainees and the training will last for a period of six months.

F. *Dry Farming and Cattle Breeding*

USDA shall coordinate the existing program in dry farming and cattle breeding at present conducted by the Consortium for International Development.

G. *Plant Pest Control*

The ongoing program in Plant Quarantine shall continue. Annually, a group of two Iranians will receive training in this area.

H. *Agricultural Education*

A proposal for the provision of three American instructors in the field of agricultural vocations will be submitted by the USDA. The USDA would provide training for a group of approximately 20 persons in the area of agricultural education during the summer of 1978.

I. *Data Collection*

Training and technical cooperation in such areas as Large Area Crop Inventory Experiment (LACIE) and use of satellite technology as the basis of an agricultural information system will be provided by USDA. For this purpose the USDA will initially send to Iran a team including a general agriculturalist familiar with Iran and a remote sensing specialist. The U.S. team will assess the present situation in Iran and make recommendations. Further cooperation in this area will be subject to the approval of the Ministry of Agriculture and Rural Development of Iran.

The Commission agreed that the respective experts of the two sides would meet in Tehran after six months in order to review the progress and cooperation in the above areas.

DATE AND VENUE OF THE NEXT SESSION

It was agreed to hold the Fifth Session of the Joint Commission in Tehran in 1979 on a date to be agreed upon in due course.

DONE in Washington, D.C., on February 28th, 1978, in two original copies in English, both being equally authentic.

Leader of the United States Delegation:

[Signed]

CYRUS VANCE
Secretary of State

Leader of the Iranian Delegation:

[Signed]

MOHAMMED YEGANEH
Minister of Economic Affairs
and Finance

ANNEX 1

US-IRAN JOINT COMMISSION, WASHINGTON, FEBRUARY 28, 1978

*US Delegation**Department of State*

Cyrus R. Vance, Secretary of State

Richard N. Cooper, Under-Secretary of State for Economic Affairs

Patsy T. Mink, Assistant Secretary for Oceans and International Environmental Scientific Affairs

Ambassador William H. Sullivan, American Embassy, Tehran

Sideny Sober, Acting Assistant Secretary for Near Eastern and South Asian Affairs

Charles W. Naas, Director, Office of Iranian Affairs

Other U.S. Government

Sidney Harman, Under-Secretary, Department of Commerce

Harry E. Bergold, Assistant Secretary for International Affairs, Department of Energy

Howard D. Samuel, Deputy Under-Secretary for International Affairs, Department of Labor

Quentin West, Special Assistant for International Scientific and Technological Affairs, Department of Agriculture

ANNEX 2

US-IRAN JOINT COMMISSION, WASHINGTON, FEBRUARY 28, 1978

Iranian Delegation

His Excellency Mohammed Yeganeh, Minister of Economic Affairs and Finance

His Excellency Ardeshir Zahedi, Ambassador, Embassy of Iran

His Excellency Jalil Shoraka, President, Bank Melli

His Excellency Javad Vafa, Vice-Minister for International Affairs, Ministry of Economic Affairs and Finance

His Excellency Dr. Asad Aram, Executive Deputy to the Minister of Health and Welfare

His Excellency Mehdi Ghafarzadeh, Vice-Minister for Industry and Mining Planning, Ministry of Industry and Mines

His Excellency Abbas Sheikh, Vice-Minister for Employment and Productivity, Minister of Labor and Social Affairs

His Excellency Bahman Parsa, Vice-Minister for Scientific Research, Ministry of Science and Higher Education

His Excellency Firouz Mahdavi, Vice-Minister for Crop Production Affairs, Ministry of Agriculture and Rural Affairs

His Excellency Hossein Moadi, Vice-Minister for Commerce, Ministry of Commerce

His Excellency Morteza Houghoughi, Managing Director, Organization for Productive Units, Ministry of Agriculture and Rural Development

- Mr. Firouz Afrouz, Managing Director of the Housing Organization, Ministry of Housing
- Mr. Mohammed Hossein Omid Salar, Director-General for Energy Planning, Ministry of Energy
- Mr. Massoud Mousavi, Director-General for Economic Cooperation, Ministry of Economic Affairs and Finance
- Mr. Mohammed Hossein Kamali, Director-General, General Bureau of the Ministry of Economic Affairs and Finance
- Mr. Kohzad Azarhoush, Director-General for Organization, Method and Manpower Planning, Ministry of Roads and Transportation
- Mr. Jamaluddin Yazdanparast, Expert-in-Charge, International Affairs Department, Ministry of Economic Affairs and Finance
- Mrs. Yasseari, Staff Assistant to Minister Yeganeh
- Mr. Youssef Akbar, Counselor of Embassy, Embassy of Iran
-